



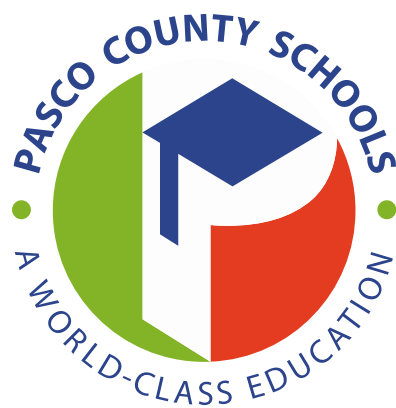
Students Achieving Success

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



Kurt S. Browning, Superintendent of Schools  
Land O' Lakes, Florida • [www.pascoschools.org](http://www.pascoschools.org)



*Comprehensive Annual Financial Report*

*of the*

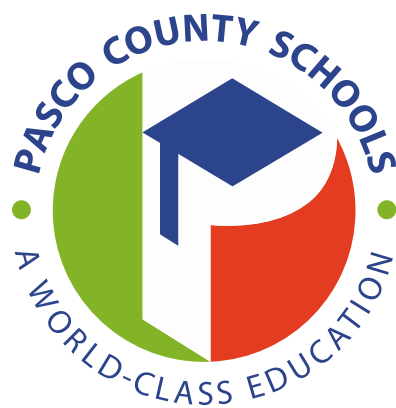
*District School Board of Pasco County  
Land O' Lakes, Florida*

*for the*

*Fiscal Year Ended June 30, 2017*



*Issued by:  
Finance Services Department*



**District School Board of Pasco County  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**

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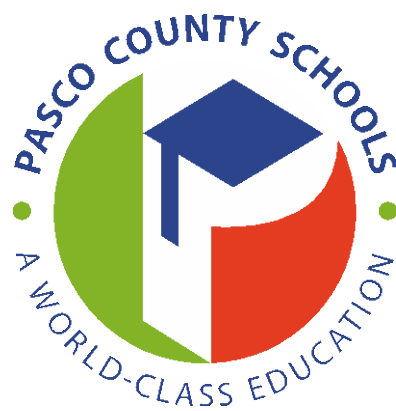
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# INTRODUCTORY SECTION





# Pasco County Schools

Kurt S. Browning, Superintendent of Schools

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

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January 24, 2018

Dear Chairman, Members of the School Board and Citizens of Pasco County:

State law requires that all local governments publish after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the District School Board of Pasco County, Florida (District) for the fiscal year ended June 30, 2017.

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

The audit firm of Carr, Riggs and Ingram, LLC has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was a part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing the Single Audit engagement require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, summary of prior audit findings, and the independent auditor's reports on the system of internal control and the compliance with applicable requirements, are included in the Single Audit section.

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

## **Profile of the School District**

The District and its governing body were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District School Board in accordance with Chapter 1001.30, Florida Statutes. The District School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Pasco County.

The elected Superintendent of Schools is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by law and rules of the State Board of Education.

The geographic boundaries of the District are those of Pasco County. During the 2016-2017 fiscal year, the District operated 81 schools, including 48 elementary schools, 15 middle schools, 13 high schools, Pasco eSchool and 4 specialized schools; and sponsored 10 charter schools. The District reported serving 72,493 full-time equivalent students for the 2016-2017 fiscal year and projects it will enroll 73,181 students for the 2017-2018 school year.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population is predominately white (63 percent). Other ethnicities include: Hispanic (22 percent), black (7 percent), and Asian/American Indian/Pacific Islander/Alaskan Native/Other (8 percent).

In addition to the educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; special education programs for 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 pre-school age students.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. In addition, students who do not demonstrate proficiency with English as a second language have the opportunity to learn communication skills through the District's English Language Learners (ELL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computer technology, photography and personal financial planning.

This report includes all funds of the District, the Pasco County School Board Leasing Corporation (the "Leasing Corporation"), ten (10) charter schools and the Pasco Education Foundation, Inc. (the "Foundation"), which comprise the reporting entity. The Leasing Corporation was formed to facilitate financing for the acquisition of educational facilities and equipment. Charter schools are public schools operating under performance contracts with the District. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Pasco County. The charter schools and Foundation are included in the CAFR as discretely presented component units.

## **Economic Condition and Outlook**

Pasco County is a 745 square mile area located centrally on the west coast of Florida, 200 miles south of the State capital of Tallahassee and 300 miles northwest of Miami. The County is approximately 30 miles northwest of the City of Tampa, and approximately 45 miles north of the City of St. Petersburg. It is part of a nine county region referred to as the "Nature Coast" and contains a mix of suburban and rural communities. The County was established in 1887. Within its borders there are six municipalities: the cities of San Antonio, St. Leo, Zephyrhills, Port Richey, Dade City, and New Port Richey. There are also several smaller unincorporated communities such as Darby, Holiday, Hudson, Land O' Lakes, Trinity, and Wesley Chapel. The County is primarily a retirement and tourist area but construction, retail trade, service industries, agriculture, and manufacturing play active parts in the community's financial status.

Since calendar year 2008, the population of Pasco County increased 16.8 percent to an estimated 512,368 in calendar year 2017. For the calendar year 2016, the Florida Price Level Index for School Personnel, which is prepared by the Florida Polytechnic University under the direction of the Florida Department of Education, ranked Pasco County 20th of 67 counties in the State with a value of 98.43.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 98.43 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (101.14) and Pinellas (100.33), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 10,728 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

## **Financial Information**

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

Budgetary information is integrated into the accounting system. To facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and outstanding encumbrances are honored in the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the District adopts a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance (assigned and unassigned fund balance) at June 30, 2017, in the general fund is \$52,437,139 or 9.85 percent of total general fund expenditures. The District has appropriated \$5,377,024 of this amount for spending in the 2017-2018 fiscal year.

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

The District is self-insured up to specified limits for Workers' compensation, automobile liability, general liability, and employee group health insurance. Additional information on the District's risk management can be found in the notes to the financial statements.

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

The Penny for Pasco is a Local Government Infrastructure Surtax originally passed by Pasco County voters on March 9, 2004, and renewed on November 6, 2012. The original surtax became effective on January 1, 2005 to December 31, 2014. Voters signaled their approval for the continuation of the Penny for Pasco for another ten years, beginning in January 2015. The renewal was supported by 70 percent of the voters in Pasco County. The District School Board of Pasco County receives 45 percent of the sales tax collections. The purpose of the Penny of Pasco is for renovation of current facilities and for technology improvements. The District School Board of Pasco County established the Penny for Pasco Oversight Committee to help monitor the needs and allocation of the funding.

## **Accomplishments**

The District School Board of Pasco County is committed to fulfilling its vision to prepare students for success in college, career, and life. To that end, the District has been expanding educational options such as magnet programs and career academies so students can get the most out of education, life, and future work.

We currently offer the International Baccalaureate Program at Gulf and Land O' Lakes High schools, and are in the candidacy process for a middle years program at Pine View Middle School and for the primary years program at Pine View Elementary School. We continue to expand our career and technical programs, and students can take honors, Advanced Placement, and Dual Enrollment classes at the middle and high school levels. We also offer the nationally-recognized college readiness program, AVID, at four high schools, five middle schools, and four elementary schools. Our Educational Choice program allows parents to choose a

school other than the one for which they are zoned through our open choice program. In 2015, we re-opened Sanders Memorial Elementary School as the District's first magnet school with a focus on STEAM (Science, Technology, Engineering, Arts, and Math) education, and in the 2016-2017 year we added STEM magnet programs at Bayonet Point and Centennial middle schools. Finally, we continue to expand charter school options.

Expanded choices include a regional Embry-Riddle Aeronautics Academy at Sunlake High School, and aeronautical programs at Hudson and Zephyrhills High schools. The rigorous Cambridge Education program is offered at Pasco and Paul R. Smith Middle schools, Anclote and Pasco High schools, and San Antonio Elementary School.

The Infinity Program that started in 2013-2014 at Paul R. Smith Middle School also is offered at Raymond B. Stewart Middle School and Zephyrhills High School. Infinity Academy uses a blended learning environment that allows tech-savvy students to own their learning and education. Each student is given a computer to use at school and at home while they are enrolled in the academy.

Our Pasco eSchool is one of Florida's premier online education programs, boasting some of the highest completion rates and assessment scores in the state and the second highest enrollment of any Florida school district virtual education program.

Finally, in 2015, we implemented a Success Plan to guide our work. This Plan includes 4 key strategic pillars: Excellence in Student Achievement, Employee Success, Taxpayer Value, and Connecting to the Community. Each pillar is backed up with strategies and tactics to achieve success. We review our success on quarterly, mid-year, and annually toward meeting identified goals. This is a bona fide, actionable plan that the District and 12 pilot schools followed in 2016-2017, and which will be expanded to all District schools in pursuit of our vision to provide a world class education for all students.

On measures of student achievement, such as the District's graduation and drop-out rates, Pasco continues to exceed the state average. Graduation rates are released by the State in late Fall each year. Last year, under the Florida calculation rate, Pasco had a 79.1 percent graduation rate, compared to the state average 80.7 percent for the same period. Pasco had a 78.6 percent graduation rate for the prior year for an increase of 0.5 percent last year. This increased graduation in rate is a reflection of Pasco's vision to provide a world class education for all students.

Studies clearly indicate that student success is linked to teacher quality. The District School Board of Pasco County has demonstrated a commitment to recruiting and retaining the brightest individuals to work with our children. Pasco is ranked 8<sup>th</sup> among Florida school districts for success in retaining teachers. In 2016-2017, 35.7 percent of teachers in Pasco County Schools had earned a Master's Degree or higher and we expect that trend to continue in 2017-2018. Additionally, during the 2014-15 year, the District embarked upon a new comprehensive teacher evaluation system that is based upon an evaluation of a teacher's use of research-based best professional practices (65 percent) and student achievement data (35 percent). This will provide a more thorough evaluation of how a teacher performs and will allow the District to provide targeted staff development in areas of need. The District's goal is to help each teacher and student reach their highest potential.

## Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the "ASBO") awarded its Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the sixteenth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. These awards are granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. It is the belief of management that our current CAFR continues to meet the Certificate of Achievement Program's requirements, as well as the Certificate of Excellence Program's requirements. We are submitting this CAFR to GFOA and ASBO to determine its eligibility for another certificate.

## Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Finance Services Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Mr. Kurt S. Browning  
Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM  
Chief Finance Officer



Mr. James Class  
Acting Director of Finance Services





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**District School Board  
of Pasco County, Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **District School Board of Pasco County**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

**John D. Musso, CAE**  
Executive Director

## List of Principal Officials As of June 30, 2017

### *Principal Officials – Elected*

Mr. Kurt S. Browning, Superintendent of Schools Present Term Expires	November 2020
Mr. Allen Altman, Chairman, Member from District 1 Present Term Expires	November 2018
Ms. Cynthia Armstrong, Vice-Chairman, Member from District 3 Present Term Expires	November 2018
Ms. Colleen Beaudoin, Member from District 2 Present Term Expires	November 2020
Ms. Alison Crumbley, Member from District 4 Present Term Expires	November 2020
Mr. Steve Luikart, Member from District 5 Present Term Expires	November 2018

### *Principal Officials – Appointed*

#### **ADMINISTRATORS**

**Ray Gadd, Deputy Superintendent**

**Olga Swinson, CPA, CGFM, Chief Finance Officer**

**Vanessa Hilton, Assistant Superintendent for Student Achievement**

**Kevin Shibley, Esq., Assistant Superintendent for Administration**

**Elizabeth Kuhn, Assistant Superintendent for Support Services**

**Tammy Berryhill, Assistant Superintendent-High Schools**

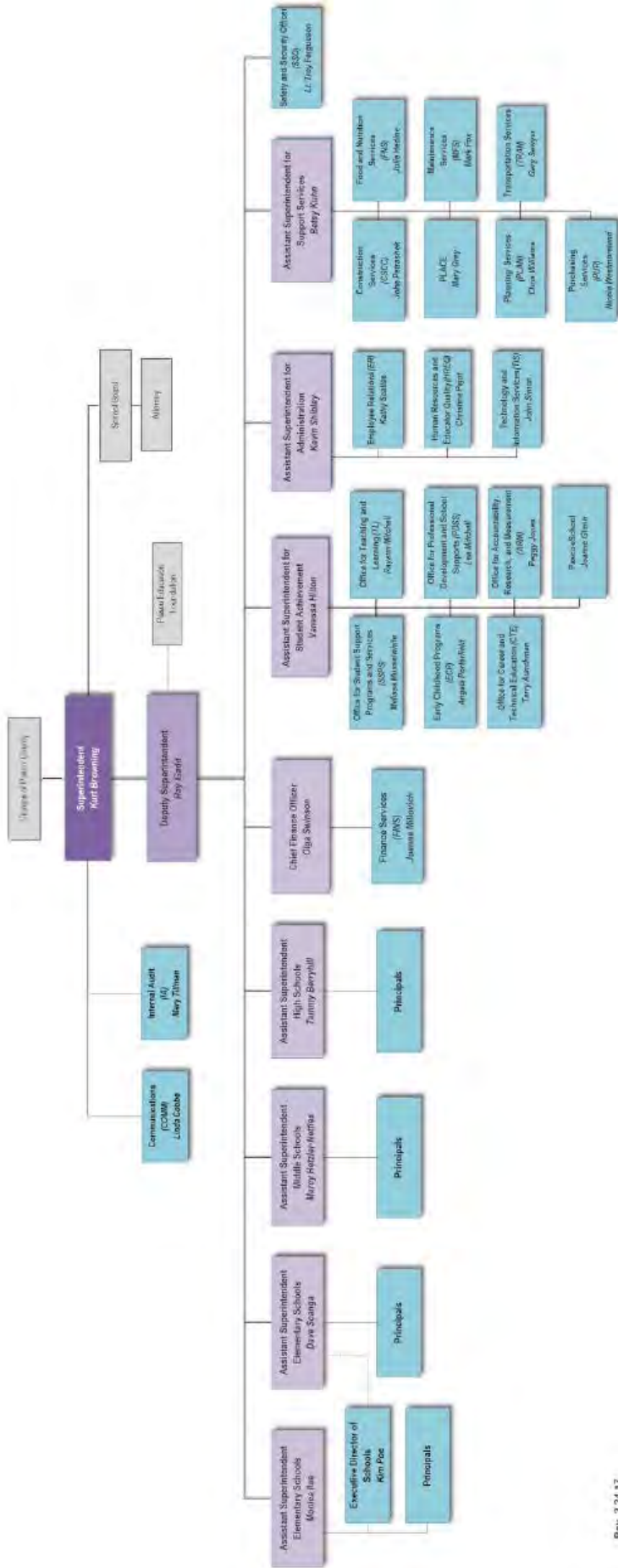
**Marcy Hetzler-Nettles, Assistant Superintendent-Middle Schools**

**Dr. Dave Scanga, Assistant Superintendent-Elementary Schools**

**Dr. Monica Ilse, Assistant Superintendent-Elementary Schools**

**Kimberly Poe, Executive Director-Elementary Schools**

# ORGANIZATIONAL CHART Pasco County Schools

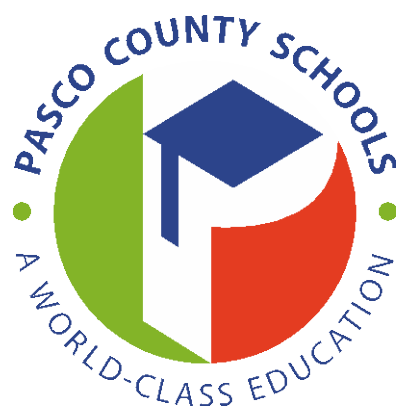


Rev. 2.24.17

# FINANCIAL SECTION



**INDEPENDENT AUDITOR'S  
REPORT ON FINANCIAL STATEMENTS**





## **INDEPENDENT AUDITORS' REPORT**

Chairman and Members of the  
District School Board of Pasco County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County ("the District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the account balances and transactions 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 aggregate discretely presented component units, is based solely on the reports of 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the District School Board of Pasco County, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general and special revenue – other federal programs funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative*

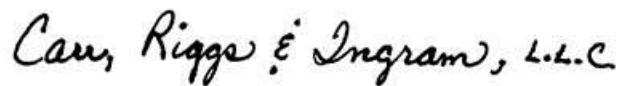
*Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

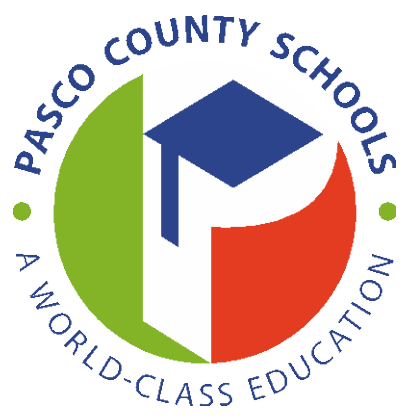


**CARR, RIGGS & INGRAM, LLC**

Clearwater, Florida  
January 24, 2018

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# MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County  
Management's Discussion and Analysis  
June 30, 2017**

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

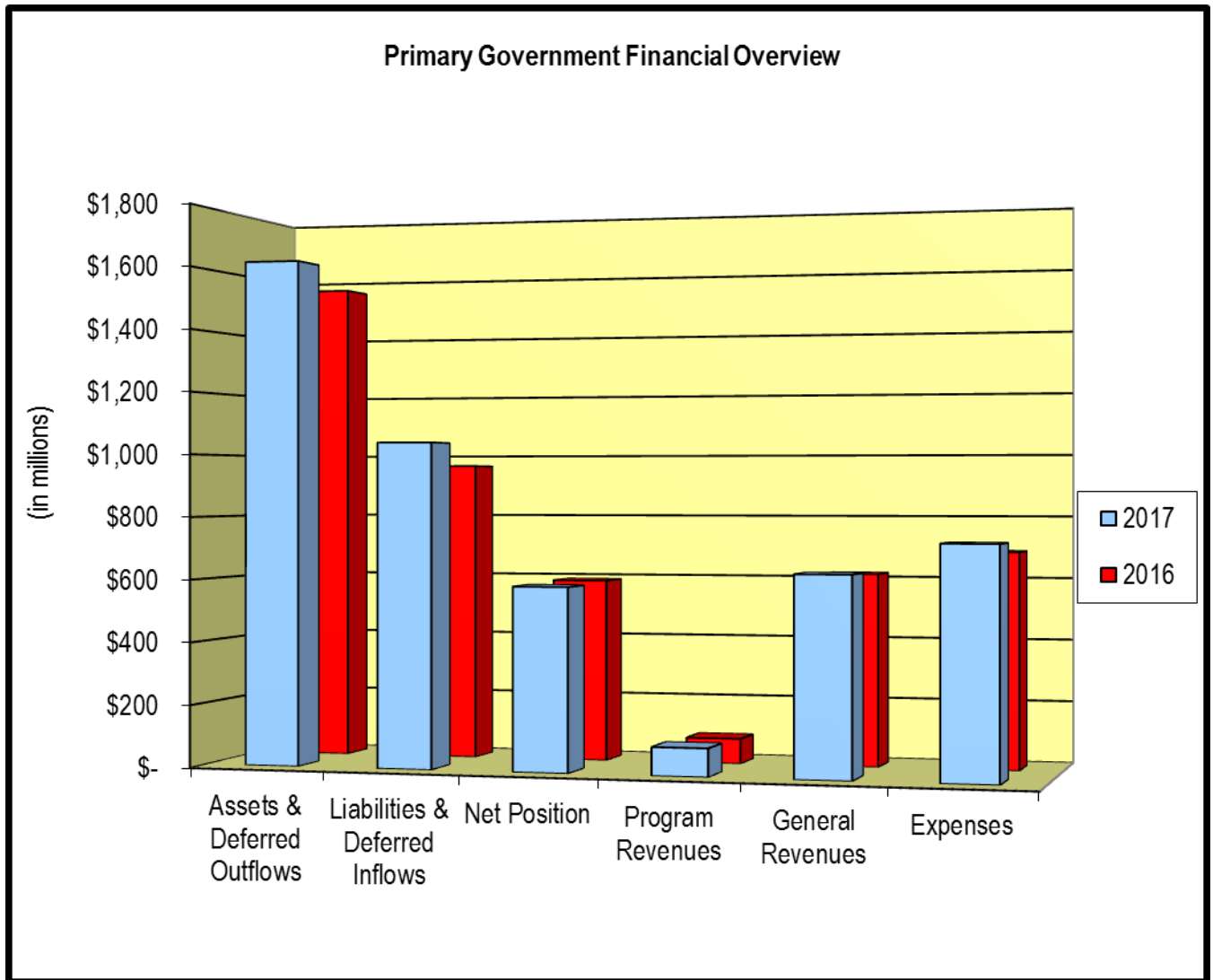
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

**Financial Highlights**

Key financial highlights for the 2016-2017 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2017, by \$583,335,166. Of this amount, \$10,189,104 may be used to meet the District's ongoing obligations to citizens and creditors and represents unrestricted net position exclusive of the impact of FRS Pension Amounts.
- The District's total net position decreased by \$5,505,266.
- Total revenues of \$719,276,490 were comprised of general revenues in the amount of \$629,241,834 or 87.5 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$90,034,656 or 12.5 percent.
- For the year ended June 30, 2017, the District had \$724,781,756 in expenses related to governmental and business-type activities; \$90,034,656 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$629,241,834 were sufficient to provide the District's programs.
- The Business-type activities had total revenues of \$11,097,634 which exceeded total expenses and transfers out by \$247,312.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$204,464,510 a decrease of \$66,662,949 in comparison with the prior fiscal year. Approximately 25.65 percent of this total amount, or \$52,437,139, is available for spending at the District's discretion for the purposes defined for each governmental fund (*assigned and unassigned fund balance*).
- At the end of the 2016-2017 fiscal year, unassigned fund balance for the General Fund was \$26,708,735 or 5.01 percent of total General Fund expenditures.
- The District's total long-term debt for bonds, COP's and capital leases decreased by \$21,768,034 or 4.18 percent, during the current fiscal year.

The primary government financial overview for the 2015-2016 and 2016-2017 fiscal years is shown below:



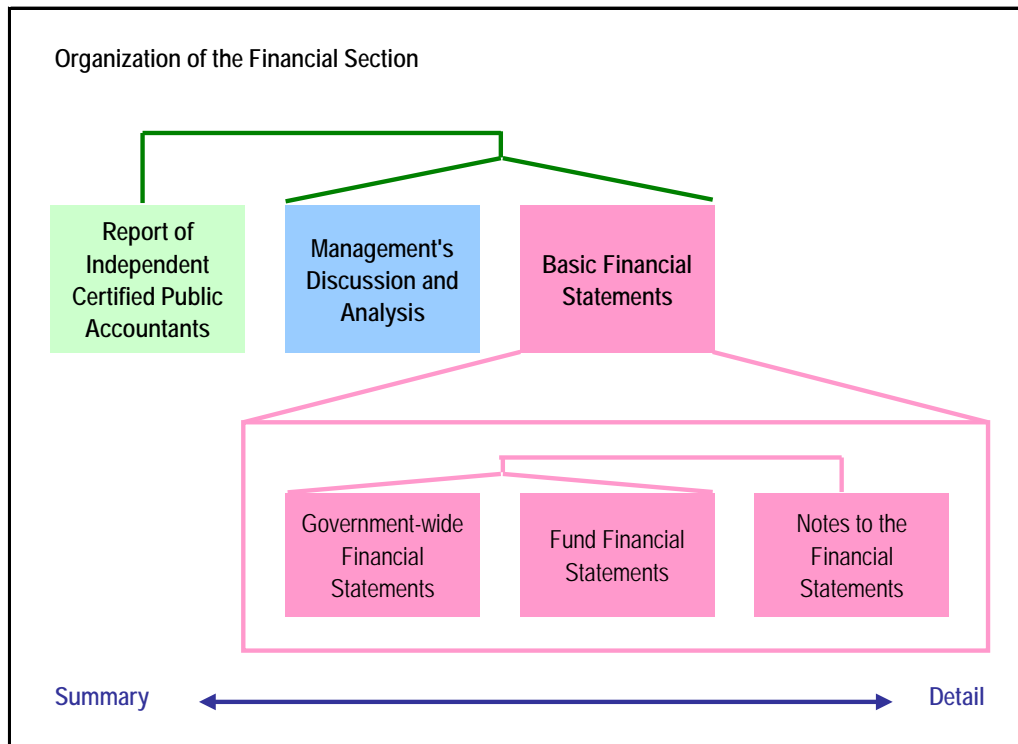
### Overview of the Financial Statements

The financial section consists of three parts: Independent Auditor's Report on Financial Statements, MD&A (this section), and Basic Financial Statements. The MD&A is intended to serve as an introduction to the District's basic financial statements and presents other supplementary information in addition to the basic financial statements themselves. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements.

The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. The fund financial statements focus on individual parts of the District and provide greater detail of the District's operations than the government-wide statements. The basic financial statements also include notes, which explain some of the information in the statements and provide more detailed data.



The illustration below shows how the various parts of the financial section are arranged and relate to one another.



The basic financial statements consist of three components:

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

### Government-Wide Financial Statements

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

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

- **Governmental Activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions, such as operation and maintenance of plant, pupil transportation, and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- **Business-Type Activity** – The District charges fees to cover the cost of certain services it provides. The Pasco Learning and Activity Centers of Enrichment (the "PLACE"), a before and after-school child care program, is reported as a business-type activity. Also reported as a business-type activity is the Vending Program, which operates food and beverage machines through the District.
- **Component Units** – The District presents ten charter schools (Academy at the Farm, Inc.; Athenian Academy of Pasco County, Inc.; Classical Preparatory School; Countryside Montessori Charter School, Inc.; Dayspring Academy for Education and the Arts; Florida Virtual Academy at Pasco; Imagine School at Land O'Lakes; Learning Lodge Academy, Inc.; Pepin Academies of Pasco County, Inc. and Plato Academy Schools Corp.) and the Pasco Education Foundation, Inc. (the "Foundation") as separate legal entities in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by accounting principles generally accepted in the United States ("GAAP").

The Pasco County School Board Leasing Corporation, (the "Leasing Corporation"), a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

### **Fund Financial Statements**

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

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

- **Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund and Capital Projects-Other Funds. Data from the other governmental funds are combined into a single, aggregated presentation.

- Proprietary Funds – Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:
  - Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its before and after-school child care and vending programs. The District's major enterprise fund is the PLACE Fund.
  - Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses internal service funds to account for its fully insured employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee benefits program; the energy management program; and exclusive agreements administered by the School Board. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

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

The District uses a private-purpose trust fund to account for scholarship funds established by private donors. The District uses a pension trust fund to account for resources used to finance its early retirement program. The District uses agency funds to account for resources held for student activities and groups.

## Notes to Financial Statements

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

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide Other Post-Employment Benefits (OPEB) to its employees and concerning the District's Pension Plans.

### Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$583,335,166 at June 30, 2017. The following is a summary of the District's net position as of June 30, 2017, compared to net position as of June 30, 2016:

Net Position, End of Year							
	Governmental		Business-Type		Total		Percentage Change
	Activities		Activities				
	6/30/2017	6/30/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016	
Current and Other Assets	\$ 309,370,911	\$ 373,197,196	\$ 5,127,199	\$ 4,428,838	\$ 314,498,110	\$ 377,626,034	
Capital Assets	1,144,474,144	1,081,233,518	133,420	166,042	1,144,607,564	1,081,399,560	
<b>Total Assets</b>	<b>1,453,845,055</b>	<b>1,454,430,714</b>	<b>5,260,619</b>	<b>4,594,880</b>	<b>1,459,105,674</b>	<b>1,459,025,594</b>	0.01%
Deferred Outflows of Resources	166,362,867	99,763,324	2,121,285	1,112,496	168,484,152	100,875,820	
Long-Term Liabilities	969,329,480	875,098,080	6,739,004	5,115,210	976,068,484	880,213,290	
Other Liabilities	53,913,407	52,548,625	113,554	101,666	54,026,961	52,650,291	
<b>Total Liabilities</b>	<b>1,023,242,887</b>	<b>927,646,705</b>	<b>6,852,558</b>	<b>5,216,876</b>	<b>1,030,095,445</b>	<b>932,863,581</b>	10.42%
Deferred Inflows of Resources	13,911,817	37,741,537	247,398	455,864	14,159,215	38,197,401	
Net Position:							
Net Investment in							
Capital Assets	680,286,796	631,191,690	133,420	166,042	680,420,216	631,357,732	
Restricted	102,033,724	140,732,338	-	-	102,033,724	140,732,338	
Unrestricted - FRS/HIS Pensions	(206,170,832)	(189,446,442)	(3,137,046)	(2,865,132)	(209,307,878)	(192,311,574)	
Unrestricted - Other	6,903,530	6,328,210	3,285,574	2,733,726	10,189,104	9,061,936	
<b>Total Net Position</b>	<b>\$ 583,053,218</b>	<b>\$ 588,805,796</b>	<b>\$ 281,948</b>	<b>\$ 34,636</b>	<b>\$ 583,335,166</b>	<b>\$ 588,840,432</b>	-0.93%

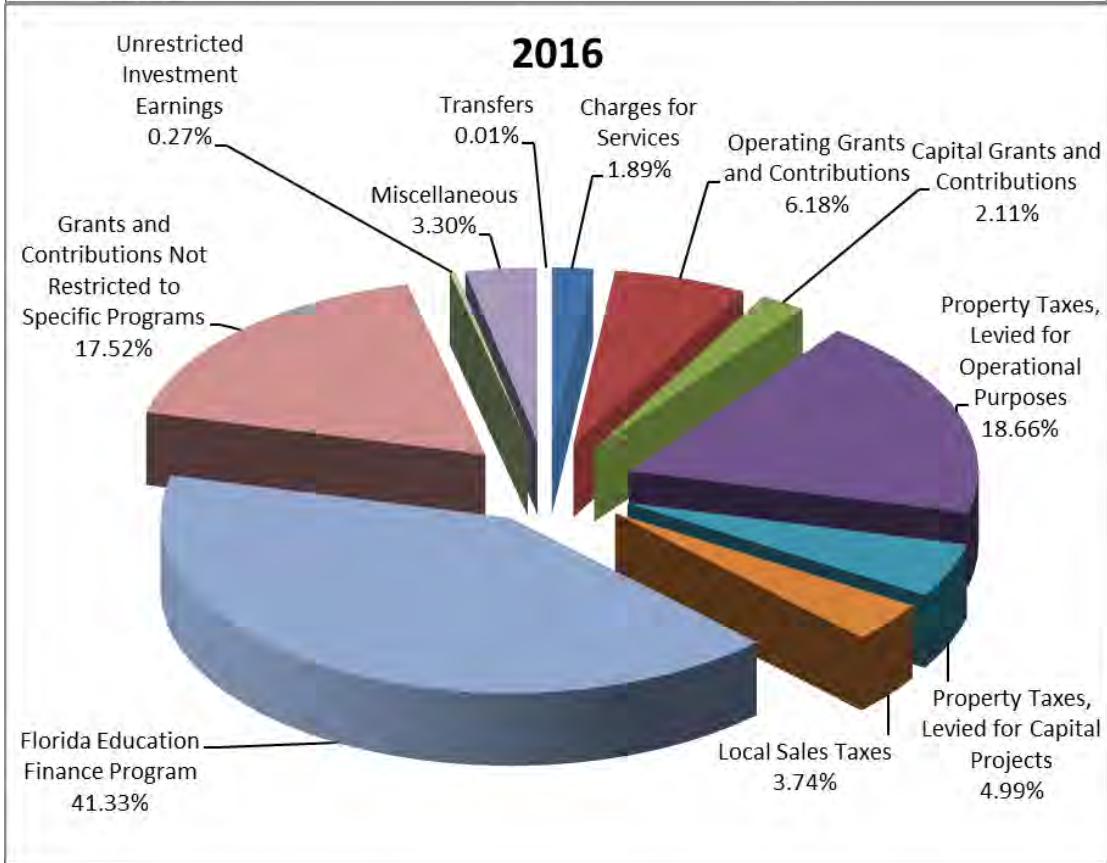
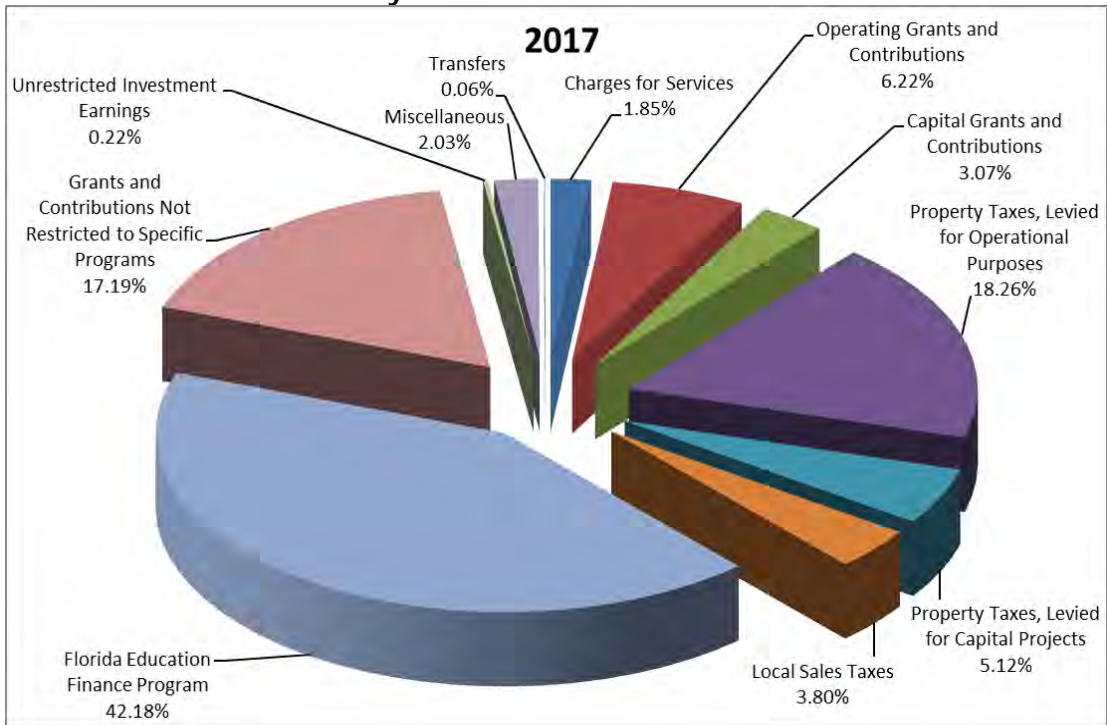
The largest portion of the District's net position (85.84 percent), exclusive of Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) pension amounts, reflects its net investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position (12.87 percent), exclusive of FRS and HIS pension amounts, represents resources which are subject to external restrictions on how they may be used. The portion of unrestricted net position (1.29 percent), exclusive of FRS and HIS pension amounts, may be used to meet the government's ongoing obligations to students, employees and creditors.

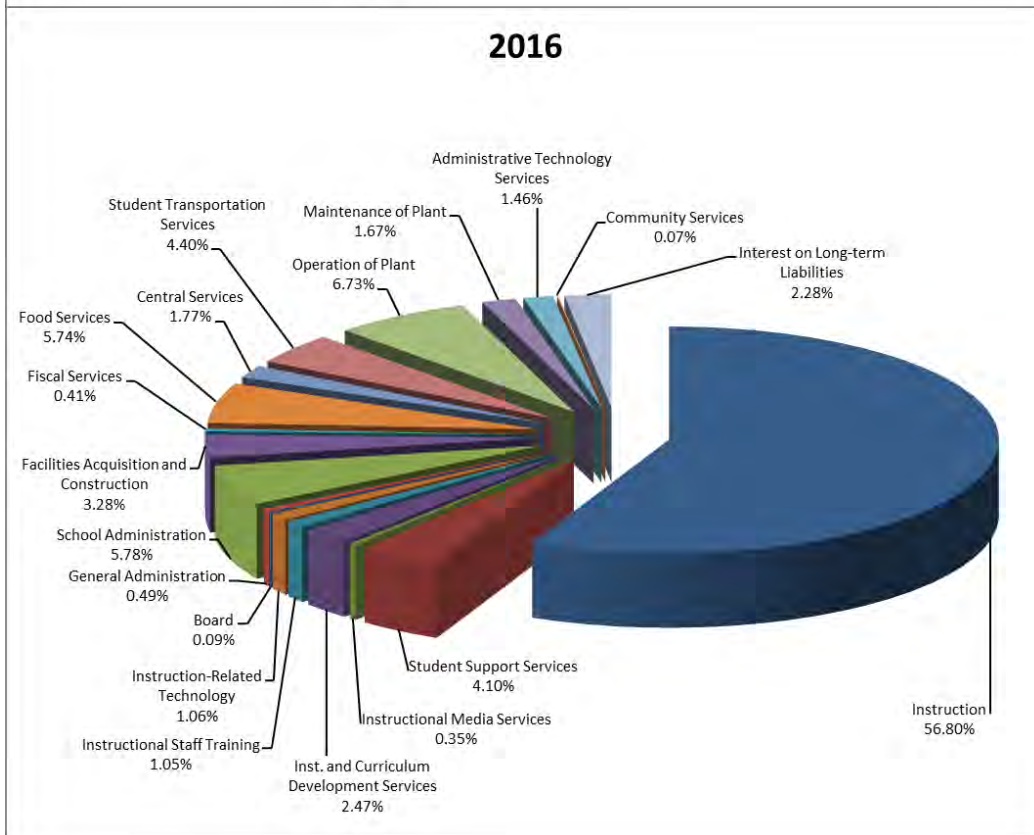
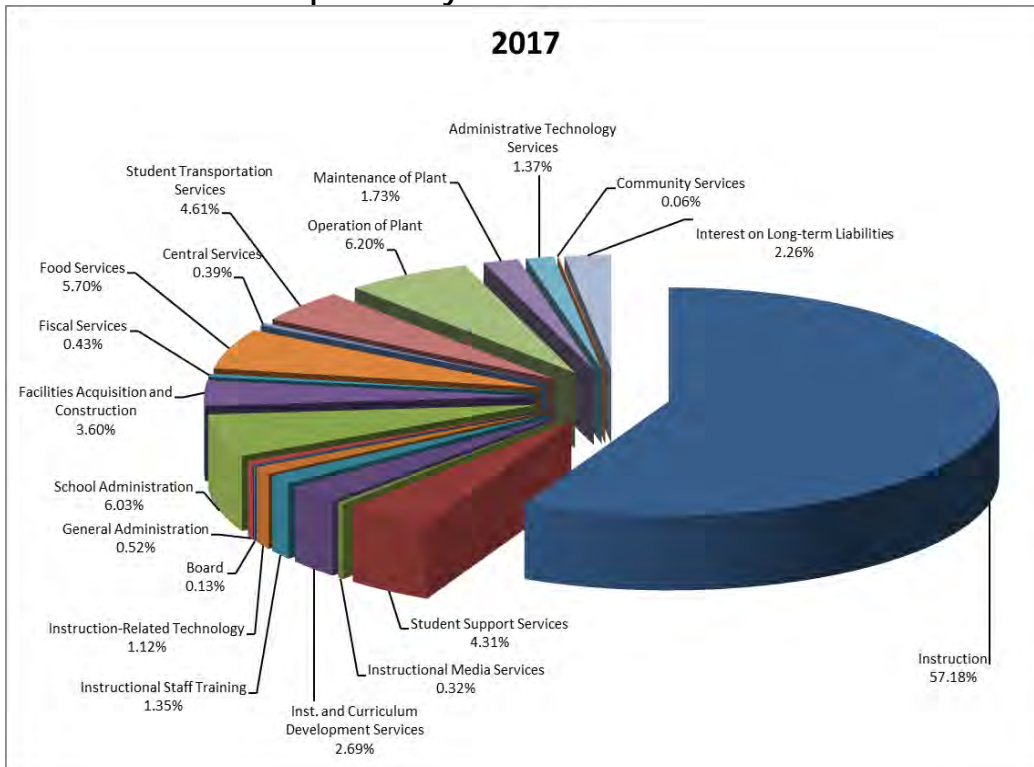
The key elements of the changes in the District's net position for the fiscal year ended June 30, 2017, and June 30, 2016 are as follows:

<b>Operating Results for the Year</b>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>
<b>Revenues:</b>							
<b>Program Revenues:</b>							
Charges for Services	\$ 13,138,858	\$ 12,979,579	\$ 11,077,724	\$ 10,981,588	\$ 24,216,582	\$ 23,961,167	1.07%
Operating Grants and Contributions	44,065,787	42,499,928	-	-	44,065,787	42,499,928	3.68%
Capital Grants and Contributions	21,752,287	14,539,299	-	-	21,752,287	14,539,299	49.61%
<b>General Revenues:</b>							
Property Taxes, Levied for Operational Purposes	129,369,699	128,319,631	-	-	129,369,699	128,319,631	0.82%
Property Taxes, Levied for Capital Projects	36,291,600	34,313,082	-	-	36,291,600	34,313,082	5.77%
Local Sales Taxes	26,942,544	25,738,211	-	-	26,942,544	25,738,211	4.68%
Florida Education Finance Program	298,842,427	284,094,218	-	-	298,842,427	284,094,218	5.19%
Grants and Contributions not Restricted to Specific Programs	121,835,263	120,489,916	-	-	121,835,263	120,489,916	1.12%
Unrestricted Investment Earnings	1,532,310	1,824,994	19,651	10,665	1,551,961	1,835,659	-15.45%
Miscellaneous	14,408,081	22,699,580	259	284	14,408,340	22,699,864	-36.53%
Transfers	405,273	56,634	(405,273)	(56,634)	-	-	0.00%
<b>Total Revenues and Transfers</b>	<b>708,584,129</b>	<b>687,555,072</b>	<b>10,692,361</b>	<b>10,935,903</b>	<b>719,276,490</b>	<b>698,490,975</b>	<b>2.98%</b>
<b>Program Expenses:</b>							
Instruction	408,448,107	386,321,690	-	-	408,448,107	386,321,690	5.73%
Student Support Services	30,820,513	27,878,254	-	-	30,820,513	27,878,254	10.55%
Instructional Media Services Inst. and Curriculum Development Services	2,271,748	2,395,795	-	-	2,271,748	2,395,795	-5.18%
Instructional Staff Training	19,238,370	16,807,274	-	-	19,238,370	16,807,274	14.46%
Instruction-Related Technology Board	9,608,442	7,168,371	-	-	9,608,442	7,168,371	34.04%
General Administration	7,983,137	7,181,975	-	-	7,983,137	7,181,975	11.16%
School Administration	932,028	593,665	-	-	932,028	593,665	57.00%
Facilities Acquisition and Construction	3,709,541	3,366,050	-	-	3,709,541	3,366,050	10.20%
Fiscal Services	43,055,596	39,320,749	-	-	43,055,596	39,320,749	9.50%
Food Services	25,737,667	22,312,816	-	-	25,737,667	22,312,816	15.35%
Central Services	3,092,802	2,789,717	-	-	3,092,802	2,789,717	10.86%
Student Transportation Services	40,699,866	39,016,954	-	-	40,699,866	39,016,954	4.31%
Operation of Plant	2,817,157	12,010,763	-	-	2,817,157	12,010,763	-76.54%
Maintenance of Plant	32,940,721	29,927,606	-	-	32,940,721	29,927,606	10.07%
Administrative Technology Services	44,284,504	45,765,410	-	-	44,284,504	45,765,410	-3.24%
Community Services	12,375,243	11,374,941	-	-	12,375,243	11,374,941	8.79%
Interest on Long-term Liabilities	9,795,116	9,929,967	-	-	9,795,116	9,929,967	-1.36%
Total Expenses	410,564	475,657	10,445,049	10,356,708	10,855,613	10,832,365	0.21%
Change in Net Position	16,115,585	15,510,778	-	-	16,115,585	15,510,778	3.90%
<b>Total Expenses</b>	<b>714,336,707</b>	<b>680,148,432</b>	<b>10,445,049</b>	<b>10,356,708</b>	<b>724,781,756</b>	<b>690,505,140</b>	<b>4.96%</b>
Change in Net Position	(5,752,578)	7,406,640	247,312	579,195	(5,505,266)	7,985,835	-168.94%
Net Position, Beginning	588,805,796	581,399,156	34,636	(544,559)	588,840,432	580,854,597	1.37%
Net Position, Ending	<u>\$ 583,053,218</u>	<u>\$ 588,805,796</u>	<u>\$ 281,948</u>	<u>\$ 34,636</u>	<u>\$ 583,335,166</u>	<u>\$ 588,840,432</u>	<u>-0.93%</u>

## Governmental Activities Revenue by Source – Statement of Activities



## Governmental Activities Expenses by Function – Statement



Total revenues increased by \$20,785,515 primarily due to an increase in Florida Education Finance Program revenues received during the fiscal year. This \$14,748,209 increase was related to an increase in State funding per student and an increase in student FTE. Other increases include Property Tax revenues of \$3,028,586.

Total expenses increased by \$34,276,616, primarily due to a rise in instructional costs during the fiscal year. The portion of this overall increase related to salary adjustments and the related benefits was \$15,195,746.

The Business-type activities had total revenues of \$11,097,634 which exceeded total expenses and transfers out by \$247,312.

### Financial Analysis of the Government Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2016-2017 fiscal year, the District's governmental funds reported combined ending fund balances of \$204,464,510, a decrease of \$66,662,949, in comparison with the prior fiscal year. Approximately 25.65 percent of this total amount, or \$52,437,139, constitutes total assigned and unassigned fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2017, and June 30, 2016.

Fund Balance	2017	2016	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 59,964,340	\$ 56,742,004	\$ 3,222,336	5.68%
Capital Projects - Other Funds	92,966,598	166,202,915	(73,236,317)	-44.06%
Other Governmental Funds (nonmajor)	51,533,572	48,182,540	3,351,032	6.95%
Total Fund Balances	\$ 204,464,510	\$ 271,127,459	\$ (66,662,949)	-24.59%

**The General Fund** is the chief operating fund of the District. At the end of the 2016-2017 fiscal year, the unassigned fund balance of the General Fund was \$26,708,735, while total fund balance reached \$59,964,340. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.01 percent of total General Fund expenditures, while total fund balance represents 11.26 percent. Fund balance of the District's General Fund increased by \$3,222,336 during the 2016-2017 fiscal year.



The following schedule shows the changes in General Fund revenues and other financing sources (uses) for the fiscal years ended June 30, 2017 and June 30, 2016:

<u>General Fund Revenues and Other Financing Sources (Uses)</u>	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 547,328	\$ 660,110	\$ (112,782)	-17.09%
Federal Through State Sources:				
Other Federal Through State Sources	3,521,189	3,489,774	31,415	0.90%
State Sources				
Florida Education Finance Program (FEFP)	298,842,427	284,094,218	14,748,209	5.19%
Other Restricted State Sources	88,437,107	87,352,266	1,084,841	1.24%
Local Sources:				
Ad Valorem Taxes	129,369,699	128,319,631	1,050,068	0.82%
Interest Income	625,270	257,281	367,989	143.03%
Other Local Sources	14,038,731	15,401,639	(1,362,908)	-8.85%
Other Financing Sources	428,787	722,837	(294,050)	-40.68%
<b>Total General Fund Revenues and Other Financing Sources</b>	<b>\$ 535,810,538</b>	<b>\$ 520,297,756</b>	<b>\$ 15,512,782</b>	<b>2.98%</b>

During the 2016-2017 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$15,512,782, or 2.98 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students on the fourth calculation.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2017 and June 30, 2016:

<u>General Fund - Expenditures by Object</u>	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Salaries	\$ 331,137,542	\$ 323,057,774	\$ 8,079,768	2.50%
Employee Benefits	111,369,287	105,851,880	5,517,407	5.21%
Purchased Services	58,956,784	54,376,511	4,580,273	8.42%
Energy Services	12,098,339	12,171,181	(72,842)	-0.60%
Materials and Supplies	11,393,130	15,998,547	(4,605,417)	-28.79%
Capital Outlay	1,184,628	1,738,381	(553,753)	-31.85%
Other Expenditures	6,448,492	6,381,150	67,342	1.06%
<b>Total General Fund Expenditures</b>	<b>\$ 532,588,202</b>	<b>\$ 519,575,424</b>	<b>\$ 13,012,778</b>	<b>2.50%</b>

General Fund expenditures increased by \$13,012,778 or 2.50 percent. The following are some of the highlights:

- Salaries increased by \$8,079,768 which reflects salary increases and additional allocations
- Employee Benefits increased by \$5,517,407 due to an increase in insurance and retirement costs
- Purchased Services increased by \$4,580,273 primarily due to an increase in Charter School enrollment
- Materials and Supplies decreased by \$4,605,417 due to a decrease in textbook adoptions

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2017 and June 30, 2016:

<u>General Fund Expenditures by Function</u>	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 330,996,764	\$ 323,188,032	\$ 7,808,732	2.42%
Student Support Services	26,145,288	24,344,499	1,800,789	7.40%
Instructional Media Services	2,460,802	2,587,708	(126,906)	-4.90%
Inst. and Curriculum Development Services	12,684,055	11,260,532	1,423,523	12.64%
Instructional Staff Training Services	3,204,399	2,639,403	564,996	21.41%
Instruction-Related Technology	7,068,610	6,901,007	167,603	2.43%
Board	659,516	488,912	170,604	34.89%
General Administration	1,412,717	1,199,612	213,105	17.76%
School Administration	39,358,666	38,195,861	1,162,805	3.04%
Facilities Acquisition and Construction	3,072,028	2,532,726	539,302	21.29%
Fiscal Services	2,850,360	2,694,374	155,986	5.79%
Food Services	70,689	287,694	(217,005)	-75.43%
Central Services	7,408,148	7,536,836	(128,688)	-1.71%
Student Transportation Services	30,969,810	29,121,095	1,848,715	6.35%
Operation of Plant	42,685,819	45,418,565	(2,732,746)	-6.02%
Maintenance of Plant	11,520,471	10,953,816	566,655	5.17%
Administrative Technology Services	8,988,265	9,217,589	(229,324)	-2.49%
Community Services	416,265	434,922	(18,657)	-4.29%
Capital Outlay	615,530	572,241	43,289	7.56%
<b>Total General Fund Expenditures</b>	<b>\$ 532,588,202</b>	<b>\$ 519,575,424</b>	<b>\$ 13,012,778</b>	<b>2.50%</b>

The *Capital Projects Other Fund*, which is used to account for capital project activity funded by sources such as Certificates of Participation, Sales Tax, Impact Fees and capital leases, has a total fund balance of \$92,966,598, of which \$89,135,571 is restricted for specific capital projects and \$3,831,027 is non-spendable inventory. The net decrease in fund balance in the Capital Projects Other Fund was \$73,236,317 and resulted primarily from expenditures to open a new elementary school, Bexley Elementary and a new combination middle and high school, Cypress Creek Middle/High School. In addition, the construction of a new Compressed Natural Gas Station/Bus Garage combination was completed, and expenditures were made toward the major renovations of both Land O' Lakes High and Woodland Elementary. It should also be noted that \$43,479,334 of the total fund balance has been encumbered under specific engineering, technology, and construction contracts in progress at year-end.

## General Fund Budgetary Highlights

During the fiscal year, the District revised its budget and brought monthly amendments to the Board for approval. The following schedule shows the changes in the General Fund revenues and other financing sources (uses), budget and actual:

General Fund Revenues and Other Financing Sources (Uses)	Original Budget	Final Budget	Actual 2017	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 577,256	\$ 591,971	\$ 547,328	\$ 14,715	\$ (44,643)
Federal Through State Sources:					
Other Federal Through State Sources	3,700,000	3,700,000	3,521,189	-	(178,811)
State Sources					
Florida Education Finance Program (FEFP)	302,056,867	298,842,427	298,842,427	(3,214,440)	-
Other Restricted State Sources	87,711,566	88,618,761	88,437,107	907,195	(181,654)
Local Sources:					
Ad Valorem Taxes	127,891,881	127,891,881	129,369,699	-	1,477,818
Interest Income	500,000	500,000	625,270	-	125,270
Other Local Sources	13,681,937	13,874,162	14,038,731	192,225	164,569
Other Financing Sources	1,296,869	1,120,164	428,787	(176,705)	(691,377)
<b>Total General Fund Revenues and Other Financing Sources</b>	<b>\$ 537,416,376</b>	<b>\$ 535,139,366</b>	<b>\$ 535,810,538</b>	<b>\$ (2,277,010)</b>	<b>\$ 671,172</b>

The General Fund actual revenues were more than the final budgeted revenues, excluding Other Financing Sources (Uses), by \$1,362,549. This difference was primarily due to a higher than expected collection rate on Ad Valorem Taxes. The General Fund final budget revenues, excluding Other Financing Sources, decreased by \$2,100,305 over the original budget due to changes in enrollment and other state calculation adjustments during the year.

The following schedule shows the changes in the General Fund Budget appropriations and actual:

General Fund Expenditures by Function	Original Budget	Final Budget	Actual 2017	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Instruction	\$ 334,761,223	\$ 343,861,191	\$ 330,996,764	\$ 9,099,968	\$ (12,864,427)
Student Support Services	25,141,577	26,422,509	26,145,288	1,280,932	(277,221)
Instructional Media Services	3,254,563	3,084,695	2,460,802	(169,868)	(623,893)
Inst. and Curriculum Development Services	13,395,134	13,086,705	12,684,055	(308,429)	(402,650)
Instructional Staff Training Services	3,544,277	3,505,279	3,204,399	(38,998)	(300,880)
Instruction-Related Technology	7,157,891	7,115,239	7,068,610	(42,652)	(46,629)
Board	2,851,598	1,039,531	659,516	(1,812,067)	(380,015)
General Administration	1,094,764	1,488,058	1,412,717	393,294	(75,341)
School Administration	38,757,266	39,810,330	39,358,666	1,053,064	(451,664)
Facilities Acquisition and Construction	3,283,908	3,596,998	3,072,028	313,090	(524,970)
Fiscal Services	3,639,452	3,220,921	2,850,360	(418,531)	(370,561)
Food Services	-	72,445	70,689	72,445	(1,756)
Central Services	8,480,492	8,467,336	7,408,148	(13,156)	(1,059,188)
Student Transportation Services	29,595,442	36,707,382	30,969,810	7,111,940	(5,737,572)
Operation of Plant	44,201,620	44,670,967	42,685,819	469,347	(1,985,148)
Maintenance of Plant	11,348,995	12,530,870	11,520,471	1,181,875	(1,010,399)
Administrative Technology Services	9,979,894	10,337,365	8,988,265	357,471	(1,349,100)
Community Services	533,577	546,393	416,265	12,816	(130,128)
Capital Outlay	-	-	615,530	-	615,530
<b>Total General Fund Expenditures</b>	<b>\$ 541,021,673</b>	<b>\$ 559,564,214</b>	<b>\$ 532,588,202</b>	<b>\$ 18,542,541</b>	<b>\$ (26,976,012)</b>

The General Fund actual expenditures were less than the final budgeted appropriations by \$26,976,012. There were many approved but unfilled teaching and transportation positions. Diesel fuel was \$4.5 million below budget. The General Fund final budget appropriations increased by \$18,542,541 over the original budget due primarily to salary and benefit increases.

## Capital Asset and Debt Administration

### Capital Assets

The District's investment in capital assets as of June 30, 2017, amounts to \$1,144,607,564. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials, and computer software. Major capital asset events during the current fiscal year ended June 30, 2017, including construction of Bexley Elementary and Cypress Creek Middle/High School opening for the 2017-2018 school year, as well as continuing progress on the following items that were also included in Construction in Progress at fiscal year-end: the major renovations to Land O' Lakes High and Woodland Elementary.

The following is a summary of the District's capital assets as of June 30, 2017:

<b>Capital Assets (net of depreciation)</b>							
	Governmental Activities		Business-type Activity		Total School District		Percentage Change
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
Land	\$ 81,688,175	\$ 81,505,202	\$ -	\$ -	\$ 81,688,175	\$ 81,505,202	0.22%
Construction in Progress	120,439,513	95,388,252	-	-	120,439,513	95,388,252	26.26%
Improvements Other Than Buildings	22,207,087	22,199,480	17,433	19,061	22,224,520	22,218,541	0.03%
Buildings and Fixed Equipment	860,506,902	826,820,471	13,269	14,825	860,520,171	826,835,296	4.07%
Furniture, Fixtures and Equipment	34,968,844	33,297,833	93,923	124,861	35,062,767	33,422,694	4.91%
Motor Vehicles	17,426,512	14,243,670	-	-	17,426,512	14,243,670	22.35%
Audio Visual Materials	15,589	17,004	-	-	15,589	17,004	-8.32%
Computer Software	7,221,522	7,761,606	8,795	7,295	7,230,317	7,768,901	-6.93%
<b>Total</b>	<b><u>\$ 1,144,474,144</u></b>	<b><u>\$ 1,081,233,518</u></b>	<b><u>\$ 133,420</u></b>	<b><u>\$ 166,042</u></b>	<b><u>\$ 1,144,607,564</u></b>	<b><u>\$ 1,081,399,560</u></b>	<b>5.85%</b>

Additional information on the District's capital assets can be found in the notes to the financial statements in Note 5 - Changes in Capital Assets on pages 60 and 61.

### Long-term Debt

As of June 30, 2017, the District has total long-term debt outstanding of \$498,561,653. This amount is comprised of \$126,308,435 of bonds payable, \$354,936,552 of certificates of participation and \$17,316,666 of obligations under capital leases.

The following is a summary of the District's long-term debt as of June 30, 2017:

<b>Outstanding Long-Term Debt</b>				
	Total School District		Increase (Decrease)	Percentage Change
	<u>2017</u>	<u>2016</u>		
Obligations Under Capital Leases	\$ 17,316,666	\$ 11,487,471	\$ 5,829,195	50.74%
SBE Bonds	8,497,480	9,887,266	(1,389,786)	-14.06%
District Revenue Bonds	2,442,818	2,545,807	(102,989)	-4.05%
Sales Tax Revenue Bonds	115,368,137	127,361,057	(11,992,920)	-9.42%
Certificates of Participation	354,936,552	369,048,086	(14,111,534)	-3.82%
<b>Total</b>	<b><u>\$ 498,561,653</u></b>	<b><u>\$ 520,329,687</u></b>	<b><u>\$ (21,768,034)</u></b>	<b>-4.18%</b>

The District received ratings of A1 from Moody's and A+ from Fitch on its Certificates of Participation. The underlying rating for the Sales Tax Revenue Bonds, Series 2013, is A1 from Moody's and A+ from Fitch.

Additional information on the District's long-term debt can be found in the notes to the financial statements in Note 11 – Changes in Long Term Liabilities on page 72.

### **Outlook for the Future**

At the time these basic financial statements were prepared and audited, the District was not aware of material instances that could significantly affect its financial health in the future. However, the future financial stability of the District is not without challenges.

The first challenge and continuous endeavor is for management to ensure resources can be preserved as long as possible. Management utilizes the General Fund budget and the five-year capital outlay plan as tools to manage resources effectively.

A second challenge facing the District is the local economy. It is important to note that if the growth patterns in student population change so a greater or lesser number of students enter the District than currently anticipated, adjustments will be made to the financial models upon which assumptions have been made. In addition, changes in economic conditions, such as an economic slowdown, could result in revenue forecasts being revised downward and a reduction in estimated funding sources.

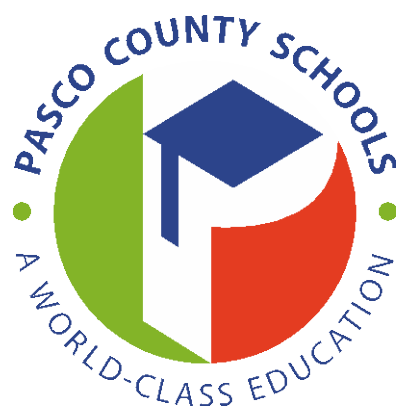
### **Requests for Information**

These financial statements are designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided or requests for additional financial information should be addressed to:

Director of Finance Services  
District School Board of Pasco County  
7227 Land O' Lakes Boulevard  
Land O' Lakes, Florida 34638

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# BASIC FINANCIAL STATEMENTS





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District School Board of Pasco County  
Statement of Net Position  
June 30, 2017

Exhibit A

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
<b>ASSETS:</b>				
Cash	\$ 41,065,269	\$ 1,916,736	\$ 42,982,005	\$ 3,547,600
Cash with Fiscal Agent	1,925,520	-	1,925,520	-
Investments	228,373,324	3,107,806	231,481,130	4,813,716
Accounts Receivable	2,035,369	100,666	2,136,035	175,062
Accrued Interest Receivable	165,168	1,991	167,159	-
Deposits Receivable	-	-	-	16,668
Due From Other Agencies	19,332,190	-	19,332,190	161,884
Inventories	8,231,140	-	8,231,140	-
Prepaid Items	88,713	-	88,713	2,018,092
Capital Credits Receivable	5,104,119	-	5,104,119	-
Net Pension Asset - SERP	3,050,099	-	3,050,099	-
Capital Assets (net of accumulated depreciation):				
Land	81,688,175	-	81,688,175	1,939,534
Construction in Progress	120,439,513	-	120,439,513	2,689,099
Improvements Other Than Buildings	22,207,087	17,433	22,224,520	234,070
Leasehold Property and Improvements	-	-	-	733,836
Buildings and Fixed Equipment	860,506,902	13,269	860,520,171	11,416,244
Furniture, Fixtures, and Equipment	34,968,844	93,923	35,062,767	662,866
Motor Vehicles	17,426,512	-	17,426,512	310,183
Audio Visual Materials	15,589	-	15,589	-
Computer Software	7,221,522	8,795	7,230,317	33,012
Total Assets	<u>1,453,845,055</u>	<u>5,260,619</u>	<u>1,459,105,674</u>	<u>28,751,866</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated Decrease in Fair Value of				
Hedging Derivatives	15,563,983	-	15,563,983	-
Deferred Amount - Bond Refunding	6,132,720	-	6,132,720	-
Deferred Amount - Pension SERP	891,597	-	891,597	-
Deferred Amount - Pension FRS / HIS	143,774,567	2,121,285	145,895,852	537,162
Total Deferred Outflows of Resources	<u>166,362,867</u>	<u>2,121,285</u>	<u>168,484,152</u>	<u>537,162</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 1,620,207,922</u>	<u>\$ 7,381,904</u>	<u>\$ 1,627,589,826</u>	<u>\$ 29,289,028</u>

(continued)

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
<b>LIABILITIES:</b>				
Salaries and Benefits Payable	\$ 4,156,076	\$ -	\$ 4,156,076	\$ 931,516
Payroll Deductions and Withholdings Payable	4,947,560	-	4,947,560	-
Accounts Payable	31,944,584	7,071	31,951,655	599,432
Construction Contracts Payable	1,278,450	-	1,278,450	-
Construction Contracts Payable-Retainage	4,880,237	-	4,880,237	206,319
Due to Other Agencies	1,031	-	1,031	-
Sales Tax Payable	1,392	2,980	4,372	-
Deposits Payable	52,497	-	52,497	-
Accrued Interest Payable	4,779,223	-	4,779,223	26,538
Advanced Revenue	1,872,357	103,503	1,975,860	4,800
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	592,218
Bonds Payable	14,524,004	-	14,524,004	5,850
Certificates of Participation Payable	15,539,016	-	15,539,016	-
Obligations Under Capital Leases	5,181,871	-	5,181,871	80,017
Estimated Insurance Claims Payable	2,427,000	-	2,427,000	-
Compensated Absences Payable	1,394,091	-	1,394,091	111,201
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	7,518,086
Bonds Payable	111,784,431	-	111,784,431	10,086,365
Certificates of Participation Payable	339,397,536	-	339,397,536	-
Obligations Under Capital Leases	12,134,795	-	12,134,795	36,341
Estimated Insurance Claims Payable	4,325,000	-	4,325,000	-
Compensated Absences Payable	38,247,902	533,403	38,781,305	-
Other Post-Employment Benefits Obligation	69,485,227	1,194,668	70,679,895	-
Net Pension Liability - FRS / HIS	339,324,624	5,010,933	344,335,557	555,101
Derivatives Swap Liability	15,563,983	-	15,563,983	-
Total Liabilities	<u>1,023,242,887</u>	<u>6,852,558</u>	<u>1,030,095,445</u>	<u>20,753,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amount - Pension SERP	3,291,042	-	3,291,042	-
Deferred Amount - Pension FRS / HIS	10,620,775	247,398	10,868,173	3,472
Total Deferred Inflows of Resources	<u>13,911,817</u>	<u>247,398</u>	<u>14,159,215</u>	<u>3,472</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>1,037,154,704</u>	<u>7,099,956</u>	<u>1,044,254,660</u>	<u>20,757,256</u>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	680,286,796	133,420	680,420,216	(198,045)
Restricted for:				
State Categorical Programs	4,089,246	-	4,089,246	-
Debt Service	10,534,822	-	10,534,822	2,508,026
Capital Projects	79,865,790	-	79,865,790	-
Special Revenue-Food Service	7,543,866	-	7,543,866	-
Other Purposes	-	-	-	2,114,116
Non-expendable-Permanent Endowment	-	-	-	2,027,076
Unrestricted	(199,267,302)	148,528	(199,118,774)	2,080,599
Total Net Position	<u>583,053,218</u>	<u>281,948</u>	<u>583,335,166</u>	<u>8,531,772</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<u>\$ 1,620,207,922</u>	<u>\$ 7,381,904</u>	<u>\$ 1,627,589,826</u>	<u>\$ 29,289,028</u>

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

**District School Board of Pasco County**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 408,448,107	\$ 508,294	\$ -	\$ -
Student Support Services	30,820,513	-	-	-
Instructional Media Services	2,271,748	-	-	-
Instruction and Curriculum Development Services	19,238,370	-	-	-
Instructional Staff Training Services	9,608,442	-	-	-
Instruction-Related Technology	7,983,137	-	-	-
Board	932,028	-	-	-
General Administration	3,709,541	-	-	-
School Administration	43,055,596	-	-	-
Facilities Acquisition and Construction	25,737,667	-	-	18,806,229
Fiscal Services	3,092,802	-	-	-
Food Services	40,699,866	11,419,572	28,176,598	-
Central Services	2,817,157	-	-	-
Student Transportation Services	32,940,721	1,210,992	15,889,189	-
Operation of Plant	44,284,504	-	-	-
Maintenance of Plant	12,375,243	-	-	-
Administrative Technology Services	9,795,116	-	-	-
Community Services	410,564	-	-	-
Interest on Long-term Liabilities	16,115,585	-	-	2,946,058
Total Governmental Activities	<u>714,336,707</u>	<u>13,138,858</u>	<u>44,065,787</u>	<u>21,752,287</u>
Business-Type Activities:				
PLACE Program	9,853,988	10,510,012	-	-
Vending Program	591,061	567,712	-	-
Total Business-Type Activities	<u>10,445,049</u>	<u>11,077,724</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 724,781,756</u>	<u>\$ 24,216,582</u>	<u>\$ 44,065,787</u>	<u>\$ 21,752,287</u>
Component Units:				
Educational Foundation/Charter Schools	<u>\$ 33,685,567</u>	<u>\$ 554,721</u>	<u>\$ 407,793</u>	<u>\$ 967,122</u>

**General Revenues:**

## Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

## Transfers:

Total General Revenues and Transfers

Change in Net Position

Net Position, July 1, 2016

Net Position, June 30, 2017

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (407,939,813)	\$ -	\$ (407,939,813)	\$ -
(30,820,513)	-	(30,820,513)	-
(2,271,748)	-	(2,271,748)	-
(19,238,370)	-	(19,238,370)	-
(9,608,442)	-	(9,608,442)	-
(7,983,137)	-	(7,983,137)	-
(932,028)	-	(932,028)	-
(3,709,541)	-	(3,709,541)	-
(43,055,596)	-	(43,055,596)	-
(6,931,438)	-	(6,931,438)	-
(3,092,802)	-	(3,092,802)	-
(1,103,696)	-	(1,103,696)	-
(2,817,157)	-	(2,817,157)	-
(15,840,540)	-	(15,840,540)	-
(44,284,504)	-	(44,284,504)	-
(12,375,243)	-	(12,375,243)	-
(9,795,116)	-	(9,795,116)	-
(410,564)	-	(410,564)	-
(13,169,527)	-	(13,169,527)	-
(635,379,775)	-	(635,379,775)	-
-	656,024	656,024	-
-	(23,349)	(23,349)	-
-	632,675	632,675	-
(635,379,775)	632,675	(634,747,100)	-
-	-	-	(31,755,931)
129,369,699	-	129,369,699	-
36,291,600	-	36,291,600	-
26,942,544	-	26,942,544	-
420,677,690	-	420,677,690	28,612,258
1,532,310	19,651	1,551,961	217,604
14,408,081	259	14,408,340	3,248,378
405,273	(405,273)	-	-
629,627,197	(385,363)	629,241,834	32,078,240
(5,752,578)	247,312	(5,505,266)	322,309
588,805,796	34,636	588,840,432	8,209,463
\$ 583,053,218	\$ 281,948	\$ 583,335,166	\$ 8,531,772

**District School Board of Pasco County  
Balance Sheet  
Governmental Funds  
June 30, 2017**

	Major Funds				
	General	Capital Projects	Special Revenue		Total Governmental Funds
	Primary Operating Fund	Other Funds	Other Federal Programs Fund	Nonmajor Governmental Funds	
<b>ASSETS:</b>					
Cash	\$ 4,313,220	\$ 5,206,465	\$ 14,174	\$ 16,511,705	\$ 26,045,564
Cash with Fiscal Agent	-	4,716	-	5,550,804	5,555,520
Investments	56,774,493	91,942,322	-	28,035,142	176,751,957
Accounts Receivable	1,837,875	637	-	20,821	1,859,333
Accrued Interest Receivable	36,160	83,440	-	12,495	132,095
Due from Other Funds	7,329,987	-	-	-	7,329,987
Due from Other Agencies	2,891,775	6,688,440	5,586,409	3,414,137	18,580,761
Inventories	3,349,242	3,831,027	-	1,050,871	8,231,140
Prepaid Items	88,713	-	-	-	88,713
<b>TOTAL ASSETS</b>	<b>\$ 76,621,465</b>	<b>\$ 107,757,047</b>	<b>\$ 5,600,583</b>	<b>\$ 54,595,975</b>	<b>\$ 244,575,070</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Salaries and Benefits Payable	\$ 4,152,535	\$ -	\$ 3,527	\$ -	\$ 4,156,062
Payroll Deductions and Withholdings Payable	4,875,126	-	-	-	4,875,126
Accounts Payable	7,520,635	8,046,308	325,399	710,471	16,602,813
Construction Contracts Payable	-	1,264,953	-	13,497	1,278,450
Construction Contracts Payable-Retainage	-	4,858,861	-	21,376	4,880,237
Due to Other Funds	-	-	5,257,483	1,321,075	6,578,558
Due to Other Agencies	-	-	1,031	-	1,031
Sales Tax Payable	1,392	-	-	-	1,392
Deposits Payable	52,497	-	-	-	52,497
Accrued Interest Payable	-	-	-	58,863	58,863
Advanced Revenue	54,940	620,327	13,143	937,121	1,625,531
<b>Total Liabilities</b>	<b>16,657,125</b>	<b>14,790,449</b>	<b>5,600,583</b>	<b>3,062,403</b>	<b>40,110,560</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
<b>Inventories:</b>					
General Fund	3,349,242	-	-	-	3,349,242
Capital Projects Other	-	3,831,027	-	-	3,831,027
Special Revenue-Food Service	-	-	-	1,050,871	1,050,871
<b>Prepaid Items:</b>					
General Fund	88,713	-	-	-	88,713
<b>Restricted:</b>					
Categorical Programs	4,089,246	-	-	-	4,089,246
Special Revenue-Food Service	-	-	-	6,492,995	6,492,995
Debt Service	-	-	-	18,885,182	18,885,182
Capital Projects	-	89,135,571	-	25,104,524	114,240,095
<b>Assigned:</b>					
<b>School Operations:</b>					
School and Local Programs	22,506,068	-	-	-	22,506,068
Next Year Budget	3,222,336	-	-	-	3,222,336
<b>Unassigned Fund Balance</b>	<b>26,708,735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,708,735</b>
<b>Total Fund Balances</b>	<b>59,964,340</b>	<b>92,966,598</b>	<b>-</b>	<b>51,533,572</b>	<b>204,464,510</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 76,621,465</b>	<b>\$ 107,757,047</b>	<b>\$ 5,600,583</b>	<b>\$ 54,595,975</b>	<b>\$ 244,575,070</b>

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

District School Board of Pasco County  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2017

Total fund balances for total governmental funds (page 26).	\$	204,464,510
Amounts reported for governmental activities in the statement of net position (page 23) are different because:		
Non-current assets do not represent current financial resources and, therefore, are not reported in the governmental funds.		
Non-current assets at year-end consist of:		
Capital Credits Receivable	\$ 5,104,119	
Net Pension Asset - SERP	3,050,099	
Capital Assets (net of accumulated depreciation)	1,144,469,582	1,152,623,800
Deferred outflows of resources are reported as a result of:		
Changes in fair value of Hedging Derivatives	15,563,983	
Deferred Amounts on Bond Refundings	6,132,720	
Deferred Amounts for Pension - SERP	891,597	
Deferred Amounts for Pension - FRS / HIS	143,774,567	166,362,867
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		
		(4,720,360)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Long-term liabilities at year-end consist of:		
Bonds Payable	(126,308,435)	
Certificates of Participation Payable	(354,936,552)	
Obligations Under Capital Leases	(17,316,666)	
Compensated Absences Payable	(39,326,478)	
Other Post-employment Benefits Obligation	(69,219,713)	
Net Pension Liability FRS / HIS	(338,095,347)	
Derivative Swap Liability	(15,563,983)	(960,767,174)
Deferred inflows of resources are reported as a result of :		
Deferred Amounts for Pension - SERP	(3,291,042)	
Deferred Amounts for Pension - FRS / HIS	(10,620,775)	(13,911,817)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		42,631,392
Cash with Fiscal Agent to be used for advanced refunding of SBE Bonds defeased at year end		
		(3,630,000)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>583,053,218</b>

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

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds	
	General	Capital Projects			Special Revenue
	Primary Operating Fund	Other Funds			Other Federal Programs Fund
<b>Revenues:</b>					
Federal Sources:					
Federal Direct	\$ 547,328	\$ -	\$ 7,074,957	\$ 8,181,648	
Federal Through State	3,521,189	-	37,404,732	68,724,837	
State Sources:					
Florida Education Finance Program	298,842,427	-	-	298,842,427	
Public Education Capital Outlay	-	-	3,384,042	3,384,042	
Food Services	-	-	377,682	377,682	
SBE/COBI Bond Interest	-	-	470	470	
CO & DS Withheld for State Education Bonds	-	-	1,723,869	1,723,869	
CO & DS Interest	-	-	47,343	47,343	
CO & DS Distributed	-	-	1,130,902	1,130,902	
Racing Commission Funds	-	-	223,250	223,250	
State Grants and Other	88,437,107	-	-	88,437,107	
Local Sources:					
Property Taxes	129,369,699	-	36,291,600	165,661,299	
Local Sales Taxes	-	26,942,544	-	26,942,544	
Impact Fees	-	15,422,187	-	15,422,187	
Food Services	-	-	10,477,201	10,477,201	
Investment Earnings	625,270	854,602	52,438	1,532,310	
Local Grants and Other	14,038,731	302,245	1,584,188	15,925,164	
<b>Total Revenues</b>	<b>535,381,751</b>	<b>43,521,578</b>	<b>44,479,689</b>	<b>83,651,264</b>	
<b>Expenditures:</b>					
Current-Education:					
Instruction	330,996,764	-	24,846,071	355,842,835	
Student Support Services	26,145,288	-	3,453,123	29,598,411	
Instructional Media Services	2,460,802	-	18,634	2,479,436	
Inst. and Curriculum Development Services	12,684,055	-	5,414,299	18,098,354	
Instructional Staff Training Services	3,204,399	-	6,433,490	9,637,889	
Instruction-Related Technology	7,068,610	-	385,815	7,454,425	
Board	659,516	-	-	659,516	
General Administration	1,412,717	-	2,305,646	3,718,363	



	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary Operating Fund	Other Funds	Federal Economic Stimulus Programs Fund		
<b>Expenditures (continued):</b>					
School Administration	39,358,666	-	126,008	-	39,484,674
Facilities Acquisition and Construction	3,072,028	3,809,838	-	1,467,967	8,349,833
Fiscal Services	2,850,360	-	144,567	-	2,994,927
Food Services	70,689	-	272	39,577,154	39,648,115
Central Services	7,408,148	-	222,694	-	7,630,842
Student Transportation Services	30,969,810	-	326,508	-	31,296,318
Operation of Plant	42,685,819	-	99,344	-	42,785,163
Maintenance of Plant	11,520,471	-	42,716	-	11,563,187
Administrative Technology Services	8,988,265	-	111,255	-	9,099,520
Community Services	416,265	-	-	-	416,265
Capital Outlay:					
Facilities Acquisition and Construction	411	109,877,294	52,043	10,398,234	120,327,982
Other Capital Outlay	615,119	-	497,204	226,276	1,338,599
Debt Service:					
Principal	-	-	-	29,452,032	29,452,032
Interest	-	-	-	18,002,773	18,002,773
Fiscal Charges	-	17,144	-	317,120	334,264
Total Expenditures	<u>532,588,202</u>	<u>113,704,276</u>	<u>44,479,689</u>	<u>99,441,556</u>	<u>790,213,723</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,793,549</u>	<u>(70,182,698)</u>	<u>-</u>	<u>(15,790,292)</u>	<u>(83,179,441)</u>
<b>Other Financing Sources (Uses):</b>					
Face Value of Refunding Bonds	-	-	-	3,288,000	3,288,000
Premium on Refunding Bonds	-	-	-	501,636	501,636
Capital Leases	-	10,390,507	-	19,651	10,410,158
Proceeds from the Sale of Capital Assets	6,425	1,720,000	-	-	1,726,425
Transfers In	2,008,862	-	-	48,412,179	50,421,041
Transfers Out	(1,586,500)	(15,164,126)	-	(33,080,142)	(49,830,768)
Total Other Financing Sources (Uses)	<u>428,787</u>	<u>(3,053,619)</u>	<u>-</u>	<u>19,141,324</u>	<u>16,516,492</u>
Net Change in Fund Balances	3,222,336	(73,236,317)	-	3,351,032	(66,662,949)
Fund Balances, July 1, 2016	56,742,004	166,202,915	-	48,182,540	271,127,459
Fund Balances, June 30, 2017	<u>\$ 59,964,340</u>	<u>\$ 92,966,598</u>	<u>\$ -</u>	<u>\$ 51,533,572</u>	<u>\$ 204,464,510</u>

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

District School Board of Pasco County  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances for Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Governmental Funds (page 29). \$ (66,662,949)

Amounts reported for governmental activities on the statement of activities (pages 24 & 25) are different because:

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

Expenditures for capital assets	\$ 121,667,249	
Less current year depreciation	(57,379,434)	64,287,815

Capital assets donated to the District increase net position on the statement of activities. However, they do not provide current financial resources and are not reported as revenues in the governmental funds. 233,024

The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the assets disposed of. (1,273,939)

The net change in the Net Pension Act (SERP) is reported in the government-wide statements, but not in the governmental fund statements. 86,964

The net change in the Net Pension Liability (FRS / HIS) is reported in the government-wide statements, but not in the governmental fund statements. (16,363,745)

Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Additionally, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.

Principal payments	29,452,032	
New Sales Tax Bonds Issued	(3,288,000)	
Capital Leases Issued	(10,410,158)	
Net decrease in deferred charges	(620,498)	
Net decrease in premiums and discounts	2,284,589	17,417,965

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period. 262,633

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. (1,248,044)

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities. 38,581

The net change in liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements. (8,350,135)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities. 5,819,252

Change in Net Position - Governmental Activities (pages 24 & 25). \$ (5,752,578)

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

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 577,256	\$ 591,970	\$ 547,328	\$ (44,642)
Federal Through State	3,700,000	3,700,000	3,521,189	(178,811)
State Sources:				
Florida Education Finance Program	302,056,867	298,842,427	298,842,427	-
State Grants and Other	87,711,566	88,618,761	88,437,107	(181,654)
Local Sources:				
Property Taxes	127,891,881	127,891,881	129,369,699	1,477,818
Investment Earnings	500,000	500,000	625,270	125,270
Local Grants and Other	13,681,937	13,874,160	14,038,731	164,571
<b>Total Revenues</b>	<b>536,119,507</b>	<b>534,019,199</b>	<b>535,381,751</b>	<b>1,362,552</b>
<b>Expenditures:</b>				
Current-Education:				
Instruction				
Salaries	\$ 209,555,724	\$ 214,380,736	\$ 214,560,698	\$ (179,962)
Employee Benefits	64,353,995	68,314,608	68,329,371	(14,763)
Purchased Services	38,649,143	35,393,902	35,947,184	(553,282)
Materials and Supplies	17,796,001	20,041,788	7,373,263	12,668,525
Capital Outlay	374,542	385,150	203,886	181,264
Other Expenditures	4,031,818	4,856,112	4,582,362	273,750
Student Support Services				
Salaries	16,720,688	17,392,101	17,385,431	6,670
Employee Benefits	5,564,916	5,908,630	5,884,655	23,975
Purchased Services	2,607,514	2,792,896	2,607,350	185,546
Materials and Supplies	241,094	253,314	203,618	49,696
Capital Outlay	6,615	5,255	5,074	181
Other Expenditures	750	61,935	59,160	2,775
Instructional Media Services				
Salaries	1,480,921	1,038,681	1,008,911	29,770
Employee Benefits	397,355	469,033	461,690	7,343
Purchased Services	149,571	493,638	464,082	29,556
Materials and Supplies	473,066	449,342	343,870	105,472
Capital Outlay	750,982	409,755	182,080	227,675
Other Expenditures	2,668	612	169	443
Instruction and Curriculum Development Services				
Salaries	9,492,498	9,104,432	9,064,479	39,953
Employee Benefits	2,749,930	3,053,629	3,046,311	7,318
Purchased Services	633,588	680,119	480,660	199,459
Materials and Supplies	470,796	181,675	39,612	142,063
Capital Outlay	11,100	11,664	1,873	9,791
Other Expenditures	37,222	53,556	51,120	2,436

(continued)

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Instructional Staff Training Services				
Salaries	2,414,708	2,081,976	2,013,597	68,379
Employee Benefits	448,365	499,649	481,269	18,380
Purchased Services	123,950	404,001	306,407	97,594
Materials and Supplies	508,199	448,934	370,301	78,633
Capital Outlay	36,000	20,493	6,343	14,150
Other Expenditures	13,055	44,606	26,482	18,124
Instruction-Related Technology				
Salaries	5,544,623	5,305,736	5,273,639	32,097
Employee Benefits	1,612,720	1,772,922	1,764,830	8,092
Purchased Services	400	36,577	30,137	6,440
Materials and Supplies	148	4	4	-
Board				
Salaries	226,519	236,519	229,373	7,146
Employee Benefits	2,413,688	414,488	145,651	268,837
Purchased Services	163,740	340,605	243,905	96,700
Materials and Supplies	3,335	3,160	1,299	1,861
Capital Outlay	935	850	148	702
Other Expenditures	43,381	43,909	39,140	4,769
General Administration				
Salaries	709,436	724,436	723,221	1,215
Employee Benefits	239,997	370,998	364,604	6,394
Purchased Services	109,581	109,980	79,048	30,932
Materials and Supplies	8,800	8,350	4,099	4,251
Capital Outlay	3,250	2,200	142	2,058
Other Expenditures	23,700	272,044	241,603	30,441
School Administration				
Salaries	27,548,920	27,205,321	27,199,097	6,224
Employee Benefits	9,001,674	9,785,973	9,774,784	11,189
Purchased Services	1,385,191	1,428,343	1,193,214	235,129
Materials and Supplies	620,623	561,219	454,536	106,683
Capital Outlay	98,916	130,231	103,026	27,205
Other Expenditures	101,942	633,491	634,009	(518)
Facilities Services				
Salaries	1,308,873	1,358,872	1,264,653	94,219
Employee Benefits	372,086	449,086	389,757	59,329
Purchased Services	1,406,924	1,594,665	1,407,068	187,597
Materials and Supplies	11,625	9,575	8,058	1,517
Capital Outlay	182,400	7,300	763	6,537
Other Expenditures	2,000	2,000	1,729	271

(continued)

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Fiscal Services				
Salaries	1,944,774	1,896,579	1,876,142	20,437
Employee Benefits	637,377	714,708	706,570	8,138
Purchased Services	349,180	419,206	176,360	242,846
Materials and Supplies	22,280	18,480	12,289	6,191
Capital Outlay	1,105	1,105	95	1,010
Other Expenditures	684,736	170,842	78,904	91,938
Food Services				
Salaries	-	62,874	62,873	1
Employee Benefits	-	5,939	5,902	37
Purchased Services	-	100	89	11
Materials and Supplies	-	2,133	1,744	389
Capital Outlay	-	100	81	19
Central Services				
Salaries	4,741,530	4,513,152	4,506,686	6,466
Employee Benefits	1,550,955	1,531,291	1,503,553	27,738
Purchased Services	1,644,988	1,858,222	1,013,595	844,627
Materials and Supplies	114,263	114,419	62,923	51,496
Capital Outlay	23,893	29,803	17,226	12,577
Other Expenditures	404,863	407,066	304,165	102,901
Student Transportation Services				
Salaries	15,978,381	17,768,138	17,738,864	29,274
Employee Benefits	6,841,771	7,809,536	7,791,715	17,821
Purchased Services	1,099,540	1,232,093	1,177,796	54,297
Energy Services	4,110,000	8,320,753	2,879,938	5,440,815
Materials and Supplies	1,431,050	1,421,726	1,251,983	169,743
Capital Outlay	4,700	5,023	323	4,700
Other Expenditures	130,000	150,113	129,191	20,922
Operation of Plant				
Salaries	16,477,988	16,587,983	16,580,303	7,680
Employee Benefits	7,022,748	7,028,459	6,963,163	65,296
Purchased Services	9,240,678	9,349,845	9,004,046	345,799
Energy Services	10,579,000	10,656,000	9,218,401	1,437,599
Materials and Supplies	860,864	989,616	879,659	109,957
Capital Outlay	17,317	22,225	19,182	3,043
Other Expenditures	3,025	36,764	21,065	15,699
Maintenance of Plant				
Salaries	5,815,166	5,815,166	5,707,854	107,312
Employee Benefits	1,935,884	1,943,884	1,883,947	59,937
Purchased Services	3,222,555	4,221,301	3,418,856	802,445
Materials and Supplies	360,900	372,086	339,896	32,190
Capital Outlay	12,015	12,771	8,802	3,969
Other Expenditures	2,475	161,609	161,116	493

(continued)

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Administrative Technology Services				
Salaries	6,280,156	6,181,894	5,877,638	304,256
Employee Benefits	2,003,930	2,005,358	1,846,827	158,531
Purchased Services	1,620,948	2,054,015	1,220,580	833,435
Materials and Supplies	38,735	33,516	19,962	13,554
Capital Outlay	20,125	16,368	9,531	6,837
Other Expenditures	16,000	45,000	13,727	31,273
Community Services				
Salaries	71,156	82,862	64,085	18,777
Employee Benefits	37,257	38,270	24,686	13,584
Purchased Services	232,219	222,851	186,407	36,444
Materials and Supplies	24,295	31,295	26,014	5,281
Capital Outlay	21,600	12,565	10,522	2,043
Other Expenditures	147,050	147,050	104,551	42,499
Capital Outlay:				
Facilities Acquisition and Construction	-	175,500	411	175,089
Other Capital Outlay	-	825,483	615,119	210,364
<b>Total Expenditures</b>	<b>541,021,673</b>	<b>559,564,213</b>	<b>532,588,202</b>	<b>26,976,011</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,902,166)	(25,545,014)	2,793,549	28,338,563
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	-	-	6,425	6,425
Transfers In	2,617,117	2,760,895	2,008,862	(752,033)
Transfers Out	(1,320,248)	(1,640,730)	(1,586,500)	54,230
<b>Total Other Financing Sources (Uses)</b>	<b>1,296,869</b>	<b>1,120,165</b>	<b>428,787</b>	<b>(691,378)</b>
Net Change in Fund Balance	(3,605,297)	(24,424,849)	3,222,336	27,647,185
Fund Balance, Beginning	56,742,004	56,742,004	56,742,004	-
<b>Fund Balance, Ending</b>	<b>\$ 53,136,707</b>	<b>\$ 32,317,155</b>	<b>\$ 59,964,340</b>	<b>\$ 27,647,185</b>

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

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Revenue - Other Federal Programs Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal Sources:				
Federal Direct	\$ 7,274,569	\$ 7,191,014	\$ 7,074,957	\$ (116,057)
Federal Through State	36,645,537	41,515,605	37,404,732	(4,110,873)
Total Revenues	43,920,106	48,706,619	44,479,689	(4,226,930)
<b>Expenditures:</b>				
Current-Education:				
Instruction				
Salaries	21,445,266	14,298,988	13,657,243	641,745
Employee Benefits	2,756,270	5,961,765	5,672,017	289,748
Purchased Services	2,527,779	3,098,538	2,843,765	254,773
Materials and Supplies	1,265,589	1,358,611	1,223,292	135,319
Capital Outlay	401,100	390,490	381,163	9,327
Other Expenditures	1,247,962	1,134,842	1,068,591	66,251
Student Support Services				
Salaries	2,252,640	2,489,278	2,410,196	79,082
Employee Benefits	790,096	859,382	825,976	33,406
Purchased Services	203,789	129,232	127,081	2,151
Materials and Supplies	198,806	100,393	78,163	22,230
Capital Outlay	8,500	9,762	9,762	-
Other Expenditures	2,600	2,044	1,945	99
Instructional Media Services				
Salaries	11,584	12,629	12,379	250
Employee Benefits	5,153	5,321	5,278	43
Materials and Supplies	2,994	994	977	17
Capital Outlay	1,884	-	-	-
Instruction and Curriculum Development Services				
Salaries	1,473,725	4,145,044	3,859,414	285,630
Employee Benefits	402,368	1,151,125	1,067,467	83,658
Purchased Services	221,222	328,275	317,158	11,117
Materials and Supplies	79,963	94,155	92,630	1,525
Capital Outlay	33,250	12,394	11,532	862
Other Expenditures	32,886	81,938	66,098	15,840
Instructional Staff Training Services				
Salaries	2,786,072	3,726,151	3,176,400	549,751
Employee Benefits	772,041	929,453	779,406	150,047
Purchased Services	1,201,394	2,952,749	2,168,790	783,959
Materials and Supplies	230,450	139,880	71,057	68,823
Capital Outlay	500	500	-	500
Other Expenditures	189,471	433,085	237,837	195,248

(continued)

**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Revenue - Other Federal Programs Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Instruction-Related Technology				
Salaries	183,759	263,667	256,142	7,525
Employee Benefits	55,912	82,037	75,365	6,672
Purchased Services	90,090	116,075	54,308	61,767
Board				
Purchased Services	-	750	-	750
General Administration				
Other Expenditures	2,214,296	2,563,926	2,305,646	258,280
School Administration				
Salaries	87,286	91,109	91,109	-
Employee Benefits	27,208	27,836	27,796	40
Purchased Services	600	750	691	59
Capital Outlay	-	8,385	6,412	1,973
Facilities Services				
Other Capital Outlay	55,000	-	-	-
Fiscal Services				
Salaries	24,269	76,004	68,244	7,760
Employee Benefits	8,552	24,850	21,205	3,645
Materials and Supplies	3,250	118	118	-
Capital Outlay	1,000	-	-	-
Food Services				
Purchased Services	52,000	55,000	55,000	-
Materials and Supplies	200	-	-	-
Capital Outlay	6,500	272	272	-
Central Services				
Salaries	91,506	108,885	108,046	839
Employee Benefits	24,750	30,018	27,643	2,375
Purchased Services	47,816	68,316	40,526	27,790
Other Expenditures	6,153	46,479	46,479	-
Student Transportation Services				
Salaries	-	64,567	64,567	-
Employee Benefits	-	22,000	20,559	1,441
Purchased Services	244,657	318,461	238,288	80,173
Capital Outlay	-	269	269	-
Other Expenditures	-	2,825	2,825	-
Operation of Plant				
Purchased Services	20,000	18,756	18,756	-
Energy Services	64,000	75,025	75,025	-
Materials and Supplies	10,300	5,563	5,563	-
Capital Outlay	1,000	-	-	-

(continued)



**District School Board of Pasco County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Revenue - Other Federal Programs Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued):</b>				
Maintenance of Plant				
Purchased Services	47,948	42,716	42,716	-
Capital Outlay	6,500	-	-	-
Administrative Technology Services				
Salaries	-	86,279	86,279	-
Employee Benefits	-	25,134	24,909	225
Purchased Services	200	67	67	-
Capital Outlay:				
Facilities Acquisition and Construction	-	91,881	52,043	39,838
Other Capital Outlay	-	541,581	497,204	44,377
Total Expenditures	43,920,106	48,706,619	44,479,689	4,226,930
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

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

District School Board of Pasco County  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2017

Exhibit I

	Business-Type Activity		Total Enterprise Funds	Governmental Activities
	Major Fund	Nonmajor		Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
<b>ASSETS:</b>				
Current Assets:				
Cash	\$ 1,913,602	\$ 3,134	\$ 1,916,736	\$ 15,019,705
Investments	3,107,806	-	3,107,806	51,621,367
Accounts Receivable	100,666	-	100,666	176,036
Accrued Interest Receivable	1,991	-	1,991	33,073
Total Current Assets	<u>5,124,065</u>	<u>3,134</u>	<u>5,127,199</u>	<u>66,850,181</u>
Noncurrent Assets:				
Improvements Other Than Buildings, Net	17,433	-	17,433	-
Buildings and Fixed Equipment, Net	13,269	-	13,269	-
Furniture, Fixtures, and Equipment, Net	93,923	-	93,923	4,562
Computer Software, Net	8,795	-	8,795	-
Total Noncurrent Assets	<u>133,420</u>	<u>-</u>	<u>133,420</u>	<u>4,562</u>
Total Assets	<u>5,257,485</u>	<u>3,134</u>	<u>5,260,619</u>	<u>66,854,743</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension FRS/HIS	2,121,285	-	2,121,285	1,479,122
Total Deferred Outflows of Resources	<u>2,121,285</u>	<u>-</u>	<u>2,121,285</u>	<u>1,479,122</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 7,378,770</u>	<u>\$ 3,134</u>	<u>\$ 7,381,904</u>	<u>\$ 68,333,865</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 14
Payroll Deductions and Withholdings Payable	-	-	-	72,434
Accounts Payable	7,071	-	7,071	15,341,771
Sales Tax Payable	-	2,980	2,980	-
Advanced Revenues	103,503	-	103,503	246,826
Current portion of long-term liabilities:				
Compensated Absences Payable	-	-	-	29,206
Estimated Insurance Claims Payable	-	-	-	2,427,000
Total Current Liabilities	<u>110,574</u>	<u>2,980</u>	<u>113,554</u>	<u>18,117,251</u>
Noncurrent Liabilities:				
Compensated Absences Payable	533,403	-	533,403	286,309
Estimated Insurance Claims Payable	-	-	-	4,325,000
Other Post-Employment Benefits Obligation	1,194,668	-	1,194,668	265,514
Net Pension Liability - FRS / HIS	5,010,933	-	5,010,933	2,510,621
Total Noncurrent Liabilities	<u>6,739,004</u>	<u>-</u>	<u>6,739,004</u>	<u>7,387,444</u>
Total Liabilities	<u>6,849,578</u>	<u>2,980</u>	<u>6,852,558</u>	<u>25,504,695</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension FRS/HIS	247,398	-	247,398	197,778
Total Deferred Inflows of Resources	<u>247,398</u>	<u>-</u>	<u>247,398</u>	<u>197,778</u>
<b>NET POSITION:</b>				
Investment in Capital Assets	133,420	-	133,420	4,562
Unrestricted	148,374	154	148,528	42,626,830
Total Net Position	<u>281,794</u>	<u>154</u>	<u>281,948</u>	<u>42,631,392</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 7,378,770</u>	<u>\$ 3,134</u>	<u>\$ 7,381,904</u>	<u>\$ 68,333,865</u>

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

District School Board of Pasco County  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2017

Exhibit J

	Business-Type Activity		Total Enterprise Funds	Governmental Activities
	Major Fund	Nonmajor		Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
<b>Operating Revenues:</b>				
Charges for Services Provided	\$ 10,510,012	\$ -	\$ 10,510,012	\$ 13,273,697
Charges for Sales	-	567,712	567,712	-
Insurance Premiums:				
Board Contributions	-	-	-	76,183,782
Employees	-	-	-	5,192,891
Retirees	-	-	-	4,763,888
Other Operating Revenues	-	259	259	774,789
<b>Total Operating Revenues</b>	<b>10,510,012</b>	<b>567,971</b>	<b>11,077,983</b>	<b>100,189,047</b>
<b>Operating Expenses:</b>				
Salaries	5,404,767	-	5,404,767	1,105,592
Employee Benefits	2,514,060	-	2,514,060	827,455
Purchased Services	380,270	-	380,270	17,847,874
Insurance Premiums	-	-	-	6,769,781
Energy Services	405,930	-	405,930	10,236,567
Materials and Supplies	332,843	3,889	336,732	64,214
Capital Outlay	43,677	-	43,677	6,930
Insurance Claims	-	-	-	57,837,427
Other	733,483	587,172	1,320,655	131,598
Depreciation	37,723	-	37,723	-
<b>Total Operating Expenses</b>	<b>9,852,753</b>	<b>591,061</b>	<b>10,443,814</b>	<b>94,827,438</b>
<b>Operating Income (Loss)</b>	<b>657,259</b>	<b>(23,090)</b>	<b>634,169</b>	<b>5,361,609</b>
<b>Nonoperating Revenues (Expenses):</b>				
Investment Earnings	19,651	-	19,651	278,015
Gifts, Grants, and Bequests	-	-	-	250,200
Insurance Loss Recoveries	-	-	-	120,702
Loss on Disposition of Assets	(1,235)	-	(1,235)	(6,274)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>18,416</b>	<b>-</b>	<b>18,416</b>	<b>642,643</b>
<b>Income (Loss) Before Transfers</b>	<b>675,675</b>	<b>(23,090)</b>	<b>652,585</b>	<b>6,004,252</b>
Transfers In	-	-	-	-
Transfers Out	(405,273)	-	(405,273)	(185,000)
<b>Change in Net Position</b>	<b>270,402</b>	<b>(23,090)</b>	<b>247,312</b>	<b>5,819,252</b>
Total Net Position, July 1, 2016	11,392	23,244	34,636	36,812,140
Total Net Position, June 30, 2017	<b>\$ 281,794</b>	<b>\$ 154</b>	<b>\$ 281,948</b>	<b>\$ 42,631,392</b>

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

District School Board of Pasco County  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2017

Exhibit K

	Business-Type Activity		Governmental Activities	
	Major Fund	Nonmajor	Total Enterprise Funds	Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Sales and Services	\$ 10,530,082	\$ 567,712	\$ 11,097,794	\$ 13,273,697
Cash Received from Premiums	-	-	-	86,154,924
Cash Received from Other Operating Revenues	-	259	259	774,789
Cash Payments to Suppliers for Goods and Services	(1,910,923)	(589,872)	(2,500,795)	(32,851,068)
Cash Payments to Employees for Services	(7,512,288)	-	(7,512,288)	(1,508,143)
Cash Payments for Insurance Claims	-	-	-	(58,767,427)
Net Cash Provided (Used) by Operating Activities	<u>1,106,871</u>	<u>(21,901)</u>	<u>1,084,970</u>	<u>7,076,772</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Insurance Loss Recoveries	-	-	-	-
Gifts, Grants and Bequests	-	-	-	370,902
Transfers In	-	-	-	-
Transfers Out	(405,273)	-	(405,273)	(185,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(405,273)</u>	<u>-</u>	<u>(405,273)</u>	<u>185,902</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and Construction of Capital Assets	(6,336)	-	(6,336)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,336)</u>	<u>-</u>	<u>(6,336)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment Earnings	19,312	-	19,312	271,880
Purchase and Sale of Investments	(19,651)	-	(19,651)	(1,278,016)
Net Cash Provided (Used) by Investing Activities	<u>(339)</u>	<u>-</u>	<u>(339)</u>	<u>(1,006,136)</u>
Net Change in Cash	694,923	(21,901)	673,022	6,256,538
Cash, Beginning	1,218,679	25,035	1,243,714	8,763,167
Cash, Ending	<u>\$ 1,913,602</u>	<u>\$ 3,134</u>	<u>\$ 1,916,736</u>	<u>\$ 15,019,705</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ 657,259	\$ (23,090)	\$ 634,169	\$ 5,361,609
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	37,723	-	37,723	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(5,349)	-	(5,349)	10,039
Increase (Decrease) in Accounts Payable	(14,720)	-	(14,720)	2,205,896
Increase in Sales Tax Payable	-	1,189	1,189	-
Increase in Payroll Deductions and Withholdings Payable	-	-	-	68,265
Increase in Advanced Revenues	25,419	-	25,419	4,324
(Decrease) in Compensated Absences Payable	(5,979)	-	(5,979)	(14,683)
Increase in Other Post-Employment Benefits Obligation	140,604	-	140,604	30,677
Increase in Pension Amounts	271,914	-	271,914	340,645
(Decrease) in Estimated Insurance Claims Payable	-	-	-	(930,000)
Total Adjustments	<u>449,612</u>	<u>1,189</u>	<u>450,801</u>	<u>1,715,163</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,106,871</u>	<u>\$ (21,901)</u>	<u>\$ 1,084,970</u>	<u>\$ 7,076,772</u>

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

District School Board of Pasco County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2017

Exhibit L

	Pension Trust	Private-Purpose Trust	Agency
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,291	\$ 2,510	\$ 8,754,926
Collateralized Mortgage Obligations	449,058	-	-
Corporate Bonds	200,491	-	-
Government and Municipal Bonds	8,399,149	-	-
Domestic Equity Mutual Funds	3,152,115	-	-
International Equity Mutual Funds	1,000,152	-	-
Domestic Fixed Income Mutual Funds	2,365,160	-	-
Government Sponsored Enterprise Securities	143,678	29,814	73,207
Money Market Funds	2,526,686	-	-
Accounts Receivable	-	-	8,986
Interest Receivable	151,496	11	45
Inventories	-	-	5,908
<b>TOTAL ASSETS</b>	<b>\$ 18,389,276</b>	<b>\$ 32,335</b>	<b>\$ 8,843,072</b>
<b>LIABILITIES:</b>			
Accounts Payable	\$ -	\$ -	\$ 808,763
Due to Other Funds	751,429	-	-
Internal Accounts Payable	-	-	7,950,655
ABC Program Payable	-	-	83,654
<b>Total Liabilities</b>	<b>751,429</b>	<b>-</b>	<b>\$ 8,843,072</b>
<b>NET POSITION:</b>			
Restricted for Pension Benefits	17,637,847	-	
Restricted for Medical Benefits	-	24,888	
Restricted for Educational Support	-	7,447	
<b>Total Net Position</b>	<b>17,637,847</b>	<b>32,335</b>	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 18,389,276</b>	<b>\$ 32,335</b>	

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

District School Board of Pasco County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2017

	Pension Trust	Private-Purpose Trust
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ -	\$ -
Gifts, Grants and Bequests	-	-
Total Contributions	-	-
Investment Earnings:		
Interest, Dividends and Other	756,396	193
Net Investment Income	756,396	193
Total Additions	756,396	193
<b>DEDUCTIONS:</b>		
Benefit Payments	-	-
Purchased Services	1,300,769	323
Administrative Expenses	-	6,284
Administrative Expense (other)	20,015	-
Total Deductions	1,320,784	6,607
Change in Net Position	(564,388)	(6,414)
Net Position, July 1, 2016	18,202,235	38,749
Net Position, June 30, 2017	\$ 17,637,847	\$ 32,335

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Pursuant to Section 1002.33(17), Florida Statutes, students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the school district. Accordingly, charter schools' full-time equivalent (FTE) student enrollment is the basis for school districts to provide funding to charter schools. Funding is provided to the charter schools by the District. Furthermore, Article IX, Section 4(b) of the Florida Constitution states that, "The school board shall operate, control and supervise all free public schools within the school district and determine the rate of school district taxes within the limits prescribed herein." Because the District is financially accountable for charter schools, and charter schools create a financial burden on school districts, charter schools are considered component units of the school districts.

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

- Blended Component Unit. The Pasco County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, ten charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

since they impose a financial burden on the District. The component units are as follows:

- ◇ Academy at the Farm, Inc., is a K through 8<sup>th</sup> grade school focusing on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.
- ◇ Athenian Academy of Pasco County, Inc., is a K through 8<sup>th</sup> grade school offering students a program that incorporates the Greek language and culture.
- ◇ Classical Preparatory School is a K through 11<sup>th</sup> grade school providing a classical style education.
- ◇ Countryside Montessori Charter School, Inc., is a 1<sup>st</sup> through 8<sup>th</sup> grade school providing an alternative education program.
- ◇ Dayspring Academy for Education and the Arts is a K through 12<sup>th</sup> grade school emphasizing the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Florida Virtual Academy at Pasco is a K through 12<sup>th</sup> grade school providing curriculum in an on-line educational environment.
- ◇ Imagine School at Land O'Lakes is a K through 8<sup>th</sup> grade school providing an alternative education program.
- ◇ Learning Lodge Academy, Inc., is a K through 5<sup>th</sup> grade school providing an alternative elementary education program.
- ◇ Pepin Academies of Pasco County, Inc., is a 3<sup>rd</sup> through 12<sup>th</sup> grade school providing an alternative education program for special needs students.
- ◇ Plato Academy Trinity Charter School, is a K through 3<sup>rd</sup> grade school offering an enriched, disruption-free environment through optimum instruction, support and encouragement.

The School Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2017.

The Pasco Education Foundation (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. The financial data reported on the accompanying statements was derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2017.



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Audits of the charter schools and Foundation for the fiscal year ended June 30, 2017, were conducted by independent certified public accountants and are filed at the District's administrative office at 7227 Land O' Lakes Boulevard, Land O' Lakes, Florida 34638.

➤ **Basis of Presentation**

The basic financial statements include the government-wide financial statements and fund financial statements.

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Capital Projects – Other Fund – to account for the financial resources such as sales tax proceeds, impact fees, certificates of participation and capital leases which are used for capital outlay needs.
- Special Revenue – Other Federal Programs Fund – to accounts for and report on activities of various programs of different sources according to the specifications and requirements of each funding source.

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Additionally, the District reports the following major proprietary fund:

- Enterprise Fund – Pasco Learning and Activity Centers of Enrichment (PLACE) Fund – to account for the financial resources of the District’s PLACE program, a before and after-school child care program.

The District also reports the following fiduciary funds and nonmajor proprietary fund:

- Internal Service Funds – to account for the District’s fully-insured program for employees’ life insurance; individual self-insurance programs for property/casualty, liability, auto, workers’ compensation, medical, pharmacy and behavioral health programs; the employee benefits program; the energy management program; and exclusive agreements administered by the School Board.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – to account for resources legally held by the District in a trustee capacity or as an agent for individuals or private organizations.
- Agency Funds – to account for resources held by the District in a trustee capacity, primarily for the benefit of various schools and their activity funds.
- Enterprise Fund – Vending Program – to account for the operation of food and beverage machines throughout the District.

➤ **Basis of Accounting**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to functions/programs of the primary government.

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

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other post-employment healthcare benefits, compensated absences and net pension liability for retirement benefits, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities. The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

➤ **Recently Issued and Adopted Pronouncements**

The District adopted new accounting guidance GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement 77, *Tax Abatement Disclosures*. The objective of Statement 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Statement 77 requires governments that enter into tax abatement agreements to disclose the information about the agreements. The adoption of GASB 74 and 77 do not have any impact on the District's financial statements.

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➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depository Insurance Corporation and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. For the enterprise and internal service funds, the statement of cash flows considers cash and cash equivalents as those accounts used as demand deposit accounts and amounts held by fiscal agent.

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service money with the SBA for participation in the Florida PRIME investment pool created by Sections 218.405 and 215.47, Florida Statutes; and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2017, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at amortized cost.

Investments made locally consist of United States Treasury Securities and Federal Agency Securities, money market and bond mutual funds, corporate debt obligations, commercial paper and collateralized mortgage obligations and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at cost. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, telecommunications, technology services, and transportation items are based on a weighted average. Fuel inventories are stated at last quoted price at June 30, 2017. The United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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

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➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing \$1,000 or more or electronic equipment, such as computers, tablets, printers, and projectors, or band equipment costing \$250 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1972, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, \$1,348,251 of stated land values and \$15,047,877 of stated building values are based on these estimates.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the costs of construction.

The original recorded value of capital assets, less the estimated salvage value, is used to depreciate capital assets using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	20 - 40 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

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

➤ **Compensated Absences**

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

The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees to whom it is probable that they will become eligible to receive termination benefits in

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the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

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

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

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond and certificates of participation premiums and discounts are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

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

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. They are the accumulated decrease in the fair value of hedging derivatives, the deferred amount on refunding reported in the government-wide statement of net position, and the deferred amount for pensions. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

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In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category: deferred amount for pension. The deferred inflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

Deferred outflows/ inflows for pensions for the current year are further described in Notes 16 and 17.

➤ **Net Position Flow Assumption**

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

➤ **Fund Balance Flow Assumptions**

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

➤ **Program Revenues**

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

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➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (FLDOE) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FLDOE. The FLDOE performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five (5) months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FLDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The FLDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FLDOE. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received.

A schedule of revenue from State sources for the current year is further described in Note 14.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Pasco County Property Appraiser determines the real and personal property values within the District. The Pasco County Tax Collector then collects the taxes and remits them to the District.



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The School Board adopted the 2016 tax levy on September 13, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Millage rates and taxes levied for the current year are further described in Note 15.

➤ **School Capital Outlay Surtax (Local Sales Tax)**

The citizens of Pasco County on March 9, 2004, approved a one-cent sales tax authorized under Section 212.055(6), Florida Statutes. The Board receives 45 percent of the one-cent sales tax. The surtax levy commenced on January 1, 2005, and remained in effect for a period of 10 years through December 31, 2014. On November 6, 2012, voters signaled their approval for the continuation of the tax for another 10 years, that began in January 2015.

➤ **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's enterprise and internal service funds are from services provided for before and after-school child care and charges for employee health insurance premiums. The principal operating expenses for the enterprise and internal service funds include salaries and benefits, administrative expenses, claims, energy services and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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➤ **Federal Revenue Sources**

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

**2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student support services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued.
- Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- The reported budgetary data consists of the original budget as well as the final appropriated budget after amendments approved by the Board.

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**3. INVESTMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Money market funds are held with Fidelity Institutional Government Money Market Fund have no unfunded commitments, and invests in U.S. dollar-denominated money market securities of domestic and foreign issuers, U.S. Government securities, and repurchase agreements. This fund does not institute liquidity fees or redemption gates.

Intergovernmental investment pool funds are held with Florida Prime and Florida Education Investment Trust Fund (FEITF) and are valued based on amortized cost. This fund has no unfunded commitments and allows unlimited daily redemptions and investments with a 1-day minimum holding period.

Investments at June 30, 2017, are shown below:

<u>Investments by Fair Value Level</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
			<u>Quoted Prices in Active Markets for (Level 1)</u>	<u>Significant Other Observable (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Commercial Paper	12 Days Average	\$ 11,590,408	\$ 11,590,408	-	-
United States Treasury Securities	8.38 Years Average	3,665,330	3,665,330	-	-
Government Sponsored Enterprises (2)	127 Days Average	48,702,279	48,702,279	-	-
Corporate Notes	22 Days	3,000,210	3,000,210	-	-
Total Investments by Fair Value Level		<u>66,958,227</u>	<u>\$ 66,958,227</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value (NAV)</u>					
Florida Fixed Income Trust - 1-3 Year Pool	2.36 Years Average	<u>82,986,756</u>			
Total Investments Measured at NAV		<u>82,986,756</u>			
<u>Investments Measured at Amortized Cost</u>					
SBA-Debt Service Account	6 months	186,124			
Local Government Investment Pools					
Florida PRIME	39 Days Average	324,391			
Florida Education Investment Trust Fund	37 Days Average	5,068,852			
Money Market Funds					
Fidelity Institutional Government	25 Days Average	17,418,150			
Florida Fixed Income Trust - Cash Pool	91 Day Average	<u>58,641,651</u>			
Total Investments Measured at Amortized		<u>81,639,168</u>			
Total Investments		<u>\$ 231,584,151</u>			

(1) Pension Trust Fund investments are separately disclosed in Note 17.

(2) Amount includes \$103,021 held in Fiduciary Funds.

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Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments of operating funds to a maximum of eighteen months as a means of managing its exposure to fair value losses arising from an increase in interest rates. Investments of reserves, project funds, debt proceeds and other non-operating funds are limited to a maximum of five years with the average duration of all these funds as a whole not to exceed three years.
- Florida PRIME and FEITF use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the Trustees shall vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." As of June 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.
- FEITF has a daily liquidity with unlimited investments and redemptions. The fund has investments in negotiable certificates of deposits, commercial paper, repurchase agreements, certificate of deposit - FHLB LOC, Federal Agencies, Corporate Notes, and US Treasury Notes. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and market value. The Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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Credit Risk

- The District's investment policy authorizes the following investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:
  - Florida PRIME when rated at least AAAm by Standard & Poor's or the equivalent by another Nationally Recognized Statistical Rating Organization (NRSRO)
  - United States Government Securities
  - United States Government Agencies
  - Federal Instrumentalities (United States Government Sponsored Enterprise ("GSE")) limited to the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank or its District banks (FHLB), Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (Freddie-Mac) including Federal Home Loan Mortgage Corporation participation certificates
  - Interest Bearing Time Deposit or Savings Accounts
  - Repurchase Agreements
  - Commercial Paper of any United States company that is rated, at the time of purchase, Prime 1 by Moody's and A-1 by Standards & Poor's (prime commercial paper)
  - 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 single A category by any two NRSROs
  - State and/or Local Government Taxable and/or Tax-Exempt Debt, general obligation and/or revenue bonds, rated at the time of purchase, at a minimum single A category by any two NRSROs for long-term debt, or rated at least MIG-1 by Moody's or SP-1 by Standard & Poor's for short-term debt
  - Money Market Mutual Funds rated AAAm by Standard & Poor's or the equivalent by another NRSRO
  - Short Term Bonds rated AAA or better by Standards & Poor's or the equivalent by another NRSRO
  - Intergovernmental Investment Pools rated AAAm by Standard & Poor's or the equivalent by another NRSRO
  
- The District's investments in the State Board of Administration (SBA) Debt Service Accounts are to provide for debt service payments on bond debt issued by the State

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Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate and credit risk for this account.

- The Florida Fixed Income Trust was rated AAF/S1 by Standard & Poor's.
- The District's investments in Commercial Paper were rated A-1 by Standard & Poor's and P-1 by Moody's.
- US Treasury Securities were rated Aaa by Moody's and AA by Standard & Poor's.
- The District's investment in Government Sponsored Enterprise Securities was rated Aaa by Moody's and/or AA+ by Standard & Poor's.
- The District's investments in State and Local Government Bonds had ratings from A+ to AA- by Standard & Poor's.
- The District's investments in Corporate Notes had ratings from A to AA+ by Standard & Poor's.
- As of June 30, 2017, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's.
- The Florida Education Investment Trust Fund is rated AAAM by Standard & Poor's.
- The District's investments in money market funds were rated AAAM by Standard & Poor's.

#### Custodial Credit Risk

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
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the District. All investments, except for investments in money market funds and the SBA, were held in third-party custodial accounts in the District's name.

**Concentration of Credit Risk**

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.
- More than five (5) percent of the District's investments are in Government Sponsored Enterprise Securities. These securities are made up of investments in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and total 1.73, 9.10, 4.54, and 5.66 percent of total plan investments, respectively.

	Total Investments	General Fund	Capital Projects - Other Funds	Non-Major Governmental Funds	Internal Service Funds	Fiduciary Funds	Business Type Activity
Federal Farm Credit Bank	1.73%	0.55%	0.45%	0.19%	0.51%	0.00%	0.03%
Federal Home Loan Bank	9.10%	2.62%	3.03%	0.90%	2.40%	0.00%	0.14%
Federal Home Loan Mtg. Corp.	4.54%	1.17%	1.83%	0.40%	1.07%	0.00%	0.06%
Federal National Mtg. Assn.	5.66%	1.28%	2.69%	0.44%	1.17%	0.00%	0.07%
Total Investments by Fund	\$ 48,702,279	\$ 13,043,084	\$ 18,526,764	\$ 4,463,173	\$ 11,927,380	\$ 23,804	\$ 718,074
Percent of Total Investment		5.63%	8.00%	1.93%	5.15%	0.01%	0.31%

**Foreign Currency Risk**

- The District's investment policy does not allow for investments in foreign currency. Therefore, the District has no exposure to foreign currency risk.

**4. RECEIVABLES AND ADVANCED REVENUE**

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

Governmental funds report advanced revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities on the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of June 30, 2017, the various components of advanced revenue reported in the governmental funds were as follows:

General Operating - Advanced Revenue	\$ 54,940
Capital Projects - Advanced Revenue	620,327
Special Revenue Other Federal Programs - Advanced Revenue	13,143
Food & Nutrition - Advanced Revenue	937,121
Total Advanced Revenue for Government Funds	<u>\$ 1,625,531</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets, as of June 30, 2017, are presented in the table below:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 81,505,202	\$ 491,881	\$ 308,908	\$ 81,688,175
Construction in Progress	95,388,252	102,226,407	77,175,146	120,439,513
Total Capital Assets Not Being Depreciated	<u>176,893,454</u>	<u>102,718,288</u>	<u>77,484,054</u>	<u>202,127,688</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	56,128,273	2,012,642	-	58,140,915
Buildings and Fixed Equipment	1,343,220,631	73,838,191	-	1,417,058,822
Furniture, Fixtures, and Equipment (1)	98,695,963	11,870,557	6,971,383	103,595,137
Motor Vehicles	45,422,493	5,200,017	1,384,377	49,238,133
Audio Visual Materials	159,952	-	4,215	155,737
Computer Software	24,248,042	3,384,298	486,937	27,145,403
Total Capital Assets Being Depreciated	<u>1,567,875,354</u>	<u>96,305,705</u>	<u>8,846,912</u>	<u>1,655,334,147</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	33,928,793	2,005,035	-	35,933,828
Buildings and Fixed Equipment	516,400,160	40,151,760	-	556,551,920
Furniture, Fixtures, and Equipment (1)	65,398,130	9,484,479	6,256,316	68,626,293
Motor Vehicles	31,178,823	1,861,479	1,228,681	31,811,621
Audio Visual Materials	142,948	994	3,794	140,148
Computer Software	16,486,436	3,875,689	438,244	19,923,881
Total Accumulated Depreciation	<u>663,535,290</u>	<u>57,379,436</u>	<u>7,927,035</u>	<u>712,987,691</u>
Total Capital Assets Being Depreciated, Net	<u>904,340,064</u>	<u>38,926,269</u>	<u>919,877</u>	<u>942,346,456</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,081,233,518</u>	<u>\$ 141,644,557</u>	<u>\$ 78,403,931</u>	<u>\$ 1,144,474,144</u>

Note (1) includes Internal Service Fund assets of \$45,618 and \$41,056 of accumulated depreciation.

**BUSINESS-TYPE ACTIVITIES**

Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 27,131	\$ -	\$ -	\$ 27,131
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	390,870	4,513	12,352	383,031
Computer Software	43,256	1,823	-	45,079
Total Capital Assets Being Depreciated	<u>495,832</u>	<u>6,336</u>	<u>12,352</u>	<u>489,816</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	8,070	1,628	-	9,698
Buildings and Fixed Equipment	19,750	1,556	-	21,306
Furniture, Fixtures, and Equipment	266,009	34,216	11,117	289,108
Computer Software	35,961	323	-	36,284
Total Accumulated Depreciation	<u>329,790</u>	<u>37,723</u>	<u>11,117</u>	<u>356,396</u>
Business Type Activities Capital Assets, Net	<u>\$ 166,042</u>	<u>\$ (31,387)</u>	<u>\$ 1,235</u>	<u>\$ 133,420</u>



**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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Depreciation expense was charged to functions as follows:

Function	Amount
<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 39,313,613
Student Support Services	41,984
Instructional Media Services	74,507
Instruction and Curriculum Dev Services	36,208
Instructional Staff Training Services	3,169
Instruction-Related Technology	381
School Administration	18,433
Facilities Services	17,190,721
Fiscal Services	303
Food Services	49,918
Central Services	1,218
Student Transportation Services	338,328
Operation of Plant	6,138
Maintenance of Plant	296,961
Community Services	7,554
Total Depreciation Expense - Governmental Activities	<u>\$ 57,379,436</u>
 <b>BUSINESS - TYPE ACTIVITIES</b>	
PLACE Program	<u>\$ 37,723</u>

**6. CURRENT LIABILITIES**

Accounts payable and other current liabilities at June 30, 2017, are shown below:

Salary and Benefits Payable	\$ 4,156,076
Payroll Deductions and Withholdings Payable	4,947,560
Accounts Payable	31,944,584
Construction Contracts Payable	1,278,450
Construction Contracts Payable-Retainage	4,880,237
Due to Other Agencies	1,031
Sales Tax Payable	1,392
Deposits Payable	52,497
Accrued Interest Payable	4,779,223
Advanced Revenue	1,872,357
Total	<u>\$ 53,913,407</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

7. CAPITAL LEASES

The classes and amounts of property acquired by the District under capital leases are as follows:

<u>Asset Description</u>	<u>Asset Balance</u>
Buses	\$ 8,550,766
Computer Equipment	9,147,369
<b>Total</b>	<b><u><u>\$ 17,698,135</u></u></b>

The amortization of assets recorded under capital leases is included with depreciation expense in the accompanying financial statements

Following are the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2017:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:			
2018	\$ 5,453,411	\$ 5,181,871	\$ 271,540
2019	4,953,610	4,748,580	205,030
2020	2,784,375	2,663,649	120,726
2021	1,396,271	1,319,936	76,335
2022	1,396,272	1,342,637	53,635
2023-2027	<u>2,100,277</u>	<u>2,059,993</u>	<u>40,284</u>
Total Minimum Lease Payments	18,084,216	17,316,666	767,550
Less Interest	(767,550)	-	-
Present Value of Minimum Payments	<u><u>\$ 17,316,666</u></u>	<u><u>\$ 17,316,666</u></u>	<u><u>\$ 767,550</u></u>

The stated and imputed interest rates range from 1.56 percent to 2.40 percent.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**8. CERTIFICATES OF PARTICIPATION**

The District entered into a financing arrangement on April 1, 1992, which was characterized as a lease-purchase agreement, with the Florida School Boards Association and supplemental arrangements dated September 15, 2004, July 1, 2005, December 23, 2005, July 1, 2007, June 1, 2008, September 23, 2008, December 16, 2009, July 1, 2013, June 1, 2014, June 30, 2014, December 1, 2014, March 1, 2015, January 1, 2016 with the Pasco County School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing of various educational facilities in the total amounts of \$4,546,000, \$66,415,000, \$785,612, \$76,045,000, \$74,115,000, \$1,170,000, \$11,000,000, \$45,385,000, \$30,655,000, \$75,656,458, \$13,655,000, \$44,145,000, and 25,995,000 respectively.

The financing was accomplished through the issuance of Certificates of Participation, as listed below, to be repaid from the proceeds of rents paid by the District. On March 1, 2004, the financing agreements with the Florida School Boards Association were assigned to the Leasing Corporation.

Certificates of Participation payable at June 30, 2017, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004 - QZAB	\$ 4,546,000	\$ 4,546,000	1.00	2018
Series 2005B (1)	30,500,000	30,500,000	WeeklyARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2007A	76,045,000	3,530,000	4.00 - 5.00	2017
Series 2008C (2)	74,115,000	72,460,000	Weekly	2032
Series 2008 - QZAB	1,170,010	234,002	0.00	2018
Series 2009 - QSCB	11,000,000	11,000,000	2.44	2025
Series 2013A (3)	45,385,000	40,975,000	3.00 - 5.00	2029
Series 2014A (4)	30,655,000	29,480,000	2.98	2030
Series 2014B-1 (5)	72,246,316	64,578,867	2.60	2026
Series 2014 - QSCB	13,655,000	13,655,000	5.00	2037
Series 2015A (6)	44,145,000	44,145,000	5.00	2027
Series 2016A	25,995,000	25,445,000	2.00 - 5.00	2040
Total Certificates of Participation	<u>\$ 430,242,938</u>	<u>\$ 341,334,481</u>		

Note: (1) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2017, was 1.35 percent.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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- (2) On June 5, 2008, the School Board caused the issuance of the Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000 for the principal purpose of refunding, on a current basis, all of the outstanding Series 2007B Certificates.
- (3) On May 5, 2017, the School Board renewed the expiring floating rate note on the Series 2008C with Bank of America at an interest initially calculated as the SIFMA Index plus a 47 basis point spread. The floating rate note has to be renegotiated in three (3) years.
- (4) On July 2, 2013, the School Board caused the issuance of the Certificates of Participation, Series 2013A in the aggregate principal amount of \$45,385,000, which was used to refund portions of the Certificates of Participation, Series 2004.
- (5) On June 12, 2014, the School Board entered into an arrangement to refund a portion of the District's Certificates of Participation, Series 2005A. This refunding was accomplished through the issuance of \$30,655,000 of Certificates of Participation, Series 2014A.
- (6) On June 30, 2014, the School Board issued Certificates of Participation, Series 2014B-1 & 2014B-2 in the total principal amount of \$75,656,458, which was used to refund Certificates of Participation, Series 2008A and to terminate the swap agreement. Series 2014 B-2, the taxable portion of the bond issue in the amount of \$3,410,142, was paid off in the 2015-16 year.
- (7) On March 31, 2015, the School Board caused the issuance of the Certificates of Participation, Series 2015A in the aggregate principal amount of \$44,145,000, which were used to refund portions of the Certificates of Participation, Series 2007A.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$1 per year. The District has the following ground leases as of June 30, 2017:

	Ground Lease	
	Commencement	Run Through
	Date	Run Through
Certificates of Participation		
Series 2004 - QZAB	September 15, 2004	September 15, 2018
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2007A	July 1, 2007	August 1, 2017
Series 2008C	July 1, 2007	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018
Series 2009 - QSCB	December 16, 2009	December 15, 2025
Series 2013A	July 1, 2013	August 1, 2029
Series 2014A	June 1, 2014	August 1, 2030
Series 2014B-1	June 30, 2014	August 1, 2026
Series 2014 - QSCB	December 1, 2014	December 1, 2037
Series 2015A	March 1, 2015	August 1, 2027
Series 2016A	January 1, 2016	August 1, 2040

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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The District properties included in the ground lease agreements are as follows:

**Certificates of Participation, Series 1992-A**

Cotee River Elementary School  
Seven Springs Middle School  
Hudson Elementary School Media Center Addition  
Mitty P. Locke Elementary School ESE Addition  
R. B. Stewart Middle School ESE Addition  
Lake Myrtle Elementary School ESE Addition  
West Zephyrhills Elementary School Addition

**Certificates of Participation, Series 1996**

Sand Pine Elementary School  
Chasco Elementary School  
Wesley Chapel High School, Phases I and II  
James M. Marlowe Elementary School  
J. W. Mitchell High School  
Pine View Elementary School

**Certificates of Participation, Series 2004**

Paul R. Smith Middle School  
Wiregrass Ranch High School  
Odessa Elementary School Equipment

**Certificates of Participation, Series 2004-QZAB**

Additions and Renovations for the following facilities:  
Bayonet Point Middle School  
Chasco Middle School  
Cypress Elementary School  
Gulf High School  
Gulf Middle School  
Hudson High School  
Mitty P. Locke Elementary School  
Lacoochee Elementary School  
Pasco High School  
Rodney B. Cox Elementary School  
Ridgewood High School  
Sanders Memorial Elementary School  
Woodland Elementary School  
T. E. Weightman Middle School  
Zephyrhills High School

**Certificates of Participation, Series 2005-QZAB**

Additions and Renovations for the following facilities:  
Fox Hollow Elementary School  
Dr. Mary Giella Elementary School  
Moore Mickens Education Center  
Hudson Elementary School  
Calusa Elementary School

**Certificates of Participation, Series 2005-A and B**

Gulf Highlands Elementary School  
Trinity Oaks Elementary School  
Dr. John Long Middle School  
Odessa Elementary School

**Certificates of Participation, Series 2007-A and B**

Sunlake High School  
New River Elementary School  
Veterans Elementary School  
Ridgewood High School Classroom Additions  
Charles S. Rushe Middle School  
Gulf Trace Elementary School  
Zephyrhills High School Classroom Additions

**Certificates of Participation, Series 2008-QZAB**

Renovations for Pasco High School

**Certificates of Participation, Series 2009 QSCB**

Culinary Arts Academy at Land O Lakes High School  
Renovations for Richey Elementary School

**Certificates of Participation, Series 2014 QSCB**

Repairs and Replacements of HVAC for the following facilities:  
Wesley Chapel High School  
Woodland Elementary School  
San Antonio Elementary School  
T.E. Weightman Middle School  
Pineview Middle School  
Ridgewood High School  
Dr. Mary Giella Elementary School  
Chasco Middle School  
Seven Springs Elementary School  
Anclote High School  
Gulf High School  
Pasco Middle School  
Trinity Elementary School  
Pasco Elementary School  
Moon Lake Elementary School  
Pine View Elementary  
Seven Springs Middle School  
Dear Park Elementary School  
Hudson Middle School  
James W. Mitchell High School  
Centennial Elementary School  
Cotee River Elementary School

**Certificates of Participation, Series 2016A**

Cypress Creek Middle/High School

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
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The lease payments for the Series 2005-A, Series 2007-A, Series 2013-A, Series 2014-A, 2014-B(1) and 2014-B(2) and Series 2015A Certificates are payable by the District, semiannually, on August 1<sup>st</sup> and February 1<sup>st</sup>. Interest payments for the Series 2005-B Certificates are payable weekly at current auction interest rates until the final maturity date. Interest payments for the Series 2008-C Certificates are payable monthly. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15<sup>th</sup> and March 15<sup>th</sup>. The lease payments for the Series 2005-QZAB and the Series 2008-QZAB are payable by the District, annually, on December 23<sup>rd</sup> and September 23<sup>rd</sup> respectively. Interest payments for the Series 2009-QSCB are payable by the District, quarterly, on September 15<sup>th</sup>, December 15<sup>th</sup>, March 15<sup>th</sup> and June 15<sup>th</sup>. The lease payments for the Series 2014 QSCB are payable by the District, semiannually, on June 1<sup>st</sup> and December 1<sup>st</sup>. The lease payments for the Series 2016A are payable by the District, semiannually, on December 30<sup>th</sup> and June 30<sup>th</sup>. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30 2017:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:			
2018	\$ 27,742,785	\$ 14,442,551	\$ 13,300,234
2019	31,080,639	18,299,822	12,780,817
2020	26,838,752	14,618,128	12,220,624
2021	26,852,717	15,199,171	11,653,546
2022	26,885,361	15,824,083	11,061,278
2023-2027	144,908,791	99,645,726	45,263,065
2028-2032	135,162,840	111,705,000	23,457,840
2033-2037	37,449,525	31,345,000	6,104,525
2038-2042	21,276,875	20,255,000	1,021,875
Sub-Total	478,198,285	341,334,481	136,863,804
Add: Unamortized Premium on Debt	13,602,071	13,602,071	-
Total Minimum Lease Payments	<u>\$ 491,800,356</u>	<u>\$ 354,936,552</u>	<u>\$ 136,863,804</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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9. DERIVATIVE INSTRUMENTS

Objectives – On June 5, 2008, the District issued Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000. The Certificates of Participation, Series 2008C pay interest at a weekly rate determined by the Remarketing Agent and will mature on August 1, 2032.

The District entered into a pay-fixed, receive-variable interest rate swap agreement in order to protect against the potential of rising interest rates. The intention of the swap agreements was to effectively change the District's variable interest rate on the certificates of participation to a synthetically fixed rate. These interest rate swaps qualify for hedge accounting under Government Accounting Standards Board Statement No. 53; therefore, there is no impact on the Statement of Net Position.

On May 5, 2017, the School Board renewed the expiring floating rate note on the Series 2008C with Bank of America at an interest initially calculated as the SIFMA Index plus a 47 basis point spread. The floating rate note must be renegotiated in three (3) years from the issuance of the floating rate note.

The interest rate swap is reported as an investment derivative instrument because it does meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ended June 30, 2017.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2017 and the changes in fair values of such derivative instruments for the year ended are as follows:

	Changes In Fair Value		Fair Value at June 30, 2017		Notional
	Classification	Amount	Classification	Amount	
<b>Governmental activities</b>					
Fair value hedges:					
Pay-fixed interest rate					
swaps	Deferred outflow	\$ 7,449,724	Debt	\$(15,563,983)	\$ 72,460,000

Terms – The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$72,670,000 matches the \$72,670,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 4.38 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
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Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative \$15,563,983 for the Certificates of Participation, Series 2008C. The estimated the fair value of the Certificates of Participation, Series 2008C related swap agreement using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market. This fair value estimate is calculated based on level 2 valuation inputs.

Credit Risk – The District is exposed to credit risk when a swap has a positive fair value. All the swap agreements contain a collateral agreement with the Counterparty. A Counterparty's credit rating from either Standard & Poor's (S&P) and/or Moody's Investors Service must be A+ or A1, respectively. If the Counterparty or guarantor's long term unsecured rating falls below Baa3 or BBB- by either Moody's or S&P, a replacement counterparty or guarantor, meeting the rating requirements above, shall be required.

Termination Risk – In the event the swap is terminated, the District could be exposed to higher interest rate payments on the Certificate. 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. Under certain circumstances, some within the control and some outside the control of the School Board, the 2008C swap agreement may be terminated and the School Board may be obligated to make a termination payment, which under certain market conditions, could be substantial.



DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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10. **BONDS PAYABLE**

Bonds payable at June 30, 2017, are as follows:

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2008-A	\$ 220,000	\$ 5,295,000	4.25 - 5.00	2017-2028
Series 2009-A, Refunding	310,000	1,300,000	5.00	2017-2019
Series 2010A	1,170,000	1,450,000	3.50 - 5.00	2017-2030
Series 2011A	920,000	1,710,000	3.00 - 5.00	2017-2023
Series 2014A, Refunding	1,376,000	1,724,000	2.00 - 3.00	2017-2025
Series 2014B, Refunding	280,000	2,411,000	2.00 - 5.00	2017-2020
Series 2017A, Refunding	3,288,000	3,288,000	5.00	2017-2028
District Revenue Bonds:				
Series 2003, Refunding	2,475,000	3,660,000	4.00 - 4.625	2017-2033
Series 2013, Sales Tax	80,420,000	96,715,000	3.00 - 5.00	2017-2024
Series 2016, Sales Tax	27,915,000	30,075,000	1.99	2017-2024
Subtotal	<u>118,374,000</u>			
Unamortized Premium on Debt	7,966,616			
Unamortized Discount on Debt	<u>(32,181)</u>			
Total Bonds Payable	<u><u>\$ 126,308,435</u></u>			

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ **State School Bonds**

These bonds are issued by the State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
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➤ **District Revenue Bonds**

District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapter 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes, now Section 212.20(6)(d)6.a., Florida Statutes). The approximate amount of pari-mutuel tax proceeds pledged is \$3,539,944, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 18 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue until repaid. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account. For the 2016-2017 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$221,231 of principal and interest.

Sales Tax Revenue Bonds – Series 2013 and Series 2016 - These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Part I, Florida Statutes, Chapter 2006-340, Laws of Florida, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. The approximate amount of local infrastructure sales surtax pledged is \$127,478,669, which represents the total amount of principal and interest still due, and the remaining period of the pledge is nine years. The District pledged approximately 65 percent of the total sales tax revenue until the bonds were repaid. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the major remodeling and infrastructure upgrades of elementary, middle, and high schools within the District. For the 2016-2017 fiscal year, the District recognized pledged revenue of \$26,942,544 and paid \$12,280,819 in principal and interest for Series 2013 and \$2,737,001 in principal and interest for Series 2016.

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Annual requirements to amortize all bonded debt outstanding as of June 30, 2017, are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2018	\$ 1,280,338	\$ 922,000	\$ 358,338
2019	1,062,565	759,000	303,565
2020	924,265	658,000	266,265
2021	911,205	677,000	234,205
2022	933,355	733,000	200,355
2023-2027	3,541,785	3,013,000	528,785
2028-2032	843,710	802,000	41,710
	<u>9,497,223</u>	<u>7,564,000</u>	<u>1,933,223</u>
Total State School Bonds			
District Revenue Bonds:			
2018	16,231,621	11,880,000	4,351,621
2019	16,180,125	12,290,000	3,890,125
2020	16,187,401	12,805,000	3,382,401
2021	16,156,283	13,305,000	2,851,283
2022	16,142,682	13,865,000	2,277,682
2023-2027	48,795,394	45,530,000	3,265,394
2028-2032	1,105,394	925,000	180,394
2033-2037	219,713	210,000	9,713
	<u>131,018,613</u>	<u>110,810,000</u>	<u>20,208,613</u>
Total District Revenue Bonds			
Subtotal	140,515,836	118,374,000	22,141,836
Unamortized Discount on Debt	(32,181)	(32,181)	-
Unamortized Premium on Debt	7,966,616	7,966,616	-
	<u>\$148,450,270</u>	<u>\$126,308,435</u>	<u>\$22,141,836</u>
Total			

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**11. CHANGES IN LONG-TERM LIABILITIES**

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

Description	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017	Due in One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds Payable	\$ 130,572,000	\$ 3,288,000	\$ 15,486,000	\$ 118,374,000	\$ 12,802,000
Add: Unamortized Premium (Discount) on Debt	9,222,130	501,636	1,789,331	7,934,435	1,722,004
Total Bonds Payable	<u>139,794,130</u>	<u>3,789,636</u>	<u>17,275,331</u>	<u>126,308,435</u>	<u>14,524,004</u>
Certificates of Participation Payable	354,349,550	-	13,015,069	341,334,481	14,442,551
Add: Unamortized Premium on Debt	14,698,536	-	1,096,465	13,602,071	1,096,465
Total Certificates of Participation Payable	<u>369,048,086</u>	<u>-</u>	<u>14,111,534</u>	<u>354,936,552</u>	<u>15,539,016</u>
Obligations Under Capital Leases	11,487,471	10,410,159	4,580,964	17,316,666	5,181,871
Estimated Insurance Claims Payable	7,682,000	2,140,251	3,070,251	6,752,000	2,427,000
Compensated Absences Payable (1)	38,408,632	14,400,096	13,166,735	39,641,993	1,394,091
Other Post-Employment Benefits Obligation (2)	61,104,415	11,713,329	3,332,517	69,485,227	-
Net Pension Liability - FRS / HIS (3)	224,559,639	140,552,816	25,787,831	339,324,624	4,243,279
Derivatives Swap Liability	23,013,707	-	7,449,724	15,563,983	-
Total Governmental Activities	<u>\$ 875,098,080</u>	<u>\$ 183,006,287</u>	<u>\$ 88,774,887</u>	<u>\$ 969,329,480</u>	<u>\$ 43,309,261</u>
<b>BUSINESS - TYPE ACTIVITIES</b>					
Compensated Absences Payable	\$ 539,382	\$ 332,736	\$ 338,715	\$ 533,403	\$ -
Other Post-Employment Benefits Obligation	1,054,064	196,512	55,908	1,194,668	-
Net Pension Liability - FRS / HIS	<u>3,521,764</u>	<u>1,872,916</u>	<u>383,747</u>	<u>5,010,933</u>	<u>-</u>
Total Business - Type Activities	<u>\$ 5,115,210</u>	<u>\$ 2,402,164</u>	<u>\$ 778,370</u>	<u>\$ 6,739,004</u>	<u>\$ -</u>

Note (1) includes balances at June 30 2017, of the Internal Service Funds of \$315,515 with \$29,206 due in one year, and additions and deductions of \$124,379 and \$139,062, respectively.

Note (2) includes balances at June 30 2017, of the Internal Service Funds of \$265,514, and additions and deductions of \$42,875 and \$12,198, respectively.

Note (3) includes balances at June 30 2017, of the Internal Service Funds of \$2,510,621, and additions and deductions of \$982,195 and \$192,268, respectively.

For the governmental activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 22.

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12. **FUND BALANCE REPORTING**

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories totaling \$8,231,140 and prepaid items totaling \$88,713 that are considered nonspendable. The District does not have nonspendable funds related to endowments.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted*, *Committed*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. The District's restricted fund balance total is \$143,707,518 and represents \$4,089,246 in State Categorical programs primarily for Instructional Materials, \$6,492,995 in Food Service, \$18,885,182 in Debt Service, and \$114,240,095 in Capital Projects.
- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). Amounts are committed upon a majority vote of the Board at a public meeting. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.
- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The Board has adopted Policy 6220, which authorizes the Superintendent to assign amounts in fund balance to a specific purpose. At fiscal year-end, based on the Board policy, the assigned fund balances were \$22,506,068 for local instructional programs and \$3,222,336 was assigned to eliminate a deficit in next year's budget.

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- **Unassigned:** The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. The Board has not adopted a stabilization arrangement or a minimum fund balance policy. Instead, the Board has adopted Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unassigned fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned General Fund balance was \$26,708,735 or 5.01 percent of General Fund total expenditures. This indicates a positive financial condition for the District.

The following table represents fund balances at June 30, 2017:

Description	Major Funds			Total Governmental Funds
	General Funds	Capital Projects Other Funds	Other Governmental Funds	
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
<b>Inventories:</b>				
General Fund	\$ 3,349,242	\$ -	\$ -	\$ 3,349,242
Capital Projects Other	-	3,831,027	-	3,831,027
Special Revenues - Food Service	-	-	1,050,871	1,050,871
<b>Prepaid Items:</b>				
General Fund	88,713	-	-	88,713
<b>Restricted:</b>				
Categorical Programs	4,089,246	-	-	4,089,246
Special Revenues -Food Service	-	-	6,492,995	6,492,995
Debt Service	-	-	18,885,182	18,885,182
Capital Projects	-	89,135,571	25,104,524	114,240,095
<b>Assigned:</b>				
<b>School Operations</b>				
State and Local Programs	22,506,068	-	-	22,506,068
Next Year Budget	3,222,336	-	-	3,222,336
<b>Unassigned:</b>	26,708,735	-	-	26,708,735
	\$ 59,964,340	\$ 92,966,598	\$ 51,533,572	\$ 204,464,510

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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General Fund	\$ 7,329,987	\$ -
Special Revenue - Other Federal Programs Fund	-	5,257,483
Nonmajor Governmental Funds	-	1,321,075
Pension Trust - Fiduciary Fund	-	751,429
Total	<u>\$ 7,329,987</u>	<u>\$ 7,329,987</u>

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2017-2018 fiscal year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 2,008,862	\$ 1,586,500
Capital Projects - Other	-	15,164,126
Nonmajor Governmental Funds	48,412,179	33,080,142
Internal Service Funds	-	185,000
Enterprise Funds	-	405,273
Total	<u>\$ 50,421,041</u>	<u>\$ 50,421,041</u>

Interfund transfers represent permanent transfers of monies between funds. In general, funds are transferred from Capital Projects to the Debt Service Funds to make debt service payments for outstanding bond issues and capital leases. The transfers from the Capital Projects Other Fund to the General Fund are for Charter Schools Capital Outlay funds. The transfer from the Internal Service Fund to the General Fund is to cover expenses related to athletic participation. Transfers between Internal Service Funds have been eliminated in this summary.

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**14. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the District's State revenue for the 2016-2017 fiscal year:

Florida Education Finance Program	\$	298,842,427
Class Size Reduction		77,979,079
School Recognition		2,442,129
Motor Vehicle License Tax (Capital Outlay and Debt Service)		2,946,058
Workforce Development Program		2,877,665
Best and Brightest		1,736,873
Public Education Capital Outlay (PECO)		2,308,147
Voluntary Pre K		1,505,445
Regional STEM - Tampa Bay Region Aeronautics		744,088
Charter School Capital Outlay Funding		1,075,895
Food Service Supplement		377,682
Mobile Home License Tax		399,204
Fuel Tax Refund		183,687
Full Service Schools		137,325
School Health Supplement		112,886
Miscellaneous		<u>498,502</u>
 Total	 \$	 <u><u>394,167,092</u></u>

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

**15. PROPERTY TAXES**

The following is a summary of millages and taxes levied on the 2016 tax roll for the 2016-2017 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.529	\$ 114,328,106
Basic Discretionary Local Effort	0.748	18,882,186
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>37,865,347</u>
Total	<u>6.777</u>	<u>\$ 171,075,639</u>



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16. **FLORIDA RETIREMENT SYSTEM PENSION PLANS**

Florida Retirement System (FRS) – Defined Benefit Pension Plans – The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Additionally, Chapter 112, Florida Statutes established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Essentially, all regular employees of the District are eligible to enroll as members of the State-administered FRS. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's FRS And HIS pension expense totaled \$45,022,355 for the fiscal year ended June 30, 2017.

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

Plan Description – The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Employees in the Plan vest at six years of service if enrolled before July 1, 2011. All employees enrolled in the Plan on or after July 1, 2011, vest at eight years of service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to four (4) years of credit for military service. Members who enrolled in the Plan on or after July 1, 2011, and become vested are eligible for normal retirement benefits at age 65 or at any age after 33 years of service, which may include up to four (4) years of credit for military service. The Plan also includes an early retirement provision but there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

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

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personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

There are three general classes of membership applicable to the District, as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Elected District Officers - Members who are elected officers of the District.

Benefits Provided – Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in line of duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<u>Regular Class members initially enrolled before July 1, 2011</u>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<u>Elected District Officers</u>	3.00
<u>Senior Management Service Class</u>	2.00

As provided in Section 121.101, Florida Statutes, the annual cost of living adjustment (COLA) for retirees with an effective retirement date or DROP begin date effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date effective on or after August 1, 2011, will be the sum of the pre-July 2011 service credit

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divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions – The Florida Legislature establishes the contribution rates for participating employers and employees. During the 2016-2017 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.52
Florida Retirement System, Elected County Officers	3.00	42.47
Florida Retirement System, Senior Management Service	3.00	21.77
Deferred Retirement Option Program, Applicable to Members from All of the Above Classes	0.00	12.99
Florida Retirement System, Reemployed Retiree	(B)	(B)

- Note: (A) Employer rates include 1.66 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs of the Investment Plan.  
(B) Contribution rates are dependent upon the retirement class in which reemployed.

The District's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled \$21,889,801 for the fiscal year ended June 30, 2017. Employee contributions totaled \$8,658,414 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the District reported a liability of \$209,652,102 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.8303 percent, which was a decrease of 0.0405 percent from its proportionate share of 0.8708 percent measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$32,834,222 for the FRS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 16,052,577	\$ 1,952,003
Changes in assumptions	12,683,325	-
Net difference between projected and actual earnings on pension plan investments	54,192,513	-
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	7,011,035	6,320,478
District contributions subsequent to the measurement date	21,889,801	-
Total	<u>\$ 111,829,251</u>	<u>\$ 8,272,481</u>

The deferred outflows of resources related to pensions totaling \$21,889,801 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	<u>Amount</u>
2018	\$ 12,020,821
2019	12,020,821
2020	33,148,426
2021	21,520,198
2022	2,269,331
Thereafter	<u>687,372</u>
Total	<u>\$ 81,666,969</u>

Actuarial Assumptions – The total pension liability for the FRS Pension Plan was determined by an actuarial valuation based on the following assumptions:

Valuation date	July 1, 2016
Discount rate	7.60%
Long-term expected rate of return, net of investment expense, including inflation	7.60%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013.

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Discount Rate – The discount rate used to measure the total pension liability was 7.60 percent. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2016 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the SBA. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed income	18%	4.7%	4.6%	4.6%
Global equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	11.1%
<b>Total</b>	<u>100.00%</u>			
Assumed Inflation - Mean		2.60%		1.90%

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.60 percent as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.60 percent) or 1 percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of FRS Pension Plan net pension liability	\$ 385,983,714	\$ 209,652,102	\$ 62,879,323

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Pension Plan Fiduciary Net Position – Detailed information about FRS Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

**Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**

Plan Description – The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services.

Benefits Provided – For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding two (2) years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District’s contributions to the HIS Pension Plan totaled \$6,156,250 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017, the District reported a net pension liability of \$134,683,455 for its proportionate share of the HIS Pension Plan net pension liability. The current portion of the net pension liability is the District’s proportionate share of benefits expected to be paid within 1 year, net of the District’s proportionate share of the pension plan’s fiduciary net position available to pay that amount. This current portion will be funded from the District’s required contributions to the FRS including the established HIS amount of 1.66 percent. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District’s proportionate share of the net pension liability was based on the District’s 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District’s proportionate share was 1.1556 percent, which was an increase of 0.0220 percent from its proportionate share of 1.1336 percent measured as of June 30, 2015.

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For the fiscal year ended June 30, 2017, the District recognized pension expense of \$12,188,133 for the HIS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 21,135,258	\$ -
Net difference between projected and actual earnings on pension plan investments	68,099	-
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	6,706,994	2,595,692
District contributions subsequent to the measurement date	6,156,250	-
Total	\$ 34,066,601	\$ 2,595,692

The deferred outflows of resources related to pensions totaling \$6,156,250 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$ 4,739,560
2019	4,739,560
2020	4,726,593
2021	4,931,753
2022	3,092,201
Thereafter	3,084,992
Total	\$ 25,314,659

Actuarial Assumptions – The total pension liability for the HIS Pension Plan was determined by an actuarial valuation based on the following assumptions:

Valuation date	July 1, 2016
Discount rate	2.85%
Municipal bond rate	2.85%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

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The actuarial assumptions that determined the total pension liability as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

Discount Rate – In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 2.85 percent as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.85 percent) or 1 percentage-point higher (3.85 percent) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of			
HIS Pension Plan net pension liability	\$ 154,512,522	\$ 134,683,455	\$ 118,226,412

Pension Plan Fiduciary Net Position – Detailed information about The HIS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

**Defined Contribution Plan**

Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the FRS Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by the SBA as an option to the defined benefit plan, and reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as in the FRS defined-benefit plan. Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment options. Allocations to the investment members' accounts during the 2016-17 fiscal year were as follows:



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Class	Percent of Gross Compensation
Florida Retirement System, Regular	6.30
Florida Retirement System, Elected County Officers	11.34
Florida Retirement System, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one (1) year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five (5) years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's FRS Investment Plan contributions and pension expense (not including the 1.66 percent HIS contributions or employee contributions) totaled \$3,539,894 for the fiscal year ended June 30, 2017. Employee contributions totaled \$1,758,515 for the same period.

**Payables to Pension Plan**

At June 30, 2016, the District reported payables of \$3,7391,687 for the outstanding amount of employee (\$942,473) and employer (\$2,797,214) contributions to the FRS Plans required for the fiscal year ended June 30, 2017. This includes amounts for the FRS Pension Plan, the HIS Pension Plan and the FRS Investment Plan.

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17. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the FRS, as described in Note 18, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age.

On January 20, 2015, the Board ratified a new contract with the Union stating that, effective June 30, 2018, no employee or retiree will be permitted to begin receiving an early retirement benefit. Any employee or retiree already receiving a benefit will continue to receive any benefit to which he/she is entitled.

Based on an actuarial report as of July 1, 2015, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	259
Active Plan Participants	<u>587</u>
Total	<u>846</u>

A summary of eligibility and benefits follow:

➤ Eligibility

The participant must have elected early retirement under the FRS; attained the age of 50 but not have attained the age of 62 upon early retirement; been credited with at least 25 years (and who have reached the final step on the appropriate salary schedule) of service under the FRS upon early retirement; and (for nonunion contract employees) completed at least 12 years of service in the District.

➤ Benefits

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit amount determined by the FRS prior to any cost-of-living adjustments and will remain unchanged, once established, unless a specific increase is authorized by the Board. Effective July 1, 1997, the amount of early retirement benefits for new participants ages 50 through 54 has been reduced to a flat 35 percent of the FRS benefit, with this reduction phased-in over a period of four (4) years. In addition, the plan was amended effective June 2011 to provide a one-time early retirement incentive payment for certain individuals who retired during the month. The payment was equal to 10 percent of annual salary to a maximum benefit of \$5,000.

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**Summary of Significant Accounting Policies**

The Plan is accounted for as a Pension Trust Fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a capital maintenance measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate statements are not issued for the plan.

**Contributions and Reserves**

The District's Early Retirement Plan was established by the Board on July 1, 1983, and amended as of January 1, 1997. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the unfunded actuarial accrued liability within 30 years based on an actuary study. There are no long-term contracts to the Plan. Periodic employer contributions to the Plan are determined on an actuarial basis using the Entry Age Normal Cost Method. Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the unfunded actuarial accrued liability is funded over a 30-year period for participants prior to July 1, 1997, and funded over a 40-year period for the revised plan. Periodic contributions for both normal cost and the amortization of the unfunded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan amounted to \$1,662,560 in fiscal year 2014-2015, and \$0 for both 2015-2016 and 2016-2017 fiscal years. The contributions were paid by the Board and were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2015. The percentage of pension cost contributed by the Board was 100 percent for all three (3) fiscal years.

As of June 30, 2017, the actuarial accrued liability for benefits was \$14,587,748. The computation of the annual required contribution for the 2016-2017 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous fiscal years.

Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the Plan are financed through the Plan's resources (employer contributions and investment earnings).

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**Investments**

The Board of the Early Retirement Program includes the same members as the District School Board of Pasco County which established and has the authority to amend the investment policy for the plan. An Investment Oversight Committee monitors the investment performance and reports to the Board. On January 20, 2015, the Board approved an updated investment policy that allows the plan to invest in equities and fixed income securities.

The following was the Board adopted asset allocation as of June 30, 2017:

Asset Class	Asset Allocation	
	Range	Target
Domestic Equity	19% - 59%	39%
International Equity	3% - 43%	21%
Other / Alternatives	0% - 15%	0%
Domestic Fixed Income	20% - 60%	40%
Cash Equivalent	0% - 20%	0%

The Plan's cash and investments at June 30, 2017, consisted of the following:

	Maturity Range	Balance June 30, 2017	Percentage of Plan Net Assets	Fair Value Measurements Using		
				Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
				(Level 1)	(Level 2)	(Level 3)
<u>Investments by Fair Value Level</u>						
Collateralized Mortgage Obligations	15.99 Years - 18.82 Years	\$ 449,058	2.46%	-	449,058	-
Corporate Bonds	5.83 Years - 16.21 Years	200,491	1.10%	200,491	-	-
Government Sponsored Enterprises	2.99 years - 16.15 Years	143,678	0.79%	-	143,678	-
Government and Municipal Bonds	0.09 Years - 28.71 Years	8,399,149	46.05%	8,399,149	-	-
Total Investments by Fair Value Level		<u>9,192,376</u>	<u>50.40%</u>	<u>\$ 8,599,640</u>	<u>\$ 592,736</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value (NAV)</u>						
Domestic Equity Mutual Funds		3,152,115	17.28%			
International Equity Mutual Funds		1,000,152	5.48%			
Domestic Fixed Income Mutual Funds		2,365,160	12.97%			
Total Investments Measured at NAV		<u>6,517,427</u>	<u>35.74%</u>			
<u>Investments Measured at Amortized Cost</u>						
Cash and Cash Equivalents		1,291	0.01%			
Money Market Funds		2,526,686	13.85%			
Total Investments Measured at Amortized Cost		<u>2,527,977</u>	<u>13.86%</u>			
Total Investments		<u>\$ 18,237,780</u>	<u>100.00%</u>			

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Credit Risk

- The District's investment policy authorizes the District to participate in the SBA Florida PRIME. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, money market funds with the Securities and Exchange Commission, and United States government funds registered under the Investment Act of 1940. The policy further provides that the securities shall only be purchased from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida, Florida-based regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1, or from primary security dealers as designated by the Federal Reserve of New York.
- The Plan's investments in Collateralized Mortgage Obligations had ratings of D to AAA by Standard and Poor's or of WR to A3 by Moody's.
- The Plan's investments in Corporate Bonds had ratings of BBB+ to A by Standard and Poor's or of Ba1 to A3 by Moody's.
- The Plan's investments in Government Sponsored Enterprises had a rating of Aaa by Moody's.
- The Plan's investments in Government and Municipal Bonds had ratings of NR to AAA by Standard and Poor's or of WR to Aaa by Moody's.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.
- Less than five (5) percent of the Early Retirement Plan's investments are in Government Sponsored Enterprise Securities.

Rate of Return

- For the year ended June 30, 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 7.45 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The components of the net pension asset of the District at June 30, 2017, the measurement date, were as follows:

Plan Fiduciary Net Position	\$	17,637,847
Total Pension Liability		(14,587,748)
Net Pension Asset	\$	3,050,099
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		120.91%

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For the fiscal year ended June 30, 2017, the District recognized pension income of \$86,964 for the SERP Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 3,274,410
Net difference between projected and actual earnings on pension plan investments	891,597	16,632
Total	\$ 891,597	\$ 3,291,042

These amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$ (147,962)
2019	(131,328)
2020	(231,258)
2021	(304,507)
2022	(422,505)
Thereafter	(1,161,885)
Total	\$ (2,399,445)

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return *	6.95%
Projected Salary Increases *	3.00%
*Includes Inflation at:	2.50%
Cost-of-Living Adjustments	None

The actuarial assumptions that determined the total pension liability as of June 30, 2017, were based on expectations as to future plan experience and not the results of a historical actuarial experience study.

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**Long Term Expected Rate of Return**

Best estimates of arithmetic real rate of return on the major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
Domestic Equity	39%	6.48% per annum
International Equity	21%	6.65% per annum
Domestic Fixed Income	30%	3.13% per annum
Total or Weighted Arithmetic Average	100%	5.17% per annum

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's net pension liability calculated using the discount rate of 7.67 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.67 percent) or 1-percentage-point higher (8.67 percent) than the current rate:

	1% Decrease (6.67%)	Current Discount Rate (7.67%)	1% Increase (8.67%)
Total Pension Liability	\$ 15,869,819	\$ 14,587,748	\$ 13,484,186
Less Fiduciary Net Position	(17,637,847)	(17,637,847)	(17,637,847)
Net Pension Liability	<u>\$ (1,768,028)</u>	<u>\$ (3,050,099)</u>	<u>\$ (4,153,661)</u>

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at 6/30/2016</b>	<u>\$ 14,700,639</u>	<u>\$ 18,202,235</u>	<u>\$ (3,501,596)</u>
<b>Changes for the year:</b>			
Service Cost	39,458	-	39,458
Expected interest growth	1,084,026	1,346,395	(262,369)
Unexpected investment income	-	(589,998)	589,998
Benefit payments, including refunds of member contributions	(1,300,770)	(1,300,770)	-
Demographic experience	64,395	-	64,395
Assumption changes	-	-	-
Administrative Expenses	-	(20,015)	20,015
<b>Net change in total pension liability</b>	<u>(112,891)</u>	<u>(564,388)</u>	<u>451,497</u>
<b>Balances at 6/30/2017</b>	<u>\$ 14,587,748</u>	<u>\$ 17,637,847</u>	<u>\$ (3,050,099)</u>

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18. **OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The Post-Employment Benefits Plan (Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and their eligible dependents, may continue to participate in the District's health plan for medical, prescription drug, mental health/substance abuse, employee assistance program and life insurance. The District subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Additionally, for certain retirees, the District pays a portion of the cost of health and pharmacy insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits. The Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity.

In addition, the District contributed \$20 per month toward health insurance premiums for eligible former employees. This contribution will continue as long as the eligible retiree maintains health benefits through the District. New retirees are not eligible for this program.

**Funding Policy**

The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the plan is financed on a pay-as-you-go basis. For the 2016-2017 fiscal year, 1,917 retirees or their eligible dependents received post-employment benefits. The District provided required contributions of \$3,388,425 toward the annual OPEB cost, comprised of medical and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$4,355,896 or 1.20 percent of covered payroll.

**Annual OPEB cost and Net OPEB Obligation**

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



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The following table shows 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 Post-Employment Benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (Service cost for one year)	\$ 5,169,955
Amortization of Unfunded Actuarial Accrued Liability	<u>9,174,445</u>
Annual Required Contribution	14,344,400
Interest on Net OPEB Obligation	2,486,339
Adjustment to Annual Required Contribution	<u>(4,920,898)</u>
Annual OPEB Cost (Expense)	11,909,841
Contribution Toward the OPEB Cost	<u>(3,388,425)</u>
Increase in Net OPEB Obligation	8,521,416
Net OPEB Obligation, Beginning of Year	<u>62,158,479</u>
Net OPEB Obligation, End of Year	<u><u>\$ 70,679,895</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2017, and the two preceding fiscal years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014-15	11,370,008	3,534,573	31.09%	55,699,081
2015-16	11,887,331	5,427,933	45.66%	62,158,479
2016-17	11,909,841	3,388,425	28.45%	70,679,895

**Funded Status and Funding Progress**

As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$117,958,279, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$117,958,279 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$349,610,219, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 33.74 percent. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or

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decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations of an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive Plan provisions, as understood by the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2017. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.0 percent discount rate. The actuarial assumptions also included an annual healthcare cost trend of 6.5 percent for the calendar year 2017, reduced each year, to an ultimate rate of 4.5 percent in 2040. The actuarial assumptions also included an inflation rate of 2.75 percent and 3.5 percent for payroll growth.

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis over a 13 year period. The remaining amortization period is 13 years.

**19. MEMBERSHIP IN NONPROFIT CORPORATION**

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2017, the accumulated credits to the District's account are \$5,104,119. During the 2015-2016 fiscal year, the District earned capital credits of \$447,944 and received a cash payment of \$185,311, for a net increase of \$262,633.

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**20. CONSTRUCTION CONTRACT AND OTHER COMMITMENTS**

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
<b>Anclote Elementary</b>			
Campus Redevelopment	\$ 7,435,209	\$ 6,745,027	\$ 690,182
<b>Bexley Elementary</b>			
New School Construction	16,948,561	15,073,864	1,874,697
<b>Cypress Creek Middle/High</b>			
New School Construction	45,167,361	39,165,137	6,002,224
<b>Land O' Lakes High</b>			
Campus Redevelopment	25,928,460	1,476,270	24,452,190
<b>Woodland Elementary</b>			
Campus Redevelopment	10,200,431	976,654	9,223,777
<b>Marchman Technical College</b>			
Campus Redevelopment	11,632,056	10,993,930	638,126
<b>Total</b>	<u>\$ 117,312,078</u>	<u>\$ 74,430,882</u>	<u>\$ 42,881,196</u>

**21. ENCUMBRANCES**

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, the District has recorded \$56,357,125 in encumbrances within the District's governmental funds as follows: \$7,677,026 for the General Fund; \$43,479,334 for the Capital Projects-Other Fund; \$5,200,765 for the Nonmajor Governmental Funds.

**22. RISK MANAGEMENT PROGRAMS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, as well as, medical, behavioral health and prescription plan coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

A liability in the amount of \$6,752,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2017.

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

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015-2016	\$ 6,874,000	\$ 59,105,124	\$ 58,297,124	\$ 7,682,000
2016-2017	7,682,000	57,837,427	58,767,427	6,752,000

Life insurance coverage is being provided through purchased commercial insurance with a minimum deductible.

**23. LITIGATION**

The Board is involved in several pending and threatened legal actions, the range of potential loss from which, as estimated by the Board's attorney, should not materially affect the financial condition of the District. However, one case has completed the initial trial and a verdict of \$1,670,364 has been rendered in favor of the plaintiff. The District intends to defend itself vigorously through the appeals and Claims Bill process with the State Legislature and has not recorded an obligation in relation to this case. Final determination of liability, if any, is unlikely for a number of years.

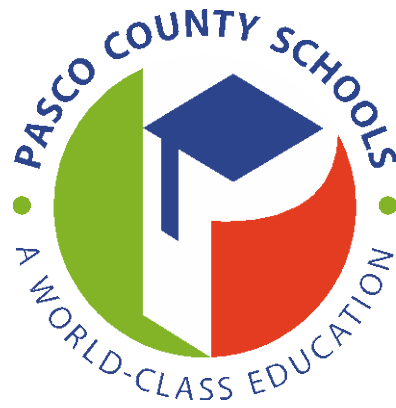
**24. SUBSEQUENT EVENTS**

On June 20, 2017, the School Board approved a resolution adding Schedules 12 and 13 to the Master Lease Agreement with Apple Finance Services. The District financed the purchase of Apple and HP laptops totaling \$6,258,891 and iPads totaling \$635,796. The Apple and HP laptops will be paid with four (4) annual payments of \$1,620,820 and the iPads with three (3) annual payments of \$216,978. These annual payments include interest. The lease commenced with the first payment occurring on August 3, 2017.

On August 1, 2017, the School Board approved a resolution adding Schedule 14 to the Master Lease Agreement with Apple Finance Services. The District financed the purchase of the JAMF Casper enterprise resource software totaling \$914,117. The software will be paid with five (5) annual payments of \$192,510. These annual payments include interest. The lease commenced with the first payment occurring on August 3, 2017.

On December 5, 2017, the School Board approved a resolution adding Schedule three (3) to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of 30 CNG buses, 5 diesel buses, and 35 radios totaling \$4,500,000 including legal costs. The buses and radios will be paid with 14 bi-annual payments of \$344,446 including interest. The first payment is due on February 1, 2018.

**OTHER REQUIRED  
SUPPLEMENTARY INFORMATION**



**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT SCHOOL BOARD'S  
NET PENSION LIABILITY AND RELATED RATIOS – EARLY RETIREMENT PLAN**

	2016-2017 fiscal year *	2015-2016 fiscal year *	2014-2015 fiscal year *	2013-2014 fiscal year *
<b>Total Pension Liability</b>				
Service Cost	\$ 39,458	\$ 39,458	\$ 610,538	\$ 610,538
Interest	1,084,026	1,058,153	1,468,046	1,413,259
Demographic Experience	64,395	1,584,308	-	-
Benefit payments, including refunds of member contributions	(1,300,770)	(1,189,185)	(1,058,026)	(998,103)
Changes in benefit terms	-	-	(8,758,650)	-
Assumption changes	-	(1,115,213)	(4,541,925)	-
<b>Net change in total pension liability</b>	<u>(112,891)</u>	<u>377,521</u>	<u>(12,280,017)</u>	<u>1,025,694</u>
<b>Total Pension Liability - Beginning</b>	<u>14,700,639</u>	<u>14,323,118</u>	<u>26,603,135</u>	<u>25,577,441</u>
<b>Total Pension Liability - Ending</b>	<u><u>\$ 14,587,748</u></u>	<u><u>\$ 14,700,639</u></u>	<u><u>\$ 14,323,118</u></u>	<u><u>\$ 26,603,135</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions- employer	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288
Net investment income	756,397	1,000,647	428,679	929,052
Benefit payments, including refunds of member contributions	(1,300,770)	(1,189,185)	(1,074,335)	(960,021)
Administrative Expenses	(20,015)	(27,263)	(12,549)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(564,388)</u>	<u>(215,801)</u>	<u>1,004,355</u>	<u>1,560,319</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>18,202,235</u>	<u>18,418,036</u>	<u>17,413,681</u>	<u>15,853,362</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u><u>\$ 17,637,847</u></u>	<u><u>\$ 18,202,235</u></u>	<u><u>\$ 18,418,036</u></u>	<u><u>\$ 17,413,681</u></u>
<b>Net Pension Liability - Ending</b>	<u><u>\$ (3,050,099)</u></u>	<u><u>\$ (3,501,596)</u></u>	<u><u>\$ (4,094,918)</u></u>	<u><u>\$ 9,189,454</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	120.91%	123.82%	128.59%	65.46%
<b>Covered-employee Payroll</b>	\$ 24,925,025	\$ 24,925,025	\$ 167,496,619	\$ 167,496,619
<b>District's Net Pension Liability as a Percentage of Covered-employee Payroll</b>	N/A	N/A	N/A	5.49%

\* Rolled forward based on financial data as of June 30, 2017, June 30, 2016, June 30, 2015, and June 30, 2014 measurement dates.

Note: The District implemented GASB Statement No. 67 for the fiscal year ended June 30, 2014.  
Information for prior years is not available.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288	\$ 1,578,667	\$ 1,509,443	\$ 1,380,553	\$ 1,314,812	\$ 1,437,237	\$ 1,368,154
Contributions in relation to the actuarially determined contribution	-	-	1,662,560	1,591,288	1,578,667	1,509,443	1,380,553	1,314,812	1,437,237	1,368,154
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 24,925,025	\$ 24,925,025	\$ 167,496,619	\$ 167,496,619	\$ 167,496,619		\$ 173,775,663		\$ 171,655,074	
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.99%	0.95%	0.94%		0.79%		0.84%	

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Discount rate	7.67% per annum (2.50% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases	3% per annum
Retirement age	Eligible employees are assumed to retire at the rate of 2% at each of ages 50 through 52, 3% at each of ages 53 and 54, and 10% at each of ages 55 through 61.
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with generational projections using Scale AA.
Other decrements	Assumed employment termination is based on age, ranging from 12% at age 30 to 7% at age 60; assumed disability is based on age and gender, ranging from 0.0600% for males at age 20 or 0.0240% for females at age 20 to 1.3620% for males at age 60 or 0.7504% for females at age 60.
Non-investment expenses	None assumed.
Future contributions	Contributions from the employer are assumed to be made as legally required.
Changes	No assumptions were changed since the prior measurement date.

**SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Annual money - weighted rate of return, net of investment expense	7.45%	5.43%	2.46%	5.75%	1.82%	4.33%	5.66%	10.50%	1.90%	6.16%



**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Unfunded Actuarial Accrued Liability as Percent of Covered Payroll
January 1, 2012	\$ -	\$ 109,496,146	\$ 109,496,146	0.0%	\$ 318,668,211	34.36%
January 1, 2014	-	104,828,064	104,828,064	0.0%	318,422,974	32.92%
January 1, 2016	-	117,958,279	117,958,279	0.0%	349,610,219	33.74%

Notes:

- (1) The actuarial method used is the Entry Age Normal Cost Method.
- (2) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
- (3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.

Notes to Schedule:

The January 1, 2016 unfunded actuarial accrued liability of \$117,958,279 was significantly higher than the January 1, 2014, liability of \$104,828,064 as a result of:

- Population Changes: The number of retirees currently receiving post-employment health benefits through the District core plan decreased from 575 in the previous valuation to 539 this year. This change had a decreasing effect on the valuation results. At the same time, the number of active employees eligible for any future post-employment benefits increased from 8,672 to 9,311. This population change had an increasing effect on the valuation results.
- Initial Cost of Coverage: The total cost of coverage increased from \$575 per subscriber per month (as expected for year beginning January 1, 2014) to \$643 per employee per month for year beginning January 1, 2016. This is lower than the projected \$668 per employee per month. However, premiums charged to retirees did not increase over that period and the combined effect of these changes in increase in costs and liabilities.
- Short Term Medical Trend Assumption: It was assumed previously that premiums and costs would increase at a rate of 7.0% for the 2017 plan year. We are revising trend rates for costs and premiums applicable to the year beginning January 1, 2017, to increase by 6.5%. This had a decreasing effect on the costs and liabilities.
- Long Term Medical Trend Assumption: The trend rate for the costs of benefits and premiums charged to retirees has been revised to be based on the forecasting model built and published (December 2007, as updated November 2015) in Modeling Long-Term Health Care Cost Trends sponsored by the Society of Actuaries and authored by Prof. Thomas E. Getzen. Under this model, assumed trend rates decline over a 22-year period from 6.25% assumed for the year 2018 to the ultimate level of 4.50%. This had a decreasing effect on the costs and liabilities.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.8303%	0.8708%	0.8829%	0.8076%
District's proportionate share of the net pension liability	\$ 209,652,102	\$ 112,469,821	\$ 53,867,811	\$ 139,021,758
District's covered-employee payroll	301,546,181	291,200,791	294,102,035	278,165,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.53%	38.62%	18.32%	49.98%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	92.00%	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

Note: The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,889,801	\$ 20,248,257	\$ 21,229,772	\$ 19,338,513
Contributions in relation to the contractually required contribution	21,889,801	20,248,257	21,229,772	19,338,513
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 311,685,147	\$ 301,546,181	\$ 291,200,791	\$ 294,102,035
Contributions as a percentage of covered-employee payroll	7.02%	6.71%	7.29%	6.58%

\* The amounts presented for each fiscal year were determined as of June 30.

Note: The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
HEALTH INSURANCE SUBSIDY (HIS) DEFINED BENEFIT PENSION PLAN**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	1.1556%	1.1336%	1.1613%	1.0739%
District's proportionate share of the net pension liability	\$ 134,683,455	\$ 115,611,582	\$ 108,582,475	\$ 93,494,824
District's covered-employee payroll	357,548,640	343,998,370	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	37.67%	33.61%	31.37%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.50%	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

Note: The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -  
HEALTH INSURANCE SUBSIDY (HIS) DEFINED BENEFIT PENSION PLAN**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,156,250	\$ 5,923,321	\$ 4,333,408	\$ 3,978,153
Contributions in relation to the contractually required contribution	6,156,250	5,923,321	4,333,408	3,978,153
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 371,320,922	\$ 357,548,640	\$ 343,998,370	\$ 346,174,340
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.26%	1.15%

\* The amounts presented for each fiscal year were determined as of June 30.

Note: The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.

Notes to Schedule:

Changes of Assumptions: The municipal rate used to determine total pension liability was decreased from 3.80 percent to 2.85 percent.

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**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**



## Combining Schedules of Nonmajor Governmental Funds

### Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to pay for specified activities.

Food and Nutrition Services Fund – To account for food and nutrition services activities, including the serving of breakfast and lunch at the schools.

### Nonmajor Debt Service Funds

Nonmajor Debt Service Funds are used to account for resources accumulated, primarily from tax proceeds and earnings on temporary investments, for the payment of principal and interest of long-term liabilities.

State Board of Education Bonds Fund – To account for payment of principal and interest on various bond issues serviced by the State of Florida on the District's behalf.

District Revenue Bonds Fund – To account for payment of principal and interest on Motor Vehicle License Tax Revenue Bonds, which are secured by racetrack funds and jai alai fronton funds received annually by Pasco County pursuant to Chapter 79-548, Special Acts of 1979, Laws of Florida.

Debt Service Other Fund – To account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of the governmental funds.

### Nonmajor Capital Projects Funds

Nonmajor Capital Projects Funds are used to account for resources to be used for the acquisition and construction of major capital assets; such as: land, new school buildings, additions to existing buildings, major renovation projects, school buses, and equipment and furniture.

State Board of Education Bonds Fund – To account for proceeds of bonds, issued on the District's behalf, by the State Board of Education, to be used for the construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for Gross Receipts Tax to be used for construction, remodeling, renovation, and site improvement of educational facilities.

Capital Outlay and Debt Service Fund – To account for the excess dollars from the debt service funds used for construction and maintenance of schools.

Local Optional Millage Levy Fund – To account for funds received from the assessment of property taxes for construction and maintenance of schools.

**District School Board of Pasco County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017**

Schedule A

	Special Revenue		Debt Service			Total Nonmajor Debt Service Funds
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	
<b>Assets:</b>						
Cash	\$ 7,128,294	\$ 7,128,294	\$ -	\$ 41,044	\$ 3,727,878	\$ 3,768,922
Cash with Fiscal Agent	-	-	3,830,657	-	1,720,147	5,550,804
Investments	-	-	186,123	-	9,492,778	9,678,901
Accounts Receivable	20,821	20,821	-	-	-	-
Accrued Interest Receivable	-	-	-	-	732	732
Due from Other Agencies	412,404	412,404	-	-	-	-
Inventories	1,050,871	1,050,871	-	-	-	-
Total Assets	<u>\$ 8,612,390</u>	<u>\$ 8,612,390</u>	<u>\$ 4,016,780</u>	<u>\$ 41,044</u>	<u>\$ 14,941,535</u>	<u>\$ 18,999,359</u>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	131,403	131,403	-	-	55,314	55,314
Construction Contracts Payable	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Accrued Interest Payable	-	-	58,863	-	-	58,863
Due to Other Funds	-	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-	-
Advanced Revenue	937,121	937,121	-	-	-	-
Total Liabilities	<u>1,068,524</u>	<u>1,068,524</u>	<u>58,863</u>	<u>-</u>	<u>55,314</u>	<u>114,177</u>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventory	1,050,871	1,050,871	-	-	-	-
<b>Restricted:</b>						
Special Revenue-Food Service	6,492,995	6,492,995	-	-	-	-
Debt Service	-	-	3,957,917	41,044	14,886,221	18,885,182
Capital Projects	-	-	-	-	-	-
Total Fund Balance	<u>7,543,866</u>	<u>7,543,866</u>	<u>3,957,917</u>	<u>41,044</u>	<u>14,886,221</u>	<u>18,885,182</u>
Total Liabilities and Fund Balances	<u>\$ 8,612,390</u>	<u>\$ 8,612,390</u>	<u>\$ 4,016,780</u>	<u>\$ 41,044</u>	<u>\$ 14,941,535</u>	<u>\$ 18,999,359</u>



Capital Projects					
State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,483,373	\$ 4,131,116	\$ 5,614,489	\$ 16,511,705
-	-	-	-	-	5,550,804
-	-	5,404,452	12,951,789	18,356,241	28,035,142
-	-	-	-	-	20,821
-	-	3,461	8,302	11,763	12,495
-	2,975,566	26,167	-	3,001,733	3,414,137
-	-	-	-	-	1,050,871
<u>\$ -</u>	<u>\$ 2,975,566</u>	<u>\$ 6,917,453</u>	<u>\$ 17,091,207</u>	<u>\$ 26,984,226</u>	<u>\$ 54,595,975</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	50,817	3,987	468,950	523,754	710,471
-	-	-	13,497	13,497	13,497
-	-	-	21,376	21,376	21,376
-	-	-	-	-	58,863
-	1,321,075	-	-	1,321,075	1,321,075
-	-	-	-	-	-
-	-	-	-	-	937,121
-	<u>1,371,892</u>	<u>3,987</u>	<u>503,823</u>	<u>1,879,702</u>	<u>3,062,403</u>
-	-	-	-	-	1,050,871
-	-	-	-	-	6,492,995
-	-	-	-	-	18,885,182
-	1,603,674	6,913,466	16,587,384	25,104,524	25,104,524
-	<u>1,603,674</u>	<u>6,913,466</u>	<u>16,587,384</u>	<u>25,104,524</u>	<u>51,533,572</u>
<u>\$ -</u>	<u>\$ 2,975,566</u>	<u>\$ 6,917,453</u>	<u>\$ 17,091,207</u>	<u>\$ 26,984,226</u>	<u>\$ 54,595,975</u>

**District School Board of Pasco County**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

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	Special Revenue		Debt Service			
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>						
Federal Sources:						
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ 559,363	\$ 559,363
Federal Through State	-	-	-	-	-	-
Food Services	27,798,916	27,798,916	-	-	-	-
State Sources:						
Public Education Capital Outlay	-	-	-	-	-	-
Food Services	377,682	377,682	-	-	-	-
SBE/COBI Bond Interest	-	-	470	-	-	470
CO & DS Withheld for State Education Bonds	-	-	1,723,869	-	-	1,723,869
CO & DS Interest	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-
Racing Commission Funds	-	-	-	223,250	-	223,250
Local Sources:						
Property Taxes	-	-	-	-	-	-
Food Services	10,477,201	10,477,201	-	-	-	-
Investment Earnings	-	-	-	-	(77,174)	(77,174)
Local Grants and Other	942,371	942,371	-	-	59	59
<b>Total Revenues</b>	<b>39,596,170</b>	<b>39,596,170</b>	<b>1,724,339</b>	<b>223,250</b>	<b>482,248</b>	<b>2,429,837</b>
<b>Expenditures:</b>						
Current-Education:						
Instruction	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Media Services	-	-	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-	-	-
Instructional Staff Training Services	-	-	-	-	-	-
Instruction-Related Technology	-	-	-	-	-	-
Board	-	-	-	-	-	-

Schedule B

	Special Revenue		Debt Service			
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
<b>Expenditures (continued):</b>						
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Facilities Services	-	-	-	-	-	-
Fiscal Services	-	-	-	-	-	-
Food Services	39,577,154	39,577,154	-	-	-	-
Central Services	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-	-
Capital Outlay:						
Facilities Acquisition and Construction	-	-	-	-	-	-
Other Capital Outlay	226,276	226,276	-	-	-	-
Debt Service:						
Principal	-	-	1,321,000	105,000	28,026,032	29,452,032
Interest	-	-	435,500	116,231	17,451,042	18,002,773
Fiscal Charges	-	-	18,386	345	296,183	314,914
Total Expenditures	<u>39,803,430</u>	<u>39,803,430</u>	<u>1,774,886</u>	<u>221,576</u>	<u>45,773,257</u>	<u>47,769,719</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(207,260)</u>	<u>(207,260)</u>	<u>(50,547)</u>	<u>1,674</u>	<u>(45,291,009)</u>	<u>(45,339,882)</u>
<b>Other Financing Sources (Uses):</b>						
Face Value of Refunding Bonds	-	-	3,288,000	-	-	3,288,000
Premium on Refunding Bonds	-	-	501,636	-	-	501,636
Capital Leases	-	-	-	-	19,651	19,651
Transfers In	-	-	-	-	47,162,916	47,162,916
Transfers Out	<u>(1,309,287)</u>	<u>(1,309,287)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,309,287)</u>	<u>(1,309,287)</u>	<u>3,789,636</u>	<u>-</u>	<u>47,182,567</u>	<u>50,972,203</u>
Net Change in Fund Balances	(1,516,547)	(1,516,547)	3,739,089	1,674	1,891,558	5,632,321
Fund Balances, July 1, 2016	<u>9,060,413</u>	<u>9,060,413</u>	<u>218,828</u>	<u>39,370</u>	<u>12,994,663</u>	<u>13,252,861</u>
Fund Balances, June 30, 2017	<u>\$ 7,543,866</u>	<u>\$ 7,543,866</u>	<u>\$ 3,957,917</u>	<u>\$ 41,044</u>	<u>\$14,886,221</u>	<u>\$ 18,885,182</u>

(Continued)

**District School Board of Pasco County**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Capital Projects					Total Nonmajor Governmental Funds
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	
<b>Revenues:</b>						
Federal Sources:						
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,363
Federal Through State	-	-	-	-	-	-
Food Services	-	-	-	-	-	27,798,916
State Sources:						
Public Education Capital Outlay	-	3,384,042	-	-	3,384,042	3,384,042
Food Services	-	-	-	-	-	377,682
SBE/COBI Bond Interest	-	-	-	-	-	470
CO & DS Withheld for State Education Bonds	-	-	-	-	-	1,723,869
CO & DS Interest	-	-	47,343	-	47,343	47,343
CO & DS Distributed	-	-	1,130,902	-	1,130,902	1,130,902
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	36,291,600	36,291,600	36,291,600
Food Services	-	-	-	-	-	10,477,201
Investment Earnings	-	-	36,063	93,549	129,612	52,438
Local Grants and Other	-	-	-	641,758	641,758	1,584,188
<b>Total Revenues</b>	<b>-</b>	<b>3,384,042</b>	<b>1,214,308</b>	<b>37,026,907</b>	<b>41,625,257</b>	<b>83,651,264</b>
<b>Expenditures:</b>						
Current-Education:						
Instruction	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Media Services	-	-	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-	-	-
Instructional Staff Training Services	-	-	-	-	-	-
Instruction-Related Technology	-	-	-	-	-	-
Board	-	-	-	-	-	-

	Capital Projects					Total Nonmajor Governmental Funds
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	
<b>Expenditures (continued):</b>						
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Facilities Services	-	-	170	1,467,797	1,467,967	1,467,967
Fiscal Services	-	-	-	-	-	-
Food Services	-	-	-	-	-	39,577,154
Central Services	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-	-
Capital Outlay:						
Facilities Acquisition and Construction	-	1,341,941	860,929	8,195,364	10,398,234	10,398,234
Other Capital Outlay	-	-	-	-	-	226,276
Debt Service:						
Principal	-	-	-	-	-	29,452,032
Interest	-	-	-	-	-	18,002,773
Fiscal Charges	-	-	2,206	-	2,206	317,120
Total Expenditures	-	1,341,941	863,305	9,663,161	11,868,407	99,441,556
Excess (Deficiency) of Revenues Over Expenditures	-	2,042,101	351,003	27,363,746	29,756,850	(15,790,292)
<b>Other Financing Sources (Uses):</b>						
Proceeds of Bonds Issued	-	-	-	-	-	3,288,000
Capital Leases	-	-	-	-	-	501,636
Payments to Refunding Escrow Agent	-	-	-	-	-	19,651
Transfers In	-	-	-	1,249,263	1,249,263	48,412,179
Transfers Out	-	(1,075,895)	-	(30,694,960)	(31,770,855)	(33,080,142)
Total Other Financing Sources (Uses)	-	(1,075,895)	-	(29,445,697)	(30,521,592)	19,141,324
Net Change in Fund Balances	-	966,206	351,003	(2,081,951)	(764,742)	3,351,032
Fund Balances, July 1, 2016	-	637,468	6,562,463	18,669,335	25,869,266	48,182,540
Fund Balances, June 30, 2017	\$ -	\$ 1,603,674	\$ 6,913,466	\$ 16,587,384	\$ 25,104,524	\$ 51,533,572

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Schedules  
of  
Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Governmental Funds

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Special Revenue - Food and Nutrition Services Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal Sources:				
Food Service	\$ 26,954,775	\$ 27,711,569	\$ 27,798,916	\$ 87,347
State Sources:				
Food Service	415,000	415,000	377,682	(37,318)
Local Sources:				
Food Service Sales	10,855,274	10,855,274	10,477,201	(378,073)
Local Grants and Other	500,000	500,000	942,371	442,371
Total Revenues	<u>38,725,049</u>	<u>39,481,843</u>	<u>39,596,170</u>	<u>114,327</u>
<b>Expenditures:</b>				
Current-Education:				
Food Services				
Salaries	12,727,176	12,707,176	12,731,975	(24,799)
Employee Benefits	4,913,820	4,913,820	5,448,291	(534,471)
Purchased Services	973,030	1,148,518	1,065,260	83,258
Energy Services	500,000	1,226,651	946,919	279,732
Materials and Supplies	18,792,753	19,789,248	17,757,386	2,031,862
Capital Outlay	200,000	400,000	173,126	226,874
Other Expenditures	952,000	982,000	1,454,197	(472,197)
Capital Outlay:				
Other Capital Outlay	-	278,648	226,276	52,372
Total Expenditures	<u>39,058,779</u>	<u>41,446,061</u>	<u>39,803,430</u>	<u>1,642,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(333,730)</u>	<u>(1,964,218)</u>	<u>(207,260)</u>	<u>1,756,958</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,020,524)	(1,569,055)	(1,309,287)	259,768
Net Change in Fund Balance	(1,354,254)	(3,533,273)	(1,516,547)	2,016,726
Fund Balance, Beginning	9,060,413	9,060,413	9,060,413	-
Fund Balance, Ending	<u>\$ 7,706,159</u>	<u>\$ 5,527,140</u>	<u>\$ 7,543,866</u>	<u>\$ 2,016,726</u>



**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service - State Board of Education Bonds Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Sources				
SBE/COBI Bond Interest	\$ -	\$ -	\$ 470	\$ 470
CO & DS Withheld for State Education Bonds	2,252,430	2,252,430	1,723,869	(528,561)
Total Revenues	<u>2,252,430</u>	<u>2,252,430</u>	<u>1,724,339</u>	<u>(528,091)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	1,708,000	1,708,000	1,321,000	387,000
Interest	543,430	543,430	435,500	107,930
Fiscal Charges	1,000	1,000	18,386	(17,386)
Total Expenditures	<u>2,252,430</u>	<u>2,252,430</u>	<u>1,774,886</u>	<u>477,544</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(50,547)	(50,547)
<b>Other Financing Sources (Uses):</b>				
Face Value of Refunding Bonds	-	-	3,288,000	3,288,000
Premium on Refunding Bonds	-	-	501,636	501,636
Payments to Refunding Escrow Agent	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,789,636</u>	<u>3,789,636</u>
Net Change in Fund Balance	-	-	3,739,089	3,739,089
Fund Balances, Beginning	<u>218,828</u>	<u>218,828</u>	<u>218,828</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 218,828</u>	<u>\$ 218,828</u>	<u>\$ 3,957,917</u>	<u>\$ 3,739,089</u>

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service - District Revenue Bonds Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Sources:				
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	199	199	-	(199)
Total Revenues	<u>223,449</u>	<u>223,449</u>	<u>223,250</u>	<u>(199)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	105,000	105,000	105,000	-
Interest	116,231	116,231	116,231	-
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	<u>222,231</u>	<u>222,231</u>	<u>221,576</u>	<u>655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,218</u>	<u>1,218</u>	<u>1,674</u>	<u>456</u>
Net Change in Fund Balance	1,218	1,218	1,674	456
Fund Balance, Beginning	39,370	39,370	39,370	-
Fund Balance, Ending	<u>\$ 40,588</u>	<u>\$ 40,588</u>	<u>\$ 41,044</u>	<u>\$ 456</u>

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service - Other Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal Sources:				
Federal Direct	\$ 500,000	\$ 559,363	\$ 559,363	\$ -
Local Sources:				
Investment Earnings	11,505	211,505	(77,174)	(288,679)
Local Grants and Other	-	-	59	59
Total Revenues	<u>511,505</u>	<u>770,868</u>	<u>482,248</u>	<u>(288,620)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	28,643,852	28,678,412	28,026,032	652,380
Interest	18,634,630	18,634,327	17,451,042	1,183,285
Fiscal Charges	298,000	424,803	296,183	128,620
Total Expenditures	<u>47,576,482</u>	<u>47,737,542</u>	<u>45,773,257</u>	<u>1,964,285</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(47,064,977)</u>	<u>(46,966,674)</u>	<u>(45,291,009)</u>	<u>1,675,665</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds of Bonds Issued	-	-	-	-
Capital Leases	-	-	19,651	19,651
Transfers In	49,253,143	49,622,529	47,162,916	(2,459,613)
Transfer Out	-	-	-	-
Total Other Financing Sources	<u>49,253,143</u>	<u>49,622,529</u>	<u>47,182,567</u>	<u>(2,439,962)</u>
Net Change in Fund Balance	2,188,166	2,655,855	1,891,558	(764,297)
Fund Balances, Beginning	<u>12,994,663</u>	<u>12,994,663</u>	<u>12,994,663</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 15,182,829</u>	<u>\$ 15,650,518</u>	<u>\$ 14,886,221</u>	<u>\$ (764,297)</u>

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Projects - Public Education Capital Outlay Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Sources:				
Public Education Capital Outlay	\$ 3,240,264	\$ 3,384,042	\$ 3,384,042	\$ -
Current-Education:				
Facilities Services	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction	2,429,106	2,429,106	1,341,941	1,087,165
Total Expenditures	2,429,106	2,429,106	1,341,941	1,087,165
Excess (Deficiency) of Revenues Over Expenditures	811,158	954,936	2,042,101	1,087,165
<b>Other Financing Uses:</b>				
Transfer Out	(932,117)	(1,075,895)	(1,075,895)	-
Proceeds on Refunding Bonds	(932,117)	(1,075,895)	(1,075,895)	-
Net Change in Fund Balance	(120,959)	(120,959)	966,206	1,087,165
Fund Balances, Beginning	637,468	637,468	637,468	-
Fund Balances, Ending	\$ 516,509	\$ 516,509	\$ 1,603,674	\$ 1,087,165

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Projects - Capital Outlay and Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Sources:				
CO & DS Distributed	\$ 233,318	\$ 233,318	\$ 1,130,902	\$ 897,584
Interest on Undistributed CO & DS	-	-	47,343	47,343
Local Sources:				
Investment Earnings	3,976	3,976	36,063	32,087
Total Revenues	<u>237,294</u>	<u>237,294</u>	<u>1,214,308</u>	<u>977,014</u>
<b>Expenditures:</b>				
Current-Education:				
Facilities Services	-	170	170	-
Capital Outlay:				
Facilities Acquisition and Construction	2,361,902	1,930,934	860,929	1,070,005
Debt Service:				
Dues, Fees and Issuance Costs	-	-	2,206	(2,206)
Total Expenditures	<u>2,361,902</u>	<u>1,931,104</u>	<u>863,305</u>	<u>1,067,799</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,124,608)</u>	<u>(1,693,810)</u>	<u>351,003</u>	<u>(90,785)</u>
Net Change in Fund Balance	(2,124,608)	(1,693,810)	351,003	(90,785)
Fund Balances, Beginning	<u>6,562,463</u>	<u>6,562,463</u>	<u>6,562,463</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,437,855</u>	<u>\$ 4,868,653</u>	<u>\$ 6,913,466</u>	<u>\$ (90,785)</u>

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Projects - Local Optional Millage Levy Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local Sources:				
Property Taxes	\$ 36,350,733	\$ 36,350,733	\$ 36,291,600	\$ (59,133)
Investment Earnings	174,238	174,238	93,549	(80,689)
Other Local	459,664	489,993	641,758	151,765
Total Revenues	<u>36,984,635</u>	<u>37,014,964</u>	<u>37,026,907</u>	<u>11,943</u>
<b>Expenditures:</b>				
Current-Education:				
Facilities Services	953,686	873,683	1,467,797	(594,114)
Capital Outlay:				
Facilities Acquisition and Construction	15,084,320	16,216,038	8,195,364	8,020,674
Total Expenditures	<u>16,038,006</u>	<u>17,089,721</u>	<u>9,663,161</u>	<u>7,426,560</u>
Excess of Revenues Over Expenditures	<u>20,946,629</u>	<u>19,925,243</u>	<u>27,363,746</u>	<u>7,438,503</u>
<b>Proceeds on Refunding Bonds</b>				
Transfers In	960,500	1,480,358	1,249,263	(231,095)
Transfers Out	(33,149,769)	(33,180,098)	(30,694,960)	2,485,138
Total Other Financing Sources (Uses)	<u>(32,189,269)</u>	<u>(31,699,740)</u>	<u>(29,445,697)</u>	<u>2,254,043</u>
Net Change in Fund Balance	(11,242,640)	(11,774,497)	(2,081,951)	9,692,546
Fund Balances, Beginning	<u>18,669,335</u>	<u>18,669,335</u>	<u>18,669,335</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 7,426,695</u>	<u>\$ 6,894,838</u>	<u>\$ 16,587,384</u>	<u>\$ 9,692,546</u>

**District School Board of Pasco County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Projects - Other Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local Sources:				
Local Sales Tax	\$ 26,700,000	\$ 26,700,000	\$ 26,942,544	\$ 242,544
Impact Fees	9,187,500	9,187,500	15,422,187	6,234,687
Other Local	184,425	250,000	302,245	52,245
Investment Earnings	332,000	383,456	854,602	471,146
Total Revenues	<u>36,403,925</u>	<u>36,520,956</u>	<u>43,521,578</u>	<u>7,000,622</u>
<b>Expenditures:</b>				
Current-Education:				
Facilities Services	7,014	1,463,308	3,809,838	(2,346,530)
Fiscal Charges	-	-	17,144	(17,144)
Capital Outlay:				
Facilities Acquisition and Construction	178,884,538	200,037,318	109,877,294	90,160,024
Total Expenditures	<u>178,891,552</u>	<u>201,500,626</u>	<u>113,704,276</u>	<u>87,796,350</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(142,487,627)</u>	<u>(164,979,670)</u>	<u>(70,182,698)</u>	<u>94,796,972</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Land	-	-	1,720,000	1,720,000
Capital Leases	11,289,896	11,289,896	10,390,507	(899,389)
Transfer Out	(15,179,127)	(15,179,127)	(15,164,126)	(15,001)
Total Other Financing Sources (Uses)	<u>(3,889,231)</u>	<u>(3,889,231)</u>	<u>(3,053,619)</u>	<u>805,610</u>
Net Change in Fund Balance	(146,376,858)	(168,868,901)	(73,236,317)	95,602,582
Fund Balances, Beginning	166,202,915	166,202,915	166,202,915	-
Fund Balances, Ending	<u>\$ 19,826,057</u>	<u>\$ (2,665,986)</u>	<u>\$ 92,966,598</u>	<u>\$ 95,602,582</u>

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### Combining Statements of Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to another department within the District, on a cost reimbursement basis. This practice provides a separate and complete accounting for all resources accumulated and used in rendering the services and activities listed below.

Employee Benefits Program – To account for the financing of services provided by the District's Employee Benefits Program.

Property, Casualty, and Liability Self-Insurance Plan – To account for the financing and payment of claims for the District's self-insured liability and workers' compensation program and fully insured property/casualty program.

Self-Insured Benefit Plans – To account for the financing and payment of claims for the District's self-insured medical, behavioral health and prescription plans.

Energy Management Program – To account for the financing of the District's Energy Management Program.

Exclusive Agreement – To account for the receipt and use of funds received from the District's exclusive agreement with National Beverages, Inc.

**District School Board of Pasco County**  
**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**June 30, 2017**

Schedule D

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
<b>Assets</b>			
Current Assets:			
Cash	\$ 136,763	\$ 8,256,164	\$ 5,093,997
Investments	286,198	26,532,557	22,333,422
Accounts Receivable	458	82,515	93,063
Accrued Interest Receivable	181	17,000	14,308
<b>Total Current Assets</b>	<b>423,600</b>	<b>34,888,236</b>	<b>27,534,790</b>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>423,600</b>	<b>34,888,236</b>	<b>27,534,790</b>
<b>Deferred Outflows of Resources:</b>			
Pension	1,123,497	208,621	-
<b>Total Deferred Outflows of Resources</b>	<b>1,123,497</b>	<b>208,621</b>	<b>-</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 1,547,097</b>	<b>\$ 35,096,857</b>	<b>\$ 27,534,790</b>
<b>Liabilities</b>			
Current Liabilities:			
Salaries and Benefits Payable	\$ 14	\$ -	\$ -
Payroll Deductions and Withholdings Payable	-	-	72,434
Accounts Payable	4,028	73,212	14,120,448
Advanced Revenue	-	5,918	240,908
Current portion of long-term liabilities:			
Compensated Absences Payable	16,550	12,257	-
Estimated Insurance Claims Payable	-	2,427,000	-
<b>Total Current Liabilities</b>	<b>20,592</b>	<b>2,518,387</b>	<b>14,433,790</b>
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	-	4,325,000	-
Compensated Absences Payable	115,310	44,302	-
Other Post-Employment Benefits Obligation	133,387	92,105	-
Net Pension Liability - FRS / HIS	1,871,738	368,204	-
<b>Total Noncurrent Liabilities</b>	<b>2,120,435</b>	<b>4,829,611</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,141,027</b>	<b>7,347,998</b>	<b>14,433,790</b>
<b>Deferred Inflows of Resources:</b>			
Pension	156,791	31,456	-
<b>Total Deferred Inflows of Resources</b>	<b>156,791</b>	<b>31,456</b>	<b>-</b>
<b>Net Position</b>			
Investment in Capital Assets	-	-	-
Unrestricted	(750,721)	27,717,403	13,101,000
<b>Total Net Position</b>	<b>(750,721)</b>	<b>27,717,403</b>	<b>13,101,000</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 1,547,097</b>	<b>\$ 35,096,857</b>	<b>\$ 27,534,790</b>

Energy Management Programs	Exclusive Agreement	Totals
\$ 1,374,390	\$ 158,391	\$ 15,019,705
1,216,432	1,252,758	51,621,367
-	-	176,036
781	803	33,073
<u>2,591,603</u>	<u>1,411,952</u>	<u>66,850,181</u>
-	45,618	45,618
-	(41,056)	(41,056)
-	4,562	4,562
<u>2,591,603</u>	<u>1,416,514</u>	<u>66,854,743</u>
147,004	-	1,479,122
<u>147,004</u>	-	<u>1,479,122</u>
<u>\$ 2,738,607</u>	<u>\$ 1,416,514</u>	<u>\$ 68,333,865</u>
\$ -	\$ -	\$ 14
-	-	72,434
1,129,614	14,469	15,341,771
-	-	246,826
399	-	29,206
-	-	2,427,000
<u>1,130,013</u>	<u>14,469</u>	<u>18,117,251</u>
-	-	4,325,000
126,697	-	286,309
40,022	-	265,514
270,679	-	2,510,621
<u>437,398</u>	-	<u>7,387,444</u>
<u>1,567,411</u>	<u>14,469</u>	<u>25,504,695</u>
9,531	-	197,778
<u>9,531</u>	-	<u>197,778</u>
-	4,562	4,562
<u>1,161,665</u>	<u>1,397,483</u>	<u>42,626,830</u>
<u>1,161,665</u>	<u>1,402,045</u>	<u>42,631,392</u>
<u>\$ 2,738,607</u>	<u>\$ 1,416,514</u>	<u>\$ 68,333,865</u>

District School Board of Pasco County  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2017

Schedule E

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
<b>Operating Revenues</b>			
Insurance Premiums:			
Board Contributions	\$ -	\$ 12,560,367	\$ 63,623,415
Employees	-	-	5,192,891
Retirees	-	-	4,763,888
Charges for Services Provided	-	-	-
Other Operating Revenues	-	468,543	350
<b>Total Operating Revenues</b>	<b>-</b>	<b>13,028,910</b>	<b>73,580,544</b>
<b>Operating Expense</b>			
Salaries	462,981	422,559	-
Employee Benefits	443,852	164,999	117,132
Purchased Services	65,677	1,688,059	13,411,464
Insurance Premiums	-	4,265,610	2,504,171
Energy Services	-	-	-
Materials and Supplies	2,742	1,705	3,514
Insurance Claims	-	2,140,251	55,697,176
Capital Outlay	54	566	-
Other	4,283	49,031	77,905
<b>Total Operating Expenses</b>	<b>979,589</b>	<b>8,732,780</b>	<b>71,811,362</b>
<b>Operating Income (Loss)</b>	<b>(979,589)</b>	<b>4,296,130</b>	<b>1,769,182</b>
<b>Nonoperating Revenues (Expenses)</b>			
Investment Earnings	1,810	169,389	89,341
Gifts, Grants and Bequests	-	-	250,200
Insurance Loss Recoveries	-	120,702	-
Loss on Disposition of Assets	-	-	-
<b>Total Nonoperating Revenues</b>	<b>1,810</b>	<b>290,091</b>	<b>339,541</b>
<b>Income (Loss) Before Transfers</b>	<b>(977,779)</b>	<b>4,586,221</b>	<b>2,108,723</b>
Transfers In	685,391	-	-
Transfers Out	-	(185,000)	(685,391)
<b>Change in Net Position</b>	<b>(292,388)</b>	<b>4,401,221</b>	<b>1,423,332</b>
<b>Total Net Position, July 1, 2016</b>	<b>(458,333)</b>	<b>23,316,182</b>	<b>11,677,668</b>
<b>Total Net Position, June 30, 2017</b>	<b>\$ (750,721)</b>	<b>\$ 27,717,403</b>	<b>\$ 13,101,000</b>

Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 76,183,782
-	-	5,192,891
-	-	4,763,888
13,273,697	-	13,273,697
22,024	283,872	774,789
<u>13,295,721</u>	<u>283,872</u>	<u>100,189,047</u>
220,052	-	1,105,592
101,472	-	827,455
2,564,927	117,747	17,847,874
-	-	6,769,781
10,236,567	-	10,236,567
7,737	48,516	64,214
-	-	57,837,427
-	6,310	6,930
379	-	131,598
<u>13,131,134</u>	<u>172,573</u>	<u>94,827,438</u>
<u>164,587</u>	<u>111,299</u>	<u>5,361,609</u>
9,554	7,921	278,015
-	-	250,200
-	-	120,702
-	(6,274)	(6,274)
<u>9,554</u>	<u>1,647</u>	<u>642,643</u>
174,141	112,946	6,004,252
-	-	685,391
-	-	(870,391)
<u>174,141</u>	<u>112,946</u>	<u>5,819,252</u>
<u>987,524</u>	<u>1,289,099</u>	<u>36,812,140</u>
<u>\$ 1,161,665</u>	<u>\$ 1,402,045</u>	<u>\$ 42,631,392</u>

**District School Board of Pasco County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Employee Benefits Program	Property, Casualty and Liability Self-Insurance Plan	Self-Insured Benefit Plans
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	330	12,594,440	73,560,154
Cash Received from Other Operating Revenues	-	468,543	350
Cash Payments to Suppliers for Goods and Services	(72,491)	(5,970,204)	(13,962,062)
Cash Payments to Employees for Services	(620,879)	(550,660)	(48,867)
Cash Payments to Insurance Claims	-	(3,070,251)	(55,697,176)
Net Cash Provided (Used) by Operating Activities	<u>(693,040)</u>	<u>3,471,868</u>	<u>3,852,399</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Insurance Loss Recoveries	-	120,702	-
Gifts, Grants and Bequests	-	-	250,200
Transfers From Other Funds	685,391	-	-
Transfers To Other Funds	-	(185,000)	(685,391)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>685,391</u>	<u>(64,298)</u>	<u>(435,191)</u>
<b>Cash Flows from Investing Activities:</b>			
Investment Earnings	1,781	167,566	85,111
Purchase and Sale of Investments	(1,810)	1,830,611	(3,499,341)
Net Cash Provided (Used) by Investing Activities	<u>(29)</u>	<u>1,998,177</u>	<u>(3,414,230)</u>
Net Change in Cash	(7,678)	5,405,747	2,978
Cash, Beginning	144,441	2,850,417	5,091,019
Cash, Ending	<u>\$ 136,763</u>	<u>\$ 8,256,164</u>	<u>\$ 5,093,997</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (979,589)	\$ 4,296,130	\$ 1,769,182
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Accounts Receivable	330	34,299	(24,590)
Accounts Payable	265	34,767	2,034,992
Payroll Deductions and Withholdings Payable	-	-	68,265
Advanced Revenues	-	(226)	4,550
Compensated Absences Payable	(19,674)	2,816	-
Other Post-Employment Benefits Obligation	17,043	9,373	-
Pension Amounts	288,585	24,709	-
Estimated Insurance Claims Payable	-	(930,000)	-
Total Adjustments	<u>286,549</u>	<u>(824,262)</u>	<u>2,083,217</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (693,040)</u>	<u>\$ 3,471,868</u>	<u>\$ 3,852,399</u>

Energy Management Program	Exclusive Agreement	Totals
\$ 13,273,697	\$ -	\$ 13,273,697
-	-	86,154,924
22,024	283,872	774,789
(12,688,207)	(158,104)	(32,851,068)
(287,737)	-	(1,508,143)
-	-	(58,767,427)
<u>319,777</u>	<u>125,768</u>	<u>7,076,772</u>
-	-	120,702
-	-	250,200
-	-	685,391
-	-	<u>(870,391)</u>
-	-	185,902
9,638	7,784	271,880
<u>400,445</u>	<u>(7,921)</u>	<u>(1,278,016)</u>
<u>410,083</u>	<u>(137)</u>	<u>(1,006,136)</u>
729,860	125,631	6,256,538
<u>644,530</u>	<u>32,760</u>	<u>8,763,167</u>
<u>\$ 1,374,390</u>	<u>\$ 158,391</u>	<u>\$ 15,019,705</u>
\$ 164,587	\$ 111,299	\$ 5,361,609
-	-	10,039
121,403	14,469	2,205,896
-	-	68,265
-	-	4,324
2,175	-	(14,683)
4,261	-	30,677
27,351	-	340,645
-	-	<u>(930,000)</u>
<u>155,190</u>	<u>14,469</u>	<u>1,715,163</u>
<u>\$ 319,777</u>	<u>\$ 125,768</u>	<u>\$ 7,076,772</u>

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### Combining Statements of Agency Funds

Agency Funds are used to account for financial resources held by the District as an agent. Assets accounted for in an agency fund belong to the party or parties for which the District acts as an agent. Therefore, agency fund assets are offset by liabilities equal in amount. Agency funds do not report net position.

School Internal Accounts - To account for financial resources collected by the schools and held by the District as an agent, which will be used for school and student athletic activities, class activities and club activities.

ABC Program - To account for employee and public donations, held by the District as an agent, to be used to assist financially disadvantaged students enrolled in Pasco County schools.

**District School Board of Pasco County**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	<u>School Internal Accounts</u>	<u>ABC Program</u>	<u>Total</u>
<b>Assets:</b>			
Cash	\$ 8,744,524	\$ 10,402	\$ 8,754,926
Investments	-	73,207	73,207
Accounts Receivable	8,986	-	8,986
Interest Receivable on Investments	-	45	45
Inventories	5,908	-	5,908
	<u>5,908</u>	<u>-</u>	<u>5,908</u>
Total Assets	<u>\$ 8,759,418</u>	<u>\$ 83,654</u>	<u>\$ 8,843,072</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 808,763	\$ -	\$ 808,763
Internal Accounts Payable	7,950,655	-	7,950,655
ABC Program Payable	-	83,654	83,654
	<u>-</u>	<u>83,654</u>	<u>83,654</u>
Total Liabilities	<u>\$ 8,759,418</u>	<u>\$ 83,654</u>	<u>\$ 8,843,072</u>

**District School Board of Pasco County**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>School Internal Accounts</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Assets:</b>				
Cash	\$ 8,294,408	\$ 15,052,200	\$ 14,602,084	\$ 8,744,524
Accounts Receivable	8,716	26,606	26,336	8,986
Inventories	17,798	70,583	82,473	5,908
<b>Total Assets</b>	<b>\$ 8,320,922</b>	<b>\$ 15,149,389</b>	<b>\$ 14,710,893</b>	<b>\$ 8,759,418</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 749,404	\$ 14,600,288	\$ 14,540,929	\$ 808,763
Internal Accounts Payable	7,571,518	26,862,131	26,482,994	7,950,655
<b>Total Liabilities</b>	<b>\$ 8,320,922</b>	<b>\$ 41,462,419</b>	<b>\$ 41,023,923</b>	<b>\$ 8,759,418</b>
	<b>ABC Program</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Assets:</b>				
Cash	\$ 6,973	\$ 4,067	\$ 638	\$ 10,402
Investments	72,745	799	337	73,207
Interest Receivable on Investments	39	45	39	45
<b>Total Assets</b>	<b>\$ 79,757</b>	<b>\$ 4,911</b>	<b>\$ 1,014</b>	<b>\$ 83,654</b>
<b>Liabilities:</b>				
ABC Program Payable	\$ 79,757	\$ 5,165	\$ 1,268	\$ 83,654
	<b>Total Agency Funds</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Assets:</b>				
Cash	\$ 8,301,381	\$ 15,056,267	\$ 14,602,722	\$ 8,754,926
Investments	72,745	799	337	73,207
Accounts Receivable	8,716	26,606	26,336	8,986
Interest Receivable on Investments	39	45	39	45
Inventories	17,798	70,583	82,473	5,908
<b>Total Assets</b>	<b>\$ 8,400,679</b>	<b>\$ 15,154,300</b>	<b>\$ 14,711,907</b>	<b>\$ 8,843,072</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 749,404	\$ 14,600,288	\$ 14,540,929	\$ 808,763
Internal Accounts Payable	7,571,518	26,862,131	26,482,994	7,950,655
ABC Program Payable	79,757	5,165	1,268	83,654
<b>Total Liabilities</b>	<b>\$ 8,400,679</b>	<b>\$ 41,467,584</b>	<b>\$ 41,025,191</b>	<b>\$ 8,843,072</b>

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## Combining Statements of Component Units

Component units are entities and/or organizations for which the School Board is financially accountable. Due to the nature and significance of their relationship with the School Board, exclusion of these entities and/or organizations would cause the District's basic financial statements to be misleading. The component units columns in the government-wide financial statements, Exhibits A and B, include consolidated financial data for the following component units:

Academy at the Farm, Inc. – Focuses on creatively integrating equestrian, horticultural and farm animal components into an interactive, inclusive learning environment.

Athenian Academy of Pasco County, Inc. – A kindergarten through 8<sup>th</sup> grade school offering students a program that incorporates the Greek language and culture.

Classical Preparatory School – A K through 8<sup>th</sup> grade school providing a classical style education.

Countryside Montessori Charter School, Inc. – A 1<sup>st</sup> through 8<sup>th</sup> grade school providing an alternative education program.

Dayspring Academy for Education and the Arts – Emphasizes the fine arts, offering students specialized instruction in dance, music, and art.

Florida Virtual Academy at Pasco - A K through 8<sup>th</sup> grade school providing curriculum in an on-line educational environment.

Imagine School at Land O' Lakes – A kindergarten through 7<sup>th</sup> grade school providing an alternative education program.

Learning Lodge Academy, Inc. – A K through 3<sup>rd</sup> grade school providing an alternative elementary education program.

Pepin Academies of Pasco County, Inc. – A 3<sup>rd</sup> through 10<sup>th</sup> grade school providing an alternative education program for special needs students.

Plato Academy Trinity Charter School – A K through 3<sup>rd</sup> grade school offering an enriched, disruption-free environment through optimum instruction, support and encouragement.

Pasco Education Foundation, Inc. – A separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest and administer property and to make expenditures to or for the benefit of the District.

**District School Board of Pasco County**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2017**

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Classical Preparatory School	Countryside Montessori Charter School, Inc.	Dayspring Academy for Education and the Arts
<b>Assets:</b>					
Cash	\$ 239,329	\$ 309,306	\$ 408,609	\$ 169,235	\$ 235,180
Investments	-	-	2,508,026	-	-
Accounts Receivable	4,101	2,132	79,178	220	2,895
Deposits Receivable	-	-	2,000	10,000	-
Due From Other Agencies	13,368	19,210	18,269	11,533	33,248
Prepaid Items	-	52,343	-	-	46,497
Capital Assets (net of accumulated depreciation)					
Land	788,979	-	500,000	105,872	544,683
Construction in Process	-	-	2,689,099	-	-
Improvements Other Than Buildings	-	-	-	-	234,070
Leasehold Property and Improvements	56,954	-	-	121,278	82,295
Buildings and Fixed Equipment	3,528,613	195,625	4,105,668	135,600	3,450,738
Furniture, Fixtures, and Equipment	59,128	123,840	15,104	29,417	2,857
Motor Vehicles	-	-	23,571	-	-
Computer Software	-	-	-	-	-
<b>Total Assets</b>	<b>4,690,472</b>	<b>702,456</b>	<b>10,349,524</b>	<b>583,155</b>	<b>4,632,463</b>
<b>Deferred Outflows of Resources:</b>					
Pension	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 4,690,472</b>	<b>\$ 702,456</b>	<b>\$ 10,349,524</b>	<b>\$ 583,155</b>	<b>\$ 4,632,463</b>
<b>Liabilities:</b>					
Salaries and Benefits Payable	\$ -	\$ 151,365	\$ 106,982	\$ -	\$ 186,725
Accounts Payable	61,313	10,723	158,378	4,939	40,627
Due To Other Agencies	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Advanced Revenue	-	-	-	-	-
Construction Contracts Payable- Retainage	-	-	206,319	-	-
<b>Total Current Liabilities</b>	<b>61,313</b>	<b>162,088</b>	<b>471,679</b>	<b>4,939</b>	<b>227,352</b>
Non-Current Liabilities Due Within One Year:					
Notes Payable	86,749	-	-	15,018	183,902
Obligations Under Capital Leases	-	28,319	-	32,405	19,293
Compensated Absences Payable	-	-	-	-	111,201
Bonds Payable	-	-	5,850	-	-
<b>Total Due within one year</b>	<b>86,749</b>	<b>28,319</b>	<b>5,850</b>	<b>47,423</b>	<b>314,396</b>
Long-Term Debt and Liabilities:					
Notes Payable	3,894,461	-	-	96,369	3,210,149
Obligations Under Capital Leases	-	36,341	-	-	-
Bonds Payable	-	-	10,086,365	-	-
Net Pension Liability	-	-	-	-	-
<b>Total Due in more than one year</b>	<b>3,894,461</b>	<b>36,341</b>	<b>10,086,365</b>	<b>96,369</b>	<b>3,210,149</b>
<b>Total Liabilities</b>	<b>4,042,523</b>	<b>226,748</b>	<b>10,563,894</b>	<b>148,731</b>	<b>3,751,897</b>
<b>Deferred Inflows of Resources:</b>					
Pension	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	452,464	254,805	(2,758,773)	248,375	901,299
Restricted for Other Purposes	-	-	2,508,026	-	-
Non-expendable-Permanent Endowment	-	-	-	-	-
Unrestricted	195,485	220,903	36,377	186,049	(20,733)
<b>Total Net Position</b>	<b>\$ 647,949</b>	<b>\$ 475,708</b>	<b>\$ (214,370)</b>	<b>\$ 434,424</b>	<b>\$ 880,566</b>

Florida Virtual Academy at Pasco	Imagine School at Land O' Lakes	Learning Lodge Academy, Inc.	Pepin Academies of Pasco County, Inc.	Plato Academy Trinity Charter School	Pasco Education Foundation, Inc.	Total Component Units
\$ 118,126	\$ 735,253	\$ 239,779	\$ 531,674	\$ 102,637	\$ 458,472	\$ 3,547,600
-	-	-	-	-	2,305,690	4,813,716
-	3,333	-	59,353	-	23,850	175,062
-	-	-	-	4,668	-	16,668
2,371	28,660	15,484	-	19,741	-	161,884
-	83,064	9,817	41,359	-	1,785,012	2,018,092
-	-	-	-	-	-	1,939,534
-	-	-	-	-	-	2,689,099
-	-	-	-	-	-	234,070
-	180,744	82,312	187,529	22,724	-	733,836
-	-	-	-	-	-	11,416,244
-	157,754	137,460	108,990	28,316	-	662,866
-	286,612	-	-	-	-	310,183
-	-	-	-	-	33,012	33,012
120,497	1,475,420	484,852	928,905	178,086	4,606,036	28,751,866
-	-	537,162	-	-	-	-
-	-	537,162	-	-	-	537,162
<u>\$ 120,497</u>	<u>\$ 1,475,420</u>	<u>\$ 1,022,014</u>	<u>\$ 928,905</u>	<u>\$ 178,086</u>	<u>\$ 4,606,036</u>	<u>\$ 29,289,028</u>
\$ -	\$ 254,283	\$ 3,038	\$ 228,823	\$ -	\$ 300	\$ 931,516
120,497	31,425	8,550	42,787	109,439	10,754	599,432
-	-	-	-	-	-	-
-	-	-	26,538	-	-	26,538
-	4,800	-	-	-	-	4,800
-	-	-	-	-	-	206,319
120,497	290,508	11,588	298,148	109,439	11,054	1,768,605
-	56,549	-	250,000	-	-	592,218
-	-	-	-	-	-	80,017
-	-	-	-	-	-	111,201
-	-	-	-	-	-	5,850
-	56,549	-	250,000	-	-	789,286
-	182,107	-	-	135,000	-	7,518,086
-	-	-	-	-	-	36,341
-	-	-	-	-	-	10,086,365
-	-	555,101	-	-	-	555,101
-	182,107	555,101	-	135,000	-	18,195,893
120,497	529,164	566,689	548,148	244,439	11,054	20,753,784
-	-	3,472	-	-	-	-
-	-	3,472	-	-	-	3,472
-	386,454	219,772	46,519	51,040	-	(198,045)
-	-	-	-	-	4,141,192	6,649,218
-	-	-	-	-	-	-
-	559,802	232,081	334,238	(117,393)	453,790	2,080,599
<u>\$ -</u>	<u>\$ 946,256</u>	<u>\$ 451,853</u>	<u>\$ 380,757</u>	<u>\$ (66,353)</u>	<u>\$ 4,594,982</u>	<u>\$ 8,531,772</u>

**District School Board of Pasco County  
Combining Statements of Activities  
Component Units  
For the Fiscal Year Ended June 30, 2017**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Academy at the Farm, Inc., Activities:</b>					
Instruction	\$ 2,767,527	\$ -	\$ -	\$ -	\$ (2,767,527)
Student Support Services	15,315	-	-	-	(15,315)
Instruction-Related Technology	201,092	-	-	-	(201,092)
Board	7,000	-	-	-	(7,000)
General Administration	32,964	-	-	-	(32,964)
School Administration	616,911	-	-	-	(616,911)
Facilities Acquisition and Construction	351	-	-	-	(351)
Fiscal Services	67,744	-	-	-	(67,744)
Operation of Plant	266,466	-	-	-	(266,466)
Maintenance of Plant	135,123	-	-	-	(135,123)
Community Service	188,380	422,064	-	-	233,684
Debt Service - Interest	224,433	-	-	160,743	(63,690)
Depreciation-Unallocated	236,660	-	-	-	(236,660)
<b>Total Academy at the Farm, Inc., Activities</b>	<b>\$ 4,759,966</b>	<b>\$ 422,064</b>	<b>\$ -</b>	<b>\$ 160,743</b>	<b>(4,177,159)</b>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	3,827,951
Miscellaneous	338,443
<b>Total General Revenues</b>	<b>4,166,394</b>
Change in Net Position	(10,765)
Net Position, Beginning	658,714
<b>Net Position, Ending</b>	<b>\$ 647,949</b>

	Expenses	Program Revenues			Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Athenian Academy of Pasco County, Inc., Activities:</b>					
Instruction	\$ 1,260,539	\$ -	\$ 15,438	\$ -	\$ (1,245,101)
Student Support Services	29,246	-	-	-	(29,246)
Instructional and Curriculum Development	5,086	-	-	-	(5,086)
Board	13,084	-	-	-	(13,084)
General Administration	193,260	-	-	-	(193,260)
School Administration	256,663	-	-	-	(256,663)
Fiscal Services	90,797	-	-	-	(90,797)
Food Services	10,143	-	-	-	(10,143)
Central Services	30,988	-	-	-	(30,988)
Student Transportation Services	78,920	-	47,160	-	(31,760)
Operation of Plant	378,458	-	-	91,320	(287,138)
Administrative Technology	2,505	-	-	-	(2,505)
Community Services	64,553	56,114	-	-	(8,439)
Debt Service-Interest	8,319	-	-	-	(8,319)
Depreciation-Unallocated	69,541	-	-	-	(69,541)
<b>Total Athenian Academy of Pasco County, Inc., Activities</b>	<b>\$ 2,492,102</b>	<b>\$ 56,114</b>	<b>\$ 62,598</b>	<b>\$ 91,320</b>	<b>(2,282,070)</b>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	2,149,104
Miscellaneous	87,260
<b>Total General Revenues</b>	<b>2,236,364</b>
Change in Net Position	(45,706)
Net Position, Beginning	521,414
<b>Net Position, Ending</b>	<b>\$ 475,708</b>



<u>Classical Preparatory School</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,711,368	\$ -	\$ -	\$ -	\$ (1,711,368)
Instructional Media Services	835	-	-	-	(835)
Instructional Staff Training	180	-	-	-	(180)
Board	115,262	-	-	-	(115,262)
School Administration	519,686	-	-	-	(519,686)
Facilities Acquisition and Construction	259,888	-	-	132,569	(127,319)
Fiscal Services	98,431	-	-	-	(98,431)
Food Services	10,075	-	-	-	(10,075)
Student Transportation Services	26,078	-	-	-	(26,078)
Operation of Plant	276,517	-	-	-	(276,517)
Community Service	113,470	-	-	-	(113,470)
Debt Service - Interest	745,336	-	-	-	(745,336)
Depreciation-Unallocated	73,798	-	-	-	(73,798)
Total Academy at the Farm, Inc., Activities	<u>\$ 3,950,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,569</u>	<u>(3,818,355)</u>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	3,156,252
Miscellaneous	238,957
Total General Revenues	<u>3,395,209</u>
Change in Net Position	(423,146)
Net Position, Beginning	<u>208,776</u>
Net Position, Ending	<u>\$ (214,370)</u>

<u>Countryside Montessori Charter School, Inc., Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,593,006	\$ -	\$ -	\$ -	\$ (1,593,006)
Instructional Staff Training	180	-	-	-	(180)
School Administration	354,279	-	-	-	(354,279)
Facilities Acquisition and Construction	190,099	-	-	88,266	(101,833)
Fiscal Services	40,290	-	-	-	(40,290)
Food Services	3,212	-	-	-	(3,212)
Operation of Plant	121,052	-	-	-	(121,052)
Maintenance of Plant	5,545	-	-	-	(5,545)
Community Service	201,957	13,612	-	-	(188,345)
Debt Service-Interest	9,598	-	-	-	(9,598)
Depreciation-Unallocated	81,715	-	-	-	(81,715)
Total Countryside Montessori Charter School, Inc., Activities	<u>\$ 2,600,933</u>	<u>\$ 13,612</u>	<u>\$ -</u>	<u>\$ 88,266</u>	<u>(2,499,055)</u>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	2,056,268
Miscellaneous	424,284
Total General Revenues	<u>2,480,552</u>
Change in Net Position	(18,503)
Net Position, Beginning	<u>452,927</u>
Net Position, Ending	<u>\$ 434,424</u>

District School Board of Pasco County  
Combining Statements of Activities  
Component Units  
For the Fiscal Year Ended June 30, 2017

<u>Dayspring Academy for Education and the Arts, Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 2,740,847	\$ -	\$ 6,803	\$ -	\$ (2,734,044)
Student Support Services	42,283	-	-	-	(42,283)
Instructional Staff Training	3,320	-	-	-	(3,320)
School Administration	986,023	-	-	-	(986,023)
Facilities Acquisition & Construction	112,991	-	-	112,991	-
Fiscal Services	39,573	-	-	-	(39,573)
Student Transportation Services	100,689	-	-	-	(100,689)
Operation of Plant	536,852	-	-	80,942	(455,910)
Maintenance of Plant	34,898	-	-	-	(34,898)
Administrative Technology Services	98,704	-	-	-	(98,704)
Community Service	700,048	-	-	-	(700,048)
Debt Service-Interest	162,442	-	-	-	(162,442)
Depreciation-Unallocated	125,412	-	-	-	(125,412)
<b>Total Dayspring Academy for Education and the Arts, Activities</b>	<b>\$ 5,684,082</b>	<b>\$ -</b>	<b>\$ 6,803</b>	<b>\$ 193,933</b>	<b>(5,483,346)</b>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	4,624,019
Miscellaneous	905,436
<b>Total General Revenues</b>	<b>5,529,455</b>

Change in Net Position	46,109
Net Position, Beginning	834,457
<b>Net Position, Ending</b>	<b>\$ 880,566</b>

<u>Florida Virtual Academy at Pasco, Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 229,066	\$ -	\$ -	\$ -	\$ (229,066)
Student Support Services	57,578	-	-	-	(57,578)
Instructional and Curriculum Development	474,789	-	-	-	(474,789)
Instructional Staff Training	3,820	-	-	-	(3,820)
Instruction-Related Technology	109,574	-	-	-	(109,574)
Board	25,767	-	-	-	(25,767)
General Administration	28,686	-	-	-	(28,686)
School Administration	143,743	-	-	-	(143,743)
Fiscal Services	294	-	-	-	(294)
Operation of Plant	31,157	-	-	-	(31,157)
Maintenance of Plant	31	-	-	-	(31)
<b>Total Florida Virtual Academy at Pasco, Activities</b>	<b>\$ 1,104,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,104,505)</b>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	573,720
Miscellaneous	530,785
<b>Total General Revenues</b>	<b>1,104,505</b>

Change in Net Position	-
Net Position, Beginning	-
<b>Net Position, Ending</b>	<b>\$ -</b>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Imagine School at Land O'Lakes, Activities:</b>					
Instruction	\$ 2,723,491	\$ -	\$ -	\$ -	\$ (2,723,491)
Student Support Services	691	-	-	-	(691)
Instructional Media	52,012	-	-	-	(52,012)
Instructional and Curriculum Development	57,182	-	-	-	(57,182)
Instructional Staff Training Services	5,104	-	-	-	(5,104)
Instruction-Related Technology	11,370	-	-	-	(11,370)
Board	7,050	-	-	-	(7,050)
General Administration	651,805	-	-	-	(651,805)
School Administration	360,797	-	-	-	(360,797)
Fiscal Services	101,884	-	-	-	(101,884)
Food Services	31,495	-	-	-	(31,495)
Central Services	776	-	-	-	(776)
Student Transportation Services	160,997	-	-	-	(160,997)
Operation of Plant	1,105,501	-	-	215,424	(890,077)
Maintenance of Plant	90,904	-	-	-	(90,904)
Community Service	99,366	-	-	-	(99,366)
Debt Service - Interest	13,739	-	-	-	(13,739)
Depreciation-Unallocated	121,030	-	-	-	(121,030)
Total Imagine School at Land O'Lakes, Activities	\$ 5,595,194	\$ -	\$ -	\$ 215,424	(5,379,770)

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	5,107,236
Miscellaneous	386,671
Total General Revenues	5,493,907
Change in Net Position	114,137
Net Position, Beginning	832,119
Net Position, Ending	\$ 946,256

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Learning Lodge Academy, Inc.</b>					
Instruction	\$ 1,025,459	\$ 22,966	\$ -	\$ -	\$ (1,002,493)
Student Support Services	1,177	-	-	-	(1,177)
Instructional Staff Training	16,971	-	-	-	(16,971)
Board	7,851	-	-	-	(7,851)
General Administration	85,833	-	-	-	(85,833)
School Administration	254,063	-	-	-	(254,063)
Facilities Acquisition & Construction	146,116	-	-	69,661	(76,455)
Fiscal Services	11,498	-	-	-	(11,498)
Food Services	4,438	-	-	-	(4,438)
Operation of Plant	131,119	-	-	-	(131,119)
Community Service	15,891	-	-	-	(15,891)
Depreciation-Unallocated	52,595	-	-	-	(52,595)
Total Learning Lodge Academy, Inc., Activities	\$ 1,753,011	\$ 22,966	\$ -	\$ 69,661	(1,660,384)

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	1,683,633
Miscellaneous	39,874
Total General Revenues	1,723,507
Change in Net Position	63,123
Net Position, Beginning	347,800
Adjustment to Beginning Net Position	40,930
Net Position, Ending	\$ 451,853

**District School Board of Pasco County**  
**Combining Statements of Activities**  
**Component Units**  
**For the Fiscal Year Ended June 30, 2017**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pepin Academies of Pasco County, Inc.</u>					
Instruction	\$ 2,201,780	\$ -	\$ -	\$ -	\$ (2,201,780)
Student Support Services	494,479	-	147,650	-	(346,829)
Instructional Staff Training Services	1,615	-	-	-	(1,615)
General Administration	83,385	-	-	-	(83,385)
School Administration	474,748	-	-	-	(474,748)
Fiscal Services	27,050	-	-	-	(27,050)
Food Services	142,065	21,299	90,269	-	(30,497)
Operation of Plant	646,161	-	-	-	(646,161)
Maintenance of Plant	16,478	-	-	-	(16,478)
Community Service	12,276	18,666	-	-	6,390
Debt Service - Interest	9,331	-	-	-	(9,331)
Total Pepin Academies of Pasco County, Inc., Activities	<u>\$ 4,109,368</u>	<u>\$ 39,965</u>	<u>\$ 237,919</u>	<u>\$ -</u>	<u>(3,831,484)</u>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	3,820,163
Miscellaneous	296,668
Total General Revenues	<u>4,116,831</u>
Change in Net Position	285,347
Net Position, Beginning	<u>95,410</u>
Net Position, Ending	<u>\$ 380,757</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Plato Academy Trinity Charter School</u>					
Instruction	\$ 264,036	\$ -	\$ 86,546	\$ -	\$ (177,490)
Student Support Services	-	-	-	-	-
Instructional Media Services	-	-	-	-	-
Instruction-Related Technology	6,432	-	-	-	(6,432)
General Administration	18,766	-	-	-	(18,766)
School Administration	116,547	-	8,562	-	(107,985)
Fiscal Services	-	-	-	-	-
Food Services	-	-	-	-	-
Central Services	60,634	-	5,365	-	(55,269)
Operation of Plant	123,349	-	-	15,206	(108,143)
Maintenance of Plant	-	-	-	-	-
Community Service	-	-	-	-	-
Depreciation-Unallocated	4,243	-	-	-	(4,243)
Total Pepin Academies of Pasco County, Inc., Activities	<u>\$ 594,007</u>	<u>\$ -</u>	<u>\$ 100,473</u>	<u>\$ 15,206</u>	<u>(478,328)</u>

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	411,975
Miscellaneous	-
Total General Revenues	<u>411,975</u>
Change in Net Position	(66,353)
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ (66,353)</u>

<u>Pasco Education Foundation, Inc., Activities:</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Community Service	\$ 1,041,475	\$ -	\$ -	\$ -	(1,041,475)

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	1,201,937
Unrestricted Investment Earnings	217,604
Total General Revenues	1,419,541
Change in Net Position	378,066
Net Position, Beginning	4,216,916
Net Position, Ending	\$ 4,594,982

<u>Total Component Units Activities:</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 16,517,119	\$ 22,966	\$ 108,787	\$ -	\$ (16,385,366)
Student Support Services	640,769	-	147,650	-	(493,119)
Instructional Media	52,847	-	-	-	(52,847)
Instructional and Curriculum Development	537,057	-	-	-	(537,057)
Instructional Staff Training Services	31,190	-	-	-	(31,190)
Instruction-Related Technology	328,468	-	-	-	(328,468)
Board	176,014	-	-	-	(176,014)
General Administration	1,094,699	-	-	-	(1,094,699)
School Administration	4,083,460	-	8,562	-	(4,074,898)
Facilities Acquisition and Construction	709,445	-	-	403,487	(305,958)
Fiscal Services	477,561	-	-	-	(477,561)
Food Services	201,428	21,299	90,269	-	(89,860)
Central Services	92,398	-	5,365	-	(87,033)
Student Transportation Services	366,684	-	47,160	-	(319,524)
Operation of Plant	3,616,632	-	-	402,892	(3,213,740)
Maintenance of Plant	282,979	-	-	-	(282,979)
Administrative Technology Services	101,209	-	-	-	(101,209)
Community Service	2,437,416	510,456	-	-	(1,926,960)
Debt Service - Interest	1,173,198	-	-	160,743	(1,012,455)
Depreciation-Unallocated	764,994	-	-	-	(764,994)
Total Component Units Activities	\$ 33,685,567	\$ 554,721	\$ 407,793	\$ 967,122	(31,755,931)

**General Revenues:**

Grants and Contributions Not Restricted to Specific Programs	28,612,258
Miscellaneous	3,248,378
Unrestricted Investment Earnings	217,604
Total General Revenues	32,078,240
Change in Net Position	322,309
Net Position, Beginning	8,168,533
Adjustment to Beginning Net Position	40,930
Net Position, Ending	\$ 8,531,772

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# STATISTICAL SECTION





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## Statistical Section

### Introduction

This section of the District's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health. This information has not been audited by the independent auditor.

#### Financial Trends

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

Table 1	Net Position by Component – Government-Wide
Table 2	Changes in Net Position – Primary Government
Table 3	Fund Balances – Governmental Funds
Table 4	Changes in Fund Balances – Governmental Funds and Debt Service Ratios

#### Revenue Capacity

These tables contain information to help the reader assess the District's significant local revenue sources, the property tax, as well as other revenue sources.

Table 5	Assessed and Estimated Actual Value of Taxable Property
Table 6	General Governmental Tax Revenues by Source
Table 7	Property Tax Levies and Collections
Table 8	Direct and Overlapping Property Tax Rates
Table 9	Principal Property Taxpayers

#### Debt Capacity

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

Table 10	Ratios of Outstanding Debt by Type
Table 11	Ratio of Net General Bonded Debt Outstanding
Table 12	Direct and Overlapping Governmental Activities Debt
Table 13	Legal Debt Margin Information
Table 14	Pledged Revenue Coverage

### Economic and Demographic Information

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

Table 15	Demographic and Economic Statistics
Table 16	Principal Employers in Pasco County

### Operating Information

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

Table 17	Number of Personnel
Table 18	Teacher Base Salaries
Table 19	Operating Statistics
Table 20	School Building Information

Sources: Unless otherwise noted, the information in this section is derived from the District's comprehensive annual reports for the relevant year.

**District School Board of Pasco County**  
**Net Position by Component - Government-Wide**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<b>For the Fiscal Year Ending</b>			
	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 477,656,475	\$ 532,146,394	\$ 609,215,910	\$ 610,511,400
Restricted	239,259,651	199,546,968	150,219,796	156,915,364
Unrestricted	<u>30,656,802</u>	<u>35,460,415</u>	<u>29,950,233</u>	<u>42,414,994</u>
Total Governmental Activities Net Position	<u>747,572,928</u>	<u>767,153,777</u>	<u>789,385,939</u>	<u>809,841,758</u>
<b>Business-Type Activities:</b>				
Net Investment in Capital Assets	228,564	184,707	146,867	155,131
Unrestricted	<u>2,484,446</u>	<u>2,766,947</u>	<u>3,678,225</u>	<u>4,609,491</u>
Total Business-Type Activities Net Position	<u>2,713,010</u>	<u>2,951,654</u>	<u>3,825,092</u>	<u>4,764,622</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	477,885,039	532,331,101	609,362,777	610,666,531
Restricted	239,259,651	199,546,968	150,219,796	156,915,364
Unrestricted	<u>33,141,248</u>	<u>38,227,362</u>	<u>33,628,458</u>	<u>47,024,485</u>
Total Primary Government Net Position	<u>\$ 750,285,938</u>	<u>\$ 770,105,431</u>	<u>\$ 793,211,031</u>	<u>\$ 814,606,380</u>

Note (A) The District implemented GASB 68 for fiscal year ended June 30, 2015.

Fiscal years prior to 2015 have not been restated for implementation of GASB 68.

Source: District records  
 CAFR - Exhibit A

For the Fiscal Year Ending					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 587,895,355	\$ 590,932,554	\$ 599,058,815	\$ 623,953,695	\$ 631,191,690	\$ 680,286,796
177,850,787	172,069,772	164,220,978	141,051,030	140,732,338	102,033,724
29,533,195	28,365,685	15,313,862	(183,605,569)	(183,118,232)	(199,267,302)
<u>795,279,337</u>	<u>791,368,011</u>	<u>778,593,655</u>	<u>581,399,156</u>	<u>588,805,796</u>	<u>583,053,218</u>
137,748	166,337	176,128	206,739	166,042	133,420
5,387,604	3,013,904	2,209,578	(751,298)	(131,406)	148,528
<u>5,525,352</u>	<u>3,180,241</u>	<u>2,385,706</u>	<u>(544,559)</u>	<u>34,636</u>	<u>281,948</u>
588,033,103	591,098,891	599,234,943	624,160,434	631,357,732	680,420,216
177,850,787	172,069,772	164,220,978	141,051,030	140,732,338	102,033,724
34,920,799	31,379,589	17,523,440	(184,356,867)	(183,249,638)	(199,118,774)
<u>\$ 800,804,689</u>	<u>\$ 794,548,252</u>	<u>\$ 780,979,361</u>	<u>\$ 580,854,597</u>	<u>\$ 588,840,432</u>	<u>\$ 583,335,166</u>

**District School Board of Pasco County  
Changes in Net Position - Primary Government  
Last Ten Fiscal Years  
(Unaudited)**

		For the Fiscal Year Ending									
		June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Expenses</b>											
<b>Governmental Activities</b>											
Instruction	\$	348,572,526	351,559,669	343,287,586	363,757,272	334,933,329	343,554,241	358,768,503	362,962,619	386,321,690	408,448,107
Student Support Services		30,462,893	29,943,982	28,127,494	27,818,587	25,200,500	25,331,587	25,618,232	26,801,838	27,878,254	30,820,513
Instructional Media Services		10,360,657	8,979,508	10,116,970	9,838,612	7,354,703	6,917,067	1,906,905	2,343,060	2,395,795	2,271,748
Instruction and Curriculum Development Services		10,969,233	11,411,106	15,766,876	15,384,400	13,400,395	11,764,667	14,558,446	15,800,130	16,807,274	19,238,370
Instructional Staff Training		9,810,582	8,281,128	14,462,129	13,936,346	10,971,329	11,073,276	9,426,682	7,324,613	7,168,371	9,608,442
Instruction-Related Technology		6,342,050	6,531,075	6,335,019	6,147,471	4,847,994	4,892,506	8,425,406	6,888,825	7,181,975	7,983,137
Board		2,438,957	2,717,695	3,230,392	3,121,338	668,918	610,730	620,416	530,109	593,665	932,028
General Administration		2,842,753	1,805,179	3,323,964	3,351,534	1,259,433	1,632,018	2,556,141	2,407,270	3,366,050	3,709,541
School Administration		35,422,367	34,476,174	36,740,305	36,616,082	34,008,721	34,289,049	36,456,573	37,661,405	39,320,749	43,055,596
Facilities Acquisition and Construction		14,328,177	17,033,887	15,095,278	14,981,752	12,736,731	14,195,220	14,491,329	17,381,716	22,312,816	25,737,667
Fiscal Services		2,302,729	2,419,295	2,394,604	2,495,234	2,199,577	2,281,430	2,708,890	2,792,302	2,789,717	3,092,802
Food Services		29,733,446	29,605,467	31,228,131	30,842,650	30,476,104	31,884,356	32,787,091	35,477,047	39,016,954	40,699,866
Central Services		1,657,766	6,455,741	7,856,068	848,370	1,734,199	4,024,807	6,030,792	8,227,505	12,010,763	2,817,157
Student Transportation Services		30,352,782	28,153,490	27,870,375	28,495,921	27,912,093	27,623,111	29,162,574	29,695,863	29,927,606	32,940,721
Operation of Plant		45,807,271	43,875,230	46,244,124	46,454,690	46,432,259	42,208,748	45,192,330	42,537,525	45,765,410	44,284,504
Maintenance of Plant		13,161,025	13,258,894	13,349,962	12,712,872	11,012,852	10,903,885	11,583,005	10,565,620	11,374,941	12,375,243
Administrative Technology Services		3,066,415	3,229,763	3,299,616	3,173,777	3,084,540	3,146,509	3,692,101	6,047,282	9,929,967	9,795,116
Community Services		833,011	816,613	711,668	582,837	618,337	688,852	510,674	867,512	475,657	410,564
Interest on Long-term Liabilities		23,240,113	20,698,823	19,193,742	18,650,661	17,827,097	16,680,024	24,315,270	15,059,988	15,510,778	16,115,585
<b>Total Government Activities Expenses</b>		<b>621,704,753</b>	<b>621,252,719</b>	<b>628,634,303</b>	<b>639,210,406</b>	<b>586,679,111</b>	<b>593,702,083</b>	<b>628,811,360</b>	<b>631,372,229</b>	<b>680,148,432</b>	<b>714,336,707</b>
<b>Business-Type Activities:</b>											
PLACE Program		9,517,699	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,363,111	9,850,333	9,853,988
Vending Program		-	-	-	-	-	-	-	552,755	506,375	591,061
<b>Total Business-Type Activities Expenses</b>		<b>9,517,699</b>	<b>8,944,520</b>	<b>8,303,091</b>	<b>8,039,992</b>	<b>7,753,564</b>	<b>7,941,510</b>	<b>9,155,859</b>	<b>9,915,866</b>	<b>10,356,708</b>	<b>10,445,049</b>
<b>Total Primary Government Expenses</b>	<b>\$</b>	<b>631,222,452</b>	<b>630,197,239</b>	<b>636,937,394</b>	<b>647,250,398</b>	<b>594,432,675</b>	<b>601,643,593</b>	<b>637,967,219</b>	<b>641,288,095</b>	<b>690,505,140</b>	<b>724,781,756</b>
<b>Program Revenues</b>											
<b>Governmental Activities:</b>											
<b>Charges for services</b>											
Instruction	\$	3,424,682	1,645,400	3,486,329	254,868	1,511,101	522,095	586,263	407,780	524,903	508,294
Food Services		12,995,845	12,998,964	12,249,850	11,824,461	11,697,038	11,441,922	11,086,807	11,033,632	11,312,259	11,419,572
Student Transportation		1,054,361	859,519	820,661	1,031,745	1,148,279	992,215	1,060,679	1,209,902	1,142,417	1,210,992
Operating grants and contributions		32,184,868	32,957,214	34,949,693	35,241,557	21,417,728	37,633,087	38,821,862	40,056,713	42,499,928	44,065,787
Capital grants and contributions		68,481,567	27,380,354	10,997,212	8,129,586	8,198,949	9,128,908	12,418,525	12,852,412	14,539,299	21,752,287
<b>Total Government Activities Program Revenue</b>		<b>118,141,323</b>	<b>75,841,451</b>	<b>62,503,745</b>	<b>56,482,217</b>	<b>43,973,095</b>	<b>59,718,227</b>	<b>63,974,136</b>	<b>65,560,439</b>	<b>70,018,806</b>	<b>78,956,932</b>

## For the Fiscal Year Ending

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Business-Type Activities:</b>										
Charge for Services Provided	9,320,202	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,435,575	10,454,332	10,510,012
Charge for Sales	-	-	-	-	-	-	-	554,602	527,256	567,712
<b>Total Business-Type Activities Revenues</b>	<b>9,320,202</b>	<b>9,144,709</b>	<b>9,174,266</b>	<b>8,975,781</b>	<b>8,495,164</b>	<b>8,562,722</b>	<b>9,360,814</b>	<b>9,990,177</b>	<b>10,981,588</b>	<b>11,077,724</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 127,461,525</b>	<b>\$ 84,986,160</b>	<b>\$ 71,678,011</b>	<b>\$ 65,457,998</b>	<b>\$ 52,468,259</b>	<b>\$ 68,280,949</b>	<b>\$ 73,334,950</b>	<b>\$ 75,550,616</b>	<b>\$ 81,000,394</b>	<b>\$ 90,034,656</b>
<b>Net (Expense) Revenues</b>										
Government Activities	\$ (503,563,430)	\$ (545,411,268)	\$ (566,130,558)	\$ (582,728,189)	\$ (542,706,016)	\$ (533,983,856)	\$ (564,837,224)	\$ (565,811,790)	\$ (610,129,626)	\$ (635,379,775)
Business-Type Activities	9,320,202	200,189	871,175	935,789	741,600	621,212	204,955	74,311	624,880	632,675
<b>Total Primary Government Net (Expenses)Revenues</b>	<b>\$ (494,243,228)</b>	<b>\$ (545,211,079)</b>	<b>\$ (565,259,383)</b>	<b>\$ (581,792,400)</b>	<b>\$ (541,964,416)</b>	<b>\$ (533,362,644)</b>	<b>\$ (564,632,269)</b>	<b>\$ (565,737,479)</b>	<b>\$ (609,504,746)</b>	<b>\$ (634,747,100)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes:										
Levied for general purposes	\$ 159,132,655	\$ 163,132,311	\$ 143,328,208	\$ 137,589,229	\$ 133,136,587	\$ 120,318,952	\$ 121,552,684	\$ 123,010,141	\$ 128,319,631	\$ 129,369,699
Levied for debt services	5,361,489	-	484	-	-	-	-	-	-	-
Levied for capital purposes	43,207,373	42,857,117	36,814,096	32,903,497	32,505,792	30,896,444	31,131,186	32,660,786	34,313,082	36,291,600
Sales taxes	27,157,517	26,452,520	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307	25,738,211	26,942,544
Grants and contributions not restricted to Specific Programs	342,888,614	322,280,550	359,835,520	390,434,709	326,929,740	338,910,337	369,957,624	386,425,843	404,584,134	420,677,690
Transfers	154,071	-	-	-	-	3,000,000	1,000,000	-	56,634	405,273
Miscellaneous	11,549,775	9,890,216	17,536,819	14,463,706	9,702,528	8,129,246	12,125,787	14,454,399	22,699,580	14,408,081
Unrestricted investment earnings	10,595,698	379,403	5,176,446	2,385,946	547,374	1,326,648	580,012	816,253	1,824,994	1,532,310
<b>Total Governmental Activities</b>	<b>600,047,192</b>	<b>564,992,117</b>	<b>588,362,720</b>	<b>603,184,008</b>	<b>528,143,595</b>	<b>530,072,530</b>	<b>565,131,652</b>	<b>584,047,729</b>	<b>617,536,266</b>	<b>629,627,197</b>
<b>Business-Type Activities</b>										
Interest	103,894	37,709	2,263	3,741	13,223	33,677	121	20,578	10,665	19,651
Miscellaneous	-	746	-	-	5,907	-	389	309	284	259
Transfers	(154,071)	-	-	-	-	(3,000,000)	(1,000,000)	-	(56,634)	(405,273)
<b>Total Business-Type Activities</b>	<b>(50,177)</b>	<b>38,455</b>	<b>2,263</b>	<b>3,741</b>	<b>19,130</b>	<b>(2,966,323)</b>	<b>(999,490)</b>	<b>20,887</b>	<b>(45,685)</b>	<b>(385,363)</b>
<b>Total Primary Government</b>	<b>\$ 599,997,015</b>	<b>\$ 565,030,572</b>	<b>\$ 588,364,983</b>	<b>\$ 603,187,749</b>	<b>\$ 528,162,725</b>	<b>\$ 527,106,207</b>	<b>\$ 564,132,162</b>	<b>\$ 584,068,616</b>	<b>\$ 617,490,581</b>	<b>\$ 629,241,834</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 96,483,762	\$ 19,580,849	\$ 22,232,162	\$ 20,455,819	\$ (14,562,421)	\$ (3,911,326)	\$ 294,428	\$ 18,235,939	\$ 7,406,640	\$ (5,752,578)
Business-Type activities	(247,674)	238,644	873,438	939,530	760,730	(2,345,111)	(794,535)	95,198	579,195	247,312
<b>Total Primary Government</b>	<b>\$ 96,236,088</b>	<b>\$ 19,819,493</b>	<b>\$ 23,105,600</b>	<b>\$ 21,395,349</b>	<b>\$ (13,801,691)</b>	<b>\$ (6,256,437)</b>	<b>\$ (500,107)</b>	<b>\$ 18,331,137</b>	<b>\$ 7,985,835</b>	<b>\$ (5,505,266)</b>

Source: District records - CAFR Exhibit B

**District School Board of Pasco County  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)**

	For the Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
<b>General Fund:</b>				
<b>Fund Balance:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ 3,893,982
Restricted	-	-	-	7,563,258
Assigned	-	-	-	26,466,857
Unassigned	-	-	-	22,964,288
Reserved	24,833,534	14,467,726	12,185,376	-
Unreserved	36,087,039	32,803,154	37,788,339	-
<b>Total General Fund</b>	<b>\$ 60,920,573</b>	<b>\$ 47,270,880</b>	<b>\$ 49,973,715</b>	<b>\$ 60,888,385</b>
<b>All Other Governmental Funds</b>				
<b>Fund Balance:</b>				
Nonspendable				
Special Revenue-Food Service	\$ -	\$ -	\$ -	\$ 1,695,810
Capital Projects Other	-	-	-	-
Restricted				
Special Revenue	-	-	-	4,383,403
Debt Service	-	-	-	18,525,444
Capital Projects	-	-	-	135,332,919
Assigned				
Capital Projects	-	-	-	27,091,944
Reserved	111,256,904	87,804,190	32,442,711	-
Unreserved, reported in:				
Capital Projects funds	191,033,956	159,097,171	144,692,524	-
Debt Service funds	-	-	13,921,942	-
Special Revenue funds	1,127,901	1,700,634	3,665,452	-
<b>Total all other government funds</b>	<b>\$ 303,418,761</b>	<b>\$ 248,601,995</b>	<b>\$ 194,722,629</b>	<b>\$ 187,029,520</b>

Note: (A) The District implemented GASB 54 for the fiscal year ended June 30, 2011. Fiscal years prior to 2011 have not been restated for implementation of GASB 54.

Source: District records - CAFR Exhibit C



Table 3

						For the Fiscal Year Ending					
June 30, 2012		June 30, 2013		June 30, 2014		June 30, 2015		June 30, 2016		June 30, 2017	
\$	4,568,706	\$	3,612,982	\$	3,444,488	\$	3,706,116	\$	3,870,506	\$	3,437,955
	5,326,016		3,124,608		6,903,768		4,793,446		1,393,683		4,089,246
	15,673,843		17,407,505		11,451,799		21,418,729		25,344,899		25,728,404
	22,714,296		23,499,528		32,983,587		26,101,381		26,132,916		26,708,735
	-		-		-		-		-		-
	-		-		-		-		-		-
<u>\$</u>	<u>48,282,861</u>	<u>\$</u>	<u>47,644,623</u>	<u>\$</u>	<u>54,783,642</u>	<u>\$</u>	<u>56,019,672</u>	<u>\$</u>	<u>56,742,004</u>	<u>\$</u>	<u>59,964,340</u>
\$	1,380,195	\$	1,223,200	\$	1,153,542	\$	1,238,056	\$	1,168,050	\$	1,050,871
	-		-		-		-		11,882,999		3,831,027
	7,183,864		7,100,164		8,774,328		9,000,902		7,892,363		6,492,995
	21,389,660		17,001,808		14,026,067		11,958,237		13,252,861		18,885,182
	110,020,160		147,001,633		241,878,569		211,168,847		180,189,182		114,240,095
	31,775,584		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
<u>\$</u>	<u>171,749,463</u>	<u>\$</u>	<u>172,326,805</u>	<u>\$</u>	<u>265,832,506</u>	<u>\$</u>	<u>233,366,042</u>	<u>\$</u>	<u>214,385,455</u>	<u>\$</u>	<u>144,500,170</u>

**District School Board of Pasco County**  
**Changes in Fund Balances - Governmental Funds**  
**And Debt Service Ratios**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	June 30, 2008	For the Fiscal Year Ending		June 30, 2011
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 41,047,707	\$ 39,525,911	\$ 79,516,781	\$ 96,950,923
Food Services	15,555,805	17,236,057	19,688,152	20,815,526
Total Federal Sources	<u>56,603,512</u>	<u>56,761,968</u>	<u>99,204,933</u>	<u>117,766,449</u>
State Sources:				
Florida Education Finance Program	212,672,606	195,130,222	213,428,570	222,031,695
Public Education Capital Outlay	20,051,633	19,148,129	1,622,195	3,524,056
Food Services	488,356	382,031	493,454	426,031
State Grants and Other	145,324,059	105,937,551	84,614,338	85,811,367
Total State Sources	<u>378,536,654</u>	<u>320,597,933</u>	<u>300,158,557</u>	<u>311,793,149</u>
Local Sources:				
Property Taxes	216,116,400	211,284,811	180,142,788	170,492,726
Local Sales Taxes	27,157,517	26,452,520	25,671,147	25,406,921
Food Services	12,995,845	12,998,964	12,249,850	11,778,792
Investment Earnings	10,595,698	379,403	5,176,446	2,388,287
Local grants and other	14,407,476	11,409,494	20,931,370	19,274,584
Total local sources	<u>281,272,936</u>	<u>262,525,192</u>	<u>244,171,601</u>	<u>229,341,310</u>
Total Revenues	<u>716,413,102</u>	<u>639,885,093</u>	<u>643,535,091</u>	<u>658,900,908</u>
<b>Expenditures:</b>				
Current-Education:				
Instruction	322,304,412	324,672,253	313,051,706	325,557,314
Student Support Services	29,726,490	29,528,612	28,028,160	27,470,406
Instructional Media Services	9,859,723	9,889,155	9,787,927	9,468,350
Instruction and Curriculum Development Services	10,507,790	10,715,100	15,211,665	15,299,116
Instructional Staff Training	9,612,129	8,283,841	14,045,255	13,976,906
Instruction-Related Technology	6,232,514	6,535,854	6,270,107	6,126,500
Board	2,324,216	2,630,591	3,085,096	2,980,400
General Administration	2,767,340	2,325,305	3,355,050	3,317,673
School Administration	34,253,024	34,093,343	36,185,408	36,404,238
Facilities Services	7,826,662	6,192,119	6,532,646	6,424,831
Fiscal Services	2,211,103	2,422,560	2,316,906	2,404,739
Food Services	29,541,716	29,274,591	31,001,571	30,565,745
Central Services	7,317,591	6,900,844	6,326,380	6,675,392
Student Transportation Services	29,248,215	26,931,416	26,787,809	27,697,245
Operation of Plant	45,123,394	43,075,688	45,838,612	46,183,311
Maintenance of Plant	12,800,678	12,846,399	13,167,442	12,518,437
Administrative Technology Services	3,029,555	3,118,180	3,178,804	3,196,306
Community Services	816,942	805,803	698,604	648,347
Capital Outlay:				
Facilities Acquisition and Construction	143,463,842	106,068,134	97,667,371	37,632,689
Other Capital Outlay	3,614,880	2,176,402	2,212,318	1,930,515
Debt Service:				
Principal	17,470,000	20,115,000	20,987,001	21,812,001
Interest	20,787,539	19,679,686	18,099,076	17,440,390
Fiscal Charges	15,951,113	1,174,013	1,751,549	1,361,160
Total Expenditures	<u>766,790,868</u>	<u>709,454,889</u>	<u>705,586,463</u>	<u>657,092,011</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(50,377,766)</u>	<u>(69,569,796)</u>	<u>(62,051,372)</u>	<u>1,808,897</u>
<b>Other Financing Sources (Uses):</b>				
Face Value of Bonds Issued	5,295,000	-	1,300,000	1,450,000
Face Value of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Premiums on Bonds Issued	859,010	-	130,248	117,416
Face Value of Certificates of Participation Issued	143,605,000	1,170,010	11,000,000	-
Premiums on Certificates of Participation Issued	-	-	-	-
Face Value of Refunding Certificates of Participation	162,630,000	-	-	-
Capital Leases	-	-	-	-
Proceeds from the Sale of Capital Assets	193,213	133,327	63,037	45,248
Discounts on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	(147,930,000)	-	(1,418,444)	-
Transfers In	114,192,061	42,595,724	36,990,185	45,089,857
Transfers Out	(114,237,990)	(42,795,724)	(37,190,185)	(45,289,857)
Total Other Financing Sources (Uses)	<u>164,606,294</u>	<u>1,103,337</u>	<u>10,874,841</u>	<u>1,412,664</u>
<b>Net Change in Fund Balances</b>	<u>\$ 114,228,528</u>	<u>\$ (68,466,459)</u>	<u>\$ (51,176,531)</u>	<u>\$ 3,221,561</u>
Debt service as a percentage of noncapital expenditures	6.17%	6.62%	6.45%	6.36%

Table 4

June 30, 2012	June 30, 2013	For the Fiscal Year Ending		June 30, 2016	June 30, 2017
		June 30, 2014	June 30, 2015		
\$ 42,340,203	\$ 42,541,633	\$ 46,178,627	\$ 48,913,244	\$ 48,742,547	\$ 49,107,569
20,980,131	22,141,725	23,319,438	24,565,522	26,319,045	27,798,916
63,320,334	64,683,358	69,498,065	73,478,766	75,061,592	76,906,485
204,656,075	229,215,516	256,270,767	268,469,393	284,094,218	298,842,427
703,197	666,291	1,002,216	796,597	2,445,259	3,384,042
437,597	419,874	424,778	414,356	395,520	377,682
82,611,163	84,676,064	85,291,068	86,841,606	90,418,539	91,562,941
288,408,032	314,977,745	342,988,829	356,521,952	377,353,536	394,167,092
165,642,379	151,215,396	152,683,870	155,670,927	162,632,713	165,661,299
25,321,574	27,490,903	28,784,359	26,680,307	25,738,211	26,942,544
11,650,985	11,441,922	11,028,315	10,532,753	10,571,030	10,477,201
590,385	1,267,749	580,012	816,254	1,824,994	625,270
16,094,030	15,445,937	21,704,165	24,544,524	33,517,381	32,254,391
219,299,353	206,861,907	214,780,721	218,244,765	234,284,329	235,960,705
571,027,719	586,523,010	627,267,615	648,245,483	686,699,457	707,034,282
296,241,293	299,761,436	314,892,649	333,028,297	348,822,641	355,842,835
24,952,342	25,031,281	25,231,533	26,612,973	28,063,110	29,598,411
7,142,745	6,763,983	2,314,127	2,621,203	2,666,744	2,479,436
13,293,905	11,701,933	14,274,568	15,640,068	16,304,718	18,098,354
10,844,460	10,981,833	9,767,487	7,396,496	7,890,300	9,637,889
4,799,806	4,864,701	8,298,947	6,742,355	7,202,055	7,454,425
487,161	468,772	469,656	500,228	501,973	659,516
1,226,250	1,512,137	2,535,795	2,357,187	3,173,955	3,718,363
33,210,176	33,759,267	35,391,965	36,925,142	38,335,496	39,484,674
4,028,151	4,833,626	4,550,999	5,708,614	7,779,022	4,654,495
2,114,358	2,228,720	2,563,383	2,774,726	2,782,547	2,994,927
30,189,633	31,598,711	32,469,486	35,249,881	38,602,742	39,648,115
5,903,365	5,643,763	6,490,365	7,760,284	7,710,236	7,630,842
27,217,617	27,052,856	28,396,338	29,405,350	29,452,611	31,296,318
46,025,891	41,856,266	44,337,010	42,452,205	45,519,558	42,785,163
10,877,222	10,586,881	11,342,028	10,536,743	11,004,569	11,563,187
3,030,764	3,118,929	3,601,933	5,988,463	9,330,449	9,099,520
622,397	667,873	533,017	856,821	434,922	416,265
35,571,766	28,043,055	42,671,034	78,196,590	131,094,037	124,023,320
907,144	1,334,131	1,692,110	3,611,166	1,388,704	1,338,599
22,527,001	23,557,001	24,607,001	21,324,001	24,451,976	29,452,032
17,133,664	16,110,854	25,426,070	15,980,740	16,400,738	18,002,773
721,224	660,328	2,251,649	706,254	643,131	334,264
599,068,335	592,138,337	644,109,150	692,375,787	\$779,556,234	\$790,213,723
(28,040,616)	(5,615,327)	(16,841,535)	(44,130,304)	(92,856,777)	(83,179,441)
1,710,000	-	96,715,000	-	30,075,000	-
-	-	1,724,000	2,411,000	-	3,288,000
-	-	272,637	174,776	-	501,636
226,415	-	16,459,978	7,814,270	-	-
-	-	-	13,655,000	25,995,000	-
-	-	-	-	4,398,965	-
-	-	151,696,458	44,145,000	-	-
-	-	-	-	13,771,923	10,410,158
154,466	8,346	6,651	100,000	116,000	1,726,425
-	-	(186,756)	-	-	-
(1,931,399)	-	(150,186,713)	(55,585,176)	-	-
58,144,210	42,070,126	51,152,626	38,549,554	41,839,953	50,421,041
(58,148,657)	(36,524,041)	(50,167,626)	(38,364,554)	(41,598,319)	(49,830,768)
155,035	5,554,431	117,486,255	12,899,870	74,598,522	16,516,492
\$ (27,885,581)	\$ (60,896)	\$ 100,644,720	\$ (31,230,434)	\$ (18,258,255)	\$ (66,662,949)
7.05%	7.05%	8.34%	6.11%	6.31%	7.14%

District School Board of Pasco County  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands)  
(Unaudited)

Fiscal Year	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2017	\$ 29,067,345	\$ 3,032,422	\$ 5,641,534	\$ 1,205,663	\$ 23,425,811	\$ 1,826,759	\$ 16,520	\$ 25,269,090	78.68%	6.78
2016	27,320,145	2,914,474	5,409,988	1,206,661	21,910,157	1,707,813	15,499	23,633,469	78.13%	7.11
2015	26,247,234	2,846,669	5,377,106	1,209,922	20,870,128	1,636,747	15,296	22,522,171	77.37%	7.34
2014	25,234,228	2,819,116	5,392,933	1,215,988	19,841,295	1,603,128	14,769	21,459,192	76.45%	7.34
2013	24,978,580	2,876,461	5,389,039	1,203,332	19,589,541	1,673,129	14,013	21,276,683	76.35%	6.86
2012	28,013,760	3,039,322	7,278,503	1,322,493	20,735,257	1,716,829	14,073	22,466,159	72.31%	6.37
2011	29,126,608	3,111,656	7,962,504	1,342,488	21,164,104	1,769,168	12,413	22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.37
2009	39,790,826	3,474,265	12,525,774	1,324,268	27,265,052	2,149,997	12,816	29,427,865	68.00%	5.43
2008	42,731,681	3,026,634	15,219,773	847,859	27,511,908	2,178,775	3,678	29,694,361	64.89%	5.43

- (1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property. . .". Consequently, estimated actual value, above, is assessed value before exemptions. Pasco County Property Appraiser's Office.
- (2) Chapter 196, Florida Statutes, grants various exemptions for qualifying historic, economic development, governmental, and institutional property, the latter including charitable, religious, scientific, literary and educational property. Exemptions are also granted for residential property for widows/widowers, disabled/blind, homestead exemption (\$25,000), additional homestead exemption (age 65 or older, \$25,000), and homestead differential (just value minus a capped value).
- (3) Property, such as railroad property, for which valuation is provided to the Property Appraiser by the Florida Department of Revenue [see Section 193.085(4), Florida Statutes].
- (4) Centrally Assessed Property has been added to the total estimated actual value of Real and Personal Property when computing this percentage.
- (5) Total Tax Levy (Pasco County CAFR) to Total Taxable Assessed Value (above). Tax rates are per \$1,000 of assessed value.

Source: Pasco County Property Appraiser

**District School Board of Pasco County  
General Governmental Tax Revenues by Source  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Property Tax			Sales Tax	Total
	General Purposes	Debt Service (1)	Capital Projects		
2017	\$ 129,368,717	\$ -	\$ 36,199,530	\$ 26,942,544	192,510,791
2016	128,319,631	-	34,313,082	25,738,211	188,370,924
2015	123,010,141	-	32,660,786	26,680,307	182,351,234
2014	121,552,684	-	31,131,186	28,784,359	181,468,229
2013	120,318,952	-	30,896,444	27,490,903	178,706,299
2012	133,136,587	-	32,505,792	25,321,574	190,963,953
2011	137,589,229	-	32,903,497	25,406,921	195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935
2009	163,132,311	-	42,857,117	26,452,520	232,441,948
2008	159,132,655	5,361,489	43,207,373	27,157,517	234,859,034

(1) The voter approved property tax for debt service has ended; any debt service revenues collected after the 2007-2008 fiscal year represent delinquent collections. The final debt service payment was made in the 2007-2008 fiscal year.

Source: District Records

**District School Board of Pasco County  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2017	\$ 171,248,625	\$ 165,568,248	96.7%	\$ -	165,568,248	96.7%
2016	168,011,731	162,533,528	96.7%	93,052	162,626,580	96.8%
2015	160,986,519	155,605,008	96.7%	159,639	155,764,647	96.8%
2014	157,875,272	152,490,829	96.6%	161,858	152,652,687	96.7%
2013	156,192,206	151,072,442	96.7%	142,954	151,215,396	96.8%
2012	171,750,509	165,642,379	96.4%	554,161	166,196,540	96.8%
2011	178,353,964	170,468,487	95.6%	24,239	170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%
2009	212,147,737	205,271,904	96.8%	717,524	205,989,428	97.1%
2008	214,038,792	207,240,160	96.8%	461,357	207,701,517	97.0%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter. Accordingly, taxes collected usually will not be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

(A) Net of allowable discounts

Sources: District records

**District School Board of Pasco County  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(per \$1,000 assessed valuation)  
(Unaudited)**

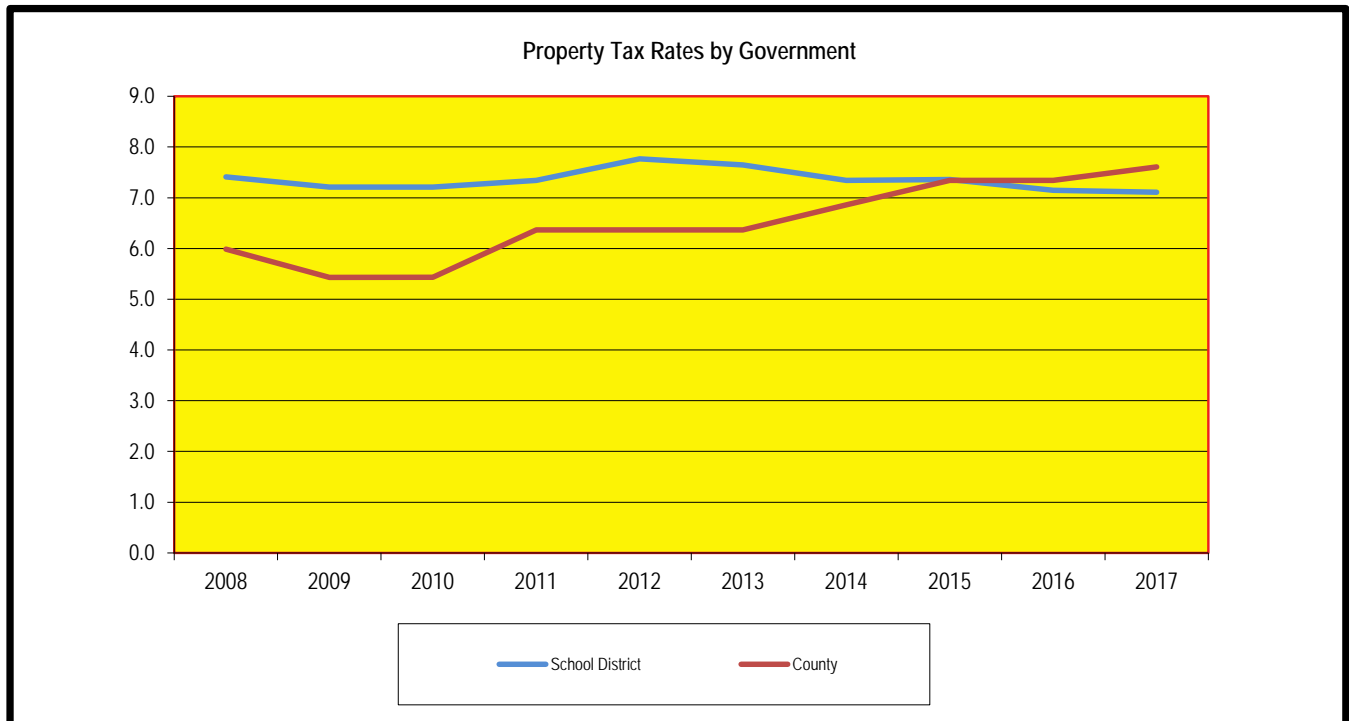
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2017	4.529	0.748	0.000	1.500	0.000	6.777	7.608
2016	4.861	0.748	0.000	1.500	0.000	7.109	7.608
2015	4.901	0.748	0.000	1.500	0.000	7.149	7.344
2014	5.109	0.748	0.000	1.500	0.000	7.357	7.344
2013	5.093	0.748	0.000	1.500	0.000	7.341	6.862
2012	5.396	0.748	0.000	1.500	0.000	7.644	6.367
2011	5.519	0.748	0.000	1.500	0.000	7.767	6.367
2010	5.092	0.748	0.000	1.500	0.000	7.340	6.367
2009	4.969	0.498	0.241	1.500	0.000	7.208	5.433
2008	4.781	0.510	0.231	1.500	0.186	7.208	5.433

(1) For the 2009-2010 fiscal year and thereafter, the State of Florida combined the Supplemental Discretionary and Discretionary Local Millage into one Millage rate.

(2) The voter approved Debt Service Millage expired with the 2007-2008 fiscal year.

(3) Local Required Effort Millage for the 2010-2011 fiscal year includes the millage of .250 for Critical Need.

Source: Pasco County website - [www.pascocountyfl.net/menu/oindex.htm](http://www.pascocountyfl.net/menu/oindex.htm)



District School Board of Pasco County  
Principal Property Taxpayers  
Current and Nine Years Ago  
(Unaudited)

Table 9

Taxpayer	2017			2008		
	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Duke Energy Center (Florida Power Corporation)	1	\$ 454,851,419	1.84%			
Withlacoochee River Electric Cooperative	2	253,388,475	1.02%	3	204,715,130	0.54%
HCA Health Services of Florida	3	175,841,610	0.71%	7	78,991,615	0.21%
Frontier Communications Inc. (1)	4	112,299,525	0.45%	1	425,957,813	1.13%
Tampa Premium Outlets	5	104,117,823	0.42%			
FL Gas Transmission Company	6	81,282,081	0.32%			
Wal-Mart Stores	7	80,597,868	0.32%	6	80,264,450	0.21%
Goodforest LLC	8	77,282,435	0.30%			
Brighthouse Networks	9	75,807,544	0.31%	5	106,954,371	0.28%
Tampa Electric Company	10	70,546,724	0.28%			
Zephyrhills Bottle Water America, Inc.				8	67,564,940	0.18%
Gulf View Associates				10	48,925,930	0.13%
Target Corporation				9	51,116,984	0.13%
Florida Power Corp.				2	291,049,848	0.77%
Shady Hills Power Company LLC				4	149,318,609	0.39%
<b>Total</b>		<b>\$ 1,486,015,504</b>	<b>5.97%</b>		<b>\$ 1,504,859,690</b>	<b>3.97%</b>

(1) Formerly Verizon Communications Inc.

Source: Pasco County Property Appraiser



**District School Board of Pasco County  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)**

Governmental Activities												Personal	Ratio of
Fiscal	State Board	District	General	Sales	Certificates	Note	Capital	Total	Estimated	Per	Income	Outstanding Debt	
Year	of Education	Revenue	Obligation	Tax Revenue	of	Payable	Leases	Primary	Population	Capita	(thousands of	To Personal	
	Bonds	Bonds	Bonds	Bonds	Participation			Government			dollars)	Income (1)	
2017	\$ 8,497,480	\$ 2,442,819	\$ -	\$ 115,368,138	\$ 354,936,552	\$ -	\$ 17,316,666	498,561,655	512,368	973	N/A	N/A	
2016	9,887,266	2,545,807	-	127,361,057	369,048,086	-	11,487,471	520,329,687	497,909	1,045	18,017,635	29	
2015	12,068,756	2,643,796	-	106,873,977	351,603,807	-	-	473,190,336	485,331	975	16,478,279	29	
2014	13,770,270	2,736,785	-	122,299,509	340,136,322	-	-	478,942,886	475,502	1,007	15,679,803	31	
2013	15,498,519	2,829,773	-	27,254,033	342,845,923	-	-	388,428,248	470,391	826	15,735,511	25	
2012	18,633,288	2,917,763	-	40,030,452	352,547,848	-	-	414,129,351	466,457	888	14,974,427	28	
2011	18,748,406	3,005,751	-	52,221,872	361,874,773	-	-	435,850,802	464,697	938	13,790,695	32	
2010	18,687,776	3,088,157	-	63,858,291	371,141,698	-	-	456,775,922	471,709	968	13,635,875	33	
2009	20,078,502	3,170,563	-	75,064,711	369,093,623	-	-	467,407,399	439,702	1,063	12,750,465	37	
2008	21,412,537	3,247,970	-	85,861,130	376,523,536	-	-	487,045,173	438,668	1,110	12,750,465	38	

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements  
N/A = Data not currently available  
(1) Ratio per thousand dollars of personal income

Source: District records  
Pasco County Government  
US Census Bureau: <http://quickfacts.census.gov/qfd/states/12/12101.html>

District School Board of Pasco County  
Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

Table 11

Fiscal Year	Estimated Population (1)	Net Taxable Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (4)	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2017	512,368	25,269,090	-	-	-	0.00%	-
2016	497,909	23,633,469	-	-	-	0.00%	-
2015	485,331	22,522,171	-	-	-	0.00%	-
2014	475,502	21,459,192	-	-	-	0.00%	-
2013	470,391	21,276,683	-	-	-	0.00%	-
2012	466,457	22,466,159	-	-	-	0.00%	-
2011	464,697	22,963,002	-	-	-	0.00%	-
2010	471,709	25,445,098	-	-	-	0.00%	-
2009	439,702	29,432,261	-	-	-	0.00%	-
2008	438,668	29,694,616	-	-	-	0.00%	-

(1) 2010 Population estimate was obtained from the United States Census Bureau.

(2) Net Taxable Assessed Values are expressed in thousands.

(3) Includes General Obligation Bonds only.

(4) Reserved for Debt Service - General Obligation Bonds only.

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

Source: District records

District School Board of Pasco County  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2017  
 (Unaudited)

Table 12

Jurisdiction	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	\$ 77,596,000	0%	\$ -
District School Board of Pasco County Direct Debt	498,561,655	100%	498,561,655
Totals	<u>\$ 576,157,655</u>		<u>\$ 498,561,655</u>

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

Source : District records  
 Pasco County CAFR, September 30, 2016

**District School Board of Pasco County  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (Unaudited)**

Table 13

	For the Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Assessed Valuation	\$ 29,694,362,126	\$ 29,432,260,894	\$ 25,445,098,119	\$ 22,963,002,249
Debt Limit	\$ 2,969,436,213	\$ 2,943,226,089	\$ 2,544,509,812	\$ 2,296,300,225
Less: Net Debt applicable to the limit	487,045,173	467,407,399	456,775,922	435,850,802
Legal debt margin	<u>\$ 2,482,391,040</u>	<u>\$ 2,475,818,690</u>	<u>\$ 2,087,733,890</u>	<u>\$ 1,860,449,423</u>
Total net debt applicable to the limit as a percentage of debt	16.40%	15.88%	17.95%	18.98%

Note:

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

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Source: District Records  
 Pasco Property Appraisers Office

Table 13

	For the Fiscal Year Ending				
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 22,466,159,275	\$ 21,276,683,168	\$ 21,459,191,534	\$ 22,522,171,880	\$ 23,633,468,723	\$ 25,269,090,310
\$ 2,246,615,928	\$ 2,127,668,317	\$ 2,145,919,153	\$ 2,252,217,188	\$ 2,363,346,872	\$ 2,526,909,031
414,129,351	388,428,248	478,942,886	473,190,336	520,329,687	498,561,655
<u>\$ 1,832,486,577</u>	<u>\$ 1,739,240,069</u>	<u>\$ 1,666,976,267</u>	<u>\$ 1,779,026,852</u>	<u>\$ 1,843,017,185</u>	<u>\$ 2,028,347,376</u>
18.43%	18.26%	22.32%	21.01%	22.02%	19.73%

District School Board of Pasco County  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)

Table 14

Fiscal Year	Local Sales Tax Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2017	\$ 26,942,544	\$ 10,430,000	\$ 4,587,820	\$ 15,017,820	1.79
2016	25,738,211	8,025,000	4,358,318	\$ 12,383,318	2.08
2015	26,680,307	13,525,000	5,051,869	\$ 18,576,869	1.44
2014	28,784,359	12,885,000	2,140,898	\$ 15,025,898	1.92
2013	27,490,903	12,270,000	1,627,250	\$ 13,897,250	1.98
2012	25,321,574	11,685,000	2,226,125	\$ 13,911,125	1.82
2011	25,406,921	11,130,000	6,003,289	\$ 17,133,289	1.48
2010	25,671,147	10,700,000	3,288,750	\$ 13,988,750	1.84
2009	26,452,520	10,290,000	3,914,350	\$ 14,204,350	1.86
2008	27,157,517	6,105,000	2,529,785	\$ 8,634,785	3.15

Sources: District records

**District School Board of Pasco County  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Estimated Population (1)</b>	<b>Personal Income (thousands of dollars) (5)</b>	<b>Per Capita Personal Income (4)</b>	<b>Unemployment Rate (2)</b>	<b>Student Membership (3)</b>
2017	512,368	N/A	N/A	6.5%	72,493
2016	497,909	\$ 18,017,635	\$ 36,187	5.3%	70,521
2015	485,331	16,478,279	33,953	6.1%	69,302
2014	475,502	15,679,803	32,975	8.1%	67,230
2013	470,391	15,735,511	33,452	9.9%	66,417
2012	466,457	14,974,427	32,102	9.0%	65,976
2011	464,697	13,790,695	29,236	11.7%	66,162
2010	437,500	13,635,875	29,113	13.2%	66,207
2009	439,702	12,750,465	27,628	12.5%	66,190
2008	438,668	12,750,465	29,066	8.1%	66,313

N/A = Data not currently available

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Source: (1) US Census Bureau  
(2) US Bureau of Labor Statistics  
(3) District records  
(4) Pasco County Government  
(5) FL Office of Economic and Demographic Research

**District School Board of Pasco County  
Principal Employers in Pasco County  
Current and Nine Years Ago  
(Unaudited)**

Table 16

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
District School Board of Pasco County	1	10,728	5.13%	1	9,210	4.97%
Pasco County Government	2	3,851	1.84%	2	2,320	1.25%
HCA Health Services of Florida	3	2,825	1.35%	7	1,000	0.54%
Florida Medical Clinic	4	1,710	0.82%			
Medical Center of Trinity	5	1,400	0.67%			
Pasco County Sheriff	6	1,245	0.60%	4	1,207	0.65%
State of Florida Government	7	1,215	0.58%	3	1,299	0.70%
Morton Plant North Bay Hosp./Recovery Center	8	1,051	0.50%			
Florida Hospital Wesley Chapel	9	1,050	0.50%			
Florida Hospital Zephyrhills	10	962	0.46%	10	708	0.38%
Wal-Mart Stores				5	1,100	0.59%
Community Hospital of New Port Richey				6	1,050	0.57%
Saddlebrook Resort				9	720	0.39%
Regional Medical Center Bayonet Point				8	976	0.53%
Total		<u>26,037</u>	<u>12.46%</u>		<u>19,590</u>	<u>10.57%</u>

Source: Pasco Economic Development Council  
District School Board of Pasco County 2008 CAFR



**District School Board of Pasco County  
Number of Personnel  
Last Ten Fiscal Years  
(Unaudited)**

Table 17

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Students
2017	5,427	332	4,315	10,074	12.77
2016	5,275	318	4,315	9,908	12.81
2015	5,205	307	4,201	9,713	12.57
2014	5,094	297	3,971	9,362	12.47
2013	5,179	294	3,597	9,070	12.14
2012	5,268	287	3,841	9,396	11.88
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,783	12.10
2009	6,261	329	4,310	9,210	10.04
2008	6,045	324	2,620	8,675	10.41

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Source: FL DOE EIAS Publications  
District records

District School Board of Pasco County  
 Teacher Base Salaries  
 Last Ten Fiscal Years  
 (Unaudited)

Table 18

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>County Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2017	\$ 38,650	\$ 63,090	\$ 42,317	\$ 47,858
2016	38,120	62,560	43,117	48,179
2015	37,560	62,000	43,555	47,950
2014	37,000	64,440	41,824	46,583
2013	36,420	63,870	42,595	46,479
2012	36,420	63,870	42,710	45,723
2011	36,420	63,870	42,710	46,089
2010	36,420	63,870	42,850	46,938
2009	36,420	63,870	43,901	46,655
2008	36,420	63,870	45,211	45,296

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

**District School Board of Pasco County  
Operating Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures (1)</u>	<u>Cost per Student</u>	<u>Percentage Change</u>	<u>Instructional Staff</u>	<u>Student Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2017	73,570	\$ 532,588,202	7,239	-0.16%	5,427	13.56	55.22%
2016	71,658	519,575,424	7,251	1.37%	5,275	13.58	56.13%
2015	69,302	495,701,633	7,153	2.34%	5,205	13.31	56.36%
2014	67,230	469,876,446	6,989	3.23%	5,094	13.20	55.53%
2013	66,417	449,649,188	6,770	-1.03%	5,179	12.82	55.00%
2012	65,976	451,316,247	6,841	0.43%	5,268	12.52	57.28%
2011	66,162	450,668,927	6,812	-0.93%	5,412	12.23	52.14%
2010	66,207	455,202,664	6,875	-7.53%	5,133	12.90	48.78%
2009	66,190	492,124,221	7,435	-0.34%	6,261	10.57	44.85%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.36%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

District School Board of Pasco County  
 School Building Information  
 Last Ten Fiscal Years  
 (Unaudited)

Table 20

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2007-2008	2008-2009	2009-2010
					<b>Elementary Schools</b>		
Anclote	1973	64,909	4	481	585.62	568.08	574.60
Calusa	1979	75,551	4	657	682.42	632.04	581.83
Centennial	1986	87,837	4	687	689.60	697.81	653.01
Chasco	2000	104,734	7	624	704.37	652.34	662.78
Chester W. Taylor	1996	96,454	12	536	827.22	599.12	611.35
Connerton	2010	118,741	-	762	-	-	-
Cotee River	1993	122,295	1	751	721.32	657.12	619.73
Cypress	1973	70,663	12	708	904.72	889.03	831.56
Deer Park	1988	78,637	7	615	632.70	648.37	677.73
Denham Oaks	1994	130,212	4	870	868.77	872.12	846.44
Double Branch	2008	105,122	6	762	723.47	763.21	798.68
Fox Hollow	1990	113,120	4	774	684.15	615.47	609.34
Gulf Highlands	2006	124,261	-	762	634.96	589.40	592.77
Gulf Trace	2008	96,625	-	762	231.98	563.17	588.38
Gulfside	1977	75,658	3	649	624.43	548.29	554.88
Hudson	1966	77,623	15	561	759.20	675.36	699.77
James M. Marlowe	1999	102,826	1	616	542.67	530.62	508.46
Lacoochee	1971	82,667	3	579	396.10	399.06	410.84
Lake Myrtle	1984	98,634	9	754	825.13	782.83	832.77
Longleaf	2005	104,502	15	674	893.19	943.09	990.02
Dr. Mary Giella	1989	89,354	3	634	656.98	631.46	649.01
Mitty P. Locke	1966	85,466	6	746	856.74	585.38	589.00
Moon Lake	1982	74,370	11	602	674.65	611.51	665.65
New River	2008	109,787	-	762	256.91	449.63	510.51
Northwest	1973	82,160	6	720	670.47	707.31	656.62
Oakstead	2006	126,143	24	762	1,000.33	1,096.17	1,064.34
Odessa	2010	97,687	-	762	-	-	-
Pasco	1954	92,802	4	715	661.28	650.22	631.16
Pine View	2003	99,191	9	624	716.19	721.16	737.84
Quail Hollow	1975	66,565	2	494	794.95	390.03	380.95
Richey	1958	77,103	10	558	623.48	600.02	620.77
Rodney B. Cox	1925	67,685	8	510	447.42	460.75	413.01
San Antonio	1981	89,860	2	776	689.54	724.58	646.69
Sand Pine	1998	82,033	16	517	749.86	707.03	701.02
Sanders Memorial	1944	33,670	1	280	854.25	745.26	725.74
Schrader	1972	90,253	1	749	569.85	625.07	587.90
Seven Oaks	2005	101,322	22	674	1,153.35	887.82	928.79
Seven Springs	1987	92,004	-	636	620.09	579.26	571.16
Shady Hills	1973	74,506	2	437	563.38	536.06	505.15
Sunray	2000	98,044	-	629	577.86	533.01	523.23
Trinity	2001	101,287	9	621	649.54	663.27	699.92
Trinity Oaks	2006	116,975	-	762	650.32	685.86	729.63
Veterans	2008	95,730	-	762	-	726.44	765.82
Watergrass	2009	97,974	-	762	-	-	472.38
Wesley Chapel	2002	99,856	18	618	1,095.98	1,071.34	589.01
West Zephyrhills	1958	83,003	9	758	818.70	813.51	750.10
Wiregrass	2016	79,071	-	882	-	-	-
Woodland	1977	78,211	25	670	945.82	917.58	924.14
<b>Total Elementary Schools</b>					<b>30,229.96</b>	<b>29,746.26</b>	<b>29,684.48</b>
<b>Middle Schools</b>							

Table 20

Full-Time Equivalent Enrollment Data						
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
539.34	512.51	531.84	597.97	576.02	415.40	504.35
597.29	591.85	552.24	614.90	582.90	611.85	518.60
670.28	644.00	581.24	641.11	519.58	481.20	460.97
653.15	663.37	694.27	790.01	674.91	702.24	733.12
532.22	577.48	541.19	567.85	519.93	504.38	537.68
809.50	847.35	870.13	1,044.52	963.61	801.13	860.63
603.90	540.11	586.82	732.95	622.38	669.98	679.39
810.75	797.54	766.01	826.41	785.44	804.90	801.05
671.86	642.78	604.63	581.30	581.85	579.13	580.39
803.96	744.33	699.39	792.01	685.62	623.62	692.54
808.39	810.32	837.35	965.60	862.23	894.83	781.59
560.06	524.90	537.03	610.18	514.62	498.41	490.98
552.29	532.72	541.09	620.71	535.74	590.86	624.29
590.27	592.26	626.18	677.12	668.68	671.11	586.53
541.33	542.97	527.87	591.28	516.90	465.27	418.69
711.44	717.82	674.55	698.64	595.89	572.61	568.67
498.20	501.41	443.23	453.08	403.20	438.07	482.94
420.72	384.53	375.27	382.82	364.31	347.78	314.46
782.25	730.81	669.57	750.06	647.89	611.50	628.28
651.78	674.12	647.99	721.05	641.33	664.09	685.60
647.39	621.79	614.45	711.56	643.90	657.65	645.64
555.85	526.58	523.80	603.91	567.80	543.45	607.61
726.45	656.84	671.33	726.69	571.53	568.85	604.08
582.75	571.90	594.40	762.82	653.65	683.97	774.97
642.88	624.11	625.89	776.65	665.23	630.06	595.93
974.99	1,017.56	1,076.36	1,260.66	1,142.92	1,041.70	1,117.95
637.67	691.79	710.82	812.15	836.06	918.61	1,025.37
638.28	621.12	666.33	716.92	640.24	650.14	620.23
733.38	704.31	735.28	764.97	623.24	550.51	584.79
399.04	370.77	345.23	-	-	385.16	430.11
581.41	580.95	591.52	666.87	605.66	621.79	628.41
378.46	360.75	369.23	411.66	393.74	378.06	379.24
660.75	682.60	636.18	709.08	610.35	625.66	645.49
672.20	661.58	633.56	663.64	573.99	610.31	545.08
-	-	-	-	-	708.28	741.92
552.92	543.04	536.14	587.85	594.09	622.25	640.08
932.35	933.80	950.81	1,088.11	1,083.04	1,112.34	843.08
549.23	530.81	529.89	547.25	514.23	479.25	482.95
459.60	424.80	415.72	-	-	487.26	501.88
541.80	539.64	524.65	538.71	513.55	549.92	533.20
531.68	497.99	524.47	623.14	581.61	607.43	614.05
721.54	707.72	690.95	755.83	713.37	725.04	715.98
815.70	805.46	802.90	884.72	794.85	802.79	847.98
487.05	504.21	563.65	804.81	782.34	615.24	651.72
579.82	591.37	621.56	868.26	812.39	632.85	625.56
767.94	764.74	789.28	864.26	799.37	825.24	865.56
-	-	-	-	-	-	528.62
866.69	853.97	850.97	958.35	904.12	946.57	907.80
29,446.80	28,963.38	28,903.26	31,768.44	28,884.30	29,928.74	30,656.03

(continued)

District School Board of Pasco County  
 School Building Information  
 Last Ten Fiscal Years  
 (Unaudited)

Table 20

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2007-2008	2008-2009	2009-2010
<b>Middle Schools</b>							
Bayonet Point	1973	133,360	5	1,000	975.00	1,005.52	947.24
Centennial	2001	115,614	6	686	660.36	659.14	664.91
Charles S. Rushe	2007	192,785	11	1,494	1,223.93	1,279.33	1,317.04
Chasco	2001	134,642	4	944	855.84	869.92	791.23
Crews Lake	2008	192,206	-	1,493	-	666.70	683.16
Dr. John Long	2006	187,602	23	1,475	1,534.60	1,653.75	1,705.56
Gulf	1964	167,643	3	1,546	935.59	919.45	878.77
Hudson	1984	148,691	5	1,168	1,186.12	892.03	864.90
Pasco	1946	136,864	10	1,124	707.82	720.33	717.11
Paul R. Smith	2006	187,602	-	1,430	899.50	917.81	937.36
Pine View	1977	138,136	6	1,280	898.10	885.29	877.43
Raymond B. Stewart	1926	186,071	5	1,195	1,017.92	1,014.75	970.64
River Ridge (c)	1990	-	12	1,380	1,421.79	1,149.35	1,131.99
Seven Springs	1995	224,939	5	1,500	1,329.30	1,381.79	1,358.92
Thomas E. Weightman	1990	162,472	10	1,083	1,057.25	1,073.09	1,048.49
<b>Total Middle Schools</b>					<b>14,703.12</b>	<b>15,088.25</b>	<b>14,894.75</b>
<b>Education Centers</b>							
Energy & Marine	1964	13,287	-	75	66.47	82.27	-
F. K. Marchman Tech	1984	177,967	5	749	454.04	397.77	392.28
Harry Schwettman	1923	28,351	4	155	128.12	158.17	86.28
James Irvin	1995	22,214	20	500	107.76	110.00	71.09
Moore Mickens	1952	73,442	4	513	207.55	200.73	184.90
Other Programs	n/a	n/a	-	n/a	858.02	893.76	813.09
<b>Total Education Centers</b>					<b>1,821.96</b>	<b>1,842.70</b>	<b>1,547.64</b>
<b>High Schools</b>							
Anclote	2009	222,463	-	1,766	-	-	913.35
Fivay	2010	278,342	-	1,922	-	-	-
Gulf	1971	240,232	7	1,617	1,676.71	1,654.55	1,382.12
Hudson	1973	185,238	5	1,694	1,601.01	1,542.26	1,505.06
J. W. Mitchell	2000	220,930	26	1,951	2,458.87	2,388.46	1,832.02
Land O' Lakes	1973	207,212	16	1,596	1,687.95	1,465.35	1,486.85
Pasco	1964	241,858	18	1,554	1,244.55	1,230.23	1,233.96
Ridgewood	1977	195,139	12	1,542	1,824.09	1,752.22	1,765.37
River Ridge (c)	1990	446,228	7	1,970	1,933.85	1,881.95	1,823.88
Sunlake	2007	218,643	-	1,787	1,115.57	1,433.25	1,507.19
Wesley Chapel	1999	217,180	3	1,547	1,569.29	1,290.21	1,305.37
Wiregrass Ranch	2006	218,690	18	1,764	1,316.77	1,813.07	1,960.21
Zephyrhills	1973	217,998	15	1,444	1,624.66	1,524.86	1,509.82
<b>Total High Schools</b>					<b>18,053.32</b>	<b>17,976.41</b>	<b>18,225.20</b>
<b>Middle Schools</b>							

Table 20

Full-Time Equivalent Enrollment Data						
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
822.68	781.17	769.27	736.24	700.15	515.28	744.46
668.89	675.20	643.13	629.92	559.65	552.78	583.08
1,329.22	1,283.69	1,302.23	1,284.12	1,306.24	1,365.71	1,400.11
764.44	740.46	741.89	730.59	683.57	819.86	699.26
819.51	792.16	755.10	1,226.87	1,191.32	628.80	695.89
1,778.26	1,538.44	1,609.63	1,617.68	1,675.59	1,725.23	1,874.01
874.74	845.93	823.45	827.18	706.80	780.30	865.77
869.61	850.69	802.90	783.49	733.96	735.64	687.85
725.71	866.67	851.18	922.49	909.30	901.40	906.23
1,017.48	1,050.05	1,054.24	1,080.12	999.58	979.31	932.09
823.42	847.56	903.37	925.71	916.54	895.56	922.75
950.57	1,027.45	1,063.36	992.98	965.99	920.33	908.07
1,060.62	1,064.96	1,056.95	1,168.70	1,099.45	1,069.18	1,047.57
1,288.22	1,302.63	1,362.97	1,383.08	1,415.36	1,523.27	1,634.22
1,075.54	1,137.23	1,211.74	1,249.98	1,129.51	1,121.96	1,160.36
14,868.91	14,804.29	14,951.41	15,559.15	14,993.01	14,534.61	15,061.72
-	-	-	-	-	-	-
335.39	275.55	224.17	258.55	209.59	131.48	77.31
106.80	128.08	126.03	125.15	129.67	131.42	113.98
107.02	103.04	99.24	121.85	90.24	137.96	141.33
163.51	148.80	143.78	150.56	101.94	-	-
1,082.05	1,381.08	1,541.93	2,241.33	2,077.25	2,207.33	2,180.14
1,794.77	2,036.55	2,135.15	2,897.44	2,608.69	2,608.19	2,512.76
1,155.12	1,140.05	1,202.70	1,290.68	1,284.84	1,272.23	1,234.65
1,206.52	1,496.63	1,479.13	1,454.15	1,186.25	1,230.19	1,230.54
1,286.34	1,224.47	1,188.19	1,226.20	1,108.02	1,154.81	1,208.99
1,126.44	1,086.02	1,088.98	1,278.34	1,165.70	1,110.44	1,092.41
1,660.55	1,657.86	1,631.13	1,677.98	1,698.09	1,798.21	1,891.01
1,518.99	1,558.24	1,551.39	1,604.11	1,597.88	1,640.06	1,660.31
1,228.31	1,293.52	1,348.07	1,349.65	1,486.56	1,636.45	1,647.96
1,188.49	1,037.44	1,038.30	1,079.88	1,023.36	1,011.42	992.89
1,508.65	1,452.96	1,422.63	1,415.17	1,386.23	1,464.42	1,483.37
1,529.25	1,485.55	1,507.45	1,708.11	1,617.98	1,682.89	1,790.10
1,277.51	1,325.06	1,414.52	1,524.22	1,451.59	1,505.49	1,555.85
2,035.56	1,952.62	1,922.33	2,078.44	2,130.73	2,146.44	2,303.85
1,457.96	1,466.19	1,433.50	1,531.69	1,420.58	1,435.16	1,373.49
18,179.69	18,176.61	18,228.32	19,218.62	18,557.81	19,088.21	19,465.42

(continued)

District School Board of Pasco County  
 School Building Information  
 Last Ten Fiscal Years  
 (Unaudited)

Table 20

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2007-2008	2008-2009	2009-2010
<b>Charter Schools</b>							
Academy at the Farm	n/a	n/a	n/a	n/a	289.00	284.00	378.00
Athenian Academy	n/a	n/a	n/a	n/a	215.00	258.50	276.64
Classical Preparatory	n/a	n/a	n/a	n/a	-	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	151.00	180.02	203.50
Dayspring Academy	n/a	n/a	n/a	n/a	404.00	416.06	458.03
Florida Virtual Academy	n/a	n/a	n/a	n/a	-	-	-
Imagine School	n/a	n/a	n/a	n/a	-	397.50	538.50
Learning Lodge	n/a	n/a	n/a	n/a	-	-	-
Pepin Academies	n/a	n/a	n/a	n/a	-	-	-
Plato Academy	n/a	n/a	n/a	n/a	-	-	-
<b>Total Charter Schools</b>					<b>1,059.00</b>	<b>1,536.08</b>	<b>1,854.67</b>
East Bus Garage	1966	9,061	-	n/a	-	-	-
West Bus Garage	1960	21,292	-	n/a	-	-	-
Central Bus Garage	1980	11,484	1	n/a	-	-	-
Administration Building	1972	214,881	15	n/a	-	-	-
District Maintenance	1984	37,354	-	n/a	-	-	-
Northwest Bus Garage	1989	11,941	1	n/a	-	-	-
Southeast Bus Garage	1980	8,251	-	n/a	-	-	-
<b>Total District</b>					<b>65,867.36</b>	<b>66,189.70</b>	<b>66,206.74</b>

(a) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.

(b) Square footage is current, but does not include portables.

(c) River Ridge was built as a combination Middle School and High School.

All data was aggregate until 2006-2007 when then Middle School received its own School Identifier.

Source: District Records



Table 20

Full-Time Equivalent Enrollment Data						
2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
379.34	381.50	389.84	501.16	440.63	550.61	570.81
318.00	328.99	391.46	439.89	366.75	354.60	324.37
-	-	-	-	310.37	410.38	470.95
209.00	213.50	232.00	286.78	270.58	292.23	313.26
490.00	524.33	552.28	695.23	606.57	641.73	690.15
-	-	-	-	-	-	114.62
475.56	546.92	633.60	772.19	704.69	721.72	763.83
-	-	-	-	170.03	210.29	246.76
-	-	-	-	202.68	269.80	309.18
-	-	-	-	-	-	54.00
<u>1,871.90</u>	<u>1,995.24</u>	<u>2,199.18</u>	<u>2,695.25</u>	<u>3,072.30</u>	<u>3,451.36</u>	<u>3,857.93</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>66,162.07</u>	<u>65,976.07</u>	<u>66,417.32</u>	<u>72,138.90</u>	<u>68,116.11</u>	<u>69,611.11</u>	<u>71,553.86</u>

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# SINGLE AUDIT REPORT



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

Chairman and Members of the  
District School Board of Pasco County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County ("the District") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 24, 2018. Our report includes a reference to other auditors who have audited the financial statements of certain charter schools included as discretely presented component units as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

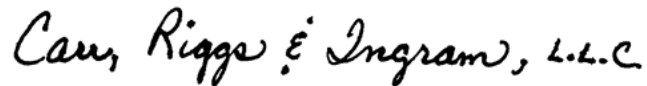
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



**CARR, RIGGS, & INGRAM, LLC**

Clearwater, Florida  
January 24, 2018

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Chairman and Members of the  
District School Board of Pasco County, Florida

### **Report on Compliance for Each Major Federal Program**

We have audited the District School Board of Pasco County's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District School Board of Pasco County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and in the corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliances. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the



accompanying schedule of findings and questioned costs as Federal Awards Finding No. 2017-001, that we consider to be a significant deficiency.

Management's response to the internal control over compliance finding identified in our audit is included as District Response in Federal Awards Finding No. 2017-001 and in the corrective action plan. District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Clearwater, Florida  
January 24, 2018

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
<b>United States Department of Agriculture:</b>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	16002	\$ 5,394,850	\$ -
National School Lunch Program	10.555	16001, 16003	19,082,294	-
Summer Food Service Program for Children	10.559	15006, 15007, 16006, 16007	<u>877,390</u>	<u>-</u>
Total Child Nutrition Cluster			<u>25,354,534</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	16004	<u>72,798</u>	<u>-</u>
Florida Department of Health Child Care Food Program	10.558	A-4501	<u>2,368,084</u>	<u>-</u>
<b>Total United States Department of Agriculture</b>			<u>27,795,416</u>	<u>-</u>
<b>United States Department of Education:</b>				
Direct:				
Federal Pell Grant Program	84.063	N/A	<u>622,640</u>	<u>-</u>
Total Direct			<u>622,640</u>	<u>-</u>
Indirect:				
Special Education Cluster:				
Special Education - Grants to States				
Florida Department of Education	84.027	263	14,979,783	-
University of South Florida	84.027	none	<u>2,150</u>	<u>-</u>
Total Special Education - Grants to States			<u>14,981,933</u>	<u>-</u>
Special Education - Preschool Grants				
Florida Department of Education	84.173	267	<u>353,970</u>	<u>-</u>
Total Special Education Cluster			<u>15,335,903</u>	<u>-</u>
Florida Department of Education:				
Adult Education - Basic Grants to States Program	84.002	191, 193	591,111	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	16,538,054	-
Migrant Education - State Grant Program	84.011	217	138,594	-
Career and Technical Education - Basic Grants to States	84.048	161	667,989	-
Education for Homeless Children and Youth	84.196	127	117,600	-
Charter Schools	84.282	298	132,467	132,467
Twenty-First Century Community Learning Centers	84.287	244	1,123,275	-
English Language Acquisition State Grants	84.365	102	411,111	-
Supporting Effective Instruction State Grants	84.367	224	<u>2,348,628</u>	<u>-</u>
Total Indirect			<u>37,404,732</u>	<u>132,467</u>
<b>Total United States Department of Education</b>			<u>38,027,372</u>	<u>132,467</u>

(continued)

DISTRICT SCHOOL BOARD OF PASCO COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
<b>United States Department of Health and Human Services:</b>				
Direct:				
Head Start	93.600	N/A	\$ 6,452,317	\$ -
<b>Total United States Department of Health and Human Services</b>			<u>6,452,317</u>	<u>-</u>
<b>United States Department of Defense:</b>				
Direct:				
Junior Reserve Officers Training Corps - Air Force	None	N/A	68,696	-
Junior Reserve Officers Training Corps - Army	None	N/A	208,664	-
Junior Reserve Officers Training Corps - Navy	None	N/A	268,063	-
<b>Total United States Department of Defense</b>			<u>545,423</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 72,820,528</u>	<u>\$ 132,467</u>

The accompanying notes are an integral part of this schedule.

- Notes:
- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) included the Federal award activity of the Pasco County District School Board under programs of the Federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
  - (2) Summary of Significant Account Policies. Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
  - (3) Indirect Cost Rate. The District's cognizant agency is Florida Department of Education ("FLDOE"). For the fiscal year 2016-2017, FLDOE approved a restricted indirect cost rate of 5.96%. As a result of the approved indirect cost rate, the District does not have the option to elect the 10 percent de minimis rate in accordance with Uniform Guidance.
  - (4) Noncash Assistance.
    - (A) National School Lunch Program - Includes \$2,440,381 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
  - (5) Head Start. Expenditures include \$331,288 for grant number/program year 04CH01018301 and \$6,121,029 for grant number/program year 04CH01018302.

## District School Board of Pasco County Schedule of Findings and Questioned Costs

### Summary of Audit Results

As required by United States Office of Management and Budget and Uniform Guidance, the following is a summary of the results of the audit of the District School Board of Pasco County for the fiscal year ended June 30, 2017:

- The auditors' report expresses an unmodified opinion on the basic financial statements of the District School Board of Pasco County ("the District").
- No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- No instances of noncompliance material to the basic financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- One (1) significant deficiency relating to the audit of the major Federal programs is reported in the Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
- The auditor's report on compliance with requirements that could have a direct and material effect on each major federal program for the District expresses an unmodified opinion.
- There was one (1) audit finding relative to the major federal award programs for District School Board of Pasco County.
- The programs tested as major programs included: Title I (CFDA 84.010), Title II - Supporting Effective Instruction State Grants (CFDA 84.063), Head Start (CFDA 93.600), and Child and Adult Care Food Program (CFDA 10.558).
- The threshold for distinguishing between Types A and B programs was \$2,184,616.
- The District qualified as a low-risk auditee, as defined in the Uniform Guidance.

## District School Board of Pasco County Schedule of Findings and Questioned Costs

### Findings – Financial Statement Audit

None

### Findings – Federal Awards

#### Finding 2017-001: Inadequate Documentation for CACFP

<b>Federal Agency:</b>	<b>U.S. Department of Agriculture</b>
<b>State Agency:</b>	<b>Florida Department of Agriculture</b>
<b>Program:</b>	<b>Child and Adult Care Food Program (CACFP)</b>
<b>CFDA #:</b>	<b>10.558</b>
<b>Award #:</b>	<b>A-4501</b>
<b>Award Year:</b>	<b>2016-2017</b>
<b>Finding Type:</b>	<b>Noncompliance and Internal Control Significant Deficiency</b>
<b>Questioned Costs:</b>	<b>\$4,768 (likely questioned costs greater than \$25,000)</b>

#### Criteria

7 CFR sections 226.15(e) *Recordkeeping*. At a minimum, the following records shall be collected and maintained: (4) Daily records indicating the number of participants in attendance and the number of meals, by type (breakfast, lunch, supper, and supplements), served to participants.

#### Finding

The District did not comply with 7 CFR sections 226.15(e)(4) recordkeeping requirements for CACFP funds. In addition, the District did not have sufficient internal controls and oversight in place to properly meet the applicable requirements.

#### Condition

During testing we noted instances where three (3) schools did not retain adequate daily records on students participating in the after school food program for the months selected for testing. The District did not retain adequate attendance records to support and validate the number of meals claimed. Without this support, we were unable to verify the afterschool programs and students receiving the claimed meals.

## **District School Board of Pasco County Schedule of Findings and Questioned Costs**

### **Cause**

The District had a manual process in place for accumulating monthly school attendance records. The District did not have adequate procedures in place to monitor documentation compliance after submission of the monthly claims. As a result, attendance records were not available for 100% of the sample.

### **Effect**

The District is not in compliance with CACFP record keeping and documentation requirements for meals served.

### **Recommendation**

The District should continue to enhance its policies, procedures, and internal controls to ensure the documentation requirements are met for the Child and Adult Food Care Program. We recommend the District add a layer of oversight by requiring reviews of the claims and support. Each Program should be signed off by program teachers or directors each month validating the numbers are accurate. In addition, once the meal data is compiled in the District's Food Service Department each month, an additional review should be performed and documented to verify all claimed meals are adequately supported with student attendance records for each school and each program.

### **Response and Corrective Action Plan**

See attached Corrective Action Plan.

## District School Board of Pasco County Summary Schedule of Prior Audit Findings and Follow-up

Listed below is the District's summary of the status of prior year audit findings on the financial statements:

Finding # per AG Report No. 2017-082	Management Letter Comments	Finding continues to be relevant	Finding has been addressed by management
2016-1	Special Education Funding to Newly Expanded Charter School		X

## District School Board of Pasco County Corrective Action Plan

### Findings – Financial Statement Audit

None

### Finding – Single Audit

#### Noncompliance and Internal Control Significant Deficiency

##### **Finding 2017-001: Inadequate Documentation for CACFP**

*The District should continue to enhance its policies, procedures, and internal controls to ensure the documentation requirements are met for the Child and Adult Food Care Program.*

#### **Response and Corrective Action Plan:**

##### Response:

Currently, the cafeteria manager records daily suppers served onto a monthly recap based off the rosters. Managers sign off on the monthly recaps validating that the numbers entered on the recap are true and correct to the best of their knowledge. The rosters are kept at the site until month's end. At the end of the month the cafeteria managers send the rosters with the signed monthly recap to FNS District office to be used as supporting documentation for the monthly claim. All supporting documentation is reviewed by District staff and checked for accuracy. Once the claim is made the rosters and monthly recaps are stored. All After School Supper sites are reviewed twice during the school year, once during the first 4 weeks of the program and again before the end of the school year.

##### Corrective Action Plan:

FNS District will improve record keeping by requiring all approved After School Supper sites to scan and save completed rosters in the event the original is destroyed or misplaced. FNS staff will evaluate other opportunities to improve the monitoring and oversight of the After School Supper program in order to meet the requirements of the program.





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## **MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Chairman and Members of the  
District School Board of Pasco County, Florida

We have audited the financial statements of the Pasco County District School Board, Florida, as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated January 24, 2018.

### **Auditors' Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.800, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 24, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### **Financial Condition and Management**

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the Pasco County District School Board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Pasco County District School Board did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the Pasco County District School Board. It is management's responsibility to monitor the Pasco County District School Board's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Transparency**

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the Pasco County District School Board maintains on its Web site the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the Pasco County District School Board maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

### **Additional Matters**

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings in addition to the finding previously disclosed.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, District School Board members, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Clearwater, Florida  
January 24, 2018