

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

The School Board of Broward County, Florida
Fort Lauderdale, Florida

www.browardschools.com

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF

The School Board of Broward County, Florida

For the Fiscal Year Ended June 30, 2010

Issued by:

**James F. Notter, Superintendent of Schools
I. Benjamin Leong, CPA, Chief Financial Officer**

Prepared by:

**Oleg Gorokhovsky, CPA, Director of
Accounting and Financial Reporting**

**600 Southeast Third Avenue
Fort Lauderdale, Florida 33301**

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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Broward County Public Schools

Introductory Section

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

600 SOUTHEAST THIRD AVENUE • FORT LAUDERDALE, FLORIDA 33301-3125 • TEL 754-321-2600 • FAX 754-321-2701

JAMES F. NOTTER
Superintendent of Schools

SCHOOL BOARD

Chair BENJAMIN J. WILLIAMS
Vice Chair ANN MURRAY
ROBIN BARTLEMAN
MAUREEN S. DINNEN
PATRICIA GOOD
JENNIFER LEONARD GOTTLIEB
LAURIE RICH LEVINSON
NORA RUPERT
DAVID THOMAS, NBCT

December 13, 2010



James F. Notter
Superintendent of Schools

To the School Board Members:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of The School Board of Broward County, Florida, (the "District" or "Broward County Public Schools") for the fiscal year ended June 30, 2010. These financial statements are presented to conform to the Generally Accepted Accounting Principles (GAAP) in the United States as applied to governmental units. The Florida Statutes require that the District publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The U.S. Securities and Exchange Commission (SEC) also requires a legal undertaking on the part of governmental debt issuers to provide annual audited financial information. The CAFR is published to fulfill these requirements. In addition to meeting legal requirements, this report is intended to provide informative and relevant financial information for the residents of Broward County, School Board Members (the "Board"), investors, creditors, and other concerned readers. We

believe that the information, as presented, is accurate in all material aspects; that it is designed to present fairly the financial position and changes in the financial position of the District; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial condition have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR rests with the District's management.

The District's management is responsible for the establishment and maintenance of a comprehensive internal control framework to ensure compliance with applicable laws and District policies. The District's internal control framework also ensures that financial transactions are properly recorded and documented to provide reliable information for the preparation of the District's financial statements in accordance with GAAP. Since the cost of internal controls should not outweigh their benefits, the District's internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

State statutes allow an outside independent audit of school districts by a firm of certified public accountants in lieu of an audit by the State of Florida Auditor General, under certain conditions. The accounting firm of Moore Stephens Lovelace, P.A. was selected by the Board to perform the audit function. In keeping with the minority business enterprise program established by the Board, Moore Stephens Lovelace, P.A. was assisted by Watson Rice, LLP and GLSC & Company, PLLC, Certified Public Accountants. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the year ended June 30, 2010. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT



The District is the sixth largest school district in the United States – and second largest in Florida, encompassing all of Broward County, Florida ("Broward County"). It is the nation's largest, fully-accredited school district, meeting the rigorous accreditation standards established by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI). This distinction is the highest level of accreditation that a school system can receive from the SACS CASI organization. The General Fund, the primary operating fund of the District, had

an annual operating budget of approximately \$1.9 billion for the fiscal year ended June 30, 2010. This budget served approximately 255,000 pre-kindergarten through 12th grade students at 288 schools.

The District has taxing authority and provides elementary, secondary and vocational education services to the residents of Broward County. Besides the various educational programs offered to K-12 students, pre-kindergarten services include: programs for babies whose teen parents are progressing toward achieving high school diplomas; programs for special education infants and toddlers below the age of three; pre-kindergarten programs for three and four-year-old disabled students; and programs for eligible low-income, at-risk students.

In addition to services provided for children, the District offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through our "English for Speakers of Other Languages" ("ESOL") programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography, and personal financial planning.

The District was created by the state constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected members. The appointed Superintendent of Schools serves as executive officer of the District. As of November 1, 2010, the Board members were: Jennifer Leonard Gottlieb, Chair; Benjamin J. Williams, Vice Chair; Robin Bartleman, Maureen S. Dinnen, Phyllis C. Hope, Ann Murray, Dr. Robert D. Parks and Kevin P. Tynan, Esq. The CAFR includes all funds of the District, the Broward School Board Leasing Corporation, as well as the Broward Education Foundation and District-sponsored charter schools, which are reported discretely as component units, thus all combined comprise the reporting entity.

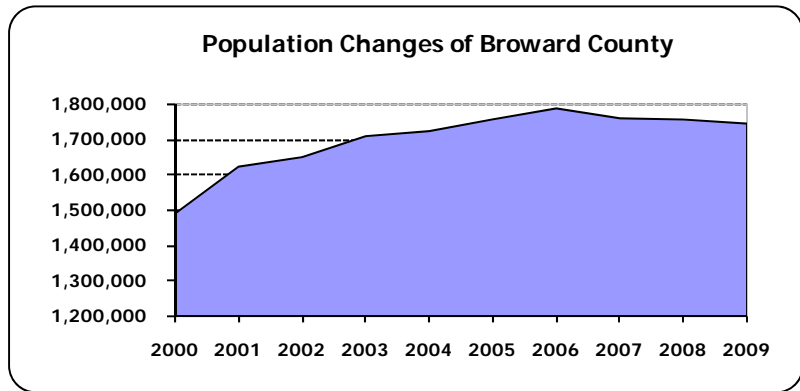
In accordance with the Florida Statutes, the District has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the function/object level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of budget balances are not released until additional appropriations are made available through transfer from other accounts by the Board. Open

encumbrances are reported as reservations of fund balances in the Governmental Funds Financial Statements at fiscal year end.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Located on the southeastern coast of Florida, Broward County has an area of approximately 1,200 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. Broward County ranks second in population in the state, with a 2009 population of 1.77 million. Currently, there are thirteen post-secondary institutions serving the county.



In 2009, Broward County's per capita personal income of \$41,974 was approximately 7% higher than that of the state's \$39,064. Among the largest private sector employers in Broward County are: Memorial Healthcare System, American Express and Nova Southeastern University.

Since the enactment of the American Recovery and Reinvestment Act (ARRA) in February 2009, over \$310 million has been awarded to the District in the areas of State Fiscal Stabilization, Workforce Development, Title I, Title II, IDEA, Title X, Equipment Assistance, Head Start and Boy's and Girl's Club. During fiscal year 2010, the District saved and created 2,624 jobs as a result of the ARRA funds awarded.

Long-Term Financial Planning



While maintaining 288 schools and centers as suitable educational facilities, the District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. Now as the District's student enrollment is stabilizing, it has become necessary to focus capital outlay resources on preventative maintenance, remodeling and renovation of existing facilities, meeting health, safety and accessibility requirements and replacing older facilities that have become educationally obsolete.

Florida Statute 1013.35 requires the District to prepare and adopt a District Educational Facilities Plan before adopting the annual capital outlay budget. The purpose of the District Educational Facilities Plan is to keep the School Board and the public fully informed as to whether the District is using sound policies and practices that meet the essential needs of students and that warrant public confidence in District operations.

Between 2008 and 2009 the Florida Legislature lowered the local 2.0 capital outlay millage (property tax) by a total of 0.5 mills and shifted that funding to school operations. This millage swap has had a significant impact on our capital outlay program. Affected capital projects include construction, technology, equipment, vehicles, renovation and remodeling. Although the legislature gave school districts the flexibility not to transfer the capital millage to operations, exercising that flexibility not to transfer would create a huge budget shortfall in day to day operations of the school system.

At the same time that the legislature was reducing the taxing rate for the capital budget, the local property values experienced a major decline. Since approximately 85% of the revenue used to fund the capital plan comes from the capital millage assessment on local property, this decline coupled with the millage reduction by the legislature, has had a severe negative impact on the capital outlay plan. By the time the five year capital plan was adopted last year \$1.8 billion in construction projects and capital programs had been eliminated.

The current five year capital plan maintains the District's focus on the established benchmarks (safety, ADA, indoor air quality, preservation of district assets, and replacement of obsolete vehicles, equipment, and technology), and the mission of meeting the educational needs of all students in a safe learning environment. This five year capital plan provides the School Board and the public a detailed and financially feasible capital outlay plan that appropriates \$1.3 billion in estimated capital revenues over the next five-year period ending June 30, 2015.



The capital improvement program identifies the following elements in capital planning:

- Through a comprehensive review, several projects from the previous plan have been reduced or delayed in favor of other needs that have been determined to be more crucial to the District's priorities. Projects that could not be funded due to the drastic reduction in revenue have been accumulated so that as the funding situation improves the projects can be restored.
- The District's capital outlay funding priorities are:
 - Life-Safety – includes indoor air quality and Americans with Disabilities Act compliance
 - Remodeling, renovation and maintenance of existing facilities
 - Building asset preservation
 - Enhancing teaching and learning processes
 - Environmental renovations and upgrades
 - Replacement of educationally obsolete facilities
 - District equipment including technology equipment and vehicles
- The District Educational Facilities Plan is a key component of concurrency and provides a financially feasible plan to meet the level of service as required by statutes.

The program's development is based on an analysis of the District's demographics, community participation, area executive staff feedback, School Board Members' input and departmental recommendations.

Relevant Financial Policies

Presented below is an explanation of financial information, management of financial resources and obligations, and control techniques applicable to financial resources and obligations.

Financial Information. The MD&A (starting on page 7) summarizes the Statement of Net Assets and the Statement of Activities and reviews the activity for the year. The actual statements (in detail) are presented on pages 19 through 21. These government-wide statements are intended to present the District in a more corporate style and provide a view of the “big picture.”

Additionally, the Fund Financial Statements (starting on page 24) are designed to address by category the major governmental funds, as well as proprietary and fiduciary funds. An explanation of these complementary presentations can be found in the MD&A (starting on page 7) and in the notes (see Note 1 on page 37).

Accounting Systems. In developing and evaluating the District's accounting control framework, consideration is given to the adequacy of internal accounting controls. Accounting controls are comprised of the plan of organization, procedures and records that are concerned with the safeguarding of assets, and the reliability of financial records. Consequently, accounting controls are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States of America or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets
- Access to assets is permitted only in accordance with management's authorization
- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences



All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Fund Balance Policy. Board Policy 3111 – Fund Balance provides for a minimum general fund balance of 3% of the total annual operating expenditures. It mandates monthly reporting to the Board an estimate of the fund balance amount by dollar amount and percentage. It also provides for alerts to the Superintendent and the School Board if the fund balance falls below 3.5%.

Budget Policy. The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.

Cash Management Policies and Practices. The District's investment policy authorizes investments with the State Board Administration (SBA), interest-bearing time deposits, savings accounts and U. S. Treasury and Agency securities. All public deposits are held in qualified public depositories. Cash management and investment activities are discussed in greater detail in the notes to the financial statements.

Awards and Acknowledgements



The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2009. This was the twenty-seventh consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles in the United States and applicable

regulatory requirements. A Certificate of Excellence is valid for one year only. For the fiscal year ended June 30, 2009, and the fourteenth consecutive year, ASBO also awarded the District the Meritorious Budget Award for excellence in the preparation and issuance of its annual budget.

Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the District the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award, both for the fourteenth consecutive year. The Certificate of Achievement for Excellence in Financial Reporting award certifies that the CAFR substantially conformed to the accounting and reporting standards adopted by GFOA for the fiscal year ended June 30, 2009.

Broward County Public Schools was the sole winner of the 2008 Council of Great City Schools Award for Excellence in Financial Management. As of today, Broward County remains the only school district to receive this prestigious award. This award focuses on policies, procedures and outcomes across a broad range of financial areas. A rigorous Best of Financial Management Policies Peer Review process assesses our District financial management practices; and Key Performance Indicators are used as an evaluative research and objective analytical baseline to demonstrate the efficient and effective use of financial resources. The award highlighted the District's implementation of an Enterprise Resource Planning (ERP) system as a means to minimize manual processes and streamline the District business operations.

This award represents a significant achievement by the School District, Board of Education, Superintendent and administrative staff that support the highest standards in financial accountability and controls that are needed to safeguard and protect the financial integrity of the District. Their efforts reflect an extraordinary dedication to excellence in financial management and demonstrate outstanding stewardship of taxpayer dollars with the ultimate beneficiaries being the children of Broward County Public Schools.

To receive this award, the District achieved 95 percent or 2,309 of a possible 2,430 points by complying with all 95 mandatory practices and a minimum of 41 of 53 recommended practices in the following nine categories: 1) Treasury, 2) General Financial Management, 3) Internal Controls, 4) Capital Asset Management, 5) Budget, Strategic Planning & Management, 6) Debt Management, 7) Internal and External Financial Auditing, 8) Risk Management and 9) Purchasing.

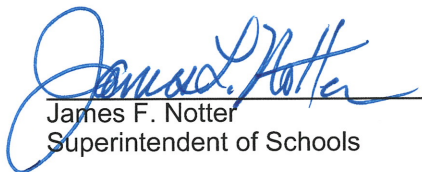
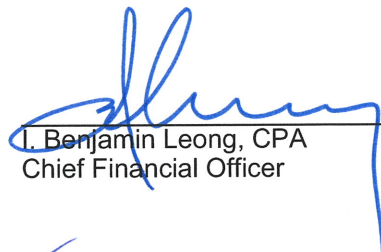
The School Board of Broward County, Florida
December 13, 2010

We believe our current report continues to conform to the standards established for both the Certificate of Excellence Program and the Certificate of Achievement Program. Accordingly, we are submitting the CAFR for fiscal year ended June 30, 2010, to both ASBO and GFOA to be considered for these prestigious awards once again.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of the Chief Financial Officer, the Audit Committee, the Office of the Chief Auditor, as well as other departments that provided assistance throughout the preparation of this report. In addition, we appreciate the thoroughness with which our auditors, Moore Stephens Lovelace, P. A., performed their audit function.

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

Respectfully submitted,


James F. Notter
Superintendent of Schools
Benjamin Leong, CPA
Chief Financial Officer
Oleg Gorokhov, CPA
Director of Accounting & Financial Reporting

Principal Officials – Elected

School Board Members As of November 1, 2010

- Jennifer Leonard Gottlieb, Member, **Chair**, At-Large, Countywide
First Elected September 2006
Term Expires November 2014
- Benjamin J. Williams, Member, **Vice Chair**, District #5
First Elected November 2000
Term Expires November 2012
- Robin Bartleman, Member, At-Large, Countywide
First Elected November 2004
Term Expires November 2012
- Maureen S. Dinnen, Member, District #3
First Elected November 2004
Term Expires November 2012
- Phyllis C. Hope, Member, District #6
First Elected November 2006
Term Expires November 2010
- Ann Murray, Member, District #1
First Elected November 2008
Term Expires November 2014
- Dr. Robert D. Parks, Member, District #7
First Elected November 1986
Term Expires November 2010
- Kevin P. Tynan, Esq., Member, District #2
First Appointed October 2009
Term Expires November 2010

**The School Board of Broward County, Florida
Principal Officials – Elected
School Board Members
As of November 1, 2010**



Jennifer Leonard Gottlieb
Chair, At-Large, Countywide



Benjamin J. Williams
Vice Chair, District 5



Robin Bartleman
At-Large, Countywide



Maureen S. Dinnen
District 3



Phyllis C. Hope
District 6



Ann Murray
District 1



Dr. Robert D. Parks
District 7



Kevin P. Tynan, Esq.
District 2

**The School Board of Broward County, Florida
Principal Officials – Newly Elected
School Board Members
As of November 16, 2010**



Patricia Good
District 2
First Elected Nov 2010
Term Expires Nov 2014



Laurie Rich Levinson
District 6
First Elected Nov 2010
Term Expires Nov 2014



Nora Rupert
District 7
First Elected Nov 2010
Term Expires Nov 2014



David Thomas, NBCT
District 4
First Elected Nov 2010
Term Expires Nov 2014

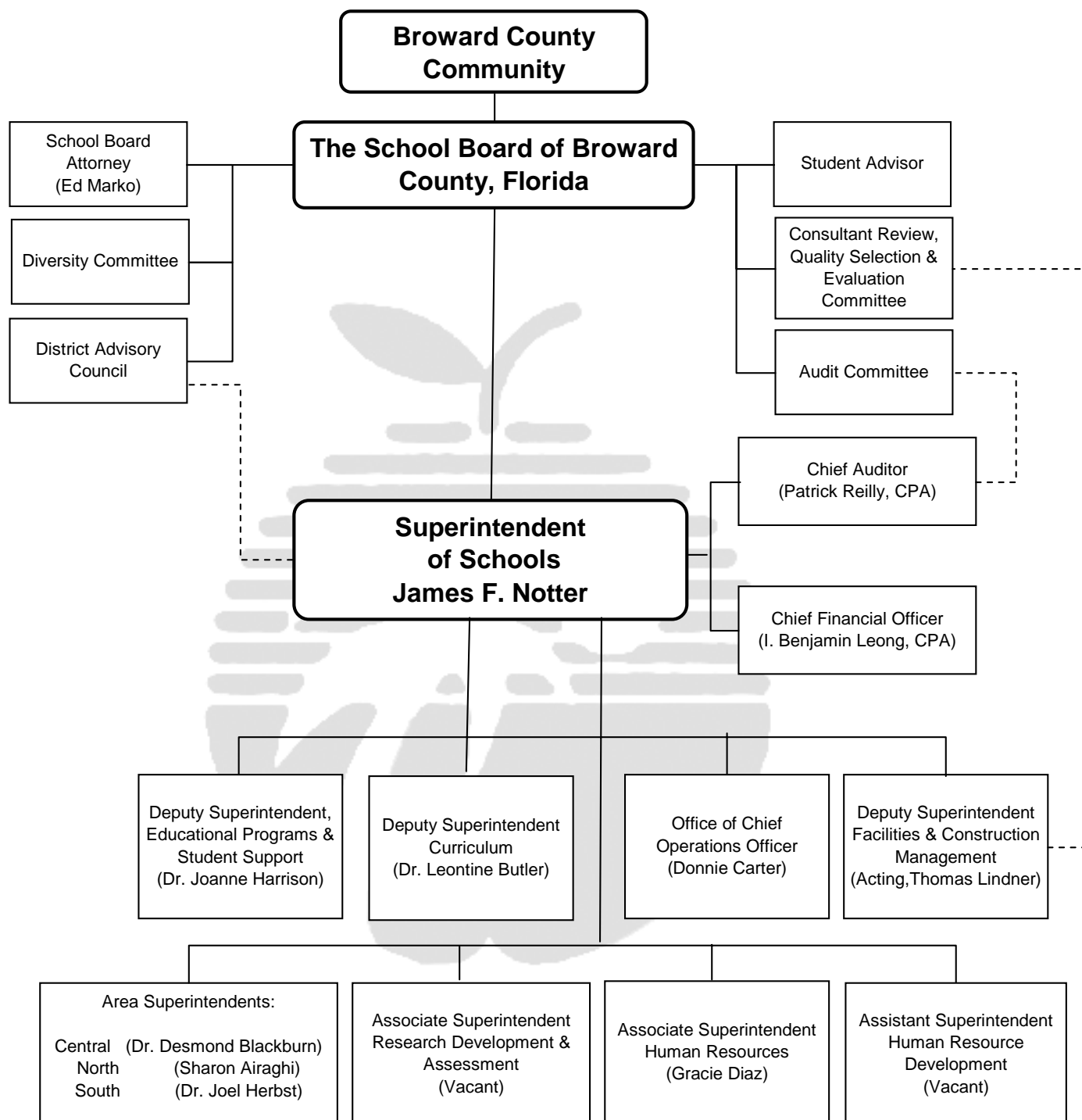
**Other Principal Officials
As of November 1, 2010**

James F. Notter	Superintendent of Schools
Donnie Carter	Chief Operations Officer
Dr. Leontine Butler	Deputy Superintendent, Curriculum
(Acting) Thomas Lindner	Deputy Superintendent, Facilities & Construction Management
Dr. Joanne Harrison	Deputy Superintendent, Educational Programs and Student Support
Dr. Desmond Blackburn	Central Area Superintendent
Sharon Airaghi	North Area Superintendent
Dr. Joel Herbst	South Area Superintendent
Gracie Diaz	Associate Superintendent, Human Resources
Vacant	Associate Superintendent, Research Development & Assessment
Vacant	Assistant Superintendent, Human Resource Development
I. Benjamin Leong, CPA	Chief Financial Officer
Patrick Reilly, CPA	Chief Auditor

The School Board of Broward County, Florida

Organization Chart

As of November 1, 2010





This Certificate of Excellence in Financial Reporting is presented to

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The School Board
of Broward County, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director



Broward County Public Schools

Financial Section

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Chairman and Members of
The District School Board of Broward 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 Broward County, Florida (the "District") as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of 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, 2010, and the respective changes in financial position, and cash flows, where applicable, 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 December 13, 2010, 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.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(Concluded)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 13 and the Comparative Schedule of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds and Schedule of Funding Progress – Other Postemployment Benefits Plan on pages 74 through 77, 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 non-major 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.

Certified Public Accountants

Miami Lakes, Florida
December 13, 2010

Required Supplemental Information (Part A)

Required supplementary information is comprised of unaudited information that accompanies the audited basic financial statements. Part A deals with management's discussion and analysis.

Broward County Public Schools



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Management's Discussion and Analysis ("MD&A")

The purpose of MD&A is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements.

Broward County Public Schools



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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

As management of The School Board of Broward County, Florida (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010. The narrative is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, and identify individual fund issues or concerns. As with other sections of this financial report, the information contained within this narrative should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other required supplemental information.

In June 2007, the Governmental Accounting Standards Board ("GASB") issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", which requires intangible assets such as software development to be recorded as capital assets. The District implemented this Statement effective July 1, 2009 and as a result restated the beginning net assets due to this change in accounting principle. The beginning net assets increased \$38.6 million. In June 2008, the GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The District implemented GASB 53 in fiscal year 2010. The change in fair value of the derivative instruments (interest rate swaps) was reported as a swap liability and a deferred outflow on the Statement of Net Assets.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The District's financial status, as reflected in **total net assets**, decreased by \$122.2 million, or 7.1%, to \$1.60 billion as of June 30, 2010, from \$1.72 billion as of June 30, 2009. The decrease in total net assets reflects primarily decreases in current and other assets of \$372.9 million, offset by an increase in capital assets of \$30.9 million, and a decrease in liabilities of \$181.7 million. The investment made in capital assets and the net debt issued was used for new schools, replacement schools, and renovation projects.
- **General revenues** accounted for \$2.33 billion, or 94.0%, of all revenues, a decrease of \$68.9 million, or 2.9%, from \$2.40 billion for the prior year. The decrease in general revenue was principally the result of decrease in ad valorem taxes of \$122.2 million due to a decrease in the total assessed property value.
- The District had \$2.6 billion in **expenses** related to programs, a decrease of \$94.8 million, or 3.5%, from the prior year. The decrease is primarily due to a continuation of hiring and purchasing freezes, energy efficiency strategies, and contract service reductions.
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) decreased by \$69.3 million, or 3.3%, to \$2.02 billion from \$2.09 billion in the prior year. The decrease was principally due to scheduled debt repayments offset by the issuance of a new capital lease.

Governmental Funds Financial Statements

- The overall **General Fund balance** (the primary operating fund) decreased \$15.5 million, or 18.3%, to \$69.5 million from \$85.0 million in the prior year (see Exhibit 4, page 28). Expenditures and other financing uses exceeded revenues and other financing sources principally due to a mid-year holdback in revenue by the State of approximately \$8.7 million and a shortage in ad valorem tax revenue collection of \$6.2 million for the fiscal year ended June 30, 2010. The General Fund balance is comprised of \$9.7 million in committed funds that are reserved for specific purposes and uncommitted/unreserved funds of \$59.8 million that can be used at the discretion of the District (see Exhibit 3, page 24). On June 30, 2009, the reserved fund balance for the General Fund was \$7.4 million and the unreserved fund balance was \$77.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's Comprehensive Annual Financial Report (CAFR) includes a series of basic financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Assets and the Statement of Activities are government-wide financial statements that provide both short-term and long-term

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

information about the District's overall financial status. The governmental fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the governmental fund financial statements focus on major funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities the District operates like businesses, such as printing services and self-insurance programs. The remaining statements, the Fiduciary Funds Statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that may not be readily available on the face of the basic financial statements. Consequently, these notes form an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements incorporate governmental and business-type activities, as well as its non-fiduciary component units. They contain various adjustment, elimination and reclassification entries, such as the recording of depreciation, the recognition of other revenues, and the recognition of long-term liabilities. The government-wide financial statements are designed to provide the readers with a view of the District as a whole. While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities, and use the economic resources measurement focus and the accrual basis of accounting similar to the accounting used by most private-sector companies, matching the financial impact of long-term financial decisions to the period in which the expense or revenue is more properly attributed. In short, the financial impact of long-term decisions is promptly recorded as the transaction occurs, as opposed to recording it when paid. A good example of this is the recording of compensated absences, such as vacation and sick leave. In the fund financial statements, vacation and sick leave are expensed when used, not when accrued, with the unused hours accumulating over time. Consequently, the reader of the CAFR would never see the potential financial impact the accumulated leave would have on the District's financial health. In the government-wide financial statements, vacation and sick leave are expensed when accrued, allowing the reader to see the full financial impact.

The Statement of Net Assets combines and/or consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Statement of Net Assets also provides information about the nature and amounts of investment of resources and obligations to creditors.

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

The difference between assets and liabilities, as reported in the Statement of Net Assets, is one way to measure the District's financial health or financial position. A reader can think of the District's net asset as the difference between what the District owns (assets) and what the District owes (liabilities). Over time, the increase or decrease in the District's net assets, as reported in the Statement of Activities, is another indicator of whether its financial health is improving or deteriorating. The difference between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. To fully assess the financial health of any government entity, the reader must also consider other non-financial factors such as the quality of education provided, the safety of the schools, fluctuations in the local economy, state-mandated program administrative changes, and the physical condition of the District's capital assets.

FUND FINANCIAL STATEMENTS

Fund financial statements are generally presented on a modified accrual basis, using the current financial resources measurement focus, and report expenditures rather than expenses as used in the government-wide

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the American Recovery and Reinvestment Act (ARRA) Fund, the Certificates of Participation Series (COPS) Debt Service Fund, the ARRA Debt Service Fund, the Local Millage Capital Improvement Fund, the Other Capital Improvement Fund, and ARRA Economic Stimulus Capital Projects Fund. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

Governmental Funds. Most of the District's activities are reported in governmental funds which describe how money flows into and out of those funds and the balances remaining at year-end that are available for spending in future periods. These funds are reported using an accounting method called "modified accrual accounting," which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and services. Governmental fund information helps determine what financial resources will be available in the near future to support educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds. Proprietary funds are used to report the activities in the District's Internal Service Funds. Internal Service Funds are used to record the financing of goods or services provided by one department to another on a cost reimbursement basis, such as general and automobile liability self-insurance, workers compensation self-insurance, and other services.

Proprietary funds are reported in the same way as government-wide financial statements. The Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Proprietary funds are included in the governmental activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary funds is much like that used for Proprietary funds. The District's Fiduciary fund consists of an Agency fund used for its student activity funds.

Notes to the Basic Financial Statements.

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

Table 1

	Summary Statement of Net Assets		
	(in thousands)		
	As of June 30,		Increase
	2010	2009 *	(Decrease)
Current and other assets	\$ 944,245	\$ 1,317,113	\$ (372,868)
Non-current assets	14,730	15,964	(1,234)
Capital assets	3,232,189	3,201,330	30,859
Deferred swap outflow (GASB 53)	39,394	-	39,394
Total assets and deferrals	4,230,558	4,534,407	(303,849)
Current and other liabilities	418,841	572,615	(153,774)
Long-term liabilities	2,214,016	2,241,935	(27,919)
Total liabilities	2,632,857	2,814,550	(181,693)
Net assets:			
Invested in capital assets, net of related debt	1,469,885	1,528,246	(58,361)
Restricted	236,412	282,453	(46,041)
Unrestricted	(108,596)	(90,842)	(17,754)
Total net assets	\$ 1,597,701	\$ 1,719,857	\$ (122,156)

* Restated to reflect change in accounting principle due to GASB 51 implementation

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The analysis below focuses on the Net Assets (Table 1) and Changes in Net Assets (Table 2) of the District's governmental activities.

Government-Wide Financial Analysis. The District's net assets were \$1.6 billion at June 30, 2010, representing a \$122.2 million, or 7.1%, decrease from June 30, 2009. By far, the largest portion of the District's net assets (92.0%) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment)

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not liquid or available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. Of the \$236.4 million in restricted net assets, \$207.6 million are restricted for capital projects. The District will use these resources to complete construction in progress and perform property maintenance. Unrestricted net assets were a deficit of \$108.6 million at June 30, 2010, representing a further decrease of \$17.8 million from June 30, 2009. The negative unrestricted net assets represent an obligation against the District's future tax resources. The decrease was primarily due to a \$15.5 million decrease in the General Fund balance at June 30, 2010, and a \$10.4 million increase in Other Post Employment Benefits (OPEB) liability. The General Fund balance decreased primarily as a result of decreased funding from the State.

As shown in Table 2, governmental activities decreased the District's net assets by \$122.2 million from the prior year. Key highlights are as follows:

Table 2

Summary Statement of Changes in Net Assets			
(in thousands)			
For the Fiscal Years			
Ended June 30,			
	2010	2009 *	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 47,207	\$ 49,808	\$ (2,601)
Operating grants and contributions	67,242	93,765	(26,523)
Capital grants and contributions	32,883	47,632	(14,749)
Total program revenues	147,332	191,205	(43,873)
General revenues:			
Ad valorem taxes	1,136,812	1,258,970	(122,158)
Florida Education Finance			
Program (FEFP)	502,051	486,418	15,633
Other general revenues	689,541	651,954	37,587
Total general revenues	2,328,404	2,397,342	(68,938)
Total revenues	2,475,736	2,588,547	(112,811)
Functions/Program Expenses:			
Instructional services	1,500,822	1,570,848	(70,026)
Instructional support services	254,985	274,977	(19,992)
Operation and maintenance of plant	250,936	256,559	(5,623)
School administration	133,619	136,038	(2,419)
Food services	90,025	93,785	(3,760)
Facilities acquisition and construction	60,652	71,259	(10,607)
General administration	102,111	100,440	1,671
Pupil transportation services	102,714	91,121	11,593
Interest expense	102,028	97,615	4,413
Total expenses	2,597,892	2,692,642	(94,750)
Change in net assets	\$ (122,156)	\$ (104,095)	\$ (18,061)
Ending net assets	\$ 1,597,701	\$ 1,719,857	\$ (122,156)

* Restated to reflect change in accounting principle due to GASB 51 implementation

- Program revenues for operating grants and contributions for this year were \$67.2 million, a decrease of \$26.5 million from the prior year. The decrease is primarily due to the reclassification by the State of transportation categorical being included in the FEFP.

- Program revenues for Capital Grants and Contributions for this year were \$32.9 million, a decrease of \$14.7 million from the prior year. The decrease was primarily a result of a reduction in funding in facilities acquisition and construction from the Public Education Capital Outlay (PECO) of \$14.7 million.

- Ad valorem taxes (property taxes) decreased by \$122.2 million principally due to a decrease in the total assessed value.

- FEFP revenue increased \$15.6 million due the State reclassification of other categorical revenue being included in the FEFP.

- Other general revenues increased \$37.6 million primarily due to increase in funding received for ARRA Economic Stimulus offset by the State's reclassification of categorical funding to be included in the FEFP.

- Total expenses decreased \$94.8 million, or 3.5%. The decrease is primarily due to a continuation of hiring and purchasing freezes, energy efficiency strategies, and contract service reductions.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Financial Analysis of the Government's Funds. As was noted earlier, the District uses funds to help control and manage money for particular purposes. Looking at the funds aids in determining if the District is being accountable for the resources taxpayers and others provide, and may also give more insight into the District's overall financial health. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds. As of June 30, 2010, the District's governmental funds reported a combined fund balance of \$583.4 million, a decrease of \$226.6 million, or 28.0% from the prior year.

The General Fund balance decreased \$15.5 million to \$69.5 million in the current fiscal year. The decrease is primarily due to a mid-year holdback in revenue by the State of approximately \$8.7 million and a shortage in ad valorem tax revenue collection of \$6.2 million for the fiscal year ended June 30, 2010.

The Local Millage Capital Improvement Fund balance decreased \$46.0 million to \$113.3 million in the current fiscal year. The decrease is primarily due to a decline in revenue due to a decline in the total assessed property values and a decrease of 0.25 mills for capital projects ad valorem taxes.

The Other Capital Improvement Fund balance decreased \$124.8 million to \$258.4 and the ARRA Economic Stimulus Capital Project Fund balance decreased \$35.5 million to \$75.5 in the current fiscal year. The decrease for these funds is primarily due to the District's continuation of spending on projects funded by previous year's issuance of COPS without a new issuance of these funding sources in the current fiscal year as anticipated in the District's Capital Plan.

Proprietary Funds. As of June 30, 2010, the District's Proprietary funds, non-governmental internal service funds reported net assets of \$9.3 million, an increase of \$4.9 million from the prior year. This is primarily due to an increase in the Self Insurance fund balance for workers' compensation due to changes in actuarial assumptions.

General Fund Budgetary Highlights. Over the course of the year, the District revises its budget to deal with unexpected changes in revenues and expenditures. A table showing the District's original and final budget amounts compared with actual amounts is provided in Table 3.

Final budgeted revenues and other financing sources compared to the original budget, in aggregate, decreased by \$8.6 million. This decrease was primarily due to a hold back by the State of approximately \$8.7 million. Actual revenues and other financing sources were approximately \$5.9 million less than the final budgeted revenue. This was primarily due to a collection shortage in the Ad Valorem taxes of approximately \$6.2 million.

The final budgeted expenditures and other financing uses decreased \$13.9 million from the original budget primarily as a result of

Table 3

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance of General Fund Budget and Actual (Budgetary Basis) (in thousands)				
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 903,144	\$ 906,798	\$ 900,582	\$ (6,216)
Other	46,199	54,683	54,831	148
Total local sources	949,343	961,481	955,413	(6,068)
State sources:				
Florida Education Finance Program	444,220	502,371	502,051	(320)
Other	370,151	303,254	303,254	-
Total state sources	814,371	805,625	805,305	(320)
Federal sources	10,233	9,472	9,990	518
Total revenues	1,773,947	1,776,578	1,770,708	(5,870)
Other financing sources	74,916	80,845	80,845	-
Total amounts available for appropriations	1,848,863	1,857,423	1,851,553	(5,870)
Expenditures:				
Instructional services	1,179,955	1,189,218	1,158,609	30,609
Instructional support services	181,877	187,995	175,825	12,170
Pupil transportation services	70,026	73,033	72,127	906
Operation and maintenance of plant	238,311	247,235	239,544	7,691
School administration	124,282	126,222	125,752	470
General administration	113,856	97,881	93,241	4,640
Capital outlay	548	711	-	711
Interest	685	685	656	29
Total expenditures	1,909,540	1,922,980	1,865,754	57,226
Other financing uses	3,371	3,816	3,816	-
Total charges against appropriations	1,912,911	1,926,796	1,869,570	57,226
Net change in fund balances	\$ (64,048)	\$ (69,373)	\$ (18,017)	\$ 51,356

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

budget cuts, hiring freezes and other cost saving measures that were implemented during the year.

Actual expenditures and other financing uses were \$57.2 million less than the final budget. This was also due to a purchasing freeze and other cost saving measures that were implemented during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As shown in Table 4, at June 30, 2010, the District had \$3.2 billion invested in a broad range of capital assets. This amount represents a net increase (including additions, deletions and depreciation) of \$30.9 million from last year. This year's capital additions include two new elementary schools, two partial replacement

schools and several classroom addition projects that were completed in fiscal year 2010. In addition, there were numerous replacement kitchen/cafeterias projects, several major school renovations and a stadium renovation completed in fiscal year 2010.

For the 2011 fiscal year, the District expects to scale back construction due to a significant reduction in revenues. The District will continue to complete construction in progress but has cancelled plans to add capacity and do major replacements or remodel/renovation projects. See Note 6 to the Basic Financial Statements for more information.

Table 4

Capital Assets at Year-End
(in thousands)

	2010	2009 *	Increase (Decrease)
Land	\$ 228,014	\$ 227,979	\$ 35
Land improvements	392,763	332,600	60,163
Construction in progress	128,978	229,858	(100,880)
Broadcast license intangible	3,600	3,600	-
Buildings and fixed equipment	3,394,303	3,189,396	204,907
Furniture, fixtures and equipment	405,350	365,101	40,249
Assets under capital leases	50,723	138,454	(87,731)
Audio visual	935	840	95
Computer software	61,356	66,397	(5,041)
Motor vehicles	94,533	76,757	17,776
Less: accumulated depreciation	(1,528,366)	(1,429,652)	(98,714)
Total capital assets, net	<u>\$ 3,232,189</u>	<u>\$ 3,201,330</u>	<u>\$ 30,859</u>

* Restated to reflect change in accounting principle due to GASB 51 implementation

Debt Administration. As shown in Table 5, below, at the end of this year the District had \$2.02 billion in debt outstanding compared to \$2.09 billion last year, a decrease of \$69.3 million, or 3.3%, from the prior year. The decrease was a result of net reductions of \$59.1 million in COPs, \$4.4 million in capital leases and \$5.9 million in Capital Outlay Bond Issues (COBI). See Notes 9 through 12 of the Notes to the Basic Financial Statements for more information.

As of June 30, 2010, the District's COPs were rated Aa2 and Aa3 by Moody's Investors Service and A plus and A plus by Standard and Poor's Corporation and AA minus and A plus by Fitch Investor Service, respectively, among the highest ratings held by a Florida School District.

Other obligations include accrued vacation pay and sick leave. See Note 14 of the Notes to the Basic Financial Statements for more information.

Table 5

Debt Outstanding at Year-End
(in thousands)

	2010	2009	Increase (Decrease)
Capital outlay bond issues	\$ 65,190	\$ 71,050	\$ (5,860)
Certificates of participation	1,921,583	1,980,665	(59,082)
Capital leases	34,816	39,204	(4,388)
Total	<u>\$ 2,021,589</u>	<u>\$ 2,090,919</u>	<u>\$ (69,330)</u>

ECONOMIC FACTORS

The State of Florida, by constitution, does not have a state personal income tax and therefore the state operates primarily using sales, gasoline and corporate income taxes. State funds to school districts are provided primarily by legislative appropriations from the state's general revenue funds under the FEFP. The level of tourism in the

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

state heavily influences the amount collected. Any change in the anticipated amount of revenues collected by the state would directly impact the revenue allocation to the District.

REQUESTS FOR INFORMATION

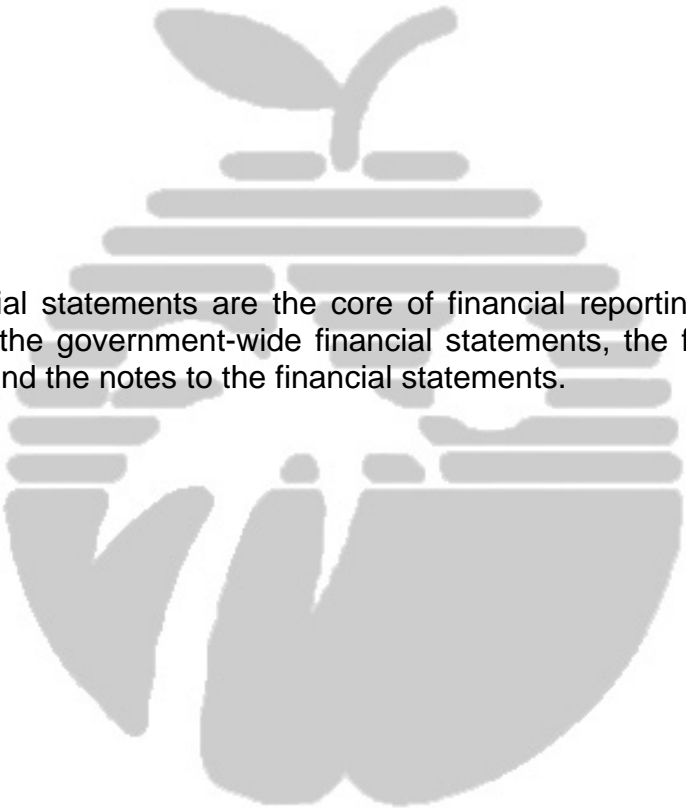
The District's financial statements are designed to present users (participants, investors, creditors, and regulatory agencies) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report should be addressed to the Director of the Accounting and Financial Reporting Department, The School Board of Broward County, Florida, 1643 North Harrison Parkway, Building H, Sunrise, Florida, 33323.

Broward County Public Schools



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Basic Financial Statements



Basic financial statements are the core of financial reporting. They are made up of the government-wide financial statements, the fund financial statements and the notes to the financial statements.

Broward County Public Schools



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Government-Wide Financial Statements ("GWFS")

Government-wide financial statements are aimed at presenting a broad overview of a government's finances using the economic resources measurement focus and the accrual basis of accounting.

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010
(in thousands)

	TOTAL GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS:		
Current assets:		
Cash, cash equivalents and investments	\$ 787,767	\$ 14,856
Due from other governmental agencies	123,956	93
Due from other schools	-	1,585
Accrued interest receivable	631	-
Inventories	12,745	442
Prepays	12,219	6,481
Other assets	6,927	2,845
Total current assets	944,245	26,302
Non-current assets:		
Deferred charges	14,730	-
Capital assets:		
Non-depreciable	478,504	-
Depreciable, net	2,753,685	13,257
Total non-current assets	3,246,919	13,257
Total assets	4,191,164	39,559
Deferred swap outflow (GASB 53)	39,394	-
Total assets and deferrals	4,230,558	39,559
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	130,897	4,787
Accrued payroll taxes and withholding	24,635	4,413
Matured debt and interest payable	103,259	-
Due to other governmental agencies	9,762	-
Due to other schools	-	1,197
Retainage payable	17,335	-
Unearned revenue	2,783	233
Tax arbitrage rebate payable	3,828	-
Management fees payable	-	335
Obligations under capital leases	12,401	-
Liability for compensated absences	18,307	-
Debt, net of premiums and discounts	72,906	1,031
Estimated liability for self-insurance risks	22,728	-
Other liabilities	-	677
Total current liabilities	418,841	12,673
Non-current liabilities:		
Obligations under capital leases	22,415	-
Liability for compensated absences	148,060	-
Debt, net of premiums and discounts	1,953,383	4,136
Estimated liability for self-insurance risks	22,790	-
Other post-employment benefits obligations	27,974	-
Derivatives swap liability (GASB 53)	39,394	-
Total non-current liabilities	2,214,016	4,136
Total liabilities	2,632,857	16,809
NET ASSETS:		
Invested in capital assets, net of related debt	1,469,885	10,799
Restricted for:		
State required carryover programs	5,104	-
Debt service	12,318	-
Capital projects	207,636	-
Special revenue	11,354	-
Scholarships	-	5,498
Unrestricted (deficit)	(108,596)	6,453
Total net assets	\$ 1,597,701	\$ 22,750

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(in thousands)

		PROGRAM REVENUES	
		CHARGES FOR	OPERATING
	EXPENSES	SERVICES	GRANTS AND
PROGRAM EXPENSES AND REVENUES:			CONTRIBUTIONS
PRIMARY GOVERNMENT:			
Instructional services	\$ 1,500,822	\$ 21,038	\$ -
Instructional support services	254,985	-	-
Pupil transportation services	102,714	1,375	-
Operation and maintenance of plant	250,936	-	-
School administration	133,619	-	-
General administration	102,111	-	-
Food services	90,025	24,794	67,242
Facilities acquisition & construction-non capitalized	60,652	-	-
Interest expense	102,028	-	-
Total governmental activities	<u>\$ 2,597,892</u>	<u>\$ 47,207</u>	<u>\$ 67,242</u>
COMPONENT UNITS:			
Component units	<u>\$ 108,755</u>	<u>\$ 6,366</u>	<u>\$ 7,355</u>
Total component units	<u>\$ 108,755</u>	<u>\$ 6,366</u>	<u>\$ 7,355</u>
GENERAL REVENUES:			
Ad valorem taxes levied for:			
General purposes			
Debt service			
Capital outlays			
Grants and contributions not restricted to specific programs:			
Florida education finance program			
Other			
Other unrestricted federal sources			
Other unrestricted state sources			
Other unrestricted local sources			
Unrestricted investment earnings			
Total general revenues			
Change in net assets			
Total net assets, beginning of year			
Adjustment to beginning net assets *			
Total net assets, beginning of year, restated			
Total net assets, end of year			

* Change in accounting principle due to GASB 51 implementation effective July 1, 2009.

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

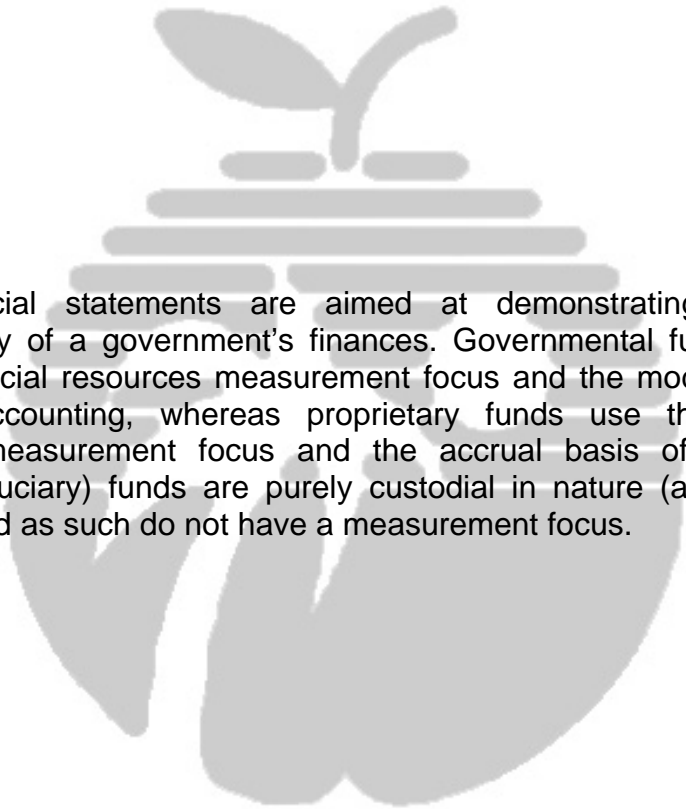
PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	TOTAL PRIMARY	COMPONENT
CAPITAL	GOVERNMENT	UNITS
GRANTS AND CONTRIBUTIONS		
\$ -	\$ (1,479,784)	\$ -
-	(254,985)	-
-	(101,339)	-
-	(250,936)	-
-	(133,619)	-
-	(102,111)	-
-	2,011	-
22,769	(37,883)	-
10,114	(91,914)	-
<u>\$ 32,883</u>	<u>(2,450,560)</u>	<u>-</u>
\$ 5,258	-	(89,776)
<u>\$ 5,258</u>	<u>-</u>	<u>(89,776)</u>
	906,798	-
	51	-
	229,963	-
	502,051	-
	-	13,632
	348,546	264
	303,494	77,440
	28,913	2,715
	8,588	190
	<u>2,328,404</u>	<u>94,241</u>
	<u>(122,156)</u>	<u>4,465</u>
	1,681,220	18,285
	38,637	-
	<u>1,719,857</u>	<u>18,285</u>
	<u>\$ 1,597,701</u>	<u>\$ 22,750</u>

Broward County Public Schools



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Fund Financial Statements ("FFS")



Fund financial statements are aimed at demonstrating the fiscal accountability of a government's finances. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, whereas proprietary funds use the economic resources measurement focus and the accrual basis of accounting. Agency (Fiduciary) funds are purely custodial in nature (assets equals liabilities) and as such do not have a measurement focus.

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2010
(in thousands)

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
ASSETS:				
Equity in pooled cash and investments	\$ 144,726	\$ -	\$ 14	\$ -
Cash and cash equivalents	-	-	-	-
Cash and investments with trustees	-	-	107,939	2,365
Total cash, cash equivalents and investments	144,726	-	107,953	2,365
Due from other governmental agencies	44,092	7,430	-	-
Due from other funds	26,423	-	-	-
Accrued interest receivable	263	-	1	-
Inventories	11,051	-	-	-
Prepays	54	-	-	-
Other assets	4,741	-	-	-
Total assets	\$ 231,350	\$ 7,430	\$ 107,954	\$ 2,365
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 112,469	\$ 205	\$ 7	\$ -
Accrued payroll taxes and withholdings	24,635	-	-	-
Tax arbitrage payable	-	-	-	-
Due to other governmental agencies	9,762	-	-	-
Due to other funds	-	7,222	-	-
Deferred revenue	7,371	3	-	-
Retainage payable	-	-	-	-
Matured debt and interest payable	-	-	100,738	2,365
Liability for compensated absences	7,663	-	-	-
Total liabilities	161,900	7,430	100,745	2,365
Fund balances:				
Reserved for:				
Encumbrances	2,510	-	-	-
Retirement of long-term debt	-	-	7,209	-
Student enrichment programs	2,103	-	-	-
State required carryover programs	5,104	-	-	-
Unreserved:				
Undesignated:				
Reported in the General Fund	59,733	-	-	-
Reported in the Capital Funds	-	-	-	-
Reported in the Special Revenue Funds	-	-	-	-
Total fund balance	69,450	-	7,209	-
Total liabilities and fund balance	\$ 231,350	\$ 7,430	\$ 107,954	\$ 2,365

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

LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND	OTHER CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 112,993	\$ -	\$ 10,855	\$ 22,452	\$ 291,040
-	-	-	4	4
-	84,298	260,243	-	454,845
112,993	84,298	271,098	22,456	745,889
10,436	-	754	61,244	123,956
-	-	3,692	-	30,115
209	-	48	33	554
-	-	-	1,677	12,728
-	-	-	-	54
74	-	760	199	5,774
<u>\$ 123,712</u>	<u>\$ 84,298</u>	<u>\$ 276,352</u>	<u>\$ 85,609</u>	<u>\$ 919,070</u>
\$ 4,663	\$ 3,435	\$ 5,156	\$ 4,523	\$ 130,458
-	-	-	-	24,635
-	-	1,895	-	1,895
-	-	-	-	9,762
-	3,692	-	19,201	30,115
1,572	-	-	1,625	10,571
4,098	1,656	10,877	704	17,335
-	-	-	-	103,103
-	-	-	110	7,773
10,333	8,783	17,928	26,163	335,647
29,282	36,878	82,172	11,932	162,774
-	-	-	1,881	9,090
-	-	-	-	2,103
-	-	-	-	5,104
-	-	-	-	59,733
84,097	38,637	176,252	35,678	334,664
-	-	-	9,955	9,955
113,379	75,515	258,424	59,446	583,423
<u>\$ 123,712</u>	<u>\$ 84,298</u>	<u>\$ 276,352</u>	<u>\$ 85,609</u>	<u>\$ 919,070</u>

Broward County Public Schools



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**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010
(in thousands)**

Total fund balances - governmental funds \$ 583,423

Amounts reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 228,014	
Land improvements- nondepreciable	117,912	
Land improvements, net of \$67,822 accumulated depreciation	207,029	
Broadcast license intangible	3,600	
Buildings and fixed equipment, net of \$985,341 accumulated depreciation	2,408,962	
Furniture, fixtures and equipment, net of \$349,774 accumulated depreciation	55,125	
Assets under capital lease, net of \$28,301 accumulated depreciation	22,422	
Audio/visual, net of \$567 accumulated depreciation	368	
Computer software, net of \$24,527 accumulated depreciation	36,829	
Motor vehicles, net of \$71,591 accumulated depreciation	22,942	
Construction in progress	128,978	
		3,232,181

The District deems the following revenues as earned at year-end for the Statement of Net Assets:

Ad valorem taxes - General Fund	6,216	
Ad valorem taxes - Capital Projects funds	1,572	
		7,788

Internal service funds are used by the District to charge the costs of services, such as workers' compensation insurance and printing services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.

9,341

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Balances at June 30, 2010 are:

Accrued interest on long-term debt	(156)	
Certificates of participation	(1,921,583)	
Debt premiums and discounts, net	(39,516)	
Debt issuance costs	14,730	
Bonds payable	(65,190)	
Capital leases payable	(34,816)	
Compensated absences	(158,594)	
Other post-employment benefits (OPEB)	(27,974)	
Tax arbitrage payable	(1,933)	
Total long-term liabilities		(2,235,032)

Total net assets of governmental activities

\$ 1,597,701

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(in thousands)

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 900,582	\$ -	\$ -	\$ -
Food sales	-	-	-	-
Interest on investments	4,709	-	469	-
Other	50,122	-	-	-
Total local sources	955,413	-	469	-
State sources:				
Florida education finance program	502,051	-	-	-
Public education capital outlay	-	-	-	-
Discretionary lottery funds	749	-	-	-
Categorical programs and other	302,505	-	-	-
Total state sources	805,305	-	-	-
Federal sources:				
Food service	-	-	-	-
Grants and other	9,990	161,447	-	-
Total federal sources	9,990	161,447	-	-
Total revenues	1,770,708	161,447	469	-
EXPENDITURES:				
Current operating:				
Instructional services	1,157,539	113,248	-	-
Instructional support services	175,474	15,204	-	-
Pupil transportation services	72,009	23,632	-	-
Operation and maintenance of plant	238,894	3,335	-	-
School administration	125,712	3,805	-	-
General administration	92,960	1,925	-	-
Food services	-	298	-	-
Total current operating	1,862,588	161,447	-	-
Debt service:				
Principal retirement	-	-	72,468	-
Interest charges and other	656	-	90,776	4,913
Total debt service	656	-	163,244	4,913
Capital outlay	-	-	-	-
Total expenditures	1,863,244	161,447	163,244	4,913
Excess (deficiency) of revenues over (under) expenditures	(92,536)	-	(162,775)	(4,913)
OTHER FINANCING SOURCES (USES):				
Bonds	-	-	-	-
Capital lease	-	-	-	-
Sale of capital assets	-	-	-	-
Other loss recoveries	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	80,845	-	161,984	4,913
Transfers out	(3,816)	-	-	-
Total other financing sources (uses)	77,029	-	161,984	4,913
Net change in fund balances	(15,507)	-	(791)	-
Fund balances, beginning of year	84,957	-	8,000	-
Fund balances, end of year	\$ 69,450	\$ -	\$ 7,209	\$ -

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

Exhibit 4 (concluded)

LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND	OTHER CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 228,391	\$ -	\$ -	\$ 51	\$ 1,129,024
-	-	-	24,794	24,794
390	26	1,274	124	6,992
2,660	-	2,562	4,095	59,439
231,441	26	3,836	29,064	1,220,249
-	-	-	-	502,051
-	-	-	10,894	10,894
-	-	-	-	749
-	-	10,552	13,052	326,109
-	-	10,552	23,946	839,803
-	-	-	62,534	62,534
-	-	-	180,682	352,119
-	-	-	243,216	414,653
231,441	26	14,388	296,226	2,474,705
-	-	-	125,516	1,396,303
-	-	-	49,163	239,841
-	-	-	1,845	97,486
-	-	-	125	242,354
-	-	-	2	129,519
-	-	-	4,511	99,396
-	-	-	83,327	83,625
-	-	-	264,489	2,288,524
-	-	-	6,835	79,303
-	-	1,853	3,455	101,653
-	-	1,853	10,290	180,956
58,867	35,470	131,094	24,252	249,683
58,867	35,470	132,947	299,031	2,719,163
172,574	(35,444)	(118,559)	(2,805)	(244,458)
-	-	-	4,217	4,217
-	-	8,902	-	8,902
507	-	119	-	626
-	-	7,116	-	7,116
-	-	-	(3,001)	(3,001)
3,500	-	250	72	251,564
(222,603)	(26)	(22,651)	(2,468)	(251,564)
(218,596)	(26)	(6,264)	(1,180)	17,860
(46,022)	(35,470)	(124,823)	(3,985)	(226,598)
159,401	110,985	383,247	63,431	810,021
\$ 113,379	\$ 75,515	\$ 258,424	\$ 59,446	\$ 583,423

Broward County Public Schools



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**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(in thousands)**

Total net change in fund balances - governmental funds \$ (226,598)

Amounts reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capitalizable and non-capitalizable capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays (\$189,031) exceeded depreciation (\$146,694) and deleted assets (\$11,463) in the current period. 30,874

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Activities, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets.

Debt proceeds	\$ (10,240)	
Principal payments	79,303	
Total net bond proceeds		69,063

Internal service funds are used by the District to charge the costs of services, such as workmans' compensation insurance and printing services, to individual funds. The net income (loss) of internal service funds is reported within the governmental activities. 4,869

In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid) and for new retirees, the amount expected to be paid out for terminal sick leave over the next year. This year, the long-term portion of vacation and sick leave earned changed the amounts used by \$1,984.

Net change in compensated absences	(1,984)
Net change in post-employment benefits obligation	(10,351)

The District has recorded the following as revenue in the government-wide statements which do not meet the earned criterion for recognition in the fund financial statements:

Ad valorem taxes - General Fund	6,216	
Ad valorem taxes - Capital Projects funds	1,572	
		7,788

Accrual of the additional tax arbitrage payable do not require the use of current financial resources and therefore are not reported in governmental funds. (1,933)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Accrued interest on long-term debt - prior year	239	
Accrued interest on long-term debt - current year	(156)	
		83

Revenues in the governmental funds statement that related to the prior year and are not reported in the Statement of Activities:

Miscellaneous revenue	(495)
-----------------------	-------

Reversal of prior year's accruals:

Tax arbitrage liability	3,384	
Receivable from Federal Emergency Management Agency	(239)	
		3,145

Debt issuance costs and premiums/discounts are expensed as paid in the governmental funds but must be capitalized and amortized in the government-wide presentation. 3,383

Change in net assets of governmental activities	\$ (122,156)
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The accompanying notes to the basic financial statements are an integral part of this Statement.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2010
(in thousands)

	INTERNAL SERVICE FUNDS
ASSETS:	
Current assets:	
Equity in pooled cash and investments	\$ 41,878
Accrued interest receivable	77
Inventories	17
Other assets	13,318
Total current assets	<u>55,290</u>
Noncurrent assets:	
Furniture and equipment (net of accumulated depreciation)	8
Total assets	<u>55,298</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued expenses	439
Estimated liability for self-insured risks	22,728
Total current liabilities	<u>23,167</u>
Long-term liabilities:	
Estimated liability for self-insured risks	22,790
Total liabilities	<u>45,957</u>
NET ASSETS:	
Invested in capital assets	8
Unrestricted	9,333
Total net assets	<u>\$ 9,341</u>

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

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(in thousands)**

	INTERNAL SERVICE FUNDS
OPERATING REVENUES:	
Premium revenues	\$ 43,621
Charges for services	87,341
Other	6,281
Total operating revenues	<u>137,243</u>
OPERATING EXPENSES:	
Claims	17,114
Insurance	20,793
Personnel services	86,980
Depreciation	5
Other	7,628
Total operating expenses	<u>132,520</u>
Operating income	4,723
NON-OPERATING REVENUE:	
Interest and other	<u>146</u>
Net income	4,869
Total net assets, beginning of year	<u>4,472</u>
Total net assets, end of year	<u><u>\$ 9,341</u></u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(in thousands)

	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from governmental customers	\$ 142,898
Cash payments for goods and services	(139,292)
Cash payments to employees	(1,420)
Net cash provided (used) by operating activities	<u>2,186</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	<u>146</u>
Net increase (decrease) in cash and cash equivalents	<u>2,332</u>
CASH AND CASH EQUIVALENTS:	
Beginning of year	39,546
End of year	<u><u>\$ 41,878</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income	\$ 4,723
Depreciation	5
Disposal of capital assets	10
Change in assets and liabilities:	
Decrease in interest receivable	48
Decrease in other assets	3,413
Increase in accounts payable and accrued expenditures	266
Decrease in estimated liability for self-insured risks	<u>(6,279)</u>
Net cash provided (used) by operating activities	<u><u>\$ 2,186</u></u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2010
(in thousands)

	<u>AGENCY FUND</u>
ASSETS:	
Equity in pooled cash and investments	\$ 6,075
Cash and cash equivalents	8,291
Interest receivable	11
Total assets	<u>\$ 14,377</u>
LIABILITIES:	
Accounts payable	\$ 1,103
Due to individual schools and activities groups	13,274
Total liabilities	<u>\$ 14,377</u>

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

Broward County Public Schools



***Educating Today's Students
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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School Board of Broward County, Florida (the "District") has direct responsibility for operation, control and supervision of schools in Broward County and is considered a primary government for financial reporting purposes. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The general operating authority of the District and the Superintendent is contained in chapters 1000 through 1013, Florida Statutes. Pursuant to Section 1010.01, Florida Statutes, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The District's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The District was created by the State Constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected board members (the "Board"). The appointed Superintendent of Schools is the executive officer of the District. The District has taxing authority and provides elementary, secondary and vocational education services to the residents of Broward County, Florida ("Broward County").

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations that 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, District management has determined that the component units reportable with the accompanying basic financial statements are the Broward School Board Leasing Corporation (the "Corporation"), the Broward Education Foundation (the "Foundation") and fifty-two charter schools operating within the District.

Blended Component Units - The Corporation was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 12 of the Notes to the Financial Statements. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.

Discretely Presented Component Units - The Foundation, a non-profit direct-support organization of the District, is included as a discretely presented component unit in the accompanying basic financial statements. The purpose of the Foundation is exclusively educational and charitable, namely, to receive, hold, invest and administer property and to make expenditures for the benefit of the District. In addition, the Foundation is fiscally dependent on the District to provide financial support for its ongoing operating expenses. An audit of the Foundation financial statements, for the fiscal year ended June 30, 2010, was conducted by an independent certified public accountant and is on file at the District's administrative office.

Additionally, in accordance with Section 1002.33, Florida Statutes, district school boards are authorized to approve charter ("Charter") school applications. Charter schools are public schools operating under a performance contract with the local school district and are fiscally dependent on the District for a majority of their funding. Revenues such as Florida Education Finance Program ("FEFP"), State Categoryals and other State and Federal revenue sources are received by the District on behalf of the Charter schools and then remitted to them. As such, Charter schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter schools are included in the District's total enrollment. To date, the District has approved the

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

establishment of sixty-four Charter schools, of which, fifty-six were operating sites in fiscal year 2010. All of the Charter schools are considered component units of the District or another legal entity. For financial reporting purposes, fifty-two of the Charter schools are included in the basic financial statements of the District as discretely presented component units. Audits of the Charter school's financial statements, for fiscal year ended June 30, 2010 were conducted by independent certified public accountants and are on file at the District's administrative office.

The component unit beginning net assets does not agree to prior year ending net assets on the Statement of Net Assets because availability of financial information for individual charter schools varies from year to year.

The accompanying basic financial statements include the operations of the District, the Corporation, the Foundation and the fifty-two Charter schools. For financial reporting purposes, the operations of Charter Schools with multiple locations operating under a single contract with the District are presented on a consolidated basis. Therefore, the operations of Somerset Academy and Somerset Neighborhood have been consolidated. The District is independent of and is not financially accountable for any other local governmental units or civic entities other than those mentioned above. The Foundation and the Charter Schools are presented in the government-wide presentation.

B. 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. Non-exchange 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 and business type activities. These statements include the financial activities of the government in its entirety, except for those that are fiduciary, and distinguish between the District's governmental and business-type activities. 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 of the District. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function.

Amounts reported as program revenues include 1) charges to students for tuition fees, rentals, materials, supplies, or services provided, 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 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 to minimize the effect of double counting. However, direct expenses are not eliminated from the various functional categories.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) interest on long-term debt is recognized as an expenditure when due; and (b) expenditures related to long-term debt are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) non-exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

Revenues resulting from non-exchange transactions are further classified into (a) derived tax revenues, (b) imposed non-exchange revenues, (c) government-mandated non-exchange transactions, and (d) voluntary non-exchange transactions. Derived tax revenues (ex. sales taxes) are recorded when the transaction occurs. Imposed non-exchange transactions (ex. property taxes) are recorded when the use of the resource is required or first permitted by time requirement (ex. property taxes, the period for which they are levied). Government-mandated and voluntary non-exchange transactions (ex. Federal mandates, grants and donations) are recorded when all eligibility requirements have been met.

When applying the “susceptible to accrual” concept under the modified accrual basis, resources should also be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Agency (Fiduciary) funds, accounted on the accrual basis, are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus.

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 non-operating 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 commercial insurance, graphics and printing, maintenance services and facility construction management provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, supplies, materials, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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 governmental and enterprise funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Currently, the District does not have any funds classified as enterprise funds. The District reports the following major funds:

GENERAL FUND

The General Fund is the primary operating fund of the District. The general fund is used to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the state that are legally restricted to be expended for specific current operating purposes.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

ARRA Economic Stimulus includes State Fiscal Stabilization Funds and Stimulus Grants Funds. These funds are used to “save and create jobs; improve student achievement through school improvement and reform; ensure transparency and accountability and report publicly on the use of funds; and invest one-time ARRA fund thoughtfully to minimize the funding cliff.

DEBT SERVICE FUND – CERTIFICATE OF PARTICIPATION SERIES

This fund is used to account for the accumulation of resources for the payment of debt principal, interest and related costs on the long-term certificates of participation (COP).

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for the payment of debt principal, interest and related costs on the ARRA Economic Stimulus Capital Project Funds.

CAPITAL PROJECTS FUNDS – LOCAL MILLAGE CAPITAL IMPROVEMENT (Local Property Tax)

This fund is used to account for financial resources received from millage to be used for maintenance and other educational capital needs, including new construction, renovation and remodeling projects.

CAPITAL PROJECTS FUNDS – OTHER CAPITAL IMPROVEMENT FUNDS

Other Capital Improvement Funds are the Certificates of Participation Series, Classrooms First, and Impact Fees Funds. These funds are used as revenue for planned improvements of property and equipment that meet the specific restrictions of those funding sources and are authorized by statute.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) ECONOMIC STIMULUS CAPITAL PROJECTS FUNDS

ARRA Economic Stimulus Capital Projects Funds include Qualified School Construction and Build America Bonds. These funds are used for capital expenditures related to construction, renovation and remodeling projects and are authorized by federal law.

The District also reports the following additional fund types:

PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis. These funds are used to account for the general and automobile liability self-insurance, workers compensation, and other services provided to other District funds. Proprietary funds are included in the governmental activities in the government-wide financial statements.

FIDUCIARY FUND – AGENCY FUND

This fund is used to account for resources of the schools' Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, classes and club activities.

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.

C. DEPOSITS AND INVESTMENTS

The District maintains an accounting system in which substantially all general District cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. All such cash and investments are reflected as “Equity in Pooled Cash and Investments” in each fund in the accompanying financial statements. Investment income is allocated based on the proportionate balances of each fund's Equity in Pooled Cash and Investments.

Cash equivalents include amounts in demand and time accounts as well as cash on hand. For purposes of the statement of cash flows, cash and cash equivalents also include highly liquid investments with a maturity of three months or less at the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Investments are stated at fair value. Funds are invested in various instruments allowed by Florida Statutes, including money market funds and bank certificates of deposit.

D. INVENTORIES AND PREPAIDS

Inventories consist of expendable supplies held for consumption in the course of the District's operations. Inventories are stated at cost, as determined on a first-in, first-out basis or a moving weighted average cost basis. U.S.D.A. commodities received from the federal government are recorded at the unit rate established by the federal government. This inventory is accounted for under the consumption method, and as such, is recorded as expenditure when used.

Prepaid expenses are recognized when the goods or services are received but not consumed at year-end. The expenditure is recorded when the asset is used.

E. CAPITAL ASSETS

Capital assets, which the District defines as land, buildings and fixed equipment, improvements other than buildings, furniture and equipment, audio/visual equipment, computer software, and motor vehicles with a cost of \$1,000 or greater and an initial useful life of more than 1 year, are reported in the government-wide financial statements. Such assets are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation. Land and Construction in Progress are not depreciated. Other capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide financial statements.

The estimated useful lives are as follows:

Improvements other than buildings	15 to 35 years
Buildings and fixed equipment	7 to 50 years
Furniture, fixtures and equipment	5 to 20 years
Audio visual	5 years
Computer software	5 years
Motor vehicles	10 to 15 years

Depreciation expense on school buses has been allocated to the pupil transportation function on the government-wide Statement of Activities. All other depreciation expense has been ratably allocated to the various expense functions based on an analysis of the use of each room in the District and its relative square footage.

Capital assets owned by the Proprietary Funds, principally equipment, are stated at cost. Straight-line depreciation has been provided over the estimated useful lives of these assets, which range from three to five years.

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the results of operations in the government-wide statements.

The District is required annually to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in manner or duration of use of a capital asset, and construction stoppage. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

In June 2007, the GASB issued Statement No. 51 ("GASB 51"), "Accounting and Financial Reporting for Intangible Assets." This Statement requires intangible assets such as software development to be

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

recorded as capital assets. The District implemented GASB 51 effective July 1, 2009. As a result, the financial impact to the District was a net increase of \$38.6 million in capital assets (See Note 6 – Capital Assets).

F. REVENUE RECOGNITION

State Revenue Sources - Revenues from state sources for current operations are primarily from the FEFP, administered by the Florida Department of Education (“FDOE”), under the provisions of Section 1011.62, Florida Statutes. The District files reports on full time equivalent (“FTE”) student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. These funds are described as “reserved for state required carryover programs” in the Statement of Net Assets and the Governmental Funds Balance Sheet. Any unused money is returned to the FDOE and so recorded in the year returned.

The state allocates gross receipts taxes, generally known as PECO money, to the District on an annual basis for capital and other projects. The 2003 legislative session provided additional construction funding through Classrooms for Kids with the District’s share being \$63.0 million of which \$22.0 million remains undistributed. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. PECO and Classroom for Kids revenues are recognized at the time the encumbrance authorization is approved by the State (i.e., when eligibility criteria are satisfied).

Property Taxes – In the fund financial statements, property tax revenue is recognized when taxes are received, except at year end when revenue is accrued for taxes collected by the Broward County Revenue Collector as of fiscal year end, but remitted to the District within 60 days subsequent to fiscal year end. Any delinquent taxes expected to be collected in the subsequent fiscal year are accrued for and deferred at year-end. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received. In the government-wide financial statements, property tax revenue is recognized when levied. Accordingly, uncollected, but earned, property tax revenue, net of uncollected amounts, represent a reconciling item between the fund and government-wide presentation.

G. DEFERRED REVENUE

Delinquent property taxes, net of uncollected amounts, are deferred until received in the fund financial statements. In the government-wide financial statements, property tax revenue is recognized in the period earned (when levied).

H. COMPENSATED ABSENCES

Compensated absences are salary related payments to employees for accumulated vacation and sick leave. These amounts also include the related employer’s share of Social Security and Medicare and retirement contributions. They are recorded as expenditures when used or are accrued as a payable to employees who are entitled to cash payment in lieu of taking leave. District employees may accumulate unused sick leave without limitation and unused vacation up to a specified amount depending on their date of hire. Vacation leave is payable to employees upon termination or retirement at the current rate of pay on the date of termination or retirement. Sick leave is payable to employees upon retirement at the rate of pay in effect at the time the leave is earned. The number of days payable is subject to limitations as set forth in District policies.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The current portion represents the estimated terminal sick-leave amount that is due to, and has not been paid out to, employees who have retired on or prior to June 30, 2010.

The non-current portion (the amount estimated to be used in subsequent fiscal years) of \$158.6 million for the governmental funds is maintained separately and represents a reconciling item between the fund financial statements and government-wide financial statements.

I. SELF INSURANCE

The District is self-insured for portions of its general and automobile liability insurance and workers' compensation. The estimated liability for self-insured risks represents an estimate of the amount to be paid on insurance claims reported and on insurance claims incurred but not reported (see Note 19 of the Notes to the Basic Financial Statements).

J. FUND EQUITY

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. MANAGEMENT'S USE OF ESTIMATES

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

L. IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54 ("GASB 54"), "Fund Balance Reporting and Governmental Fund Type Definitions". The GASB 54 provides clearly defined categories of fund balance to make the nature and extent of the constraints placed on a government's fund balance more transparent. This will improve the usefulness and understandability of governmental fund balance information.

This statement is effective for financial statements for periods beginning after June 15, 2010.

2. BUDGETARY POLICIES

The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds as described below:

- (1) 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.
- (2) The major functional level is the legal level of budgetary control. Budgeted amounts may be amended by resolution at any Board meeting prior to the due date for the annual financial report. General Fund budgetary disclosure in the accompanying financial statements reflects the final budget including all amendments approved for the fiscal year through September 8, 2010.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

- (3) Project length budgets, such as in the Capital Projects Funds, are determined and then are fully appropriated in their entirety in the year the project is approved. For the beginning of the following year, any unexpended appropriations for a project from the prior year are re-appropriated. This process is repeated from year to year until the project is completed.
- (4) Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward, if applicable, to the following year for the General Fund and are closed after a six-month period.

3. DEPOSITS AND INVESTMENTS

On January 18, 2000, the Board formally adopted policy number 3110, a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the District's cash and investment assets. The policy's main objectives are geared to maintain the safety of Principal, Liquidity and Return on Investment.

Cash and Cash Equivalents:

As of June 30, 2010, the carrying amount of the District's bank deposit account was \$31.3 million. Banks qualified as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes, hold all deposits.

Cash Equivalents consist of amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405 Florida Statutes. In November 2007, the District liquidated all investments with the SBA and purchased shares of Columbia Government Reserves. Subsequently, the District diversified and added Fidelity and Federated Government Obligations managed by Bank of America Securities, LLC, as well as Public Financial Management Government Funds. All money market funds are comprised of U.S. Treasury and U.S. Government Obligations that are backed by the full faith and credit of the U.S. Government. At June 30, 2010, the aggregate of the money market funds held by the District totaled \$17.9 million.

Cash and investments at June 30, 2010 are shown below (in thousands):

	Governmental Funds	Internal Service Funds	Total Government- Wide	Agency Fund
Fixed investments – Federal Treasuries & Agency Securities & Corporate Notes	\$ 253,857	\$ 36,748	\$ 290,605	\$ 5,331
Investments not subject to categorization:				
Funds held by Trustee for Certificates of Participation for debt service	110,305	-	110,305	-
Funds held by Trustee for Certificates of Participation issued by the Corporation	344,540	-	344,540	-
Funds held in trust by the State	1,734	-	1,734	-
Money Market Account	15,384	2,227	17,611	323
Total investments	725,820	38,975	764,795	5,654
Total deposits	20,069	2,903	22,972	8,712
Total cash, cash equivalents and investments	\$ 745,889	\$ 41,878	\$ 787,767	\$ 14,366

Credit Risk:

The District has adopted an investment policy that authorized the District to participate in the State Board Administration Investment Pool (SBA). The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, Federal Agencies, and

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

money market funds with the highest credit quality rating from nationally recognized statistical rating organizations and registered with the Securities and Exchange Commission; State and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt; and bankers acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.

The Policy also authorizes the District to invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Additionally, the company shall not be listed with any recognized credit watch information service. Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

As of June 30, 2010, the District's investment securities had the following ratings as shown in the chart below (dollars in thousands):

Investments	Fair Market Value	S&P Rating
Short term portfolio:		
Money Market:		
Federated Government Obligation	\$ 1,373	AAAm
Fidelity Government Portfolio	1,428	AAAm
PFM Funds-Government Series	15,133	AAAm
Corporate Notes	23,632	AAA – AA+
Federal Instrumentalities Coupon Securities	88,873	AAA
Federal Instrumentalities Discounted Notes	106,428	AAA
Treasury Bonds and Notes	8,222	Not Rated
Long term portfolio:		
Corporate Notes	19,662	AAA – AA-
Federal Instrumentalities Securities	22,507	AAA
Treasury Bonds and Notes	26,612	Not Rated

The District's bank balance of \$31.3 million is deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

The District's investments are in accordance with all investment policies as of June 30, 2010.

Interest Rate Risk:

The District manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. According to the District's policy, securities may be purchased at a premium or traded for other securities to improve yield, maturity or credit risk.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years.

The District's money market account is tied to Federal Funds minus 5 basis points. The following table shows the District's short term portfolio weighted average maturity at June 30, 2010 (dollars in thousands):

Investments	Fair Market Value	Maturity		Weighted Average Maturity
		Less Than 1 Year	2 Years	
Money Market Accounts:				
Federated Government Obligations	\$ 1,373	\$ 1,373	\$ -	35 Day Average
Fidelity Government Portfolio	1,428	1,428	-	25 Day Average
PFM Funds-Government Series	15,133	15,133	-	53 Day Average
Total	\$ 17,934	\$ 17,934	\$ -	

The Short Term Portfolio uses the Weighted Average Maturity.

The following table shows the District's long term portfolio effective duration at June 30, 2010:

Investments	Effective Duration
Corporate Notes	0.0820
Federal Instrumentalities Coupon Securities	0.0863
Federal Instrumentalities Discounted Notes	0.0518
Treasury Bonds and Notes	1.1430
Average effective duration	0.7650

The Long Term Portfolio uses the Effective Duration.

Concentration of Credit Risk:

The District's Investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the District's Investment Portfolio.

The Florida Government Surplus Fund Trust Fund ("SBA").

A maximum of 100% of available funds may be invested by the District's Treasurer (the "Treasurer") in the SBA. Funds deposited with the SBA are invested in the pooled investment account, an external investment pool administered by the State of Florida and operated in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

U.S. Government Securities:

The Treasurer may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. A maximum of 100% of available funds may be invested in these securities; the maximum length to maturity is 5 years from the date of purchase.

These securities include but are not limited to:

Cash Management Bills, Treasury Securities - State and Local Government Series ("SLGS"), Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Strips.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

U.S. Government Agencies:

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Government Agencies, provided such obligations are backed by the full faith and credit of the United States Government. A maximum of 50% of available funds may be invested in U.S. government agencies. A maximum of 25% of available funds may be invested in individual U.S. government agencies. The maximum length to maturity is 5 years from the date of purchase.

Federal Instrumentalities (U.S. Government sponsored agencies):

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Government sponsored Agencies (Federal Instrumentalities), which are non-full faith. A maximum of 80% of available funds may be invested in Federal Instrumentalities. A maximum of 40% may be invested in any one issuer. The maximum length to maturity for an investment is 5 years from the date of purchase.

Interest Bearing Time Deposit or Savings Account:

Funds can be invested in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in National Banks organized by the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit. A maximum of 15% of available funds may be deposited with any one issuer. The maximum maturity on any certificate is 1 year from the date of purchase.

Corporate Notes:

The Treasurer may invest in Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard's & Poor's. A maximum of 15% of available funds may be invested in corporate notes. Only 5% invested with one issuer. The length of maturity shall be 3 years from the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The following table shows the composition of the District's investments at June 30, 2010, excluding funds held in trust (dollars in thousands).

Investments	Fair Market Value	Percentage of Portfolio
Short term investments:		
Money Market Accounts:		
Federated Government Obligations	\$ 1,373	.44%
Fidelity Government Portfolio	1,428	.45%
PFM Funds-Government Series	15,133	4.82%
Corporate Notes:		
General Electric	13,817	4.40%
PNC Funding Corporation	2,127	.68%
Wells Fargo	7,688	2.45%
Federal Instrumentalities Coupon Securities:		
Federal Farm Credit Bank	77,299	24.63%
Federal Home Loan Mortgage Corporation	9,252	2.95%
Federal National Mortgage Association	2,322	.74%
Federal Agency Discounted Notes:		
Federal Home Loan Bank	10,019	3.19%
Federal Home Loan Mortgage Corporation	25,044	7.98%
Federal National Mortgage Association	71,364	22.74%
Treasury Bonds & Notes	8,222	2.62%
Long term investments:		
Corporate Notes:		
Bank of New York Mellon	331	.11%
Citigroup Global Markets	1,990	.63%
General Electric	3,819	1.22%
JP Morgan Chase	4,873	1.55%
Morgan Stanley	4,245	1.35%
Wal-Mart Stores Global Notes	4,088	1.30%
Wells Fargo	317	.10%
Federal Instrumentalities Coupon Securities:		
Federal Farm Credit Bank	11,902	3.79%
Federal National Mortgage Association	10,605	3.38%
Treasury Bonds and Notes	26,612	8.48%
Total investments	\$ 313,870	100.00%

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Custodial Risk:

Pursuant to Florida Statute 218.415 (10), securities, with the exception of certificates of deposit, are held with a third party custodian; and all securities purchased by, and all collateral obtained by the District is properly designated as an asset of the District. The securities are held in an account separate and apart from the assets of the financial institution.

As of June 30, 2010, the District's investment portfolio was held by Wachovia Safekeeping, a third party custodian, as required by the School Board's investment policy.

4. DUE TO/FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2010, the District's due to/from other governmental agencies balances are as follows (in thousands):

	General Fund	ARRA Economic Stimulus Funds	Local Millage Capital Improvement Funds	Other Capital Improvement Funds	Other Governmental Funds	Total
Due from other governments:						
Federal Government:						
Miscellaneous Federal	\$ 145	\$ 7,430	\$ -	\$ -	\$ 21,724	\$ 29,299
State Government:						
Food Reimbursement	-	-	-	-	2,329	2,329
Classrooms for Kids	-	-	-	-	21,965	21,965
Public Education Capital Outlay	-	-	-	-	14,530	14,530
Miscellaneous State	2	-	-	63	-	65
Local Government:						
Taxes Receivable	43,522	-	10,436	-	4	53,962
Miscellaneous Local	423	-	-	691	692	1,806
Total due from other governmental agencies	\$ <u>44,092</u>	\$ <u>7,430</u>	\$ <u>10,436</u>	\$ <u>754</u>	\$ <u>61,244</u>	\$ <u>123,956</u>
Due to other governments:						
Florida Retirement System Contribution	\$ 9,762	\$ -	\$ -	\$ -	\$ -	\$ 9,762
Total due to other governmental agencies	\$ <u>9,762</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,762</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2010, the various components of deferred revenue reported in the government-wide statements and the governmental funds were as follows (in thousands):

	Unearned Revenue Government-Wide	Deferred Revenue Governmental Funds
Delinquent property taxes receivable - General Fund	\$ -	\$ 6,216
Delinquent property taxes receivable - Capital Projects Fund	-	1,572
Grant draw downs prior to meeting all eligibility requirements	2,783	2,783
	\$ <u>2,783</u>	\$ <u>10,571</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

5. AD VALOREM TAXES

The District is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Broward County Property Appraiser and are collected by the Broward County Revenue Collector who remits them to the District. The Board adopted the 2009 tax levy on September 3, 2009.

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Such levy serves to finance expenditures of the following fiscal year. 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 four percent for early payment.

On April 1 of the year following the year of assessment, taxes become delinquent and Florida Statutes provide 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 certificates to satisfy unpaid taxes. The District recognizes revenue during the fiscal year following the year of assessment. Accordingly, substantially all of the taxes assessed on January 1, 2009 have been recognized during the fiscal year ended June 30, 2010.

The following is a summary of millages and taxes levied on the final 2009 tax rolls for the fiscal year 2010 (dollars in thousands):

	<u>Taxes</u>				
	<u>Millages</u>	<u>Levied</u>	<u>Collected</u>	<u>Uncollected, net</u>	<u>Prior Years Taxes Collected</u>
<u>General Funds</u>					
Non-voted School Tax:					
Required Local Effort	5.183	\$ 824,543	\$ 777,884	\$ 5,432	\$ 9,119
Discretionary Local Effort	0.748	118,996	112,263	784	1,316
	<u>5.931</u>	<u>\$ 943,539</u>	<u>\$ 890,147</u>	<u>\$ 6,216</u>	<u>\$ 10,435</u>
<u>Capital Project Funds</u>					
Non-voted School Tax:					
Capital Improvements	1.500	\$ 238,629	\$ 225,126	\$ 1,572	\$ 3,265
<u>Debt Service Funds</u>					
Voted Tax:					
Debt Service	0.000	\$ -	\$ -	\$ -	\$ 51

The State Constitution limits the non-voted levying of taxes by the District to 10 mills (\$10.00 per thousand of assessed valuation). State law prescribes the upper limit of non-voted taxes to be levied on an annual basis, with the fiscal year 2010, limit being 7.431 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.0 mills; for fiscal year 2010, no taxes for debt service were levied.

The total assessed value for calendar year 2009, on which the fiscal 2010 levy was based, was approximately \$159.1 billion, which is subject to change based upon appeals to the Broward County Value Adjustment Board.

Actual property taxes collected or accrued for fiscal year 2010 totaled 94.3% of the taxes levied. The Broward County Revenue Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected. However, because discounts are allowed for early payment of taxes and because of other reasons for non-collection, the District budget anticipates that 95% of taxes levied will be collected.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

6. CAPITAL ASSETS

A summary of changes in capital assets is as follows (in thousands):

	Balance 06/30/2009**	Additions	Deletions	Transfers	Balance 06/30/2010
Primary Government:					
Capital assets not being depreciated:					
Land	\$ 227,979	\$ 35	\$ -	\$ -	\$ 228,014
Land improvements	101,055	530	-	16,327	117,912
Construction in progress	229,858	159,165	(11,463)	(248,582)	128,978
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	562,492	159,730	(11,463)	(232,255)	478,504
Other capital assets:					
Land improvements	231,545	7,675	-	35,631	274,851
Buildings and fixed equipment	3,189,396	8,283	-	196,624	3,394,303
Furniture, fixtures and equipment	364,637	10,351	(36,637)	66,548	404,899
Assets under capital leases	138,454	1,143	-	(88,874)	50,723
Audio visual	840	141	(46)	-	935
Computer software **	66,397	1,179	(6,220)	-	61,356
Motor vehicles:					
Buses	52,742	-	(2,982)	17,930	67,690
Other	24,015	529	(2,097)	4,396	26,843
Total other capital assets at historical cost	4,068,026	29,301	(47,982)	232,255	4,281,600
Less accumulated depreciation for:					
Land improvements	(56,449)	(11,373)	-	-	(67,822)
Buildings and fixed equipment	(907,681)	(77,660)	-	-	(985,341)
Furniture, fixtures and equipment	(295,470)	(36,982)	36,637	(53,959)	(349,774)
Assets under capital leases	(90,520)	(7,614)	-	69,833	(28,301)
Audio visual	(426)	(187)	46	-	(567)
Computer software **	(24,089)	(6,658)	6,220	-	(24,527)
Motor vehicles:					
Buses	(38,849)	(4,178)	2,982	(12,388)	(52,433)
Other	(15,727)	(2,042)	2,097	(3,486)	(19,158)
Total accumulated depreciation*	(1,429,211)	(146,694)	47,982	-	(1,527,923)
Total other capital assets, net	2,638,815	(117,393)	-	232,255	2,753,677
Total primary government, net	3,201,307	42,337	(11,463)	-	3,232,181
Internal service fund:					
Machinery and equipment	464	-	(13)	-	451
Accumulated depreciation*	(441)	(5)	3	-	(443)
Total Internal service fund, net	23	(5)	(10)	-	8
Total capital assets, net	\$ 3,201,330	\$ 42,332	\$ (11,473)	\$ -	\$ 3,232,189

*Depreciation expense was recorded in the following governmental functions:

Instructional services	\$ 105,875
Instructional support services	15,007
Pupil transportation services	4,762
Operation and maintenance of plant	8,237
School administration	3,549
General administration	2,542
Food services	6,727
Total depreciation expense	\$ 146,699

** Change in accounting principle due to GASB 51 implementation, effective July 1, 2009.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

7. INTERFUND TRANSACTIONS

Interfund Transfers. A summary of interfund transfers for the fiscal year ended June 30, 2010 is as follows (in thousands):

	Transfers In				Total
	General Fund	Major Debt Service Funds	Major Capital Funds	Other Governmental Funds	
Transfers Out:					
General Fund	\$ -	\$ 3,494	\$ 250	\$ 72	\$ 3,816
Local Millage Capital Improvement Funds	70,000	152,603	-	-	222,603
ARRA Economic Stimulus Capital Project Funds	-	26	-	-	26
Other Capital Improvement Funds	10,051	9,100	3,500	-	22,651
Other Governmental Funds	794	1,674	-	-	2,468
Total Primary Government	\$ 80,845	\$ 166,897	\$ 3,750	\$ 72	\$ 251,564

The transfers-in to the General Fund primarily relate to the funding of maintenance and repairs of existing school facilities pursuant to Chapter 1013 of the Florida Statutes. The transfers-in also represent reimbursement of property and casualty insurance premiums pursuant to Chapter 1011.71 of the Florida Statutes. The transfers-in to the Debt Service Funds relate to the funding of principal and interest payments on the District's outstanding debt issues.

Interfund Receivables and Payables. Individual fund receivable and payable balances as reported in the Governmental Funds Balance Sheet at June 30, 2010 are as follows (in thousands):

	Payable Fund			Total
	ARRA Economic Stimulus	ARRA Economic Stimulus Capital Projects	Other Governmental Funds	
Receivable Fund:				
General Fund	\$ 7,222	\$ -	\$ 19,201	\$ 26,423
Other Capital Improvements Funds		3,692	-	3,692
Total	\$ 7,222	\$ 3,692	\$ 19,201	\$ 30,115

Interfund receivables and payables relate to the funding of expenditures paid by the various funds on behalf of other funds.

8. TAX ANTICIPATION NOTES

On November 2, 2009, the District issued Tax Anticipation Notes ("TANS"), Series 2009. The \$100.0 million note proceeds were used to pay fiscal year 2010 operating expenditures prior to the receipt of ad valorem taxes. Interest costs incurred on the life of this issue for the year ended June 30, 2010 were \$0.2 million, with the effective yield of .9132%. There was no arbitrage rebate due on the TANS, Series 2009. The notes came due January 4, 2010.

Short-term debt activity for the year ended June 30, 2010 was as follows (in thousands):

	Beginning Balance July 1, 2009	Issued	Redeemed	Ending Balance June 30, 2010
Tax Anticipation Notes	\$ 125,000	\$ 100,000	\$ 225,000	\$ -

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

9. CAPITAL LEASES

Property acquired under capital leases, which is stated at acquisition cost, is included in the government-wide financial statements. At June 30, 2010, the various components of property acquired under capital leases reported in the government-wide statements were as follows (in thousands):

	<u>Amount</u>
Furniture, fixtures and equipment	\$ 25,999
Buses	24,724
Subtotal	<u>50,723</u>
Equipment – Encumbered	7,759
Total	<u>\$ 58,482</u>

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2010 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2009	Increases	Decreases	June 30, 2010
School buses	4.50%	03/12/2010	\$ 2,522	\$ -	\$ (2,522)	\$ -
School buses	4.35%	06/30/2012	3,445	-	(1,099)	2,346
Computer equipment	4.02%	06/30/2010	777	-	(777)	-
Computer equipment	4.11%	03/17/2011	2,352	-	(1,152)	1,200
School buses	4.56%	01/29/2010	8,576	-	(8,576)	-
Computer equipment	4.61%	05/01/2011	5,442	-	(2,660)	2,782
Computer equipment	3.71%	12/18/2012	3,230	-	(881)	2,349
School buses	4.06%	12/18/2016	8,034	-	(937)	7,097
Computer equipment	3.27%	06/30/2014	1,564	-	(293)	1,271
Computer equipment	3.27%	06/30/2014	3,262	-	(611)	2,651
Buses/Equipment	4.13%	06/30/2014	-	16,801	(1,681)	15,120
Total capital leases			<u>\$ 39,204</u>	<u>\$ 16,801</u>	<u>\$ (21,189)</u>	34,816
Less: portion due within one year						(12,401)
Total capital leases due in more than one year						<u>\$ 22,415</u>

The following is a summary of the future minimum lease payments under capital leases together with the present value of minimum lease payments as of June 30, 2010 (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2011	\$ 12,401
2012	8,253
2013	6,520
2014	6,024
2015	3,111
2016 – 2017	1,879
Total minimum lease payments	38,188
Less:	
Amount representing interest	(3,372)
Present value of minimum lease payments	<u>\$ 34,816</u>

The amount representing interest was calculated using annual rates ranging from 3.27% to 4.61%.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

10. NON-CURRENT DEBT

The following is a summary of changes in non-current debt for the fiscal year ended June 30, 2010 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2009	Increases	Decreases	June 30, 2010	Amounts Due Within One Year
Bonds payable:							
Capital outlay bond issues:							
Series 1999A	4.00-4.75%	01/01/2019	\$ 2,940	\$ -	(2,940)	\$ -	-
Series 2000A	4.00%	01/01/2010	15	-	(15)	-	-
Series 2001A	4.10-5.25%	01/01/2021	1,725	-	(90)	1,635	100
Series 2002A	3.00-5.00%	01/01/2022	7,305	-	(355)	6,950	375
Series 2002B	3.38-5.38%	01/01/2015	14,525	-	(2,440)	12,085	2,610
Series 2003A	3.00-5.00%	01/01/2023	8,020	-	(335)	7,685	340
Series 2005A	3.00-5.00%	01/01/2017	27,750	-	(2,875)	24,875	3,010
Series 2005B	3.50-5.00%	01/01/2020	3,785	-	(355)	3,430	355
Series 2006A	3.50-5.00%	01/01/2026	315	-	(35)	280	30
Series 2008A	3.25-5.00%	01/01/2028	4,670	-	(55)	4,615	65
Series 2009A- New Money	2.00-5.00%	01/01/2029	-	1,160	(10)	1,150	30
Series 2009A- Refunding	2.00-5.00%	01/01/2019	-	2,755	(270)	2,485	245
Total capital outlay bond issues			<u>71,050</u>	<u>3,915</u>	<u>(9,775)</u>	<u>65,190</u>	<u>7,160</u>
Certificates of participation:							
Series 1997A	4.50-5.75%	07/01/2011	14,295	-	(6,975)	7,320	7,320
Series 1997B	4.50-5.25%	07/01/2012	11,725	-	(3,710)	8,015	3,905
Series 2000 QZAB (i)		12/20/2013	1,402	-	(351)	1,051	351
Series 2001A	3.00-5.50%	07/01/2026	185,325	-	(5,705)	179,620	12,225
Series 2001 QZAB (ii)		06/28/2014	1,473	-	(368)	1,105	368
Series 2001B	3.00-5.375%	07/01/2026	110,405	-	(3,320)	107,085	3,090
Series 2003A	2.00-5.25%	07/01/2028	176,500	-	(5,965)	170,535	6,165
Series 2003B	2.00-5.00%	06/15/2010	5,740	-	(5,740)	-	-
Series 2004A	2.00-5.25%	07/01/2017	56,640	-	(6,135)	50,505	6,295
Series 2004B	5.00-5.25%	07/01/2017	71,920	-	-	71,920	-
Series 2004C	2.50-5.25%	07/01/2020	81,825	-	(6,290)	75,535	6,505
Series 2004D	Variable	07/07/2029	113,825	-	-	113,825	-
Series 2004 QZAB (iii)		12/22/2020	637	-	(53)	584	53
Series 2005A	3.00-5.00%	07/01/2030	175,155	-	(6,565)	168,590	6,850
Series 2005B	Variable	07/01/2021	44,460	-	-	44,460	-
Series 2006A	4.00-5.25%	07/01/2028	202,105	-	-	202,105	-
Series 2006B	Variable	07/01/2031	65,000	-	-	65,000	-
Series 2007A	3.50-5.00%	07/01/2032	257,710	-	(7,905)	249,805	8,190
Series 2008A	3.15-5.25%	07/01/2033	270,560	-	-	270,560	-
Series 2009A T-E	5.00-5.25%	07/01/2027	20,140	-	-	20,140	-
Series 2009A BAB	7.40%	07/01/2034	63,910	-	-	63,910	-
Series 2009A QSCB (iv)		06/17/2024	49,913	-	-	49,913	-
Total certificates of participation			<u>1,980,665</u>	<u>-</u>	<u>(59,082)</u>	<u>1,921,583</u>	<u>61,317</u>
Total bonds and certificates of participation payable			\$ <u>2,051,715</u>	\$ <u>3,915</u>	\$ <u>(68,857)</u>	<u>1,986,773</u>	
Add: net premium/discount						39,516	4,429
Less: amounts due within one year						(72,906)	
Add: interest rate swap – fair value (GASB 53)						39,394	
Total debt, net of premiums and discounts						\$ <u>1,992,777</u>	\$ <u>72,906</u>

- (i) Interest on the Series 2000 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$350,712 will be made for twelve consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 20, 2013.
- (ii) Interest on the Series 2001 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$368,121 will be made for twelve consecutive years, beginning on June 30, 2002, which will pay off the principal balance of the QZAB, in full, by its maturity on June 28, 2014.
- (iii) Interest on the Series 2004 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$53,062 will be made for sixteen consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 22, 2020.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

- (iv) Series 2009A-QSCBs (Qualified School Construction Bonds) are issued with principal only repaid by the District (no interest) and the investor receives a tax credit in lieu of interest payment. Annual payments of \$4,540,000 will be made for eleven consecutive years, being deposited in an escrow account held by a fiscal agent. The Series 2009A-QSCB will mature on June 17, 2024.

The capital outlay bond issues (COBI) are retired by the State using a portion of the District's share of revenue from the sale of license plates. The State Board of Administration determines the sinking fund requirements for these bonds annually. The sinking fund, maintained in the COBI Debt Service Fund, at June 30, 2010 was \$1.7 million.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for schools districts: the Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs nor the BABs represent incremental Federal funding, both must be repaid by the District.

The issuance of Certificates of Participation (the "Certificates"), Series 2009A-Tax-Exempt for \$20.1 million less issuance costs of \$0.1 million, was entered into on June 17, 2009. The Series 2009A-Tax Exempt is a conventional Fixed Rate Certificate. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

On June 17, 2009, the District also issued the Certificates of Participation, Series 2009A-BAB (Federally Taxable-Direct Payment-Build America Bonds) for \$63.9 million less issuance costs of \$0.3 million. The Build America Bonds (BABs) program is designed to improve access to the capital markets for tax-exempt borrowers. The program allows the District to issue taxable debt and receive a direct tax subsidy from the U.S. Treasury equaling 35% of the interest on the bonds. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

Simultaneously with the issuance of the Series 2009A-Tax-Exempt Certificates and the Series 2009A-BAB Certificates on June 17, 2009, the District privately placed the Certificates of Participation (the "Certificates"), Series 2009A-QSCB (Qualified School Construction Bonds) for \$49.9 million less issuance costs of \$0.3 million. The Series 2009A-QSCB Certificates are non-interest bearing obligations, and are issued as "principal only", i.e. the principal is repaid by the District. Investors receive tax credits in lieu of interest on the bonds. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

The Tax Reform Act of 1986 requires local units of government to rebate to the federal government the income (in excess of interest costs) received from investing proceeds on substantially all tax-exempt debt issued subsequent to August 1986. Such rebate of cumulative arbitrage earnings must be paid every five years until such time as the proceeds have been expended. For the fiscal year ended June 30, 2010, the District's accrued liability for rebatable arbitrage is \$3.8 million.

Annual requirements to amortize all bond issues outstanding as of June 30, 2010 excluding the Certificates are as follows (in thousands):

Year Ending June 30,	Capital Outlay Bond Issue	Total Interest	Total Principal & Interest
2011	\$ 7,160	\$ 3,124	\$ 10,284
2012	7,505	2,775	10,280
2013	7,865	2,443	10,308
2014	8,260	2,055	10,315
2015	6,660	1,642	8,302
2016-2020	19,395	4,076	23,471
2021-2025	6,575	1,089	7,664
2026-2029	1,770	174	1,944
Total	<u>\$ 65,190</u>	<u>\$ 17,378</u>	<u>\$ 82,568</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

11. DEFEASED DEBT

In fiscal year 2010, the Florida Department of Education notified the District that the Capital Outlay Bond Issue (COBI) Series 1999A were defeased by a portion of the bond proceeds received from the issuance of the State Board of Education (SBE) Capital Outlay Bonds, 2009 Series A. These refunding bonds were issued pursuant to Subsection (d), Section 9, Article XII of the Florida Constitution to effectuate savings in debt service costs. The Refunding Portion of the COBI Series 2009A Bonds dated August 15, 2009 were used to refund the COBI 1999 Series A, maturing in the years 2010 through 2019, inclusive, in the outstanding principal amount of \$2.9 million (District's share). The District's pro-rata share of the net proceeds totaling \$2.8 million (after deduction of \$25,016 by the Florida Department of Education for the District's share of underwriting fees, and other issuance costs) was placed in an irrevocable trust to provide future debt service payments. As a result, the COBI Bonds, Series 1999A of \$2.9 million are considered to be in-substance defeased, and the liability for these bonds has been removed from the District's government-wide financial statements.

The District also defeased certain Certificates by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust fund. The investments and fixed earnings from these investments are sufficient to service the defeased debt until the debt is called or matured. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the District's Statement of Net Assets. As of June 30, 2010, the balance in the defeasance escrow was \$76.1 million.

12. OBLIGATION UNDER LEASE PURCHASE AGREEMENT-CERTIFICATES OF PARTICIPATION

The District entered into a Lease Purchase Agreement with the Corporation on June 15, 1989 and a Master Lease Purchase Agreement on July 1, 1990 (the "lease agreements") to finance the acquisition or construction of certain facilities, vehicles and equipment for District operations. On June 1, 1997, May 30, 2001, February 14, 2002, February 27, 2003, May 29, 2003, March 16, 2004, June 18, 2004, June 29, 2004, May 18, 2005, June 6, 2006, March 30, 2007, June 19, 2008 and June 17, 2009 the Corporation issued refunding and new money Certificates Series 1997A, Series 1997B, Series 2001A, Series 2001B, Series 2003A, Series 2003B (refunding), Series 2004A (refunding), Series 2004B (refunding), Series 2004C, Series 2004D, Series 2005A, Series 2005B, Series 2006A, Series 2006B, Series 2007A, Series 2008A, Series 2009A-Tax Exempt, Series 2009A-BAB and Series 2009A-QSCB in the amounts of \$60.7 million, \$34.5 million, \$241.8 million, \$176.7 million, \$209.2 million, \$37.1 million, \$69.9 million, \$71.9 million, \$110.5 million, \$113.8 million, \$198.1 million, \$44.4 million, \$202.1 million, \$65.0 million, \$272.6 million, \$270.6 million, \$20.1 million, \$63.9 million and \$49.9 million respectively, to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the District, as lessee, pursuant to the lease agreements. Interest rates ranged from 2.0% to 7.4%.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for schools districts: The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs nor the BABs represent incremental Federal funding, both must be repaid by the District.

In June 2009, the Corporation issued Certificate Series 2009A-Tax Exempt in the amount of \$20.1 million. The Series 2009A-TE was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-TE is a conventional Fixed Rate issue with interest ranging from 5.0% to 5.25%.

In June 2009, the Corporation issued Certificate Series 2009A-BAB (Build America Bond) in the amount of \$63.9 million. The Series 2009A-BAB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-BAB Certificates are taxable debt instruments, whereby the District receives a direct rebate payment from the Federal Government equal to 35% of the interest cost. The Series 2009A-BAB is a conventional Fixed Rate issue with an interest rate of 7.4%.

In June 2009, the Corporation issued Certificate Series 2009A-QSCB (Qualified School Construction Bonds) in the amount of \$49.9 million. The Series 2009A-QSCB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-QSCB Certificates are non-interest

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

obligations, and are issued as "principal only", i.e. the principal is repaid by the District. Investors receive tax credits in lieu of interest on the bonds.

In June 2008, the Corporation issued Certificate Series 2008A in the amount of \$270.6 million. The Series 2008A was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2008A is a conventional Fixed Rate issue with interest ranging from 3.15% to 5.25%.

In March 2008, the Corporation remarketed Series 2004D and Series 2006B. Certificates of Participation, Series 2004D and Series 2006B were both originally issued as Auction Rate Securities. The deterioration of the sub-prime mortgage market and the subsequent credit crisis that followed began to adversely impact the Auction Rate Securities market in 2007. On February 12, 2008, the School Board approved a resolution to convert the Auction Rates Securities to Variable Demand Obligations in order to save on interest costs.

In March 2007, the Corporation issued Certificate Series 2007A in the amount of \$272.6 million. The Series 2007A was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2007A is a conventional Fixed Rate issue with interest ranging from 3.5% to 5.0%.

In June 2006, the Corporation issued Certificates Series 2006A and 2006B in the amounts of \$202.1 million and \$65 million, respectively. Both Series were issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2006A is a Conventional Fixed Rate issue with the interest rates ranging from 4.0% to 5.25%. The Series 2006B is a Variable Rate issue. Interest is calculated at a variable rate on a weekly basis and payable weekly.

In May 2005, the Corporation issued Certificates Series 2005A and 2005B in the amounts of \$198.1 million and \$44.4 million, respectively. Both Series were issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2005A is a Conventional Fixed Rate issue with the interest rates ranging from 3.0% to 5.0%. The Series 2005B is a Variable Rate issue. Interest is calculated at a variable rate on a weekly basis and payable monthly.

On December 20, 2000, the Corporation sold Certificates, Series 2000 Qualified Zone Academy Bonds ("QZAB") in an aggregate principal amount of \$6.4 million of which \$4.2 million in principal will be repaid due to a guarantee investment contract. On June 28, 2001, Certificate Series 2001-QZAB were sold for \$4.4 million. On December 22, 2004, the District sold Series 2004-QZAB for \$1.0 million of which \$848,000 in principal will be repaid pursuant to the Trust Agreement. Issuance costs incurred were \$70,000, \$80,000, and \$56,000, respectively.

The District deposits funds annually in escrow for QZAB 2000 which, when coupled with interest earnings, will be sufficient to pay off the principal, which is due at maturity. There is no interest to be paid on the QZAB as the certificate holders receive Federal tax credits in lieu of interest payments. The total deposits and interest earned on securities held in escrow had a market value of \$5.4 million as of June 30, 2010.

The Corporation leases the facilities, vehicles and equipment to the District under the lease agreements, which are automatically renewable through varying dates (see summary below), unless earlier terminated following the occurrence of an event of default or a non-appropriation of funds to make lease payments, all as described and defined in the leases. Failure to appropriate funds to pay lease payments under any lease will, and an event of default under any lease may, result in the termination of all leases, including the 1997A, 1997B, 2000 QZAB, 2001 QZAB, 2001A, 2001B, 2003A, 2003B, 2004A, 2004B, 2004C, 2004D, 2005A, 2005B, 2006A, 2006B, 2007A, 2008A, 2009A-Tax Exempt, 2009A BAB, and 2009A QSCB. The remedies on default include the immediate surrender and delivery of possession of all facilities, vehicles and certain equipment (excludes certain computer equipment) financed under all leases to the Trustee in the condition, state of repair and appearance required under the leases. Upon such surrender, the Trustee will sell or lease such facilities, vehicles and certain equipment in such manner and to such person as it determines appropriate. The proceeds of any sale or lease will be applied first to the payment in full of the Certificates and then to the payment of the District's obligations under the reimbursement agreement and finally to the payment of the District.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

A summary of the lease terms are presented as follows:

<u>Certificates</u>	<u>Lease Term</u>
Series 1997A-Refunding	June 30, 2011 as to the Facilities
Series 1997B-Refunding	June 30, 2012 as to the Facilities
Series 2000 QZAB	December 20, 2013 as to the Facilities
Series 2001A-1	June 30, 2026 as to the Facilities
Series 2001A-2	June 30, 2011 as to the Facilities
Series 2001 QZAB	June 28, 2014 as to the Facilities
Series 2001B	June 30, 2026 as to the Facilities
Series 2003A	June 30, 2028 as to the Facilities
Series 2003B-Refunding	June 15, 2010 as to the Facilities
Series 2004A-Refunding	June 30, 2017 as to the Facilities
Series 2004B-Refunding	June 30, 2017 as to the Facilities
Series 2004C	June 30, 2020 as to the Facilities
Series 2004D	June 30, 2029 as to the Facilities
Series 2004 QZAB	December 22, 2020 as to the Facilities
Series 2005A	June 30, 2030 as to the Facilities
Series 2005B	June 30, 2021 as to the Facilities
Series 2006A	June 30, 2028 as to the Facilities
Series 2006B	June 30, 2031 as to the Facilities
Series 2007A	June 30, 2032 as to the Facilities
Series 2008A	June 30, 2033 as to the Facilities
Series 2009A-Tax Exempt	July 01, 2027 as to the Facilities
Series 2009A-BAB	July 01, 2034 as to the Facilities
Series 2009A-QSCB	July 01, 2024 as to the Facilities

The Series 1997A and 1997B Refunding Certificates are insured by a municipal bond insurance policy with AMBAC Indemnity. The Series 2001A, 2001B, 2004A, 2004B, 2004C, 2004D, 2005A, 2005B, 2006A, 2006B and 2008A Certificates are insured by Financial Security Assurance, Inc. The Series 2003A and 2003B Certificates are insured by Municipal Bond Investors Assurance Corporation. The Series 2007A and Series 2009A-Tax Exempt are insured by Municipal Bond Investors Financial Guaranty Insurance Company. The Series 2009A-BAB Certificates and the Series 2009A-QSCB Certificates are NOT guaranteed under the financial guaranty insurance policy.

The Certificates are not separate legal obligations of the District, but represent undivided interests in the basic lease payments to be made from appropriated funds budgeted annually by the Board for such purposes from current or other funds authorized by law and regulations of the Department of Education. However, neither the District, the State of Florida, nor any political subdivision thereof, shall be obligated to pay, except from appropriated funds, any sums due under the leases from any source of taxation. The full faith and credit of the District is not pledged for payment of such sums due hereunder and such sums do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The remaining obligation, as of June 30, 2010, through maturity to the holders of the Certificates, which will be serviced by the annual lease payments, is as follows (in thousands):

Year Ending June 30,	Series 1997A	Series 1997B	Series 2000 QZAB	Series 2001A	Series 2001 QZAB	Series 2001B
2011	\$ 7,686	\$ 4,326	\$ 351	\$ 21,387	\$ 368	\$ 8,489
2012	-	4,326	350	8,624	368	5,272
2013	-	-	350	8,623	369	5,272
2014	-	-	-	8,623	-	5,272
2015	-	-	-	8,623	-	5,272
2016-2020	-	-	-	88,222	-	54,481
2021-2025	-	-	-	118,288	-	73,229
2026-2030	-	-	-	23,657	-	14,642
2031-2035	-	-	-	-	-	-
Subtotal	7,686	8,652	1,051	286,047	1,105	171,929
Less: Interest	(366)	(637)	-	(106,427)	-	(64,844)
Total Principal	\$ 7,320	\$ 8,015	\$ 1,051	\$ 179,620	\$ 1,105	\$ 107,085

Year Ending June 30,	Series 2003A	Series 2004A	Series 2004B	Series 2004C	Series 2004D	Series 2004 QZAB
2011	\$ 14,561	\$ 8,729	\$ 3,699	\$ 10,125	\$ 4,370	\$ 53
2012	14,561	8,725	10,509	10,141	4,358	53
2013	14,558	8,722	14,854	10,128	4,370	53
2014	14,559	8,726	15,198	10,128	4,370	53
2015	14,562	8,721	15,198	10,030	4,455	53
2016-2020	72,797	17,449	30,402	46,697	25,837	266
2021-2025	72,803	-	-	-	73,101	53
2026-2030	43,679	-	-	-	59,051	-
2031-2035	-	-	-	-	-	-
Subtotal	262,080	61,072	89,860	97,249	179,912	584
Less: Interest	(91,545)	(10,567)	(17,940)	(21,714)	(66,087)	-
Total Principal	\$ 170,535	\$ 50,505	\$ 71,920	\$ 75,535	\$ 113,825	\$ 584

Year Ending June 30,	Series 2005A	Series 2005B	Series 2006A	Series 2006B	Series 2007A	Series 2008A
2011	\$ 14,931	\$ 1,778	\$ 9,842	\$ 2,685	\$ 20,118	\$ 13,046
2012	14,929	1,778	18,122	2,685	20,118	20,401
2013	14,931	1,778	18,118	2,685	20,113	20,405
2014	14,933	1,778	18,122	2,685	20,114	20,401
2015	14,933	1,778	18,120	2,685	20,110	20,403
2016-2020	42,350	41,209	90,599	13,426	93,208	102,018
2021-2025	72,734	10,812	90,595	13,426	88,293	102,022
2026-2030	83,543	-	47,146	56,968	88,288	102,014
2031-2035	-	-	-	20,930	35,316	61,211
Subtotal	273,284	60,911	310,664	118,175	405,678	461,921
Less: Interest	(104,694)	(16,451)	(108,559)	(53,175)	(155,873)	(191,361)
Total Principal	\$ 168,590	\$ 44,460	\$ 202,105	\$ 65,000	\$ 249,805	\$ 270,560

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Year Ending June30,	Series 2009A T-E	Series 2009A BAB	Series 2009A QSCB	Total
2011	\$ 1,034	\$ 4,729	\$ -	\$ 152,307
2012	1,034	4,729	-	151,083
2013	1,034	4,729	-	151,092
2014	1,034	4,729	4,540	155,265
2015	1,034	4,729	4,540	155,246
2016-2020	5,168	23,647	22,700	770,476
2021-2025	11,382	23,647	18,133	768,518
2026-2030	15,034	45,528	-	579,550
2031-2035	-	48,105	-	165,562
Subtotal	36,754	164,572	49,913	3,049,099
Less: Interest	(16,614)	(100,662)	-	(1,127,516)
Total Principal	\$ 20,140	\$ 63,910	\$ 49,913	\$ 1,921,583

The Corporation entered into trust agreements with the Trustee pursuant to which the Certificates will be executed, delivered and paid under the terms of which (together with the leases) the facilities, vehicles and equipment will be acquired and/or constructed. Trust funds have been established with the Trustee to facilitate payments in accordance with the lease purchase agreement and the trust agreements securing payment of the Certificates.

13. INTEREST RATE SWAPS

The District is a party to two interest rate swap agreements recorded in the financial statements in accordance with the recently issued GASB Statement No. 53 ("GASB 53"), "Accounting and Financial Reporting for Derivative Instruments", which was in effect for periods beginning with fiscal year ended June 30, 2010. All derivatives are to be reported in the Statement of Net Assets at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. Depending on the test results, the change in fair value is either reported in the Statement of Net Assets, or in the Statement of Activities.

The District engaged an independent party to perform the valuation and required tests on these two swaps, and both swaps qualify for hedge accounting. Therefore, the change in fair value of the interest rate swaps for this period was reported as a derivative swap liability of \$39.4 million, offset by a corresponding deferred outflow account in the Statement of Net Assets. The option for cancelling these swaps is only available to the District and not to the Counterparty. Following are disclosures of key aspects of these agreements:

A. Certificates of Participation, Series 2006B

Objective of the Interest Rate Swap – The District entered into a variable to fixed rate swap agreement for its Certificates of Participation, Series 2006B dated June 6, 2006. The objective was to achieve lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on the subject certificates.

Terms – The Swap, with a notional amount of \$65.0 million, became effective on June 6, 2006. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 4.13%. The District will receive from the Counterparty a variable payment based on two floating rate structures: 1) from July 1, 2006 through June 30, 2009, the interest rate is based on the Bond Market Association (BMA) Municipal Swap Index; 2) from July 1, 2009 through June 30, 2031, the interest rate is based on 70% of the London Interbank Offered Rate (LIBOR). The swap agreement terminates on June 30, 2031.

Fair Value – The swap had a negative fair value of \$16.9 million as of June 30, 2010.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Swap Payments and Associated Debt – Using rates as of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

(dollars in thousands)

Year Ending June 30,	Series 2006B Principal	Interest Rate		
		Interest (1)	Swaps, Net (2)	Total
2011	\$ -	\$ 195	\$ 2,527	\$ 2,722
2012	-	195	2,527	2,722
2013	-	195	2,527	2,722
2014	-	195	2,527	2,722
2015	-	195	2,527	2,722
2016-2020	-	975	12,633	13,608
2021-2025	-	975	12,633	13,608
2026-2030	25,650	876	11,355	37,881
2031	39,350	60	781	40,191
Total	\$ 65,000	\$ 3,861	\$ 50,037	\$ 118,898

(1) Assumes variable interest rate of 0.30% (actual rate on 6/30/10).

(2) Assumes fixed swap rate (payment) of 4.13% and variable swap rate (receipt) of 0.24%.

Credit Risk – As of June 30, 2010, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and/or Moody's Investors Services is "A+"/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2010
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
JP Morgan Chase Bank, N.A.	\$ 65,000	Aa1	AA-	\$ (16,867)

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable Counterparty. The swap exposes the District to basis risk since the District receives a variable rate based on Securities Industry and Financial Markets Association (SIFMA) formally known as Bond Market Association (BMA) to offset the variable rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2006B certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

B. Certificates of Participation, Series 2004D

Objective of the Interest Rate Swap – The District entered into a variable to fixed rate swap agreement for its Certificates of Participation, Series 2004D dated June 30, 2004. The objective was to lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on the subject certificates.

Terms – The Swap, with a notional amount of \$113.8 million, became effective on June 30, 2004. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 3.85%. The District will receive from the Counterparty a variable payment based on 67% of the LIBOR. The District will also pay the interest rate resulting from the periodic remarketing of the 2004D variable rate certificates. The swap agreement terminates on July 1, 2029.

Fair Value – The swap had a negative fair value of \$22.5 million as of June 30, 2010.

Swap Payments and Associated Debt – Using rates as of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

(dollars in thousands)				
Year Ending June 30,	Series 2004D Principal	Interest Rate		
		Interest (1)	Swaps, Net (2)	Total
2011	\$ -	\$ 341	\$ 4,117	\$ 4,458
2012	-	341	4,117	4,458
2013	-	341	4,117	4,458
2014	-	341	4,117	4,458
2015	-	341	4,117	4,458
2016-2020	3,925	1,707	20,585	26,217
2021-2025	56,150	1,325	15,976	73,451
2026-2029	53,750	411	4,961	59,122
Total	\$ 113,825	\$ 5,148	\$ 62,107	\$ 181,080

(1) Assumes variable interest rate of 0.30% (actual rate on 6/30/2010).

(2) Assumes fixed swap rate (payment) of 3.85% and variable swap rate (receipt) of 0.23%.

Credit Risk – As of June 30, 2010, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and Moody's Investors Services is "A+"/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2010 (dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
Citibank, N.A., New York	\$ 113,825	A1	A+	\$ (22,527)

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The swap exposes the District to basis risk since the District receives a percentage of LIBOR to offset the variable rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2004D certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value.

14. COMPENSATED ABSENCES

District employees are granted a specific number of vacation days and sick leave with pay as services are rendered. Certain employees are paid for portions of sick leave accrued but not used in a fiscal year. Administrative, supervisory and non-instructional professional employees are paid for unused vacation (up to a maximum of 60 days) upon termination. All other eligible employees are paid for unused vacation (up to a maximum of 50 days) upon termination.

All employees are eligible to receive portions of accumulated unused sick pay upon retirement. Such portions are determined based upon the employee's length of service. Prior to July 1, 2004, Florida Statutes and Board policy limited retirement sick leave payments to no more than 25% of the sick leave accumulated on or after July 1, 2001, up to a maximum payment of 60 days. Beginning July 1, 2004, this limitation was eliminated.

At June 30, 2010, the estimated current liability for accumulated sick leave including retirement and social security contributions was \$7.7 million and \$0.1 million in the General Fund and Special Revenue Funds, respectively. The balance of compensated absences payable from future resources was \$28.1 million for accumulated vacation leave and \$130.5 million for accumulated sick leave and are only reflected in the governmental activities in the government-wide presentation. The net change between the prior year balance and the current year balance of the non-current portion was recorded in the government-wide statements as a current year expense.

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2010 (in thousands):

Balance - June 30, 2009		\$ 163,619
Additions		85,731
Reductions		(82,983)
Balance - June 30, 2010		<u>166,367</u>
Less:		
Amount due within one year		
Current portion (modified accrual basis)	\$ 7,773	
Non-current portion		158,594
Other amount due within one year	<u>10,534</u>	
Total due in more than one year		<u>\$ 148,060</u>
Total amount due within one year (full accrual basis)	<u>\$ 18,307</u>	

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In the fiscal year ending June 30, 2008, the District implemented Governmental Accounting Standard Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, for certain postemployment benefits including continued coverage for the retiree and dependents in the Medical/Prescription Plans as well as participation in the Dental group plan sponsored by the Employer. In addition, retirees are eligible to continue the Employer-sponsored term life insurance policy provided by the District. GASB 45's basic concept is to recognize the cost of an employee's OPEB during the period of service. As defined in the statement, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. The requirement of this Statement was implemented prospectively, with the actuarially determined liability in the amount of \$162,963,842 on January 1, 2009, being amortized over the remaining period of 28 years.

Plan Description. The Other Postemployment Benefits Plan (Plan) operates as a single employer defined benefit plan. Eligible retirees may choose among the same Medical Plan options available for active employees of the Employer. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription and life insurance benefits and rules for coverage as are active employees. Retirees and their dependents are permitted to remain covered under the District's respective medical plans as long as they pay the premium charged by the insurance companies for the plan and coverage elected. This conforms to the requirement for Florida governmental employers' provision of the Section 112.081, Florida Statutes. The premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, that means that the District is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, providing an implicit rate subsidy. Additionally certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate under the District's Retirement Assistance Program. The District, therefore, has assumed an obligation to pay for that implicit subsidy for the covered lifetime of the current retirees and their dependents, as well for the covered lifetime of the current employees after they retire in the future. The District does not prepare a standalone financial report for the Plan, and the Plan is not included in the report of a Public Entity Retirement System or another entity.

Funding Policy. The District plans to fund this postemployment benefit on a pay-as-you-go basis. For fiscal year 2009-10, approximately 1,007 retirees received post-employment benefits, and 136 retirees receive life insurance postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$7,174,246.

Annual OPEB Cost and Net OPEB Obligations. The OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the fiscal year ended June 30, 2010, (in thousands):

		<u>FY 2010</u>
Annual Required Contribution (ARC)		
Normal Cost	\$ 10,419	
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	7,028	
Interest	202	
ARC		\$ 17,649
Interest on net OPEB Obligation		705
Adjustment to ARC		(829)
Annual OPEB cost (expense)		17,525
Less: Contributions made		(7,174)
Net OPEB Obligation Increase		10,351
Net OPEB Obligation, Beginning of Year		17,623
Net OPEB Obligation, End of Year		<u>\$ 27,974</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2010, and the two preceding years were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2008	\$ 11,777	\$ 5,080	43.13%	\$ 6,697
06/30/2009	\$ 17,214	\$ 6,288	36.53%	\$ 17,623
06/30/2010	\$ 17,525	\$ 7,174	40.94%	\$ 27,974

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2010, was as follows (in thousands):

Actuarial Accrued Liability (a)	\$ 162,964
Actuarial Value of Assets (b)	0
Unfunded Actuarial Accrued Liability (a-b)	\$ 162,964
Funded Ratio (b)/ (a)	0.0%
Covered Payroll (Active Plan Members) (c)	\$ 1,249,245
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a)-(b))/ (c)	13.04%

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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Significant methods and assumptions were as follows:

Actuarial Valuation Date	January 1, 2009
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	28 Years, Closed
Asset Valuation Method	Plan Not Funded
Investment Return Discount Rate *	4%
Assumed Rate of Payroll Growth *	4%
Healthcare Inflation Rate	Increase of 9% for First Year, Reduced by 5% Until Ultimate Rate of 4% is reached

* Includes a price inflation assumption of 3 percent.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

16. RETIREMENT PLANS

Plan Description: All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer defined benefit retirement plan ("Plan"). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee's classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership. The Plan's financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida which may be obtained by contacting the Florida State Comptroller's Office in Tallahassee, Florida. Also, an annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained by contacting the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000.

The contribution rates for Plan members are established, and may be amended, by the State of Florida. For the fiscal year ended June 30, 2010, contribution rates were as follows:

Class or Plan	Contribution Rates	
	Employee	Employer ^(A)
Florida Retirement System, Regular	-	9.85%
Florida Retirement System, County Elected Officers	-	16.53%
Florida Retirement System, Senior Management Service	-	13.12%
Florida Retirement System, Special Risk	-	20.92%
Teachers' Retirement System, Plan E	6.25%	11.35%
State & County Officers and Employees' Retirement System, Plan A	6.00%	11.10%
State & County Officers and Employees' Retirement System, Plan B	4.00%	9.10%
Deferred Retirement Option Program	-	10.91%

Note: (A) Rates include the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.05%.

The District's required contributions are reported in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2010, June 30, 2009 and June 30, 2008 totaled \$131.4 million, \$139.4 million and \$138.6 million, respectively, which were equal to the required contributions for each fiscal year.

17. RETIREMENT INCENTIVE PROGRAMS

In addition to the retirement benefits described in Note 16, the District has authorized an early retirement incentive to provide financial assistance for the purchase of health and life insurance to our retirees.

For those eligible employees who qualify for the retirement incentive programs, the Employer's Retirement Assistance Program (RAP) Incentives, listed below are brief descriptions and eligibility criteria of the various Plan.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

RAP effective July 1, 2008 through October 15, 2008:

- Are retired under the RAP.
- Effective upon retirement, the District will provide paid employee health insurance (HMO or Consumer Driven Plan premium) until the employee is Medicare eligible.
- Were insured under the Employer's group life insurance program on the last day before the insured's retirement.
- Are one of the following:
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or higher on the teachers' salary schedule in the FRS and who have at least ten (10) years of service in the District.
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or above in the TRS and who have at least ten (10) years of service in the District.

A summary of the total expenditures for the fiscal year ended June 30, 2010 is as follows (dollars in thousands):

	<u>Number of Participants</u>		<u>Health Insurance*</u>		<u>Life Insurance</u>		<u>Total</u>
RAP	127	\$	682	\$	12.5	\$	694.5
Total	<u>127</u>	\$	<u>682</u>	\$	<u>12.5</u>	\$	<u>694.5</u>

*Net of Florida Retirement System subsidy if applicable

The District will subsidize health and life insurance premiums for those qualified employees on an annual basis. The subsidies continue until age 65. Premium costs in excess of the subsidy are borne by the participants. The District's expenditures are recognized in the fiscal year in which they are paid, and are not funded in advance on an actuarially determined basis. As of June 30, 2010, 127 employees participated in the District's retirement incentive program.

Effective July 1, 1998, employees who have vested under the Plan may elect to participate in the State of Florida's Deferred Retirement Option Program (DROP). Under DROP provisions, a participant will have his monthly retirement benefit paid directly into DROP where it will earn tax deferred interest at an effective annual rate of 6.5%, compounded monthly, for up to 60 months, except for teachers who may be granted extensions of 36 months upon the Superintendent's approval. The participant may continue to work for the District until his pre-selected termination date or the end of the DROP period. At termination, the participant will receive a lump sum payment of his accumulated DROP benefits, and, thereafter, he will receive his monthly Plan benefit. As of June 30, 2010, 1,547 District employees were participants in the DROP incentive program.

18. FICA ALTERNATIVE

The District has established the FICA Alternative Retirement Plan (the "FICA Plan"), a defined contribution retirement plan, for certain temporary employees not covered under the Plan. Under provision of the Internal Revenue Code (IRC) section 3121(b)(7)(F), public employers could place employees not covered under existing employer pension plans into an alternative retirement plan in place of social security. The FICA Plan was established under IRC section 401(a) and requires a mandatory pre-tax contribution of 7.5% in lieu of social security. The FICA Plan is noncontributory for the District and eliminates the required match of social security contributions. Approximately 5,930 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2010, \$2.7 million was contributed by participating employees based on gross wages of \$35.6 million. A third party administrator administers the FICA Plan with administrative fees being paid for by the District.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

19. RISK MANAGEMENT

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 students; and natural disasters. Worker's compensation, automobile liability, and general liability coverage are being provided on a self-insurance basis up to specified limits. The District purchases commercial insurance for certain risks in excess of the self-insurance coverage and for other risks of loss. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating and payment of claims.

The District reports the self-insurance programs in the self-insurance internal service funds ("Self Insurance Fund"). Amounts are transferred from the General Fund to the Self-Insurance Fund to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, to pay the insurance service agent's administrative fee, and to pay for District risk management administrative costs. Settled claims resulting from risks described above have not exceeded commercial coverage for the past three years.

Health and hospitalization coverage is being provided through purchased commercial insurance. The Board offers its employees the choice from two HMO's and consumer driven model and one PPO plan.

The claims liability is based on an actuarial evaluation performed by an independent actuary as of June 30, 2010 using a margin for a 50% confidence level. With the 50% confidence level, the actuary is estimating the margin necessary so that there is a 50% likelihood that the funding level will be sufficient to cover the actual liabilities. The total claims liability of \$45.5 million at June 30, 2010 includes estimated losses for all reported claims and for claims incurred but not reported.

A summary of changes in the estimated liability for self-insured risks is as follows (in thousands):

	2010	2009
Balance, beginning of year	\$ 51,797	\$ 108,789
Additions:		
Estimated future claims	10,835	(38,706)
Reductions:		
Claims payments	(17,114)	(18,286)
Balance, end of year	45,518	\$ 51,797
less: portion due within one year	(22,728)	
Total due in more than one year	\$ 22,790	

20. NET ASSETS

In the government-wide Statement of Net Assets, the difference between total assets and total liabilities is called *net assets*. GAAP further require that net assets be subdivided into three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The composition of net assets invested in capital assets, net of related debt as of June 30, 2010 is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation	\$ 3,232,189
less:	
Total debt outstanding, net of unspent proceeds	\$ (1,744,969)
Retainage payable	(17,335)
Total related debt	(1,762,304)
Total invested in capital assets, net of related debt	\$ 1,469,885

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

21. COMMITMENTS AND CONTINGENCIES

At June 30, 2010, the District had purchase orders outstanding for goods and/or services related to future expenditures for the 2009-10 school year totaling \$2.5 million in the General Fund, \$1.4 million in the Special Revenue Funds and \$158.9 million in the Capital Projects Funds. The accompanying financial statements do not give effect to these purchase orders.

The District has various agreements with other governmental agencies that may require the District to contribute additional financial resources, as anticipated by such agreements. Such liabilities are accrued at the time they become known to the District.

The District receives funding from the State of Florida under the FEFP and is based in part on a computation of the number of students attending different types of instruction (FTE Computation). The accuracy of data compiled by individual schools supporting the FTE Computation is subject to audit by the State and, if found to be in error, could result in refunds to the State or in decreases to future funding allocations. Additionally, the District participates in a number of federal, state and local grants, which are subject to financial, and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the State due to errors in the FTE computation or the amount of grant expenditures, which may be disallowed by grantor agencies, would not be material to the financial position of the District.

The District is a defendant in numerous lawsuits as of June 30, 2010. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with its legal counsel, that the final settlements of these matters will not have a material adverse effect on the financial condition, changes in financial position, cash flows or changes in fund balance of the affected funds.

22. SUBSEQUENT EVENTS

On July 23, 2010, the District issued Certificates Series 2010A (Qualified School Construction Bonds – Federally Taxable – Issuer Subsidy) in the amount of \$51.6 million pursuant to the authority granted under Sections 1001.42(9) and 1013.15(2), Florida Statutes and Resolution No. 10-98 of the School Board adopted on May 4, 2010 and Resolution No. 10-1 adopted by the Corporation on May 4, 2010. The Series 2010A was issued to finance the cost of proposed improvements and phased replacement of facilities at two high schools. The bonds were structured as taxable bonds and the District will receive a direct rebate/subsidy payment from the U.S. Treasury to offset a portion of the interest expense. The interest rate bondholders will receive is 6.45% and the federal subsidy is 5.25%; therefore, the net interest cost to the District is 1.20%. Interest earnings on the proceeds will further offset this expense.

On October 5, 2010, the District issued \$125.0 million Tax Anticipation Notes, Series 2010, pursuant to Section 1011.13, Florida Statutes, to provide interim funds for the payment of operating expenses of the District for the fiscal year commencing July 1, 2010 and ending June 30, 2011, in anticipation of the receipt of the ad valorem taxes. The Notes and the interest thereon will be special, limited obligations of the District, payable from and secured by a pledge of the ad valorem taxes levied and collected for the benefit of the District for operating purposes. The Notes interest rate is 1.00% and the date of maturity is on January 13, 2011. The Notes are not subject to redemption prior to maturity.

On November 9, 2010, the District approved Resolution No. 10-02 in connection with the issuance of Certificates of Participation, Series 2010B, Refunding of Certificates of Participation, Series 1997A&B and 2001A&B. In adopting this Resolution, the School Board has an opportunity to refinance the remainder of the obligations under the COP series 1991A-1 lease and the series 1992A-1 lease by current refunding all of the outstanding series 1997A and 1997B certificates, and refinancing a portion of the obligations under the series 2001A-1 lease and 2001B-1 lease by current refunding a portion of the outstanding 2001A and 2001B certificates. The Board also approved the negotiated sale of Certificates of Participation, Series 2010B in an aggregate principal amount of \$279.7 million.

Broward County Public Schools



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Required Supplemental Information (Part B)

Required supplementary information is comprised of unaudited information that accompanies the audited basic financial statements. Part B deals with the budgetary analysis, including notes, of the General Fund.

Broward County Public Schools



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Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)

The Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary and Actual provide additional information relating to the General Fund and the ARRA Economic Stimulus Funds presented in the “Basic Financial Statements” in order to demonstrate legal budgetary compliance.

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
SOURCES/INFLOWS:				
Revenues:				
Local sources:				
Ad valorem taxes	\$ 903,144	\$ 906,798	\$ 900,582	\$ (6,216)
Interest on investments	4,925	4,708	4,709	1
Other	41,274	49,975	50,122	147
Total local sources	949,343	961,481	955,413	(6,068)
State sources:				
Florida education finance program	444,220	502,371	502,051	(320)
Discretionary lottery funds	-	749	749	-
Categorical programs and other	370,151	302,505	302,505	-
Total state sources	814,371	805,625	805,305	(320)
Federal sources:				
Grants and other	10,233	9,472	9,990	518
Total federal sources	10,233	9,472	9,990	518
Total revenues	1,773,947	1,776,578	1,770,708	(5,870)
Other financing sources				
Capital lease	3,658	-	-	-
Transfers in	71,258	80,845	80,845	-
Total other financing sources	74,916	80,845	80,845	-
Total amounts available for appropriations	1,848,863	1,857,423	1,851,553	(5,870)
USES/OUTFLOWS:				
Expenditures:				
Current operating:				
Instructional services	1,179,955	1,189,218	1,158,609	30,609
Instructional support services	181,877	187,995	175,825	12,170
Pupil transportation services	70,026	73,033	72,127	906
Operation and maintenance of plant	238,311	247,235	239,544	7,691
School administration	124,282	126,222	125,752	470
General administration	113,856	97,881	93,241	4,640
Total current operating	1,908,307	1,921,584	1,865,098	56,486
Debt service:				
Interest charges and other	685	685	656	29
Total debt service	685	685	656	29
Capital outlay	548	711	-	711
Total expenditures	1,909,540	1,922,980	1,865,754	57,226
Other financing uses:				
Transfers out	3,371	3,816	3,816	-
Total charges against appropriations	1,912,911	1,926,796	1,869,570	57,226
Net change in fund balances	\$ (64,048)	\$ (69,373)	(18,017)	\$ 51,356
Appropriated beginning fund balances	\$ 64,048	\$ 69,373		
Adjustment to conform with GAAP:				
Elimination of encumbrances			2,510	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(15,507)	
Fund balances, beginning of year			84,957	
Fund balances, end of year			\$ 69,450	

The accompanying notes are an integral part of this schedule.

MAJOR SPECIAL REVENUE FUND - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Federal sources:				
Other	\$ 208,034	\$ 219,054	\$ 161,447	\$ (57,607)
Total revenues	<u>208,034</u>	<u>219,054</u>	<u>161,447</u>	<u>(57,607)</u>
EXPENDITURES:				
Current operating:				
Instructional services	149,900	149,930	113,694	36,236
Instructional support services	25,917	30,981	15,681	15,300
Pupil transportation services	2,622	26,184	23,632	2,552
Operation and maintenance of plant	9,552	3,335	3,335	-
School administration	8,730	3,820	3,805	15
General administration	11,313	4,506	1,925	2,581
Food services	-	298	298	-
Total current operating	<u>208,034</u>	<u>219,054</u>	<u>162,370</u>	<u>56,684</u>
Total expenditures	<u>208,034</u>	<u>219,054</u>	<u>162,370</u>	<u>56,684</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(923)	(923)
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			923	
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

I. BUDGET

Budget Information. GASB 34 requires governments to include as required supplementary information (RSI), budgetary comparison schedules for the general fund and each major special revenue fund that has a legally adopted budget.

Budgets are legally adopted annually for the General Fund and the major Special Revenue Fund. Unencumbered appropriations lapse at year-end for the General Fund and encumbered appropriations are carried forward, if applicable, to the following year and closed after a six-month period. Management may not amend the budget without the specific approval of the School Board. Accordingly, no expenditure may be authorized and no obligation incurred in excess of the current budgetary appropriation without Board authorization. The budgetary basis of accounting is the modified accrual basis plus encumbrances authorized for the fiscal year.

The budget revenues and expenditures shown in the accompanying schedule reflect all amendments to the original budget through September 16, 2010, the date the final amendments were approved by the Board.

II. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

The following table presents a reconciliation of the differences between the budgetary and GAAP basis of accounting for the General Fund (in thousands):

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,851,553
Transfers from other funds and sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(80,845)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 1,770,708</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total charges to appropriations" from the budgetary comparison schedule	\$ 1,869,570
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(3,816)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (budgetary basis)	<u>1,865,754</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(2,510)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 1,863,244</u>

The following table presents a reconciliation of the differences between the budgetary and GAAP basis of accounting for the major Special Revenue Funds (in thousands):

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – major Special Revenue Funds (budgetary basis)	\$ 162,370
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(923)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 161,447</u>

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

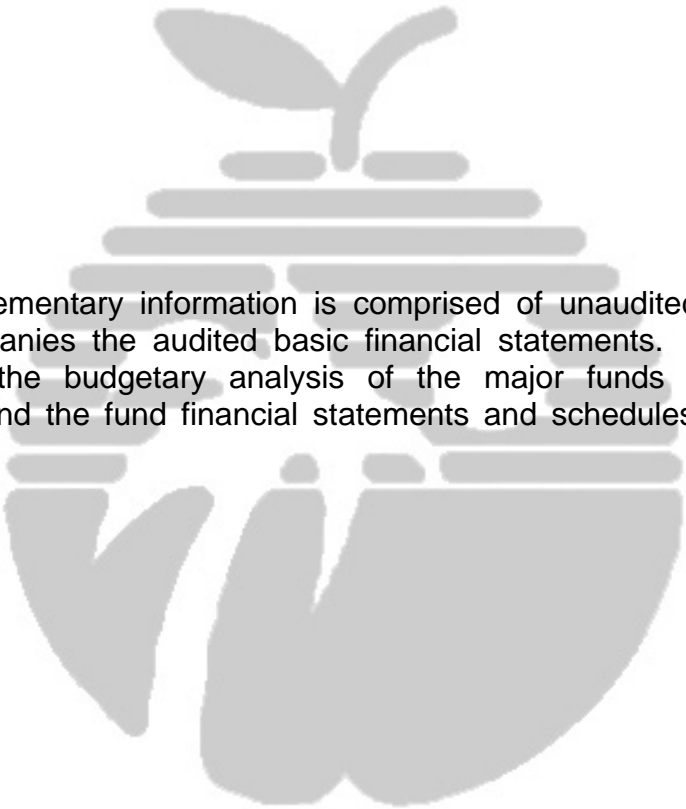
Actuarial Valuation Date (a)	Actuarial Value of Assets (b)	Actuarial Accrued Liability (AAL) (c)	Unfunded AAL (UAAL) (c-b)	Funded Ratio (b/c)	Covered Payroll (d)	UAAL as a % of Covered Payroll ((c-b) / d)
01/01/2006	\$ 0	\$ 105,622	\$ 105,622	0.0%	\$ 1,141,485	9.25%
01/01/2009	\$ 0	\$ 162,964	\$ 162,964	0.0%	\$ 1,249,245	13.04%

Broward County Public Schools



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Other Supplemental Information



Other supplementary information is comprised of unaudited information that accompanies the audited basic financial statements. This section deals with the budgetary analysis of the major funds not included elsewhere and the fund financial statements and schedules of the non-major funds.

Broward County Public Schools



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Other Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Combining, Individual Non-Major Fund Statements and Schedules

The budgetary analysis schedules of the major funds not required to be included as supplemental information are included here with their respective funds.

Combining financial statements and schedules provide a more detailed view of the non-major funds summarized in the “Basic Financial Statements” presented in the preceding subsections.

NON-MAJOR GOVERNMENTAL FUNDS**COMBINING BALANCE SHEET (in thousands)****AS OF JUNE 30, 2010**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 9,363	\$ 1,877	\$ 11,212	\$ 22,452
Cash and cash equivalents	4	-	-	4
Due from other governmental agencies	24,744	4	36,496	61,244
Accrued interest receivable	20	-	13	33
Inventories	1,677	-	-	1,677
Other assets	199	-	-	199
Total assets	\$ 36,007	\$ 1,881	\$ 47,721	\$ 85,609
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures/expenses	\$ 3,717	\$ -	\$ 806	\$ 4,523
Due to other funds	19,201	-	-	19,201
Deferred revenue	1,625	-	-	1,625
Retainage payable	-	-	704	704
Liability for compensated absences	110	-	-	110
Total liabilities	24,653	-	1,510	26,163
Fund balances:				
Reserved for:				
Encumbrances	1,399	-	10,533	11,932
Retirement of long-term debt	-	1,881	-	1,881
Unreserved/undesignated	9,955	-	35,678	45,633
Total fund balance	11,354	1,881	46,211	59,446
Total liabilities and fund balance	\$ 36,007	\$ 1,881	\$ 47,721	\$ 85,609

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

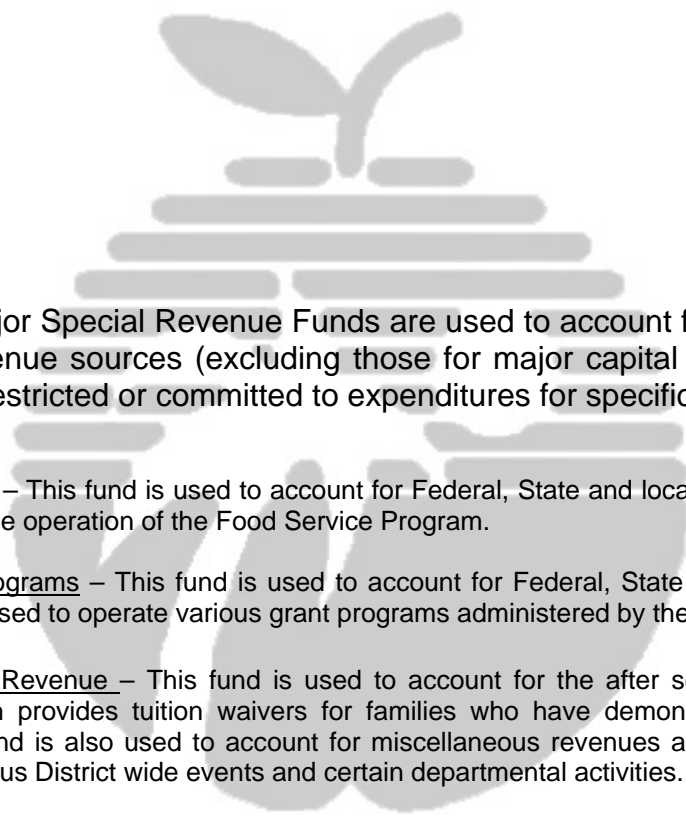
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 51	\$ -	\$ 51
Food sales	24,794	-	-	24,794
Interest on investments	78	-	46	124
Other	4,083	12	-	4,095
Total local sources	28,955	63	46	29,064
State sources:				
Public education capital outlay	-	-	10,894	10,894
Categorical programs and other	1,783	10,115	1,154	13,052
Total state sources	1,783	10,115	12,048	23,946
Federal sources:				
Food service	62,534	-	-	62,534
Grants and other	180,682	-	-	180,682
Total federal sources	243,216	-	-	243,216
Total revenues	273,954	10,178	12,094	296,226
EXPENDITURES:				
Current operating:				
Instructional services	125,516	-	-	125,516
Instructional support services	49,163	-	-	49,163
Pupil transportation services	1,845	-	-	1,845
Operation and maintenance of plant	125	-	-	125
School administration	2	-	-	2
General administration	4,511	-	-	4,511
Food services	83,327	-	-	83,327
Total current operating	264,489	-	-	264,489
Debt service:				
Principal retirement	-	6,835	-	6,835
Interest charges and other	-	3,440	15	3,455
Total debt service	-	10,275	15	10,290
Capital outlay	-	-	24,252	24,252
Total expenditures	264,489	10,275	24,267	299,031
Excess (deficiency) of revenues over (under) expenditures	9,465	(97)	(12,173)	(2,805)
OTHER FINANCING SOURCES (USES):				
Bonds	-	3,026	1,191	4,217
Payments to refunded bond escrow agent	-	(3,001)	-	(3,001)
Transfers in	72	-	-	72
Transfers out	(794)	-	(1,674)	(2,468)
Total other financing sources (uses)	(722)	25	(483)	(1,180)
Net change in fund balances	8,743	(72)	(12,656)	(3,985)
Fund balances, beginning of year	2,611	1,953	58,867	63,431
Fund balances, end of year	\$ 11,354	\$ 1,881	\$ 46,211	\$ 59,446

Broward County Public Schools



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Non-Major Special Revenue Funds



The non-major Special Revenue Funds are used to account for funds from specific revenue sources (excluding those for major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Food Services – This fund is used to account for Federal, State and local funds received and used for the operation of the Food Service Program.

Contracted Programs – This fund is used to account for Federal, State and local funds received and used to operate various grant programs administered by the School Board.

Other Special Revenue – This fund is used to account for the after school child care program which provides tuition waivers for families who have demonstrated financial need. This fund is also used to account for miscellaneous revenues and expenditures related to various District wide events and certain departmental activities.

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2010

	FOOD SERVICES	CONTRACTED PROGRAMS	OTHER SPECIAL REVENUE	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 7,350	\$ 27	\$ 1,986	\$ 9,363
Cash and cash equivalents	4	-	-	4
Due from other governmental agencies	2,328	22,416	-	24,744
Accrued interest receivable	16	-	4	20
Inventories	1,677	-	-	1,677
Other assets	39	156	4	199
Total assets	\$ 11,414	\$ 22,599	\$ 1,994	\$ 36,007
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable and accrued expenditures	\$ 1,900	\$ 1,773	\$ 44	\$ 3,717
Due to other funds	-	19,201	-	19,201
Deferred revenue	-	1,625	-	1,625
Liability for compensated absences	110	-	-	110
Total liabilities	2,010	22,599	44	24,653
FUND BALANCES:				
Reserved for encumbrances	1,209	-	190	1,399
Unreserved/undesignated	8,195	-	1,760	9,955
Total fund balances	9,404	-	1,950	11,354
Total liabilities and fund balances	\$ 11,414	\$ 22,599	\$ 1,994	\$ 36,007

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	FOOD SERVICES	CONTRACTED PROGRAMS	OTHER SPECIAL REVENUE	TOTAL
REVENUES:				
Local sources:				
Food sales	\$ 24,794	\$ -	\$ -	\$ 24,794
Interest on investments	65	-	13	78
Other	86	2,704	1,293	4,083
Total local sources	24,945	2,704	1,306	28,955
State sources:				
Other	1,388	395	-	1,783
Federal sources:				
Food service	62,534	-	-	62,534
USDA	3,059	-	-	3,059
Other	162	177,461	-	177,623
Total federal sources	65,755	177,461	-	243,216
Total revenues	92,088	180,560	1,306	273,954
EXPENDITURES:				
Current operating:				
Instructional services	-	124,976	540	125,516
Instructional support services	-	49,162	1	49,163
Pupil transportation services	-	1,842	3	1,845
Operation and maintenance of plant	-	125	-	125
School administration	-	2	-	2
General administration	-	4,511	-	4,511
Food service	83,313	14	-	83,327
Total current operating	83,313	180,632	544	264,489
Total expenditures	83,313	180,632	544	264,489
Excess (deficiency) of revenues over (under) expenditures	8,775	(72)	762	9,465
OTHER FINANCING SOURCES (USES):				
Transfers in	-	72	-	72
Transfers out	-	-	(794)	(794)
Total other financing sources (uses)	-	72	(794)	(722)
Net change in fund balances	8,775	-	(32)	8,743
Fund balances (deficits), beginning of year	629	-	1,982	2,611
Fund balances, end of year	\$ 9,404	\$ -	\$ 1,950	\$ 11,354

NON-MAJOR SPECIAL REVENUE FUND - FOOD SERVICES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Food sales	\$ 25,034	\$ 24,794	\$ 24,794	\$ -
Interest on investments	-	64	65	1
Other	237	87	86	(1)
Total local sources	25,271	24,945	24,945	-
State sources:				
Other	1,431	1,389	1,388	(1)
Federal sources:				
Federal reimbursement	58,610	62,533	62,534	1
USDA	3,000	3,059	3,059	-
Other	800	162	162	-
Total federal sources	62,410	65,754	65,755	1
Total revenues	89,112	92,088	92,088	-
EXPENDITURES:				
Salaries	24,134	24,574	24,574	-
Employee benefits	13,663	13,838	13,838	-
Purchased services	4,030	3,952	4,029	(77)
Energy services	2,587	2,164	2,164	-
Materials and supplies	40,424	35,597	36,453	(856)
Capital outlay	554	573	849	(276)
Other expenditures	2,903	2,615	2,615	-
Total expenditures	88,295	83,313	84,522	(1,209)
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ 817	\$ 8,775	7,566	\$ (1,209)
Appropriated beginning fund balances	\$ -	\$ -		
Adjustment to conform with GAAP:				
Elimination of encumbrances			1,209	
Excess(deficiency) of revenues over (under) expenditures (GAAP basis)			8,775	
Fund balances (deficits), beginning of year			629	
Fund balances, end of year			\$ 9,404	

NON-MAJOR SPECIAL REVENUE FUND - CONTRACTED PROGRAMS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Other	\$ 2,905	\$ 2,957	\$ 2,704	\$ (253)
State sources:				
Other	542	477	395	(82)
Federal sources:				
Other	180,215	194,017	177,461	(16,556)
Total revenues	<u>183,662</u>	<u>197,451</u>	<u>180,560</u>	<u>(16,891)</u>
EXPENDITURES:				
Current operating:				
Instructional services	128,180	131,998	129,360	2,638
Instructional support services	48,669	57,351	50,103	7,248
Pupil transportation services	3,474	2,054	1,845	209
Operation and maintenance of plant	331	322	125	197
School administration	14	3	2	1
General administration	2,994	5,769	4,533	1,236
Food services	-	15	14	1
Total current operating	<u>183,662</u>	<u>197,512</u>	<u>185,982</u>	<u>11,530</u>
Capital outlay	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
Total expenditures	<u>183,662</u>	<u>197,523</u>	<u>185,982</u>	<u>11,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(72)</u>	<u>(5,422)</u>	<u>(5,350)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	72	72	-
Total other financing sources (uses)	<u>-</u>	<u>72</u>	<u>72</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>(5,350)</u>	<u>\$ (5,350)</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>5,350</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

NON-MAJOR SPECIAL REVENUE FUND - OTHER SPECIAL REVENUE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 43	\$ 13	\$ 13	\$ -
Other	1,579	1,294	1,293	(1)
State sources:				
Other	-	-	-	-
Total revenues	<u>1,622</u>	<u>1,307</u>	<u>1,306</u>	<u>(1)</u>
EXPENDITURES:				
Salaries	1	-	-	-
Purchased services	408	217	364	(147)
Materials and supplies	371	235	322	(87)
Capital outlay	53	67	22	45
Other expenditures	34	24	26	(2)
Total expenditures	<u>867</u>	<u>543</u>	<u>734</u>	<u>(191)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(895)	(795)	(794)	1
Total other financing uses	<u>(895)</u>	<u>(795)</u>	<u>(794)</u>	<u>1</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ (140)</u>	<u>\$ (31)</u>	(222)	<u>\$ (191)</u>
Appropriated beginning fund balances	<u>\$ 140</u>	<u>\$ 31</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			190	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(32)	
Fund balances, beginning of year			<u>1,982</u>	
Fund balances, end of year			<u>\$ 1,950</u>	

Major Debt Service Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and the payment of general long-term debt principal and interest. The non-major Debt Service Funds are:

Capital Outlay Bond Issue – Used to account for the payment of current year's principal and interest obligations on COBI Bonds.

District Bonds – Used to account for the payment of current year's principal and interest requirements on General Obligation Bonds.

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2010

	COBI BONDS	DISTRICT BONDS	TOTAL
ASSETS:			
Equity in pooled cash and investments	\$ 1,733	\$ 144	\$ 1,877
Due from other governmental agencies	-	4	4
Total assets	<u>\$ 1,733</u>	<u>\$ 148</u>	<u>\$ 1,881</u>
FUND BALANCES:			
Retirement of long-term debt	\$ 1,733	\$ 148	\$ 1,881
Total fund balances	<u>1,733</u>	<u>148</u>	<u>1,881</u>
Total liabilities and fund balances	<u>\$ 1,733</u>	<u>\$ 148</u>	<u>\$ 1,881</u>

NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	COBI BONDS	DISTRICT BONDS	TOTAL
REVENUES:			
Local sources:			
Ad valorem taxes	\$ -	\$ 51	\$ 51
Other	-	12	12
Total local sources	-	63	63
State sources:			
Other	10,115	-	10,115
Total state sources	10,115	-	10,115
Total revenues	10,115	63	10,178
EXPENDITURES:			
Principal retirement	6,835	-	6,835
Interest charges and other	3,439	1	3,440
Total expenditures	10,274	1	10,275
Excess (deficiency) of revenues over (under) expenditures	(159)	62	(97)
OTHER FINANCING SOURCES (USES):			
Bonds	3,026	-	3,026
Payments to refunded bond escrow agent	(3,001)	-	(3,001)
Total other financing sources (uses)	25	-	25
Net change in fund balances	(134)	62	(72)
Fund balances, beginning of year	1,867	86	1,953
Fund balances, end of year	\$ 1,733	\$ 148	\$ 1,881

MAJOR DEBT SERVICE FUNDS - COP SERIES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 469	\$ 469	\$ -
Total revenues	-	469	469	-
EXPENDITURES:				
Principal retirement	71,578	72,468	72,468	-
Interest charges and other	95,538	90,776	90,776	-
Total expenditures	167,116	163,244	163,244	-
Excess (deficiency) of revenues over (under) expenditures	(167,116)	(162,775)	(162,775)	-
OTHER FINANCING SOURCES:				
Transfers in	167,116	161,984	161,984	-
Total other financing sources	167,116	161,984	161,984	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (791)	(791)	\$ -
Appropriated beginning fund balances	\$ -	\$ 791		
Fund balances, beginning of year			8,000	
Fund balances, end of year			\$ 7,209	

**MAJOR DEBT SERVICE FUNDS - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Interest charges and other	-	4,913	4,913	-
Total expenditures	-	4,913	4,913	-
Excess (deficiency) of revenues over (under) expenditures	-	(4,913)	(4,913)	-
OTHER FINANCING SOURCES:				
Transfers in	-	4,913	4,913	-
Total other financing sources	-	4,913	4,913	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	-	\$ -
Appropriated beginning fund balances	\$ -	\$ -		
Fund balances, beginning of year			-	
Fund balances, end of year			\$ -	

**NON-MAJOR DEBT SERVICE FUNDS - COBI DEBT SERVICE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Withheld for COBI bonds	\$ 10,222	\$ 10,109	\$ 10,109	\$ -
Interest on investments	-	6	6	-
Total revenues	<u>10,222</u>	<u>10,115</u>	<u>10,115</u>	<u>-</u>
EXPENDITURES:				
Principal retirement	6,800	6,835	6,835	-
Interest charges and other	3,422	3,438	3,439	(1)
Total expenditures	<u>10,222</u>	<u>10,273</u>	<u>10,274</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(158)</u>	<u>(159)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):				
Proceeds of bonds	-	3,026	3,026	-
Payments to refunded bond escrow agent	-	(3,001)	(3,001)	-
Total other financing sources (uses)	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>\$ (133)</u>	<u>(134)</u>	<u>\$ 1</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ 133</u>		
Fund balances, beginning of year			<u>1,867</u>	
Fund balances, end of year			<u>\$ 1,733</u>	

**NON-MAJOR DEBT SERVICE FUNDS - DISTRICT BONDS AND SECTION 237.161 LOANS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 51	\$ 51	\$ -
Other	-	12	12	-
Total revenues	<u>-</u>	<u>63</u>	<u>63</u>	<u>-</u>
EXPENDITURES:				
Interest charges and other	-	1	1	-
Total expenditures	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 62</u>	62	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Fund balances, beginning of year			<u>86</u>	
Fund balances, end of year			<u>\$ 148</u>	

Broward County Public Schools



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Major Capital Projects Fund Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Capital Projects Funds

Capital Projects Funds are used to account for the accumulation of resources and the payment of acquisition/construction of major facilities and equipment. The non-major Capital Projects Funds are:

Capital Outlay and Debt Service – Used to account for State approved projects financed with bonds sold by the State Board of Education on behalf of School districts.

Capital Outlay Bond Issue – Used to account for major construction projects on the Project Priority List financed by CO&DS revenues.

District Bonds – Used to account for major construction projects and equipment purchases financed by the sale of general obligation bonds.

Public Education Capital Funds – Used to account for funds generated through the levy of the gross receipts tax on utilities and are used to accomplish fixed capital outlay projects of the School District.

F.S. Loans – Used to account for Section 237.161 F.S. Loans. Proceeds of loans authorized under Section 237.161 F.S. permits the school board to borrow money for specific purposes when approved, including installment purchases under Section 237.161 F.S.

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2010

	CAPITAL OUTLAY AND DEBT SERVICE	CAPITAL OUTLAY BOND ISSUE	DISTRICT BONDS	PUBLIC EDUCATION CAPITAL FUND	F.S. LOANS	TOTAL
ASSETS:						
Equity in pooled cash and investments	\$ 2,928	\$ 3,275	\$ 343	\$ 4,650	\$ 16	\$ 11,212
Due from other governmental agencies	-	-	-	36,496	-	36,496
Accrued interest receivable	3	2	4	4	-	13
Total assets	<u>\$ 2,931</u>	<u>\$ 3,277</u>	<u>\$ 347</u>	<u>\$ 41,150</u>	<u>\$ 16</u>	<u>\$ 47,721</u>
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable and accrued expenditures	\$ 23	\$ 465	\$ -	\$ 318	\$ -	\$ 806
Retainages payable	-	154	-	550	-	704
Total liabilities	<u>23</u>	<u>619</u>	<u>-</u>	<u>868</u>	<u>-</u>	<u>1,510</u>
FUND BALANCES:						
Reserved for encumbrances	1,857	869	7	7,800	-	10,533
Unreserved	1,051	1,789	340	32,482	16	35,678
Total fund balances	<u>2,908</u>	<u>2,658</u>	<u>347</u>	<u>40,282</u>	<u>16</u>	<u>46,211</u>
Total liabilities and fund balances	<u>\$ 2,931</u>	<u>\$ 3,277</u>	<u>\$ 347</u>	<u>\$ 41,150</u>	<u>\$ 16</u>	<u>\$ 47,721</u>

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	CAPITAL OUTLAY AND DEBT SERVICE	CAPITAL OUTLAY BOND ISSUE	DISTRICT BONDS	PUBLIC EDUCATION CAPITAL OUTLAY FUND	F.S. LOANS	TOTAL
REVENUES:						
Local sources:						
Interest on investments	\$ 14	\$ 7	\$ 13	\$ 12	\$ -	\$ 46
Total local sources	14	7	13	12	-	46
State sources:						
Public education capital outlay	-	-	-	10,894	-	10,894
Other	1,154	-	-	-	-	1,154
Total state sources	1,154	-	-	10,894	-	12,048
Total revenues	1,168	7	13	10,906	-	12,094
EXPENDITURES:						
Interest charges and other	5	10	-	-	-	15
Capital outlay	1,003	4,062	608	18,579	-	24,252
Total expenditures	1,008	4,072	608	18,579	-	24,267
Excess (deficiency) of revenues over (under) expenditures	160	(4,065)	(595)	(7,673)	-	(12,173)
OTHER FINANCING SOURCES (USES):						
Bond proceeds	-	1,191	-	-	-	1,191
Transfers out	-	-	(1,674)	-	-	(1,674)
Total other financing sources (uses)	-	1,191	(1,674)	-	-	(483)
Net change in fund balances	160	(2,874)	(2,269)	(7,673)	-	(12,656)
Fund balances, beginning of year	2,748	5,532	2,616	47,955	16	58,867
Fund balances, end of year	\$ 2,908	\$ 2,658	\$ 347	\$ 40,282	\$ 16	\$ 46,211

MAJOR CAPITAL PROJECTS FUNDS - LOCAL MILLAGE CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 226,698	\$ 228,391	\$ 228,391	\$ -
Interest on investments	2,000	390	390	-
Other	-	2,660	2,660	-
Total local sources	228,698	231,441	231,441	-
Total revenues	228,698	231,441	231,441	-
EXPENDITURES:				
Capital outlay	167,853	172,246	88,149	84,097
Total expenditures	167,853	172,246	88,149	84,097
Excess (deficiency) of revenues over (under) expenditures	60,845	59,195	143,292	84,097
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	507	507	-
Transfers in	-	3,500	3,500	-
Transfers out	(220,246)	(222,603)	(222,603)	-
Total other financing sources (uses)	(220,246)	(218,596)	(218,596)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (159,401)	\$ (159,401)	(75,304)	\$ 84,097
Appropriated beginning fund balances	\$ 159,401	\$ 159,401		
Adjustments to conform with GAAP:				
Elimination of encumbrances			29,282	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(46,022)	
Fund balances, beginning of year			159,401	
Fund balances, end of year			\$ 113,379	

MAJOR CAPITAL PROJECTS FUNDS - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 26	\$ 26	\$ -
Total local sources	-	26	26	-
Total revenues	-	26	26	-
EXPENDITURES:				
Capital outlay	110,985	110,985	72,348	38,637
Total expenditures	110,985	110,985	72,348	38,637
Excess (deficiency) of revenues over (under) expenditures	(110,985)	(110,959)	(72,322)	38,637
OTHER FINANCING SOURCES (USES):				
Transfers out		(26)	(26)	-
Total other financing sources (uses)	-	(26)	(26)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (110,985)	\$ (110,985)	(72,348)	\$ 38,637
Appropriated beginning fund balances	\$ 110,985	\$ 110,985		
Adjustment to conform with GAAP:				
Elimination of encumbrances			36,878	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(35,470)	
Fund balances, beginning of year			110,985	
Fund balances, end of year			\$ 75,515	

MAJOR CAPITAL PROJECTS FUNDS - OTHER CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 4,655	\$ 1,274	\$ 1,274	\$ -
Other		2,562	2,562	-
Total local sources	4,655	3,836	3,836	-
State sources:				
Other	10,363	10,552	10,552	-
Total state sources	10,363	10,552	10,552	-
Federal sources:				
Other	2,000	-	-	-
Total revenues	17,018	14,388	14,388	-
EXPENDITURES:				
Debt service:				
Interest charges and other	-	1,853	1,853	-
Total debt service	-	1,853	1,853	-
Capital outlay	444,402	389,518	213,266	176,252
Total expenditures	444,402	391,371	215,119	176,252
Excess (deficiency) of revenues over (under) expenditures	(427,384)	(376,983)	(200,731)	176,252
OTHER FINANCING SOURCES (USES):				
Certificates of participation	50,000	-	-	-
Capital lease	8,000	8,902	8,902	-
Sale of capital assets	-	119	119	-
Other loss recoveries	-	7,116	7,116	-
Transfers in	-	250	250	-
Transfers out	(13,863)	(22,651)	(22,651)	-
Total other financing sources (uses)	44,137	(6,264)	(6,264)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (383,247)	\$ (383,247)	(206,995)	\$ 176,252
Appropriated beginning fund balances	\$ 383,247	\$ 383,247		
Adjustment to conform with GAAP:				
Elimination of encumbrances			82,172	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(124,823)	
Fund balances, beginning of year			383,247	
Fund balances, end of year			\$ 258,424	

NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 14	\$ 14	\$ -
Total local sources	-	14	14	-
State sources:				
Other	1,000	1,154	1,154	-
Total state sources	1,000	1,154	1,154	-
Total revenues	1,000	1,168	1,168	-
EXPENDITURES:				
Interest charges and other	-	5	5	-
Capital outlay	3,748	3,911	2,860	1,051
Total expenditures	3,748	3,916	2,865	1,051
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (2,748)	\$ (2,748)	(1,697)	\$ 1,051
Appropriated beginning fund balances	\$ 2,748	\$ 2,748		
Adjustments to conform with GAAP:				
Elimination of encumbrances			1,857	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			160	
Fund balances, beginning of year			2,748	
Fund balances, end of year			\$ 2,908	

NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY BOND ISSUES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 7	\$ 7	\$ -
Total revenues	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
EXPENDITURES:				
Interest charges and other	-	10	10	-
Capital outlay	5,532	6,720	4,931	1,789
Total expenditures	<u>5,532</u>	<u>6,730</u>	<u>4,941</u>	<u>1,789</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>(5,532)</u>	<u>(6,723)</u>	<u>(4,934)</u>	<u>1,789</u>
OTHER FINANCING SOURCES:				
Bonds	-	1,191	1,191	-
Total other financing sources	<u>-</u>	<u>1,191</u>	<u>1,191</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures (budgetary basis)	<u>\$ (5,532)</u>	<u>\$ (5,532)</u>	<u>(3,743)</u>	<u>\$ 1,789</u>
Appropriated beginning fund balances	<u>\$ 5,532</u>	<u>\$ 5,532</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>869</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			<u>(2,874)</u>	
Fund balances, beginning of year			<u>5,532</u>	
Fund balances, end of year			<u>\$ 2,658</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - DISTRICT BONDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 13	\$ 13	\$ -
Total revenues	-	13	13	-
EXPENDITURES:				
Capital outlay	2,616	955	615	340
Total expenditures	2,616	955	615	340
Excess (deficiency) of revenues over (under) expenditures	(2,616)	(942)	(602)	340
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,674)	(1,674)	-
Total other financing sources (uses)	-	(1,674)	(1,674)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (2,616)	\$ (2,616)	(2,276)	\$ 340
Appropriated beginning fund balances	\$ 2,616	\$ 2,616		
Adjustment to conform with GAAP:				
Elimination of encumbrances			7	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			(2,269)	
Fund balances, beginning of year			2,616	
Fund balances, end of year			\$ 347	

NON-MAJOR CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 12	\$ 12	\$ -
Total local sources	-	12	12	-
State sources:				
Public education capital outlay	10,894	10,894	10,894	-
Total state sources	10,894	10,894	10,894	-
Total revenues	10,894	10,906	10,906	-
EXPENDITURES:				
Capital outlay	58,849	58,861	26,379	32,482
Total expenditures	58,849	58,861	26,379	32,482
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (47,955)	\$ (47,955)	(15,473)	\$ 32,482
Appropriated beginning fund balances	\$ 47,955	\$ 47,955		
Adjustments to conform with GAAP:				
Elimination of encumbrances			7,800	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(7,673)	
Fund balances, beginning of year			47,955	
Fund balances, end of year			\$ 40,282	

NON MAJOR CAPITAL PROJECTS FUNDS - F.S. LOANS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:				
Capital outlay	<u>16</u>	<u>16</u>	<u>-</u>	<u>16</u>
Total expenditures	<u>16</u>	<u>16</u>	<u>-</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (16)</u>	<u>\$ (16)</u>	<u>-</u>	<u>\$ 16</u>
Appropriated beginning fund balances	<u>\$ 16</u>	<u>\$ 16</u>		
Adjustments to conform with GAAP:				
Elimination of encumbrances			<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			<u>-</u>	
Fund balances, beginning of year			<u>16</u>	
Fund balances, end of year			<u>\$ 16</u>	

Broward County Public Schools



***Educating Today's Students
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Internal Service Funds

Internal Service Funds are used to account for the financing of services provided by one department to another on a cost reimbursement basis.

Self-Insurance Fund – Used to account for the cost of workers' compensation, automobile and general liability self-insurance, and funding OPEB liability. The District utilizes the services of a risk management and claims adjustment firm to facilitate the processing of claims. In addition, the District has purchased specific excess insurance for large claims.

Other Services – Used to account for the cost and services of the printing department and facility project management, which are charged to other departments and schools on a cost reimbursement basis.

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS (in thousands)

AS OF JUNE 30, 2010

	SELF- INSURANCE	OTHER SERVICES	TOTAL
ASSETS:			
Current assets:			
Equity in pooled cash and investments	\$ 41,788	\$ 90	\$ 41,878
Accrued interest receivable	77	-	77
Inventories	-	17	17
Other assets	13,315	3	13,318
Total current assets	55,180	110	55,290
Noncurrent assets:			
Machinery and equipment (net of accumulated depreciation)	-	8	8
Total assets	<u>\$ 55,180</u>	<u>\$ 118</u>	<u>\$ 55,298</u>
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 434	\$ 5	\$ 439
Estimated liability for self-insured risks	22,728	-	22,728
Total current liabilities	23,162	5	23,167
Long-term liabilities:			
Estimated liability for self-insured risks	22,790	-	22,790
Total liabilities	<u>45,952</u>	<u>5</u>	<u>45,957</u>
NET ASSETS:			
Invested in capital assets	-	8	8
Unrestricted	9,228	105	9,333
Total net assets	<u>\$ 9,228</u>	<u>\$ 113</u>	<u>\$ 9,341</u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE	OTHER SERVICES	TOTAL
OPERATING REVENUES:			
Premium revenues	\$ 43,621	\$ -	\$ 43,621
Charges for services	-	87,341	87,341
Other	6,281	-	6,281
Total operating revenues	49,902	87,341	137,243
OPERATING EXPENSES:			
Claims	17,114	-	17,114
Insurance	20,793	-	20,793
Personnel services	1,417	85,563	86,980
Depreciation	-	5	5
Other	5,650	1,978	7,628
Total operating expenses	44,974	87,546	132,520
Operating income (loss)	4,928	(205)	4,723
NON-OPERATING REVENUE:			
Interest and other	145	1	146
Net income (loss) before transfers	5,073	(204)	4,869
Net income (loss)	5,073	(204)	4,869
Total net assets, beginning of year	4,155	317	4,472
Total net assets, end of year	\$ 9,228	\$ 113	\$ 9,341

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE	OTHER SERVICES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from governmental customers	\$ 55,561	\$ 87,337	\$ 142,898
Cash payments for goods and services	(51,685)	(87,607)	(139,292)
Cash payments to employees	(1,420)	-	(1,420)
Net cash provided (used) by operating activities	2,456	(270)	2,186
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	145	1	146
Net change in cash and cash equivalents	2,601	(269)	2,332
CASH AND CASH EQUIVALENTS:			
Beginning of year	39,187	359	39,546
End of year	\$ 41,788	\$ 90	\$ 41,878
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 4,928	\$ (205)	\$ 4,723
Depreciation	-	5	5
Disposal of capital assets	-	10	10
Change in assets and liabilities:			
(Increase) decrease in interest receivable	48	-	48
(Increase) decrease in other assets	3,412	1	3,413
Increase (decrease) in accounts payable and accrued expenditures	347	(81)	266
Increase (decrease) in estimated liability for self-insured risks	(6,279)	-	(6,279)
Net cash provided (used) by operating activities	\$ 2,456	\$ (270)	\$ 2,186

Agency Fund

An Agency Fund is used to account for the custody of funds for individual school activities. The District holds the assets in this fund in a fiduciary capacity.

Agency Fund – Used to account for the custody of funds for school activities.

AGENCY FUND

STATEMENT OF ASSETS AND LIABILITIES (in thousands)

AS OF JUNE 30, 2010

	AGENCY FUND
ASSETS:	
Equity in pooled cash and investments	\$ 6,075
Cash and cash equivalents	8,291
Interest receivable	11
Total assets	\$ 14,377
LIABILITIES:	
Accounts payable	\$ 1,103
Due to individual schools and activities groups	13,274
Total liabilities	\$ 14,377

AGENCY FUND**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

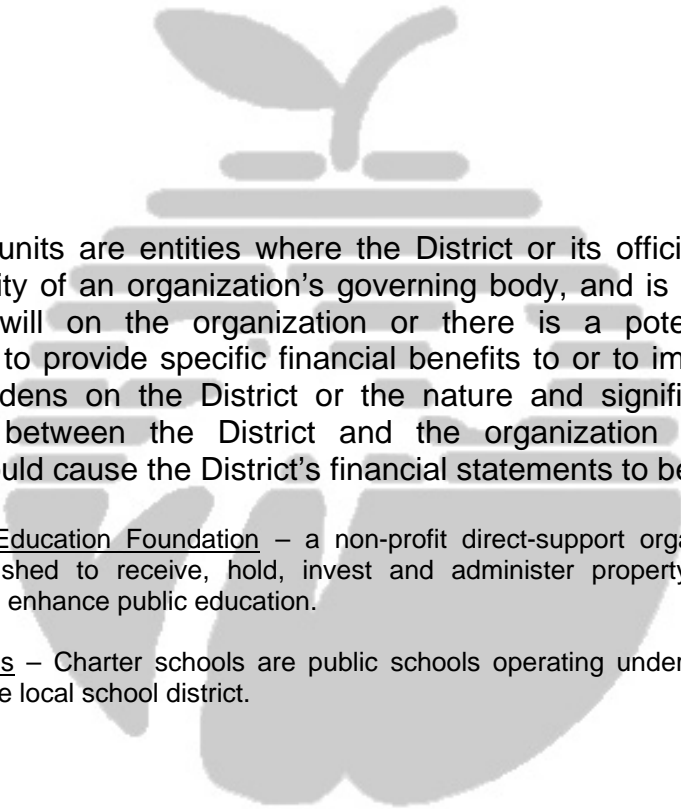
	AGENCY FUND			
	2009	Increases	Decreases	2010
ASSETS:				
Equity in pooled cash and investments	\$ 5,947	\$ 6,075	\$ (5,947)	\$ 6,075
Cash and cash equivalents	8,435	172,214	(172,358)	8,291
Interest receivable	7	11	(7)	11
Other assets	31	-	(31)	-
Total assets	<u>\$ 14,420</u>	<u>\$ 178,300</u>	<u>\$ (178,343)</u>	<u>\$ 14,377</u>
LIABILITIES:				
Accounts payable	\$ 1,620	\$ 1,103	\$ (1,620)	\$ 1,103
Due to individual schools and activities groups	12,800	177,197	(176,723)	13,274
Total liabilities	<u>\$ 14,420</u>	<u>\$ 178,300</u>	<u>\$ (178,343)</u>	<u>\$ 14,377</u>

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Component Units



Component units are entities where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete.

The Broward Education Foundation – a non-profit direct-support organization of the District, established to receive, hold, invest and administer property and to make expenditures to enhance public education.

Charter Schools – Charter schools are public schools operating under a performance contract with the local school district.

COMBINING SCHEDULE OF NET ASSETS

COMPONENT UNITS (in thousands)

AS OF JUNE 30, 2010

	BEN GAMLA CHARTER SCHOOL	BEN GAMLA CHARTER SCHOOL AT SOUTH BROWARD	BROWARD COMMUNITY CHARTER SCHOOL	BROWARD COMMUNITY CHARTER MIDDLE SCHOOL	BROWARD COMMUNITY CHARTER SCHOOL WEST
ASSETS:					
Cash, cash equivalents and investments	\$ 293	\$ 154	\$ 3	\$ 180	\$ 67
Due from other governmental agencies	-	-	-	-	-
Due from other schools	68	-	-	-	-
Inventories	-	-	-	-	-
Prepays	113	-	5	12	102
Other assets	16	38	18	19	157
Total Current Assets	490	192	26	211	326
Non-current assets:					
Capital assets:					
Depreciable, net	512	116	2	64	273
Total assets	1,002	308	28	275	599
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	120	6	52	34	357
Accrued payroll taxes and withholding	158	29	28	19	82
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	370
Other liabilities	61	20	-	-	-
Total current liabilities	339	55	80	53	809
Non-current liabilities:					
Debt, net of premiums and discounts	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-
Total liabilities	339	55	80	53	809
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	511	116	2	64	(97)
Restricted for:					
Other	21	-	-	-	-
Unrestricted net assets (deficits)	131	137	(54)	158	(113)
Total net assets (deficits)	\$ 663	\$ 253	\$ (52)	\$ 222	\$ (210)

Exhibit H1 (continued)

CENTRAL CHARTER SCHOOL	CHARTER SCHOOL INSTITUTE TRAINING CENTER	CHARTER SCHOOL OF EXCELLENCE	CHARTER SCHOOL OF EXCELLENCE AT DAVIE	CHARTER SCHOOL RIVERLAND CAMPUS	CHARTER SCHOOL OF EXCELLENCE TAMARAC 1	CHARTER SCHOOL OF EXCELLENCE TAMARAC 2
\$ 1,079	\$ -	\$ 215	\$ 187	\$ 10	\$ 77	\$ 129
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13	54	3	-	-	-	-
704	136	22	24	14	161	7
1,796	190	240	211	24	238	136
484	1,711	623	209	196	183	52
2,280	1,901	863	420	220	421	188
31	79	71	54	18	49	36
98	84	65	54	16	23	31
-	-	-	-	-	-	-
-	-	-	-	155	-	28
-	-	-	-	-	-	-
9	-	-	12	-	60	-
-	-	88	87	27	-	23
138	163	224	207	216	132	118
14	-	-	-	-	102	-
14	-	-	-	-	102	-
152	163	224	207	216	234	118
461	1,711	623	209	196	183	52
-	-	-	-	-	-	-
1,667	27	16	4	(192)	4	18
\$ 2,128	\$ 1,738	\$ 639	\$ 213	\$ 4	\$ 187	\$ 70

COMBINING SCHEDULE OF NET ASSETS

COMPONENT UNITS (in thousands)

AS OF JUNE 30, 2010

	DISCOVERY MIDDLE CHARTER SCHOOL	DOLPHIN PARK HIGH CHARTER SCHOOL	EAGLE ACADEMY CHARTER SCHOOL	EAGLES' NEST ELEMENTARY CHARTER SCHOOL	EAGLES' NEST MIDDLE CHARTER SCHOOL
ASSETS:					
Cash, cash equivalents and investments	\$ 4	\$ 252	\$ 53	\$ 191	\$ 36
Due from other governmental agencies	-	-	-	13	5
Due from other schools	-	-	688	-	-
Inventories	-	-	-	-	-
Prepays	2	-	13	-	-
Other assets	88	-	2	12	6
Total Current Assets	94	252	756	216	47
Non-current assets:					
Capital assets:					
Depreciable, net	3	120	25	-	-
Total assets	97	372	781	216	47
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	-	240	336	7	5
Accrued payroll taxes and withholding	35	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	211	-	-
Debt, net of premiums and discounts	21	-	-	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	56	240	547	7	5
Non-current liabilities:					
Debt, net of premiums and discounts	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-
Total liabilities	56	240	547	7	5
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	3	120	25	-	-
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	38	12	209	209	42
Total net assets (deficits)	\$ 41	\$ 132	\$ 234	\$ 209	\$ 42

EXCELSIOR CHARTER OF BROWARD	FLORIDA INTERCULTURAL ACADEMY, INC. ELEMENTARY	FLORIDA INTERCULTURAL ACADEMY, INC. MIDDLE	HENRY MCNEAL TURNER LEARNING ACADEMY	HOLLYWOOD ACADEMY OF ARTS & SCIENCE	HOLLYWOOD ACADEMY OF ARTS & SCIENCE MIDDLE SCHOOL	IMAGINE CHARTER SCHOOL AT LAUDERDALE
\$ 146	\$ 504	\$ -	\$ 1	\$ 600	\$ 345	\$ 143
-	-	-	14	7	14	-
-	-	-	-	-	-	170
-	-	-	-	-	-	-
63	1	1	-	32	12	13
-	17	3	2	140	-	128
209	522	4	17	779	371	454
44	179	16	79	47	14	15
253	701	20	96	826	385	469
6	32	5	48	314	36	9
56	-	-	1	-	-	281
-	-	-	-	-	-	-
-	43	-	-	-	-	-
-	-	-	-	-	4	43
-	-	-	-	-	-	168
-	-	-	-	-	120	-
62	75	5	49	314	160	501
-	-	-	-	-	-	946
-	-	-	-	-	-	946
62	75	5	49	314	160	1,447
44	-	-	79	47	14	15
-	-	-	-	-	-	-
147	626	15	(32)	465	211	(993)
\$ 191	\$ 626	\$ 15	\$ 47	\$ 512	\$ 225	\$ (978)

COMBINING SCHEDULE OF NET ASSETS**COMPONENT UNITS (in thousands)****AS OF JUNE 30, 2010**

	IMAGINE CHARTER SCHOOL AT N. LAUDERDALE MIDDLE	IMAGINE CHARTER SCHOOL AT BROWARD	IMAGINE CHARTER SCHOOL AT WESTON	INTERNATIONAL SCHOOL OF BROWARD, INC.	KIDZ CHOICE CHARTER SCHOOL, INC.
ASSETS:					
Cash, cash equivalents and investments	\$ 200	\$ 67	\$ 316	\$ 69	\$ 38
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	7	-	-	-
Inventories	-	-	-	-	-
Prepays	8	91	203	-	8
Other assets	94	51	195	1	-
Total Current Assets	302	216	714	70	46
Non-current assets:					
Capital assets:					
Depreciable, net	4	99	392	41	44
Total assets	306	315	1,106	111	90
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expense:	2	200	26	105	1
Accrued payroll taxes and withholding	104	263	382	107	23
Due to other schools	164	-	-	-	-
Unearned revenue	-	6	-	-	-
Management fees payable	32	-	-	-	-
Debt, net of premiums and discounts	6	5	114	-	19
Other liabilities	-	1	26	-	-
Total current liabilities	308	475	548	212	43
Non-current liabilities:					
Debt, net of premiums and discounts	84	187	857	219	-
Total non-current liabilities	84	187	857	219	-
Total liabilities	392	662	1,405	431	43
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related del	4	99	392	41	44
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	(90)	(446)	(691)	(361)	3
Total net assets (deficits)	\$ (86)	\$ (347)	\$ (299)	\$ (320)	\$ 47

LAUDERHILL HIGH CHARTER SCHOOL	LIFE SKILLS CENTER	NORTH BROWARD ACADEMY OF EXCELLENCE	NORTH BROWARD ACADEMY OF EXCELLENCE MIDDLE	NORTH UNIVERSITY HIGH CHARTER SCHOOL	PARAGON ACADEMY OF TECHNOLOGY	PARAGON ELEMENTARY CHARTER SCHOOL
\$ 257	\$ 219	\$ 335	\$ 259	\$ 260	\$ 10	\$ 18
-	-	9	31	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	12	44	-	-	2
-	-	215	5	-	19	42
257	219	571	339	260	29	62
122	-	212	46	123	6	10
379	219	783	385	383	35	72
235	-	378	17	254	3	6
-	-	-	-	-	25	54
-	-	-	-	-	-	-
-	-	-	-	-	1	-
-	25	11	9	-	-	-
-	-	124	-	-	-	-
-	-	7	197	-	-	-
235	25	520	223	254	29	60
-	-	32	-	-	-	-
-	-	32	-	-	-	-
235	25	552	223	254	29	60
123	-	56	46	123	6	10
-	-	-	-	-	-	-
21	194	175	116	6	-	2
\$ 144	\$ 194	\$ 231	\$ 162	\$ 129	\$ 6	\$ 12

COMBINING SCHEDULE OF NET ASSETS

COMPONENT UNITS (in thousands)

AS OF JUNE 30, 2010

	PARKWAY ACADEMY	POMPANO CHARTER MIDDLE SCHOOL	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY	RISE ACADEMY II TAMARAC	SMART SCHOOL
ASSETS:					
Cash, cash equivalents and investments	\$ 185	\$ 101	\$ 30	\$ 1	\$ 64
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	2	-	-	-
Other assets	15	-	48	-	208
Total Current Assets	200	103	78	1	272
Non-current assets:					
Capital assets:					
Depreciable, net	1,419	79	196	115	269
Total assets	1,619	182	274	116	541
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	142	68	25	19	19
Accrued payroll taxes and withholding	75	16	52	28	1,230
Due to other schools	-	-	-	-	688
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	100
Other liabilities	-	-	-	-	-
Total current liabilities	217	84	77	47	2,037
Non-current liabilities:					
Debt, net of premiums and discounts	1,502	-	-	-	193
Total non-current liabilities	1,502	-	-	-	193
Total liabilities	1,719	84	77	47	2,230
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	(83)	79	196	115	57
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	(17)	19	1	(46)	(1,746)
Total net assets (deficits)	\$ (100)	\$ 98	\$ 197	\$ 69	\$ (1,689)

SOMERSET ACADEMY & SOMERSET NEIGHBORHOOD SCHOOL	SOMERSET ACADEMY DAVIE CHARTER SCHOOL	SOMERSET ACADEMY MIDDLE SCHOOL	SOMERSET ACADEMY CHARTER HIGH SCHOOL	SOMERSET ARTS CONSERVATORY	SOMERSET ACADEMY SCHOOL MIRAMAR	SOMERSET ACADEMY MIDDLE SCHOOL MIRAMAR
\$ 918	\$ 560	\$ 301	\$ 848	\$ 280	\$ 1,662	\$ 571
-	-	-	-	-	-	-
35	-	159	142	-	280	21
-	-	-	-	-	-	-
80	-	131	106	-	30	16
72	9	11	2	-	2	1
1,105	569	602	1,098	280	1,974	609
1,566	40	998	1,038	70	744	285
2,671	609	1,600	2,136	350	2,718	894
325	29	239	234	12	48	77
280	47	152	140	17	168	85
189	-	2	121	-	-	33
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
794	76	393	495	29	216	195
-	-	-	-	-	-	-
-	-	-	-	-	-	-
794	76	393	495	29	216	195
1,566	40	998	1,038	70	744	285
-	-	-	217	-	-	-
311	493	209	386	251	1,758	414
\$ 1,877	\$ 533	\$ 1,207	\$ 1,641	\$ 321	\$ 2,502	\$ 699

COMBINING SCHEDULE OF NET ASSETS

COMPONENT UNITS (in thousands)

AS OF JUNE 30, 2010

	SOMERSET ACADEMY EAST PREPARATORY	SUNSHINE ELEMENTARY CHARTER SCHOOL	TOUCHDOWNS 4LIFE, INC	BROWARD EDUCATION FOUNDATION	TOTAL
ASSETS:					
Cash, cash equivalents and investments	\$ 223	\$ 48	\$ -	\$ 2,347	\$ 14,856
Due from other governmental agencies	-	-	-	-	93
Due from other schools	15	-	-	-	1,585
Inventories	-	-	-	442	442
Prepays	47	-	2	5,260	6,481
Other assets	-	-	-	141	2,845
Total Current Assets	285	48	2	8,190	26,302
Non-current assets:					
Capital assets:					
Depreciable, net	314	28	30	-	13,257
Total assets	599	76	32	8,190	39,559
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	75	4	107	192	4,787
Accrued payroll taxes and withholding	50	24	31	-	4,413
Due to other schools	-	-	-	-	1,197
Unearned revenue	-	-	-	-	233
Management fees payable	-	-	-	-	335
Debt, net of premiums and discounts	-	-	23	-	1,031
Other liabilities	-	20	-	-	677
Total current liabilities	125	48	161	192	12,673
Non-current liabilities:					
Debt, net of premiums and discounts	-	-	-	-	4,136
Total non-current liabilities	-	-	-	-	4,136
Total liabilities	125	48	161	192	16,809
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	314	28	30	-	10,799
Restricted for:					
Other	-	-	-	5,260	5,498
Unrestricted net assets (deficits)	160	-	(159)	2,738	6,453
Total net assets (deficits)	\$ 474	\$ 28	\$ (129)	\$ 7,998	\$ 22,750

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BEN GAMLA CHARTER SCHOOL	BEN GAMLA CHARTER SCHOOL AT SOUTH BROWARD	BROWARD COMMUNITY CHARTER SCHOOL	BROWARD COMMUNITY CHARTER MIDDLE SCHOOL	BROWARD COMMUNITY CHARTER SCHOOL WEST
EXPENSES:					
Instructional services	\$ 1,895	\$ 356	\$ 440	\$ 282	\$ 1,080
Instructional support services	5	4	1	4	34
Pupil transportation services	-	-	36	14	175
Operation and maintenance of plant	1,121	159	56	23	268
School administration	581	163	262	151	774
General administration	204	38	7	8	8
Food services	14	1	44	30	136
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	6	3	146	58	790
Interest expense	-	-	-	-	20
Depreciation - unallocated ⁽¹⁾	-	-	1	41	117
Total expenses	3,826	724	993	611	3,402
PROGRAM REVENUES:					
Charges for services	104	1	31	20	191
Operating grants and contributions	-	250	-	-	-
Capital grants and contributions	302	-	54	48	192
Total program revenues	406	251	85	68	383
Net program expense	(3,420)	(473)	(908)	(543)	(3,019)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other federal sources	-	-	19	16	61
Other state sources	3,779	725	813	561	2,663
Other local sources	2	1	10	-	62
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	3,781	726	842	577	2,786
Change in net assets (deficits)	361	253	(66)	34	(233)
Total net assets (deficits), beginning of year	302	-	14	188	23
Total net assets (deficits), end of year	\$ 663	\$ 253	\$ (52)	\$ 222	\$ (210)

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

CENTRAL CHARTER SCHOOL	CHARTER SCHOOL INSTITUTE TRAINING CENTER	CHARTER SCHOOL OF EXCELLENCE	CHARTER SCHOOL OF EXCELLENCE AT DAVIE	CHARTER SCHOOL RIVERLAND CAMPUS	CHARTER SCHOOL OF EXCELLENCE TAMARAC 1	CHARTER SCHOOL OF EXCELLENCE TAMARAC 2
\$ 1,918	\$ 147	\$ 971	\$ 777	\$ 370	\$ 454	\$ 507
320	63	48	26	57	157	84
51	12	81	81	41	41	41
-	233	302	169	79	69	74
287	112	176	245	51	322	125
631	18	689	417	159	393	302
-	55	122	89	36	50	59
-	-	-	-	-	-	-
654	-	135	113	99	105	111
4	-	-	-	-	10	-
-	-	-	-	-	-	-
3,865	640	2,524	1,917	892	1,601	1,303
90	3	198	180	53	127	57
-	-	-	50	95	250	222
253	-	144	-	-	-	-
343	3	342	230	148	377	279
(3,522)	(637)	(2,182)	(1,687)	(744)	(1,224)	(1,024)
436	-	-	-	-	-	-
-	-	-	-	-	-	-
3,304	610	1,923	1,891	495	1,223	827
66	164	144	10	253	188	267
-	-	1	-	-	-	-
3,806	774	2,068	1,901	748	1,411	1,094
284	137	(114)	214	4	187	70
1,844	1,601	753	(1)	-	-	-
\$ 2,128	\$ 1,738	\$ 639	\$ 213	\$ 4	\$ 187	\$ 70

COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	DISCOVERY MIDDLE CHARTER SCHOOL	DOLPHIN PARK HIGH CHARTER SCHOOL	EAGLE ACADEMY CHARTER SCHOOL	EAGLES' NEST ELEMENTARY CHARTER SCHOOL	EAGLES' NEST MIDDLE CHARTER SCHOOL
EXPENSES:					
Instructional services	\$ 401	\$ 591	\$ 1,679	\$ 322	\$ 186
Instructional support services	3	244	-	106	49
Pupil transportation services	14	63	53	20	19
Operation and maintenance of plant	26	430	631	77	24
School administration	156	636	148	104	64
General administration	7	63	1,006	80	39
Food services	35	1	90	7	4
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	61	108	-	74	43
Interest expense	-	-	-	-	-
Depreciation - unallocated ⁽¹⁾	-	-	-	-	-
Total expenses	703	2,136	3,607	790	428
PROGRAM REVENUES:					
Charges for services	23	-	-	4	-
Operating grants and contributions	-	-	211	5	6
Capital grants and contributions	-	-	307	60	30
Total program revenues	23	-	518	69	36
Net program expense	(680)	(2,136)	(3,089)	(721)	(392)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	-	-	45	36
Other federal sources	76	-	-	-	-
Other state sources	640	1,978	2,986	812	337
Other local sources	156	-	106	19	1
Unrestricted investment earnings	-	-	-	1	-
Total general revenues	872	1,978	3,092	877	374
Change in net assets (deficits)	192	(158)	3	156	(18)
Total net assets (deficits), beginning of year	(151)	290	231	53	60
Total net assets (deficits), end of year	\$ 41	\$ 132	\$ 234	\$ 209	\$ 42

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

EXCELSIOR CHARTER OF BROWARD	FLORIDA INTERCULTURAL ACADEMY, INC. ELEMENTARY	FLORIDA INTERCULTURAL ACADEMY, INC. MIDDLE	HENRY MCNEAL TURNER LEARNING ACADEMY	HOLLYWOOD ACADEMY OF ARTS & SCIENCE	HOLLYWOOD ACADEMY OF ARTS & SCIENCE MIDDLE SCHOOL	IMAGINE CHARTER SCHOOL AT N. LAUDERDALE
\$ 554	\$ 803	\$ 80	\$ 173	\$ 1,391	\$ 639	\$ 1,264
11	20	3	65	21	8	149
-	-	-	4	-	-	27
61	246	21	60	771	399	641
7	-	-	222	359	148	570
156	226	19	-	435	146	18
36	28	1	-	71	-	235
-	-	-	-	-	-	-
143	-	-	51	-	-	-
-	-	-	-	-	-	83
13	-	-	8	-	-	-
981	1,323	124	583	3,048	1,340	2,987
21	1,556	128	-	133	-	66
-	-	-	19	31	14	678
70	-	-	249	222	126	-
91	1,556	128	268	386	140	744
(890)	233	4	(315)	(2,662)	(1,200)	(2,243)
-	-	-	28	2,787	1,285	2,296
-	-	-	-	-	-	-
949	-	-	334	-	-	-
23	2	18	-	9	-	15
-	2	-	-	-	-	-
972	4	18	362	2,796	1,285	2,311
82	237	22	47	134	85	68
109	389	(7)	-	378	140	(1,046)
\$ 191	\$ 626	\$ 15	\$ 47	\$ 512	\$ 225	\$ (978)

COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	IMAGINE CHARTER SCHOOL AT N. LAUDERDALE MIDDLE	IMAGINE CHARTER SCHOOL AT BROWARD	IMAGINE CHARTER SCHOOL AT WESTON	INTERNATIONAL SCHOOL OF BROWARD, INC.	KIDZ CHOICE CHARTER SCHOOL, INC.
EXPENSES:					
Instructional services	\$ 535	\$ 1,580	\$ 2,671	\$ 662	\$ 172
Instructional support services	150	447	397	1	9
Pupil transportation services	13	-	162	-	-
Operation and maintenance of plant	278	1,358	2,107	242	17
School administration	278	833	996	21	101
General administration	12	14	16	272	116
Food services	103	-	-	18	2
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	45
Interest expense	7	-	52	-	-
Depreciation - unallocated ⁽¹⁾	-	-	-	25	-
Total expenses	1,376	4,232	6,401	1,241	462
PROGRAM REVENUES:					
Charges for services	7	324	503	80	-
Operating grants and contributions	273	219	524	-	19
Capital grants and contributions	-	8	-	-	-
Total program revenues	280	551	1,027	80	19
Net program expense	(1,096)	(3,681)	(5,374)	(1,161)	(443)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	1,094	-	-	-	-
Other federal sources	-	-	-	-	-
Other state sources	-	3,453	5,270	1,219	478
Other local sources	95	60	185	59	-
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	1,189	3,513	5,455	1,278	478
Change in net assets (deficits)	93	(168)	81	117	35
Total net assets (deficits), beginning of year	(179)	(179)	(380)	(437)	12
Total net assets (deficits), end of year	\$ (86)	\$ (347)	\$ (299)	\$ (320)	\$ 47

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

LAUDERHILL HIGH CHARTER SCHOOL	LIFE SKILLS CENTER	NORTH BROWARD ACADEMY OF EXCELLENCE	NORTH BROWARD ACADEMY OF EXCELLENCE MIDDLE	NORTH UNIVERSITY HIGH CHARTER SCHOOL	PARAGON ACADEMY OF TECHNOLOGY	PARAGON ELEMENTARY CHARTER SCHOOL
\$ 590	\$ 801	\$ 2,024	\$ 917	\$ 572	\$ 356	\$ 527
210	361	61	20	243	27	9
78	95	-	-	68	41	42
287	174	1,332	752	526	50	49
902	328	389	157	582	74	209
57	583	463	183	58	72	183
6	-	331	-	4	6	7
-	-	-	-	-	-	-
177	322	-	-	155	53	85
-	-	17	-	-	-	-
-	-	-	-	-	-	11
2,307	2,664	4,617	2,029	2,208	679	1,122
-	-	290	-	-	-	7
-	6	310	57	-	35	-
-	-	302	179	-	51	66
-	6	902	236	-	86	73
(2,307)	(2,658)	(3,715)	(1,793)	(2,208)	(593)	(1,049)
-	-	3,826	1,799	-	-	-
-	2	-	-	-	-	56
2,160	2,689	-	-	2,062	562	898
-	-	3	-	-	19	1
-	-	-	-	-	-	-
2,160	2,691	3,829	1,799	2,062	581	955
(147)	33	114	6	(146)	(12)	(94)
291	161	117	156	275	18	106
\$ 144	\$ 194	\$ 231	\$ 162	\$ 129	\$ 6	\$ 12

COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PARKWAY ACADEMY	POMPANO CHARTER MIDDLE SCHOOL	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY	RISE ACADEMY II TAMARAC	SMART SCHOOL
EXPENSES:					
Instructional services	\$ 1,843	\$ 224	\$ 580	\$ 300	\$ 713
Instructional support services	48	5	16	14	-
Pupil transportation services	324	42	56	26	40
Operation and maintenance of plant	548	20	354	155	488
School administration	632	89	294	187	195
General administration	192	50	78	21	59
Food services	35	1	83	39	27
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	1	42	-	-	-
Interest expense	91	-	-	-	7
Depreciation - unallocated ⁽¹⁾	556	27	33	28	-
Total expenses	4,270	500	1,494	770	1,529
PROGRAM REVENUES:					
Charges for services	-	1	72	6	231
Operating grants and contributions	130	-	151	416	387
Capital grants and contributions	362	39	-	-	57
Total program revenues	492	40	223	422	675
Net program expense	(3,778)	(460)	(1,271)	(348)	(854)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other federal sources	-	34	-	-	-
Other state sources	3,138	424	1,248	412	619
Other local sources	285	-	120	5	26
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	3,423	458	1,368	417	645
Change in net assets (deficits)	(355)	(2)	97	69	(209)
Total net assets (deficits), beginning of year	255	100	100	-	(1,480)
Total net assets (deficits), end of year	\$ (100)	\$ 98	\$ 197	\$ 69	\$ (1,689)

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

SOMERSET ACADEMY & SOMERSET NEIGHBORHOOD SCHOOL	SOMERSET ACADEMY DAVIE CHARTER SCHOOL	SOMERSET ACADEMY MIDDLE SCHOOL	SOMERSET ACADEMY CHARTER HIGH SCHOOL	SOMERSET ARTS CONSERVATORY	SOMERSET ACADEMY SCHOOL MIRAMAR	SOMERSET ACADEMY MIDDLE SCHOOL MIRAMAR
\$ 3,766	\$ 455	\$ 1,748	\$ 2,073	\$ 188	\$ 2,530	\$ 1,200
11	3	6	7	-	23	7
-	-	41	-	-	-	-
2,292	223	1,627	1,372	94	1,225	703
1,079	214	722	645	55	814	484
366	60	244	205	29	248	148
151	25	71	60	-	147	84
-	-	-	-	-	-	-
17	4	8	14	-	-	4
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,682	984	4,467	4,376	366	4,987	2,630
792	71	54	128	-	626	27
127	22	56	48	-	270	135
492	69	396	441	44	364	234
1,411	162	506	617	44	1,260	396
(6,271)	(822)	(3,961)	(3,759)	(322)	(3,727)	(2,234)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,609	921	4,290	3,732	358	4,911	2,501
121	2	16	-	72	-	-
-	-	-	-	-	-	-
6,730	923	4,306	3,732	430	4,911	2,501
459	101	345	(27)	108	1,184	267
1,418	432	862	1,668	213	1,318	432
\$ 1,877	\$ 533	\$ 1,207	\$ 1,641	\$ 321	\$ 2,502	\$ 699

COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	SOMERSET ACADEMY EAST PREPARATORY	SUNSHINE ELEMENTARY CHARTER SCHOOL	TOUCHDOWNS 4LIFE, INC	BROWARD EDUCATION FOUNDATION	TOTAL
EXPENSES:					
Instructional services	\$ 787	\$ 355	\$ 328	\$ -	\$ 45,777
Instructional support services	4	23	10	-	3,594
Pupil transportation services	-	41	1	-	1,843
Operation and maintenance of plant	407	41	35	-	22,696
School administration	292	70	151	-	16,456
General administration	90	68	38	358	9,352
Food services	89	6	1	-	2,440
Scholarships and programs	-	-	-	1,671	1,671
Facility acquisition and construction	7	53	86	-	3,773
Interest expense	-	-	2	-	293
Depreciation - unallocated ⁽¹⁾	-	-	-	-	860
Total expenses	1,676	657	652	2,029	108,755
PROGRAM REVENUES:					
Charges for services	88	-	-	73	6,366
Operating grants and contributions	564	32	-	1,743	7,355
Capital grants and contributions	-	45	52	-	5,258
Total program revenues	652	77	52	1,816	18,979
Net program expense	(1,024)	(580)	(600)	(213)	(89,776)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	-	-	-	13,632
Other federal sources	-	-	-	-	264
Other state sources	1,498	597	541	-	77,440
Other local sources	-	90	40	-	2,715
Unrestricted investment earnings	-	-	-	186	190
Total general revenues	1,498	687	581	186	94,241
Change in net assets (deficits)	474	107	(19)	(27)	4,465
Total net assets (deficits), beginning of year	-	(79)	(110)	8,025	18,285
Total net assets (deficits), end of year	\$ 474	\$ 28	\$ (129)	\$ 7,998	\$ 22,750

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs



Broward County Public Schools

Statistical Section

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Statistical Tables

This section of the School Board of Broward County's Comprehensive Annual Financial Report (CAFR) is the chief source of information regarding the School Board's economic condition. It presents detailed information for understanding what the information in the financial statements, note disclosures and required supplemental information says about the School Board's overall financial position. All of the information presented in the statistical section is organized around five specific objectives.

Financial Trends (Table 1 – 4)

These schedules contain trend information to assist the reader in understanding how the School Board's financial position has changed over time.

Revenue Capacity (Table 5 – 8)

These schedules contain information to assist the reader in understanding and assessing the School Board's major revenue sources.

Debt Capacity (Table 9 – 13)

These schedules present information to assist the reader in understanding the School Board's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic & Economic Information (Table 14 - 17)

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the School Board's financial activities take place.

Operating Information (Table 18 – 21)

These schedules contain service and infrastructure data to assist the reader in understanding how the information in the School Board's financial report relates to the service the School Board provides and the activities it performs.

TABLE 1 - NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (accrual basis of accounting)
(dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
PRIMARY GOVERNMENT:									
NET ASSETS:									
Invested in capital assets, net of related debt	\$ 1,045,747	\$ 1,128,245	\$ 1,183,094	\$ 1,292,131	\$ 1,375,410	\$ 1,429,092	\$ 1,467,281	\$ 1,528,246	\$ 1,469,885
Restricted for:									
State required carryover programs	14,835	10,095	11,947	8,817	9,613	18,179	12,934	2,882	5,104
Debt service	5,712	8,155	25,201	25,919	25,837	30,433	23,605	13,324	12,318
Capital projects	384,993	363,448	413,033	336,947	316,111	324,154	359,238	263,636	207,636
Special revenue	33,560	37,225	21,643	15,053	4,748	2,576	1,380	2,611	11,354
Unrestricted (deficits)	(16,779)	19,979	36,727	(5,896)	(11,752)	(54,951)	(40,486)	(90,842)	(108,596)
Total net assets	<u>\$ 1,468,068</u>	<u>\$ 1,567,147</u>	<u>\$ 1,691,645</u>	<u>\$ 1,672,971</u>	<u>\$ 1,719,967</u>	<u>\$ 1,749,483</u>	<u>\$ 1,823,952</u>	<u>\$ 1,719,857</u>	<u>\$ 1,597,701</u>

* Restated to reflect the change in accounting principle due to GASB 51 implementation, effective July 1, 2009.

Note Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are reported.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 2 - CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS (accrual basis of accounting)
(dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009 *	2010
PRIMARY GOVERNMENT:									
PROGRAM EXPENSES:									
Instructional services	\$ 937,013	\$ 1,043,226	\$ 1,179,520	\$ 1,304,527	\$ 1,391,571	\$ 1,458,996	\$ 1,535,029	\$ 1,570,848	\$ 1,500,822
Instructional support services	198,573	216,844	227,624	228,344	251,724	262,062	269,177	274,977	254,985
Pupil transportation services	67,099	71,572	70,485	81,628	83,456	85,097	92,070	91,121	102,714
Operation and maintenance of plant	177,384	190,932	203,328	222,763	233,472	249,784	256,039	256,559	250,936
School administration	100,905	105,638	113,350	119,513	121,995	130,786	134,685	136,038	133,619
General administration	67,528	80,321	79,856	87,172	89,612	120,302	111,333	100,440	102,111
Food services	61,611	67,414	81,903	89,662	90,871	89,644	94,192	93,785	90,025
Interest expense	51,261	53,214	46,754	88,443	85,380	115,679	151,433	97,615	60,652
Facilities acquisition and construction	74,939	79,415	79,968	54,952	64,849	90,227	89,550	71,259	102,028
Depreciation - unallocated ⁽¹⁾	81,937	-	-	-	-	-	-	-	-
Total expenses	\$ 1,818,250	\$ 1,908,576	\$ 2,082,788	\$ 2,277,004	\$ 2,412,930	\$ 2,602,577	\$ 2,733,508	\$ 2,692,642	\$ 2,597,892
PROGRAM REVENUES:									
Charges for services									
Instructional services	\$ 17,182	\$ 17,881	\$ 19,967	\$ 18,220	\$ 18,822	\$ 20,103	\$ 20,470	\$ 20,576	\$ 21,038
Pupil transportation services	711	892	805	848	838	1,134	1,054	1,338	1,375
Food services	22,483	22,883	23,596	24,551	24,563	29,662	29,460	27,894	24,794
Total charges for services	40,376	41,656	44,368	43,619	44,223	50,899	50,984	49,808	47,207
Operating grants and contributions	72,234	76,732	80,815	85,086	81,455	85,858	90,974	93,765	67,242
Capital grants and contributions	111,368	54,022	104,151	20,546	47,959	31,620	128,579	47,632	32,883
Total program revenues	\$ 223,978	\$ 172,410	\$ 229,334	\$ 149,251	\$ 173,637	\$ 168,377	\$ 270,537	\$ 191,205	\$ 147,332
GENERAL REVENUES:									
Ad valorem taxes levied for:									
General purposes	\$ 504,215	\$ 584,120	\$ 601,061	\$ 663,239	\$ 743,610	\$ 864,254	\$ 926,121	\$ 961,492	\$ 906,798
Debt service	31,314	30,672	28,804	28,187	28,189	28,867	28,980	210	51
Capital outlays	158,603	178,433	200,957	215,966	254,586	304,126	338,057	297,268	229,963
Grants and contributions not restricted to specific programs:									
Florida education finance program	729,046	770,036	808,127	768,967	730,799	679,652	616,014	486,418	502,051
Other federal sources	113,133	131,270	158,451	181,255	202,916	171,201	193,891	183,247	348,546
Other state sources	108,250	89,027	134,019	191,207	242,855	304,479	351,042	338,170	303,494
Other local sources	20,937	26,338	34,764	34,008	43,123	40,210	28,290	93,412	28,913
Unrestricted investment earnings	26,301	25,349	11,769	26,250	40,211	70,927	55,045	37,125	8,588
Total general revenues	1,691,799	1,835,245	1,977,952	2,109,079	2,286,289	2,463,716	2,537,440	2,397,342	2,328,404
Total revenues	\$ 1,915,777	\$ 2,007,655	\$ 2,207,286	\$ 2,258,330	\$ 2,459,926	\$ 2,632,093	\$ 2,807,977	\$ 2,588,547	\$ 2,475,736
Change in net assets	\$ 97,527	\$ 99,079	\$ 124,498	\$ (18,674)	\$ 46,996	\$ 29,516	\$ 74,469	\$ (104,095)	\$ (122,156)

(1) The District elected to allocate the depreciation expense beginning in the fiscal year ended June 30, 2003.

* Restated to reflect the change in accounting principle due to GASB 51 implementation, effective July 1, 2009.

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are reported.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS**LAST TEN FISCAL YEARS (modified accrual basis of accounting)****(dollars in thousands)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
GENERAL FUND:				
Reserved	\$ 20,281	\$ 24,809	\$ 36,344	\$ 50,156
Unreserved	68,779	69,528	74,963	94,579
Total General Fund	<u>\$ 89,060</u>	<u>\$ 94,337</u>	<u>\$111,307</u>	<u>\$ 144,735</u>
 Total Change in General Fund Balance	 <u>\$ (371)</u>	 <u>\$ 5,277</u>	 <u>\$ 16,970</u>	 <u>\$ 33,428</u>
 ALL OTHER GOVERNMENTAL FUNDS:⁽¹⁾				
Reserved	\$ 262,180	\$ 224,239	\$ 219,710	\$ 163,284
Unreserved, reported in:				
Capital Funds	180,679	453,487	474,528	672,956
Special Revenue Funds	30,073	33,220	36,032	20,618
Total all other governmental funds	<u>\$ 472,932</u>	<u>\$ 710,946</u>	<u>\$ 730,270</u>	<u>\$ 856,858</u>
 Total Change in Other Gov Funds Balance	 <u>\$ 257,478</u>	 <u>\$ 238,014</u>	 <u>\$ 19,324</u>	 <u>\$ 126,588</u>

(1) Includes Special Revenue, Debt Service and Capital Projects Funds.**SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department**

Table 3 (concluded)

2005	2006	2007	2008	2009	2010
\$ 26,040	\$ 15,740	\$ 27,760	\$ 29,156	\$ 7,350	\$ 9,717
93,348	101,076	71,108	86,743	77,607	59,733
<u>\$119,388</u>	<u>\$116,816</u>	<u>\$ 98,868</u>	<u>\$115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>
<u>\$ (25,347)</u>	<u>\$ (2,572)</u>	<u>\$ (17,948)</u>	<u>\$ 17,031</u>	<u>\$ (30,942)</u>	<u>\$ (15,507)</u>
\$261,404	\$347,042	\$318,037	\$ 409,121	\$ 305,255	\$ 169,354
589,587	577,040	601,209	567,165	418,953	334,664
14,166	(5,787)	(8,600)	(7,388)	856	9,955
<u>\$865,157</u>	<u>\$918,295</u>	<u>\$910,646</u>	<u>\$968,898</u>	<u>\$ 725,064</u>	<u>\$ 513,973</u>
<u>\$ 8,299</u>	<u>\$ 53,138</u>	<u>\$ (7,649)</u>	<u>\$ 58,252</u>	<u>\$(243,834)</u>	<u>\$(211,091)</u>

(UNAUDITED)

TABLE 4 - GENERAL GOVERNMENT SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION (1) (modified accrual basis of accounting)
LAST TEN FISCAL YEARS
(dollars in thousands)

	2001	2002	2003	2004
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 639,016	\$ 701,099	\$ 787,404	\$ 832,371
Food sales	22,469	22,483	22,883	23,596
Interest income	32,097	22,474	22,324	10,390
Other	56,847	52,025	51,003	58,765
Total local sources	750,429	798,081	883,614	925,122
State sources:				
Florida education finance program	739,135	729,046	770,036	808,127
Public education capital outlay	34,960	46,143	23,403	26,045
Classrooms First	67,952	-	-	-
Classrooms for kids	-	-	-	43,227
Effort Index Grants	-	41,836	6,381	-
Discretionary lottery funds	20,395	25,662	20,614	13,903
Categorical programs and other	140,188	122,642	113,607	186,593
Total state sources	1,002,630	965,329	934,041	1,077,895
Federal sources:				
Food service	39,603	39,187	41,534	44,051
Grants and other	94,433	113,975	137,482	162,719
Total federal sources	134,036	153,162	179,016	206,770
TOTAL REVENUES	\$ 1,887,095	\$ 1,916,572	\$ 1,996,671	\$ 2,209,787
EXPENDITURES:				
Current operating:				
Instructional services	\$ 884,695	\$ 941,777	\$ 995,797	\$ 1,121,289
Instructional support services	196,302	199,631	211,888	220,155
Pupil transportation services	66,681	61,423	66,559	66,883
Operation and maintenance of plant	170,940	177,002	187,140	198,368
School administration	97,021	100,662	104,580	111,408
General administration	64,677	77,159	84,838	86,327
Food services	58,449	66,178	67,739	81,949
Total current operating	1,538,765	1,623,832	1,718,541	1,886,379
Debt service:				
Principal retirement	40,040	43,914	54,320	62,406
Interest charges	32,653	45,703	50,477	52,736
Total debt service	72,693	89,617	104,797	115,142
Capital outlay:				
Facilities acquisition & construction-non capitalized	76,188	48,372	59,118	58,185
Facilities acquisition & construction-capitalized	192,908	309,847	298,537	265,062
Total capital outlay	269,096	358,219	357,655	323,247
TOTAL EXPENDITURES	\$ 1,880,554	\$ 2,071,668	\$ 2,180,993	\$ 2,324,768
Excess of revenues over (under)				
Expenditures	6,541	(155,096)	(184,322)	(114,981)
Other financing sources (uses):				
Proceeds of loans	-	-	-	-
Proceeds of bonds sold	4,819	62,941	117,846	10,391
Proceeds of certificates of participation	247,664	178,287	212,535	366,165
Premium (discount) on long-term debt issued	-	-	-	17,722
Capital leases	-	27,490	-	8,284
Proceeds of loss recovery	-	-	444	388
Proceeds from sale capital assets	300	3,589	5,107	4,627
Payments to refunded bond escrow agents	-	(53,482)	(113,025)	(140,725)
Miscellaneous other uses	-	-	(2,291)	-
Transfers in	49,934	142,903	168,134	130,091
Transfers out	(49,934)	(142,903)	(168,134)	(121,946)
Total other financing sources (uses)	252,783	218,825	220,616	274,997
Net change in fund balances	\$ 259,324	\$ 63,729	\$ 36,294	\$ 160,016
Debt service as a percentage of noncapital expenditures	4.31%	5.09%	5.57%	5.59%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

* Restated to reflect the change in accounting principle due to GASB 51 implementation, effective July 1, 2009.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 4 (concluded)

2005	2006	2007	2008	2009 *	2010
\$ 914,028	\$ 1,028,902	\$ 1,197,247	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024
24,551	24,563	29,663	29,461	27,896	24,794
23,455	36,860	68,737	50,388	33,697	6,992
62,852	68,526	64,613	69,389	67,662	59,439
1,024,886	1,158,851	1,360,260	1,442,396	1,388,225	1,220,249
768,967	730,797	679,652	616,014	486,418	502,051
-	31,662	19,626	105,718	25,570	10,894
-	-	-	-	-	-
8,688	4,386	-	-	-	-
-	-	-	-	-	-
15,818	13,656	10,833	13,012	6,608	749
221,142	274,891	342,176	397,823	389,270	326,109
1,014,615	1,055,392	1,052,287	1,132,567	907,866	839,803
45,885	42,638	45,381	51,096	55,767	62,534
183,564	200,218	188,273	185,369	196,824	352,119
229,449	242,856	233,654	236,465	252,591	414,653
\$ 2,268,950	\$ 2,457,099	\$ 2,646,201	\$ 2,811,428	\$ 2,548,682	\$ 2,474,705
\$ 1,223,377	\$ 1,284,930	\$ 1,364,798	\$ 1,427,580	\$ 1,455,381	\$ 1,396,303
217,428	237,445	249,491	254,565	258,476	239,841
78,026	80,005	83,540	89,126	88,616	97,486
216,215	225,552	242,697	247,274	247,376	242,354
116,383	118,487	127,287	130,432	131,907	129,519
104,260	98,451	124,842	116,385	107,400	99,396
86,447	84,848	83,855	87,492	86,656	83,625
2,042,136	2,129,718	2,276,510	2,352,854	2,375,812	2,288,524
72,280	97,361	102,083	106,839	89,484	79,303
61,142	71,273	96,128	107,318	103,359	101,653
133,422	168,634	198,211	214,157	192,843	180,956
59,772	65,918	96,361	142,072	71,189	60,652
311,320	400,930	389,542	318,606	408,389	189,031
371,092	466,848	485,903	460,678	479,578	249,683
\$ 2,546,650	\$ 2,765,200	\$ 2,960,624	\$ 3,027,689	\$ 3,048,233	\$ 2,719,163
(277,700)	(308,101)	(314,423)	(216,261)	(499,551)	(244,458)
-	-	-	-	-	-
-	460	40,757	4,875	-	4,217
243,607	267,105	272,625	270,560	133,963	-
10,231	6,740	13,695	4,627	(816)	-
3,600	81,355	-	10,896	16,972	8,902
201	2,750	2,928	200	198	7,116
2,487	257	217	386	3,211	626
-	-	(41,396)	-	-	(3,001)
-	-	-	-	-	-
140,951	167,598	230,279	260,734	353,096	251,564
(140,951)	(167,598)	(230,279)	(260,734)	(281,849)	(251,564)
260,126	358,667	288,826	291,544	224,775	17,860
\$ (17,574)	\$ 50,566	\$ (25,597)	\$ 75,283	\$ (274,776)	\$ (226,598)
5.97%	7.13%	7.71%	7.91%	7.31%	7.15%

(UNAUDITED)

**TABLE 5 - ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(dollars in thousands)**

FISCAL YEAR	ASSESSED VALUE ⁽¹⁾		EXEMPTIONS ⁽²⁾		NET ASSESSED TAXABLE PROPERTY VALUE	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY		
2001	\$ 87,894,629	\$7,600,786	\$ 19,503,027	\$ 110,171	\$ 75,882,217	8.9553
2002	96,746,510	7,361,194	22,132,853	107,046	81,867,805	8.7541
2003	113,848,917	7,680,054	29,375,911	108,446	92,044,614	8.8825
2004	133,033,884	7,904,298	36,863,946	97,406	103,976,830	8.4176
2005	152,761,535	7,736,460	44,300,477	107,407	116,090,111	8.2695
2006	182,205,008	7,858,592	56,377,574	113,389	133,572,637	8.0623
2007	228,312,740	8,133,702	77,337,384	83,781	159,025,277	7.8687
2008	255,456,494	7,983,385	86,564,782	104,821	176,770,276	7.6484
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930	7.4170
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130	7.4310

(1) The basis of assessed value is approximately 100% of actual value.

(2) Exemptions allowed by Florida Statutes, Chapter 196.

SOURCE: Broward County Property Appraiser

(UNAUDITED)

TABLE 6 - PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
 (dollars in thousands)

FISCAL YEAR	THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA				BROWARD COUNTY COMMISSION	SPECIAL TAXING DISTRICTS ⁽¹⁾	TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL			
Property Tax Rates (per \$1,000 of assessed value)							
2001	6.5410	2.0000	0.4143	8.9553	7.5250	0.6970	17.1773
2002	6.3590	2.0000	0.3951	8.7541	7.4005	0.6970	16.8516
2003	6.5410	2.0000	0.3415	8.8825	7.3650	0.6970	16.9445
2004	6.1240	2.0000	0.2936	8.4176	7.1880	0.6970	16.3026
2005	6.0140	2.0000	0.2555	8.2695	7.0230	0.6970	15.9895
2006	5.8410	2.0000	0.2213	8.0623	6.7830	0.6970	15.5423
2007	5.6790	2.0000	0.1897	7.8687	6.0660	0.6970	14.6317
2008	5.4770	2.0000	0.1714	7.6484	5.2868	0.6240	13.5592
2009	5.6670	1.7500	0.0000	7.4170	5.3150	0.6240	13.3560
2010	5.9310	1.5000	0.0000	7.4310	4.8890	0.6240	12.9440
Property Tax Levies							
2001	\$ 496,346	\$ 151,764	\$ 31,438	\$ 679,548	\$ 571,014	\$ 52,890	\$1,303,452
2002	520,597	163,736	32,346	716,679	605,863	57,062	1,379,604
2003	602,064	184,089	31,433	817,586	677,909	64,155	1,559,650
2004	636,754	207,954	30,528	875,236	747,385	72,472	1,695,093
2005	698,166	232,180	29,661	960,007	815,301	80,915	1,856,223
2006	780,198	267,145	29,560	1,076,903	906,023	93,100	2,076,026
2007	903,105	318,051	30,167	1,251,323	964,647	110,841	2,326,811
2008	968,171	353,541	30,298	1,352,010	934,549	110,305	2,396,864
2009	1,004,289	310,130	-	1,314,419	941,819	110,583	2,366,821
2010	943,539	238,629	-	1,182,168	777,756	99,270	2,059,194

(1) Includes South Florida Water Management and Florida Inland Navigation Districts.

SOURCE: Broward County Property Appraiser

(UNAUDITED)

Broward County Public Schools



***Educating Today's Students
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TABLE 7 - PRINCIPAL TAXPAYERS - BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO
 (dollars in thousands)

TAXPAYER	2010			2001		
	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
Florida Power & Light	\$ 33,199	1	0.97%	\$ 30,662	1	1.54%
Bellsouth Telecommunications	9,656	2	0.28%	19,557	2	0.98%
Sunrise Mills,LTD PRTNR	8,439	3	0.25%	6,510	3	0.33%
WCI Communities Inc	8,205	4	0.24%	-	-	-
Diplomat Properties LTD PRTNR	6,281	5	0.18%	-	-	-
Wal-Mart Stores East LP	5,528	6	0.16%	-	-	-
City of Fort Lauderdale	4,375	7	0.13%	-	-	-
Pembroke Lakes Mall Ltd	3,333	8	0.10%	-	-	-
Publix Super Markets,Inc	3,326	9	0.10%	-	-	-
Northwestern Mutual life Ins Co	3,308	10	0.10%	-	-	-
Wheelabrator South Broward,Inc	-	-	-	3,491	4	0.18%
Wheelabrator North Broward,Inc	-	-	-	3,320	5	0.17%
Motorola Inc	-	-	-	3,687	6	0.18%
American Cable Systems of Fla	-	-	-	2,668	7	0.13%
Keystone-Florida Property Holding	-	-	-	2,356	8	0.12%
Marriott Ownership Resorts	-	-	-	2,352	9	0.12%
Publix Super Markets,Inc	-	-	-	2,243	10	0.11%
Total principal taxpayers	<u>85,650</u>		<u>2.51%</u>	<u>76,846</u>		<u>3.86%</u>
All other taxpayers	<u>3,333,091</u>		<u>97.49%</u>	<u>1,913,367</u>		<u>96.14%</u>
Total aggregate tax levy	<u><u>\$3,418,741</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 1,990,213</u></u>		<u><u>100.00%</u></u>

(1) Includes Tax Levy from all taxing jurisdictions within Broward County.

SOURCE: Broward County Revenue Collections Department

SOURCE: Broward County School Board

(UNAUDITED)

TABLE 8 - PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(dollars in thousands)

FISCAL YEAR	TOTAL TAX LEVY	LESS ADJUSTMENTS		NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		DEDUCTIONS ⁽¹⁾	DISCOUNTS ⁽²⁾		AMOUNT	PERCENTAGE OF LEVY
2001	\$ 679,548	\$ 8,895	\$ 22,855	\$ 647,798	\$ 625,590	96.57%
2002	716,679	10,708	24,565	681,406	669,421	98.24%
2003	817,586	10,855	27,618	779,113	774,179	99.37%
2004	875,236	16,150	29,688	829,398	822,321	99.15%
2005	960,007	12,964	32,614	914,429	909,490	99.46%
2006	1,076,903	8,137	36,051	1,032,715	1,025,439	99.30%
2007	1,251,323	6,739	40,646	1,203,938	1,194,144	99.19%
2008	1,352,010	9,019	42,928	1,300,063	1,289,033	99.15%
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73%
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60%

(1) Deductions reflecting adjustments by Value Adjustment Board.

(2) Reflects discounts for early payment.

SOURCE: The School Board of Broward County - Treasurer's Office

Table 8 (concluded)

COLLECTED IN SUBSEQUENT YEARS		TOTAL COLLECTIONS THRU JUNE 30, 2010	
		AMOUNT	PERCENTAGE OF LEVY
\$	-	\$ 625,590	96.57%
	-	669,421	98.24%
	-	774,179	99.37%
	-	822,321	99.15%
	-	909,490	99.46%
	-	1,025,439	99.30%
	-	1,194,144	99.19%
	-	1,289,033	99.15%
	-	1,249,478	98.73%
	-	1,115,273	98.60%

(UNAUDITED)

**TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**
(dollars in thousands, except per capita amount)

FISCAL YEAR	CAPITAL OUTLAY BONDS	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	TOTAL	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION ⁽²⁾	PERCENT OF TOTAL OUTSTANDING DEBT TO PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾
2001	\$92,925	\$ 172,340	\$ 492,328	\$ -	\$ 757,593	1.00%	1.44%	\$ 459
2002	98,100	149,949	648,942	27,603	924,594	1.13%	1.69%	541
2003	92,810	125,882	835,993	23,867	1,078,552	1.17%	1.92%	620
2004	97,480	103,018	1,031,509	28,253	1,260,260	1.21%	2.09%	731
2005	92,105	79,088	1,237,558	26,902	1,435,653	1.24%	2.20%	813
2006	86,925	54,056	1,460,917	86,013	1,687,911	1.26%	2.40%	941
2007	79,090	27,949	1,687,556	62,743	1,857,338	1.17%	2.58%	1,056
2008	77,545	-	1,903,179	48,744	2,029,468	1.15%	2.76%	1,156
2009	71,050	-	1,980,665	39,204	2,090,919	1.18%	NA	1,199
2010	65,190	-	1,921,583	34,816	2,021,589	1.27%	NA	1,152

NA Not Available

(1) Refer to TABLE 14 for Personal Income and Per Capita

(2) Refer to TABLE 5 for Net Assessed Taxable Property Value

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 10 - RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

(dollars in thousands, except net bonded debt per capita and per pupil)

FISCAL YEAR	NET ASSESSED TAXABLE VALUE ⁽¹⁾	TOTAL BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT ⁽²⁾	RATIO OF NET BONDED DEBT TO TAXABLE VALUE	NET BONDED DEBT PER CAPITA ⁽³⁾	NET BONDED DEBT PER PUPIL ⁽³⁾
2001	\$ 75,882,217	\$ 265,265	\$ 7,755	\$ 257,510	0.34%	\$ 156	\$ 1,030
2002	81,867,805	248,049	7,650	240,399	0.29%	141	921
2003	92,044,614	218,692	8,175	210,517	0.23%	121	791
2004	103,976,830	200,498	8,046	192,452	0.19%	112	709
2005	116,090,111	171,193	6,879	164,314	0.14%	93	603
2006	133,572,637	140,981	8,046	132,935	0.10%	74	491
2007	159,025,277	107,039	8,046	98,993	0.06%	56	377
2008	176,770,276	77,545	8,046	69,499	0.04%	40	268
2009	177,216,930	71,050	8,046	63,004	0.04%	36	246
2010	159,086,130	65,190	8,046	57,144	0.04%	33	224

(1) SOURCE: Broward County Property Appraiser

(2) SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(3) Refer to TABLE 14 for population and school enrollment data.

(UNAUDITED)

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

**TABLE 11 - COMPUTATION OF DIRECT AND OVERLAPPING DEBT
CURRENT YEAR AND NINE YEARS AGO**
(dollars in thousands, except per capita amount)

FINANCIAL PARAMETERS	JUNE 30, 2010	JUNE 30, 2001
Direct debt:		
General obligation bonds	\$ -	\$ 172,340
Certificates of Participation	1,921,583	492,328
Special obligation bonds (1)	65,190	92,925
TOTAL DIRECT DEBT	1,986,773	757,593
Overlapping debt: (2)		
Broward County (3)	446,330	405,175
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 2,433,103	\$ 1,162,768
 Population (4)	 1,762,285	 1,623,018
Assessed property valuation (5)	\$ 212,735,924	\$ 95,495,415
Net Assessed taxable property valuation (5)	\$ 159,086,130	\$ 75,882,217
 DEBT RATIOS		
PERCENT OF ASSESSED PROPERTY VALUATION		
Direct debt	0.93%	0.79%
Overlapping debt	0.21%	0.42%
Direct and overlapping debt	1.14%	1.22%
PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION		
Direct debt	1.25%	1.00%
Overlapping debt	0.28%	0.53%
Direct and overlapping debt	1.53%	1.53%
PER CAPITA		
Direct debt	\$ 1,127	\$ 467
Overlapping debt	\$ 253	\$ 250
Direct and overlapping debt	\$ 1,381	\$ 716

(1) Special obligation debt is payable from motor vehicle and gross receipts taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2009.

(3) Because the county and the school district coincide, the percentage of overlap is 100%.

(4) SOURCE: Broward County Government, Planning Services Division

(5) SOURCE: Broward County Property Appraiser

(UNAUDITED)

TABLE 12 - LEGAL DEBT MARGIN INFORMATION**LAST TEN FISCAL YEARS**

(dollars in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Limit on bond indebtedness	\$ 7,588,222	\$ 8,186,781	\$ 9,204,461	\$ 10,397,683
Total net debt applicable to limit	<u>257,510</u>	<u>240,399</u>	<u>210,517</u>	<u>192,452</u>
Legal debt margin on bonded debt	<u>\$ 7,330,712</u>	<u>\$ 7,946,382</u>	<u>\$ 8,993,944</u>	<u>\$ 10,205,231</u>
Total net debt applicable to limit as a percentage of debt limit	3.39%	2.94%	2.29%	1.85%

The Florida State Board of Education Administrative Rule 6A-1.037(2), establishes a limit on bonded indebtedness for school districts in Florida. The limit for each school district is computed using a stated percentage of the net assessed value of taxable property as of the most current year.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 12 (concluded)

2005	2006	2007	2008	2009	2010
\$ 11,609,011	\$ 13,357,264	\$ 15,902,528	\$ 17,677,028	\$ 17,721,693	\$ 15,908,613
163,147	132,934	98,993	69,499	63,004	57,144
<u>\$ 11,445,864</u>	<u>\$ 13,224,330</u>	<u>\$ 15,803,535</u>	<u>\$ 17,607,529</u>	<u>\$ 17,658,689</u>	<u>\$ 15,851,469</u>
1.41%	1.00%	0.62%	0.39%	0.36%	0.36%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR

Net Assessed Taxable Property Value - January 2010	<u>\$ 159,086,130</u>
Limit on Bond Indebtedness, 10% of net assessed taxable property value	\$ 15,908,613
Total Bonded Debt	65,190
Less:	
Net Assets in Debt Service Funds	<u>(8,046)</u>
TOTAL AMOUNT APPLICABLE TO DEBT LIMIT	<u>57,144</u>
LEGAL DEBT MARGIN ON BONDED DEBT	<u>\$ 15,851,469</u>

(UNAUDITED)

**TABLE 13 - RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**
(dollars in thousands)

FISCAL YEAR	PRINCIPAL⁽¹⁾	INTEREST⁽¹⁾	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2001	\$ 24,160	\$ 15,207	\$ 39,367	\$ 1,880,554	2.09%
2002	25,970	14,355	40,325	2,071,668	1.95%
2003	27,410	11,698	39,108	2,180,993	1.79%
2004	28,585	10,265	38,850	2,324,768	1.67%
2005	29,940	9,054	38,994	2,546,650	1.53%
2006	31,350	7,629	38,979	2,765,200	1.41%
2007	32,825	5,209	38,034	2,960,624	1.28%
2008	27,007	4,486	31,493	3,027,689	1.04%
2009	6,495	3,591	10,086	3,048,233	0.33%
2010	6,835	3,406	10,241	2,719,163	0.38%

(1) Excludes Certificates of Participation (COPS)

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 14 - DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION⁽¹⁾	PER CAPITA INCOME⁽¹⁾	CIVILIAN LABOR FORCE⁽¹⁾	UNEMPLOYMENT RATE⁽¹⁾	PERSONAL INCOME⁽²⁾	FALL SCHOOL ENROLLMENT⁽³⁾
2001	1,649,925	\$ 27,982	805,533	6.40%	\$ 52,614,372	249,923
2002	1,709,155	29,409	831,967	6.00%	54,850,632	260,892
2003	1,740,792	31,785	863,331	5.90%	56,254,396	266,272
2004	1,723,131	32,844	908,224	4.50%	60,265,418	271,339
2005	1,765,855	34,560	949,061	3.50%	65,213,329	272,691
2006	1,793,998	37,403	963,022	3.10%	70,454,147	270,935
2007	1,759,591	39,743	1,002,106	3.40%	71,994,871	262,616
2008	1,756,087	41,169	1,010,017	5.20%	73,591,000	258,905
2009	1,744,590	41,974 ⁽²⁾	1,008,628	9.50%	NA	255,738
2010	1,754,893	NA	986,391 ⁽⁴⁾	10.1% ⁽⁴⁾	NA	255,203

NA Not Available

(1) SOURCE: Broward County Government, Public Records Directory

(2) SOURCE: Bureau of Economic Analysis, U.S. Department of Commerce

(3) SOURCE: Broward School Board Twentieth Day Membership Count

(4) SOURCE: Florida Agency for Workforce Innovation

(UNAUDITED)

**TABLE 15 - SCHEDULE OF DISTRICT STATISTICS
LAST TEN FISCAL YEARS**

	2001	2002	2003	2004
Student Enrollment: ⁽¹⁾				
Pre-K	4,457	5,205	5,194	5,236
K	17,871	17,798	18,272	18,556
Pre-1	74	41	75	-
1	19,199	19,329	19,206	19,687
2	18,934	19,635	19,394	19,208
3	19,288	19,776	19,785	21,561
4	20,209	20,149	20,096	18,352
5	19,426	20,439	20,181	20,137
6	19,834	20,157	20,536	20,399
7	19,313	20,385	20,420	20,519
8	18,110	19,279	19,669	20,067
9	21,092	22,983	23,408	25,159
10	14,355	14,275	15,523	15,458
11	14,633	14,503	15,529	15,970
12	12,275	13,379	13,253	14,415
Centers	5,077	4,879	4,347	4,160
Charter Schools	5,776	8,680	11,384	12,455
Total	<u>249,923</u>	<u>260,892</u>	<u>266,272</u>	<u>271,339</u>
Average Class Size:				
Grades Pre-K - 3	-	-	24.87	20.80
Grades 4 - 8	-	-	27.16	23.68
Grades 9 - 12	-	-	28.22	25.96
Number of Schools:				
Elementary	128	131	136	136
Middle	35	35	39	39
High	24	24	25	27
Adult/Vocational	7	6	6	6
Centers	10	10	10	10
Charter	12	18	22	24
Total	<u>216</u>	<u>224</u>	<u>238</u>	<u>242</u>

(1) SOURCE: Broward School Board Twentieth Day Membership Count

Table 15 (concluded)

2005	2006	2007	2008	2009	2010
4,881	4,321	3,876	4,042	4,002	4,244
18,178	18,086	17,039	16,471	15,814	15,772
-	-	-	-	-	-
19,707	19,039	18,571	18,010	17,244	16,468
19,482	19,205	17,918	18,022	17,467	17,062
20,979	20,757	18,926	18,603	18,524	18,262
19,804	18,580	18,916	17,785	17,643	17,509
18,632	19,985	17,967	18,486	17,671	17,422
20,057	18,668	19,011	17,603	18,154	17,315
20,202	19,781	18,069	18,627	17,577	18,238
20,096	19,790	18,875	17,513	18,112	17,399
21,802	21,676	20,778	20,240	19,320	18,488
19,329	19,236	18,887	18,394	18,167	17,941
16,709	17,336	17,264	16,974	16,785	17,345
14,918	15,403	15,704	15,770	15,968	16,460
4,354	3,936	4,715	5,243	4,592	4,676
13,561	15,136	16,100	17,122	18,698	20,602
<u>272,691</u>	<u>270,935</u>	<u>262,616</u>	<u>258,905</u>	<u>255,738</u>	<u>255,203</u>
18.98	18.05	-	-	-	-
21.77	20.95	-	-	-	-
24.82	24.29	-	-	-	-
137	138	138	138	138	141
41	41	41	42	43	42
30	31	32	32	33	33
6	6	6	6	6	6
10	10	12	12	10	10
28	38	48	52	56	56
<u>252</u>	<u>264</u>	<u>277</u>	<u>282</u>	<u>286</u>	<u>288</u>

(UNAUDITED)

TABLE 16 - COMPARATIVE ENROLLMENT TRENDS⁽¹⁾
TEN LARGEST U.S. SCHOOL DISTRICTS
LAST TEN FISCAL YEARS

SCHOOL DISTRICT	2000	2001	2002	2003
New York City, NY	1,066,473	1,066,516	1,049,831	1,077,381
Los Angeles, CA	681,422	721,346	735,058	746,852
Chicago, IL	405,092	435,261	437,418	436,048
Miami-Dade County, FL	350,603	368,625	375,836	373,395
Clark County, NV (Las Vegas)	207,169	231,655	245,659	256,574
Broward County, FL	235,563	251,129	262,055	267,925
Houston, TX	198,397	208,462	210,950	212,099
Hillsborough County, FL	NA	164,311	169,789	175,454
State of Hawaii	185,036	184,360	184,546	183,829
Orange County, FL	NA	NA	NA	NA

NA Not Available

(1) Based on students enrolled in grades kindergarten through twelve during the fall with 1/2 day kindergarten students counted as 1/2 student.

SOURCE: National Center For Education Statistics

Table 16 (concluded)

2004	2005	2006	2007	2008	2009
1,023,674	1,023,674	1,014,058	999,150	1,035,406	1,029,459
747,009	741,367	727,319	707,627	693,680	687,534
434,419	426,812	420,982	413,694	407,510	421,430
371,785	368,933	362,070	353,790	348,128	345,525
270,529	283,221	294,131	303,448	309,051	312,761
272,835	274,591	271,630	262,813	258,893	256,351
211,499	208,945	210,292	202,936	199,534	200,225
181,900	189,469	193,757	193,517	193,180	192,007
183,609	183,185	182,818	180,728	179,897	179,478
NA	NA	NA	NA	174,142	172,257

(UNAUDITED)

**TABLE 17 - LARGEST EMPLOYERS IN BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYERS	2010		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
School Board of Broward County	36,412	1	3.7%
Broward County Government	12,046	2	1.2%
The Healthcare Company (HCA)	11,846	3	1.2%
Tenet Healthcare Corp.	10,817	4	1.1%
Memorial Healthcare System	10,536	5	1.1%
Broward Health	8,476	6	0.9%
American Express	4,846	7	0.5%
The Continental Group	4,100	8	0.4%
Nova Southeastern University	3,563	9	0.4%
PRC, LLC	3,000	10	0.3%
	<u>105,642</u>		<u>10.7%</u>

	2001		
	EMPLOYEES	RANK	PRODUCTS/ SERVICE
Broward County School Board	25,365	1	Public Education
Broward County Government	7,411	2	County Government
North Broward Hospital District	6,000	3	Hospital/Health Care
American Express	5,000	4	Financial Services
Memorial Healthcare System	5,000	5	Hospital/Health Care
Nova Southeastern University	2,529	6	University
City of Fort Lauderdale	2,200	7	City Government
Holy Cross Hospital	1,785	8	Hospital/Health Care
Sun-Sentinel	1,767	9	Newspaper
Ed Morse Automotive Group	1,564	10	Automotive
	<u>58,621</u>		

SOURCE: 2010: South Florida Business Journal

SOURCE: 2001: Broward County School Board CAFR - Statistical Section

(UNAUDITED)

**TABLE 18 - CLASSIFICATION OF FULL-TIME PERSONNEL
LAST TEN FISCAL YEARS**

FISCAL YEAR	INSTRUCTIONAL STAFF⁽¹⁾	TEACHER AIDES	PRINCIPALS & ASSISTANT PRINCIPALS	MANAGEMENT & SUPPORT STAFF⁽²⁾	TOTAL
2001	13,850	2,562	602	8,351	25,365
2002	14,764	2,627	630	8,826	26,847
2003	14,813	2,790	612	9,074	27,289
2004	16,109	2,873	635	9,546	29,163
2005	17,199	2,871	636	9,779	30,485
2006	17,253	2,629	648	9,620	30,150
2007	17,527	2,605	677	9,794	30,603
2008	17,178	2,631	654	9,714	30,177
2009	16,848	2,398	665	9,408	29,319
2010	15,490	2,207	651	8,934	27,282

(1) Includes Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological, Librarians, Other Professional Instructional Staff.

(2) Includes Officials, Administrators and Managers (Instructional and Non-Instructional), Supervisors of Instructional, Technicians, Clerical/Secretarial Staff, Service Workers, Skilled Crafters, Laborers.

SOURCE: The School Board of Broward County - Equal Educational Opportunities

(UNAUDITED)

TABLE 19 - TEACHERS' SALARIES
LAST TEN FISCAL YEARS

FISCAL YEAR	MINIMUM SALARY	MAXIMUM SALARY	AVERAGE SALARY
2001	\$ 30,300	\$ 61,612	\$ 45,956
2002	31,260	63,152	47,206
2003	32,600	65,959	49,280
2004	32,700	67,161	49,931
2005	34,000	69,954	51,977
2006	35,000	73,000	54,000
2007	37,000	75,488	56,244
2008	38,500	78,000	58,250
2009	39,000	79,250	59,125
2010	39,000	79,250	59,125

SOURCE: The School Board of Broward County - Employee Relations Department

(UNAUDITED)

**TABLE 20 - SCHEDULE OF OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	INSTRUCTIONAL STAFF	PUPIL TEACHER RATIO
2001	249,923	\$ 1,539,266,000	\$ 6,159	13,850	18.04
2002	260,892	1,623,832,000	6,224	14,764	17.67
2003	266,272	1,718,541,000	6,454	14,813	17.98
2004	271,339	1,886,379,000	6,952	16,109	16.84
2005	272,691	2,042,136,000	7,489	17,199	15.86
2006	270,935	2,129,718,000	7,861	17,253	15.70
2007	262,616	2,276,510,000	8,669	17,527	14.98
2008	258,905	2,352,854,000	9,088	17,178	15.07
2009	255,738	2,375,812,000	9,290	16,848	15.18
2010	255,203	2,288,524,000	8,967	15,490	16.48

SOURCE: The School Board of Broward County - Equal Educational Opportunities

(UNAUDITED)

**TABLE 21 - CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010
Schools								
Elementary								
Permanent Buildings:								
Number	988	1,026	1,045	1,059	1,068	1,108	1,134	1,136
Square Feet	12,937,628	13,288,015	13,750,615	14,166,090	14,270,778	15,236,061	15,512,619	15,566,992
Portables:								
Number	689	685	688	693	664	636	583	579
Square Feet	585,723	582,147	593,475	595,131	567,399	546,631	500,487	496,475
Student stations			118,465	122,549	122,462	127,910	126,865	126,122
Enrollment	122,959	123,020	121,109	119,973	113,213	111,419	108,365	106,739
Middle								
Permanent Buildings:								
Number	348	348	368	375	379	385	383	385
Square Feet	6,716,283	6,723,424	7,084,243	7,404,206	7,482,753	7,567,767	7,549,176	7,524,411
Portables:								
Number	464	455	646	648	643	629	593	575
Square Feet	364,599	357,291	521,281	523,049	519,361	510,217	479,893	467,813
Student stations			71,634	75,016	72,824	73,708	73,075	71,636
Enrollment	59,846	60,677	60,351	58,239	55,955	53,743	53,843	52,952
High								
Permanent Buildings:								
Number	402	407	430	440	447	458	486	493
Square Feet	8,361,366	8,403,522	8,710,614	8,990,446	9,319,756	9,531,424	9,946,842	9,918,353
Portables:								
Number	601	611	560	557	574	599	589	588
Square Feet	482,348	491,076	451,170	450,474	483,424	503,083	480,429	479,789
Student stations			82,600	87,005	89,628	89,693	90,580	89,721
Enrollment	67,702	71,002	72,759	73,651	72,633	71,378	70,240	70,234
Other								
Permanent Buildings:								
Number	174	179	173	171	170	170	146	141
Square Feet	1,685,264	1,793,350	1,860,517	1,849,599	1,846,127	1,907,580	1,692,830	1,720,955
Portables:								
Number	106	107	92	110	118	131	136	152
Square Feet	83,552	84,308	72,444	90,060	99,339	104,572	112,264	122,960
Student stations	-	-	12,367	12,362	12,473	12,214	11,278	11,246
Enrollment	4,347	4,160	4,891	3,936	4,715	5,243	4,592	4,676
Administrative								
Permanent Buildings:	90	87	85	86	90	92	102	103
Portables:	52	53	34	37	47	50	148	147
Square Feet	1,365,311	1,335,671	1,295,562	1,280,711	1,293,537	1,359,241	1,489,688	1,490,476

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2010 are reported.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

Broward County



Public Schools

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