

Comprehensive Annual
Financial Report

For the Year Ended June 30, 2018



THE SCHOOL DISTRICT OF LEE COUNTY
FORT MYERS, FLORIDA

VISION
To be a world-class
school system

The School District of Lee County
Fort Myers, Florida

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR
FISCAL YEAR ENDED
JUNE 30, 2018**

Prepared by:
Financial Accounting Department

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2018**

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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF LEE COUNTY

2855 COLONIAL BLVD. ♦ FORT MYERS, FLORIDA 33966 ♦ WWW.LEESCHOOLS.NET

December 19, 2018

District School Board of Lee County
2855 Colonial Boulevard
Fort Myers, FL 33966-1012

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

GWYNETTA S. GITTENS
CHAIR, DISTRICT 5
CHRIS N. PATRICCA
VICE CHAIR, DISTRICT 3
MARY FISCHER
DISTRICT 1
MELISA W. GIOVANNELLI
DISTRICT 2
DEBBIE JORDAN
DISTRICT 4
BETSY VAUGHN
DISTRICT 6
CATHLEEN O'DANIEL MORGAN
DISTRICT 7
GREGORY K. ADKINS, ED. D.
SUPERINTENDENT
ROBERT DODIG, ESQ.
BOARD ATTORNEY

After the close of each fiscal year, State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited by the Florida Auditor General, or a firm of licensed certified public accountants, in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the School District of Lee County (the District) for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, District management has established a system of internal controls designed 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 the benefits, the District's system 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 accounting firm Moore Stephens Lovelace, P.A. conducted the audit for the fiscal year ended June 30, 2018. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, 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 on the District's basic financial statements for the fiscal year ended June 30, 2018. The auditor's report is presented as the first component in the Financial Section of this report.

The independent audit of the District's financial statements included the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1996; and the United States Office of Management and Budget Title 2 *U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and 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, schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on internal control and on compliance with applicable requirements, are included in the Other Independent Auditor's Reports, Schedules and Other Information section of this report.

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

Profile of the Government

The District and its governing board were created pursuant to Section 4, Article IX, of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District officials in accordance with Chapter 1001.42, Florida Statutes. The District School Board of Lee County (the Board) consists of seven elected officials responsible for the adoption of policies that govern the operation of the District's public schools. The appointed Superintendent of Schools (the Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education rules, and School Board policies. State Board of Education, Rule 6A-1.001, Florida Administration Code, designates specific responsibility to the Superintendent for maintaining a uniform system of records and accounts.

The geographic boundaries of the District are the same as those of Lee County, (the County), which was founded in 1887 and named in honor of General Robert

E. Lee. The County is located on the Gulf Coast of Florida, encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico, and is bordered by Charlotte County to the north, Hendry County to the east, and Collier County to the south. Lee County's estimated population in 2018 is 739,224 people.

The report includes all funds of the District, the Lee County School Board Leasing Corporation, the Foundation for Lee County Public Schools (the Foundation), and 18 charter schools, all of which comprise the reporting entity. The Lee County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The 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 Lee County. Charter schools are public schools operating under performance contracts with the Board. The Foundation and applicable charter schools are included as aggregate discretely presented component units.

The District provides a full range of educational programs. These include pre-kindergarten, kindergarten through 12th grade, basic and enrichment programs, and exceptional student education. The District also provides vocational and adult programs.

During the 2017-18 fiscal year, the District operated 95 schools and programs comprised of 49 elementary schools, 16 middle schools, 13 high schools, 17 specialized schools and programs, and reported student enrollment of 93,233. The District plans to open one new high school in the 2018-19 fiscal year. In addition, the District sponsored 19 charter schools that are component units of the District and plans to sponsor one additional charter school during the 2018-19 fiscal year. The charter schools are separate not-for-profit corporations organized and operated under Section 1002.33, Florida Statutes. The charter schools are funded by the state based on their weighted full-time equivalent student count and receive this funding through the District.

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 Board. Activities of all governmental fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function level.

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

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

Economic Condition and Outlook

Lee County is part of the Fort Myers–Cape Coral Metropolitan Statistical Area with an annual growth rate of 2.3 percent. The County's population has increased from 631,733 in 2008 to 739,224 in 2018, an increase of 17.0 percent. This compares to a 13.1 percent increase for Florida overall and a 8.3 percent increase for the nation.

Growth is projected to continue at a slower rate for the next five years, increasing the population in the County to over 754,000 by 2020, and to more than 1,300,000 in the Southwest Florida area in general. Once a retirement haven, Lee County is now dominated by working-age people and has become an attractive location for business expansion. In fact, the 20-54 age group is projected to grow faster than the rest of the State, increasing by up to 9 percent by 2020.

Though Lee County continues to feel the effects of the last five years of economic instability, positive indicators in the economy such as a decreasing unemployment rate, increasing home sales and a rising tax roll are bolstering the economy. Our student population also continues to grow. This year marked the ninth straight year of solid student growth for the District (between 1.5 and 2.5 percent) making the District one of the most consistent and fastest growing District's in the state in terms of student growth. State and District projections indicate that approximately 850 more students will be served in the next fiscal year. This growth is projected to increase the student population up to 3.3 percent each year bringing the estimated student population to approximately 113,900, 120,600 and 140,500 over the next 5, 10 and 20 years, respectively. The mainstay of the County's economy are tourism and retirement, and their associated services, such as health, trade, and other service-oriented industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial services industries. Currently, over 88 percent of employment is concentrated in the services, wholesale and retail, and government sectors. Industries expected to gain the most new jobs in the near future include local government, health services, business services, food services, and special trade contractors.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County, and that an excellent system of public education is a significant factor in attracting new business and industry to

the County. The District is the area's second largest employer, employing 11,561 full and part-time employees, including 5,278 instructional personnel.

Ranked in the top 10 in student population in the state and in the top 40 in the nation, the District is challenged not only by growth but also the 2002 State Constitutional Amendment legislating reductions in class size. These challenges require the construction of an additional 10 schools in the next 10 years. In order to meet this demand, the District will continue to seek additional revenue sources. There are 85 public schools in Lee County and providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. An ambitious construction program that produced 40 new or additions to schools over the past 10 years is winding down. This program was supported in part by the issuance of several Certificates of Participation. The District will not be able to sustain this building program going forward. In recent years, the Florida Legislature has reduced school districts taxing authority for capital outlay from 2.000 mills to 1.500 mills. With the dramatic reduction in property values, the District's revenue stream for school construction is extremely limited. In addition, with half of the school facilities more than 30 years old, a major construction and renovations program was initiated. Concurrently, the District adopted a 5 year plan to bring schools up to the newly adopted District standard in technology equipment and student accessibility. The District has also adopted a 20 year maintenance and replacement program to ensure school facilities are properly preserved.

Long-Term Financial Planning. The District continues to maintain adequate fund balances and top debt ratings by careful management of its financial resources. The District continues to implement budget saving initiatives to maintain fund balances without making cuts to the classrooms or necessitating layoffs of employees.

Major Initiatives

Capital Outlay Program

During the fiscal year 2019, the District is planning to start the construction of one middle school and one high school and to complete the construction of one high school. For fiscal year 2020, the District is planning to start the construction of one elementary school, one middle school and to continue the construction of one middle school and one high school.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its

Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the fifteenth year the District has received these prestigious awards. In order to be awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement and Certificate of Excellence program requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

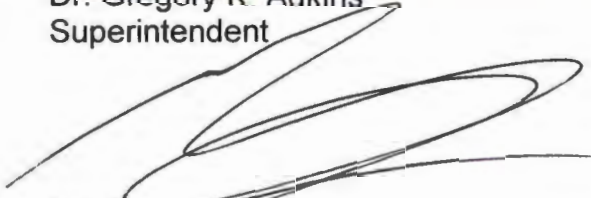
The preparation and completion of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Financial Accounting Department. Each member of the Financial Accounting Department has our sincere appreciation for the contributions made in the completion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

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

Respectfully submitted,



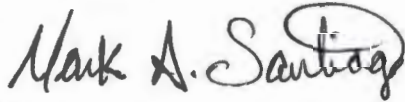
Dr. Gregory K. Adkins
Superintendent



Mr. Gregory Blurton
Chief Financial Officer



Ms. Susan Malay
Executive Director of Financial Services



Mr. Mark A. Santiago
Director of Financial Accounting & Property Records

**SCHOOL DISTRICT OF LEE COUNTY
BOARD MEMBERS AND SUPERINTENDENT**



Cathleen O'Daniel
Morgan
Chairman, District 7



Pamela H. LaRiviere
Vice Chairman, District 5



Mary Fischer
District 1



Melisa W. Giovannelli
District 2



Chris N. Patricca
District 3



Steven K. Teuber
District 4



Jane E. Kuckel, Ph.D.
District 6

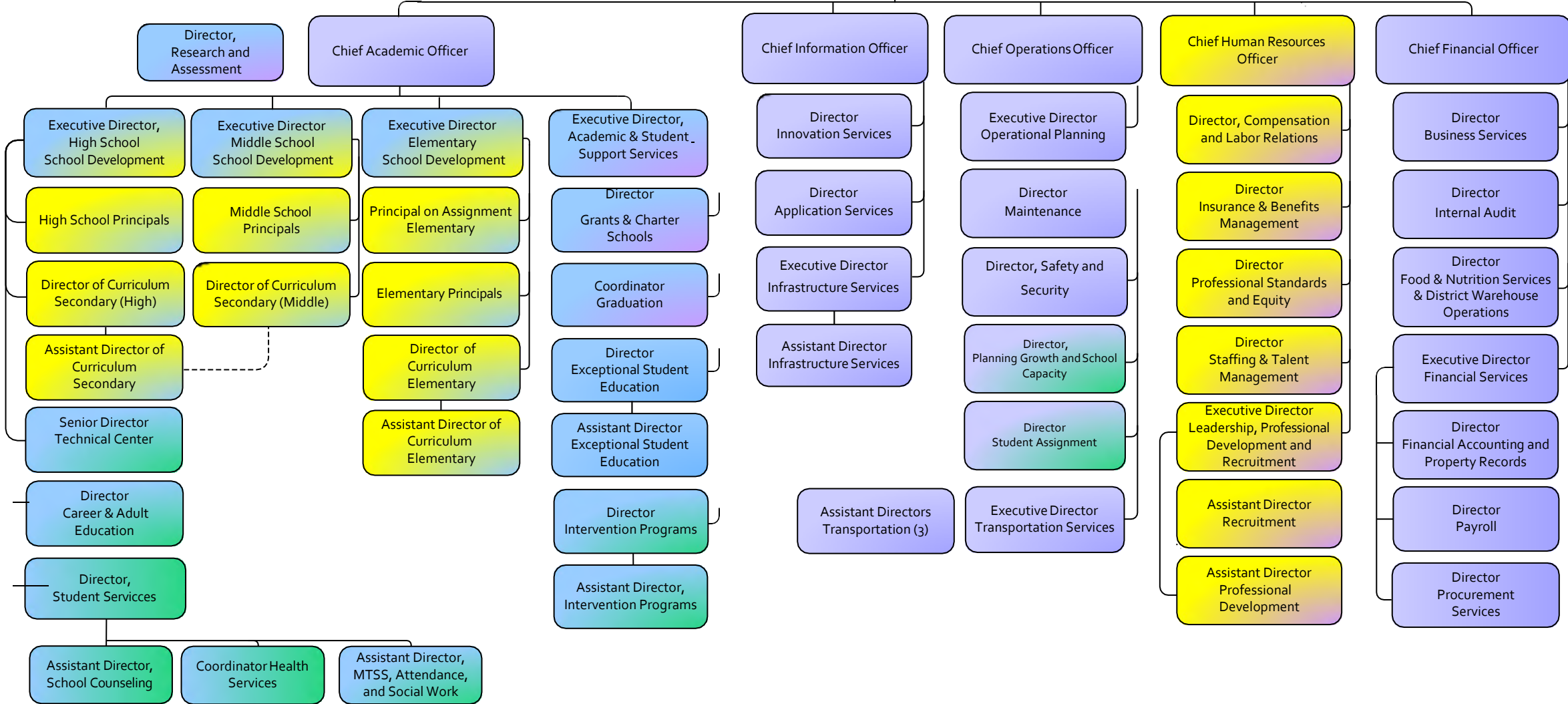
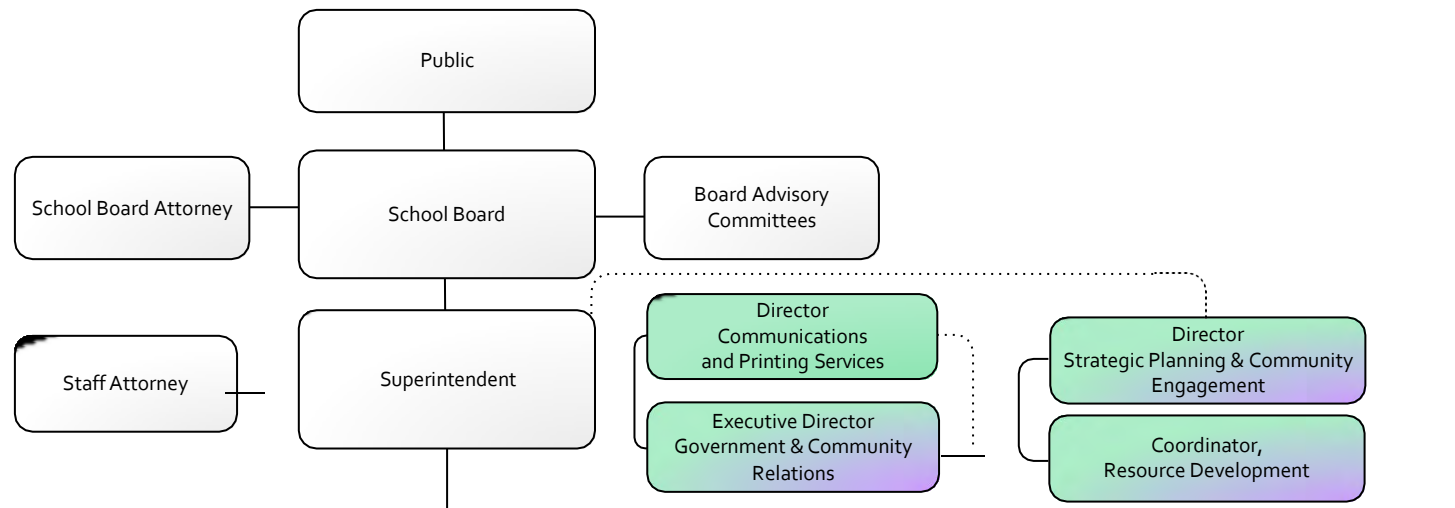


Gregory K. Adkins, Ed.D.
Superintendent

**THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA
SUPERINTENDENT AND PRINCIPAL DISTRICT OFFICIALS**

Dr. Gregory K. Adkins	Superintendent
TBA	Chief Operating Officer
Gregory Blurton	Chief Financial Officer
Dr. Wanda Creel	Chief Academic Officer
Mr. Trey Davis	Chief Information Officer
Dr. Angela Pruitt	Chief Human Resources Officer
Ms. Soretta Ralph	Executive Director Academic & Student Support Services
Ms. Shanna Flecha	Executive Director School Development
Dr. Douglas Santini	Executive Director School Development
Dr. Denise Carlin	Executive Director Strategic Planning and Community Engagement
Mr. Marc Mora	Executive Director Operational Planning
Mr. Robert Codie	Executive Director Transportation Services
Mr. Susan Malay	Executive Director Financial Services
Mr. Robert Brown	Director Internal Audit
Ms. Lauren Couchois	Interim Director Food & Nutrition Services & District Warehouse Operations
Mr. Fredrick Ross	Director Procurement Services
Ms. Kimberly Hutchins	Director Payroll
Mr. Mark Santiago	Director Financial Accounting & Property Records

School District of Lee County
FY 18 Organizational Chart



- Goal 1: Increase Student Achievement █
- Goal 2: Increase Family and Community Engagement █
- Goal 3: Increase Retention of Effective and Highly Effective Employees █
- Goal 4: Become a Model Continuous Improvement Organization █



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

School District of Lee County

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



Charles E. Peterson, Jr.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**School District of Lee County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

School Board and Superintendent
School District of Lee County, Florida
Fort Myers, 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 School District of Lee County, Florida (the "District") as of and for the year ended June 30, 2018, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charter Schools or The Foundation for Lee County Public Schools, Inc., which comprises 100 percent of the assets, net position, and revenues of the discretely presented component units of the District. Those financial statements were audited by other auditors, whose reports have been furnished to us and, our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 District'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 District'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement (“GASBS”) 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASBS 75, the District reported a restatement for the change in accounting principle as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, OPEB Schedule, and Pension Schedules, 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 as a whole. The introductory section, combining and individual major and non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 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, 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
December 19, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the School District of Lee County's Comprehensive Annual Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$747,227,768 at fiscal year ending June 30, 2018.
- Net position of the District decreased by \$58,804,497 in comparison to the 2016-17 fiscal year, which includes an adjustment to beginning net position of \$22,061,224. The adjustment was a result of the District adopting the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75. For more information on this adjustment, please refer to Note 15.
- The District's Government-wide revenues totaled \$992,358,056, comprised of general revenues of \$921,349,757 or 92.8 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$71,008,299 or 7.2 percent of the total revenues.
- Expenses incurred by the District totaled \$1,029,101,329 for governmental related activities. Program specific revenues offset these expenses by \$71,008,299, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$278,112,547 or a decrease of \$47,150,270 or 14.5 percent in 2017-18 fiscal year in comparison with the 2016-17 fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$87,142,825, at June 30, 2018, or 11.3 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2018, totaled \$126,733,900, a 7.5 percent decrease in comparison to the 2016-17 fiscal year total of \$136,951,707. The decrease in total fund balance of the General Fund is mainly attributed to the continued implementation of several classroom curriculum initiatives in the current year using prior year resources and the District continuing to strategically decrease its fund balance.

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Overview of the Financial Statements

The Financial Section of this Comprehensive Annual Financial Report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and other supplementary section that presents combining statements for Nonmajor Governmental Funds, Internal Service Funds, and Component Units. The Basic Financial Statements include several statements that present different views of the District:

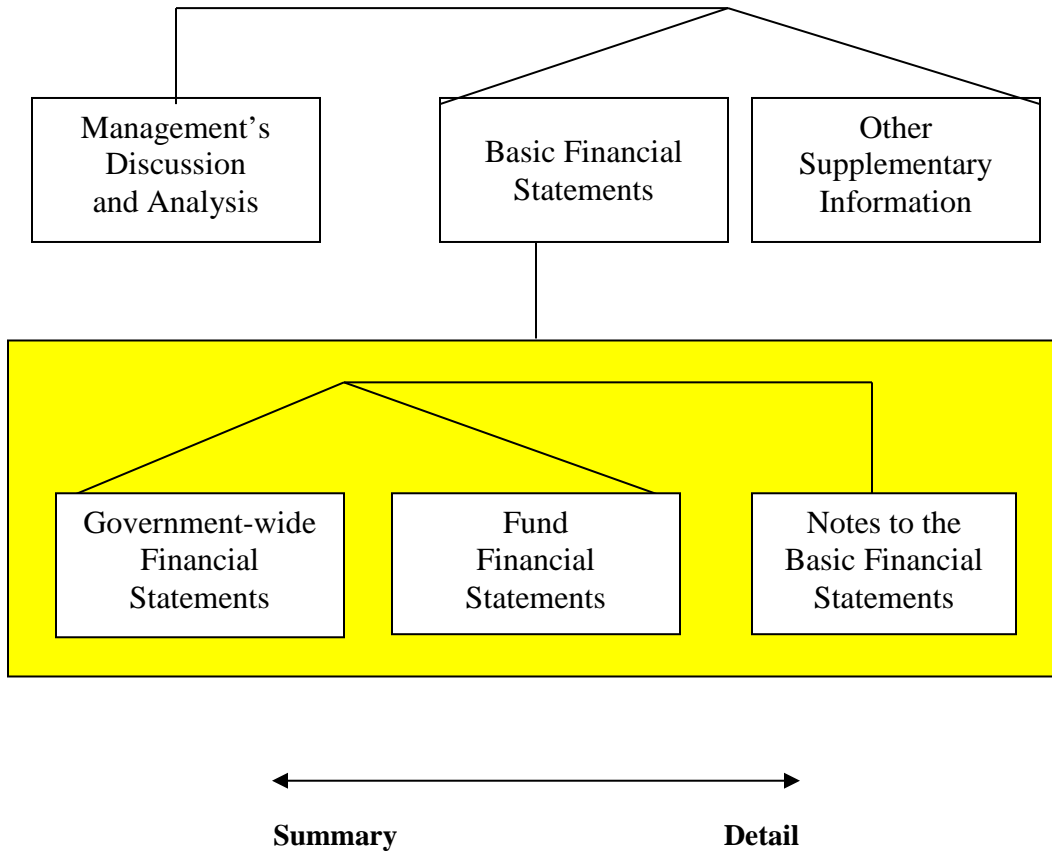
- The first two statements are *Government-wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *Governmental Funds Statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *General Fund's Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual* is presented for the primary operating fund of the District.
- The *Proprietary Funds Statements* offer *short-term* and *long-term* financial information about the activities the District operates as Internal Service Funds, for self-insurance.
- The *Fiduciary Funds Statement* provides information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The Basic Financial Statements also include notes that explain information in the statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the Basic Financial Statements with combining and individual fund statements that provide details about the Nonmajor Governmental Funds. Combining statements for the District's discretely presented component units are also included. Also, the other supplemental section includes schedules of budget to actual for each governmental fund. Figure A-1 on the following page shows how the various parts of this report are arranged and related to one another.

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Figure A-1

Organization of the District's Comprehensive Annual Financial Report



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Figure A-2 summarizes the major features of the District’s Basic Financial Statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as delivery of student instruction and building maintenance.	Activities the District operates similar to private businesses.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both financial and capital, short-term and long-term; funds do not currently contain capital assets, although they can.
Type of in-flow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The two Government-wide statements report the District's *net position* and *how they have changed*. Net position (the difference between the District's assets and deferred outflows less liabilities and deferred inflows) are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities, must be considered.

In the Government-wide statements, the District's activities are divided into two categories:

Governmental Activities: Most of the District's basic services are included here, such as student instruction, transportation, maintenance and operations, and administration. Property taxes and State aid finance most of these activities. The Lee County School Board Leasing Corporation (Leasing Corporation) although legally separate, was formed December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Due to a substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. Separate financial statements for the Leasing Corporation are not published.

Component Units: The District includes 19 other entities in its report – The Foundation for Lee County Public Schools, Inc., Accelerated Educational Services, Inc., Bonita Springs Charter School, Cape Coral Charter School, City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, The Heights Charter School, Island Park Charter High School, Inc., The Island School, Inc., Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., Six Mile Charter Academy, and Unity Charter School of Cape Coral, Inc.. Although legally separate, these “component units” are important because the District is financially accountable.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices used to track specific sources of funding and spending on particular programs.

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts), or to show that it is properly using certain revenues (such as Federal grants).

The District has three kinds of funds:

Governmental Funds

Most of the District's basic services, such as instruction and facilities services, are included in governmental funds. These funds generally focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statement provides a detailed, short-term view that assists the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional

long-term focus of the government-wide statements, a reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance which explains the relationships and/or differences between the funds.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District uses two *Internal Service Funds* (a type of proprietary fund) to report activities that provide self-insurance services for its other programs and activities.

Fiduciary Funds

The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for the intended purposes. The District excludes these activities from the Government-wide statements because it cannot use these funds to finance its operations.

Financial Analysis of the District (Primary Government) as a Whole

Net Position. The District's *combined* net position was smaller on June 30, 2018, than the previous fiscal year; decreasing \$58.8 million to \$747.2 million (see Figure A-3) primarily due to an adjustment made to beginning net position. By far, the largest portion of the District's net position, \$854.2 million (114.3 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, software and audio visual materials). The District uses these capital assets to house and educate the students of Lee County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position, \$163.1 million (21.8 percent), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, a deficit amount of \$270.1 million ((36.1) percent), was the result of accruing \$431.5 million in net pension liability.

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Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2018	
Current and Other Assets	\$ 482.1	\$ 443.0	(8.1)%
Capital Assets	1,252.7	1,271.0	1.5%
Total Assets	1,734.8	1,714.0	(1.2)%
Deferred Outflows of Resources	155.4	185.8	19.6%
Long-Term Liabilities	974.5	1,006.5	3.3%
Other Liabilities	91.1	107.1	17.6%
Total Liabilities	1,065.6	1,113.6	4.5%
Deferred Inflows of Resources	18.6	39.0	109.7%
Net Position			
Net Investment in Capital Assets	793.9	854.2	7.6%
Restricted	220.8	163.1	(26.1)%
Unrestricted (Deficit)	(208.7)	(270.1)	29.4%
Total Net Position (*)	\$ 806.0	\$ 747.2	(7.3)%

(*) Balances for June 30, 2017 have not been restated for adjustment to beginning net position in the fiscal year ended June 30, 2018 due to the implementation of GASB Statement No. 75.

The District's decline in financial position is the product of many factors, but the most significant factors are due to:

- The adoption of GASB No. 75
- An increase in Florida Retirement System pension expense; and
- An increase in instructional expenses due to classroom curriculum initiatives.

Changes in Net Position. The District's total revenue increased 3.9 percent to \$992.4 million (see Figure A-4). Property taxes, FEFP funding, and federal and state sources, accounted for most of the District's revenue, contributing about 92 cents of every dollar raised (see Figure A-5). The remainder came from capital grants and contributions, operating grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services increased 4.3 percent to \$1,029.1 million. Approximately 89 percent of the District's expenses are related to student instruction, student services, facilities services, transportation, operation of plant and maintenance of schools (see Figure A-6). The District's administrative activities, including school administration, accounted for 11 percent of total costs. The \$29.9 million increase in instruction costs was derived largely from salary increases and benefits, in this case for teachers and other educational staff.

Total expenses surpassed revenues, decreasing net position \$36.7 million and contributing to the District's decline in financial condition.

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2017	2018	
<i>Revenues</i>			
<i>Program Revenues</i>			
Charges for Services	\$ 13.9	\$ 14.0	0.7%
Operating Grants and Contributions	42.3	43.5	2.8%
Capital Grants and Contributions	12.5	13.5	8.0%
<i>General Revenues</i>			
Property Taxes	509.8	523.2	2.6%
Florida Education Finance Program	163.8	173.0	5.6%
Other Federal Sources	76.9	82.2	6.9%
Other State Sources	122.0	125.4	2.8%
Other Local Sources	10.8	12.2	13.0%
Investment Earnings	3.1	5.4	74.2%
Total Revenues	955.1	992.4	3.9%
<i>Expenses</i>			
Instruction	508.8	538.7	5.9%
Student Support Services	32.7	35.0	7.0%
Instructional Media Services	4.2	3.7	(11.9)%
Instruction & Curriculum Development Services	24.9	28.0	12.4%
Instructional Staff Training Services	10.6	10.6	0.0%
Instruction Related Technology	8.2	8.4	2.4%
Board	1.1	1.4	27.3%
General Administration	6.7	7.1	6.0%
School Administration	50.9	52.4	2.9%
Facilities Services	108.6	99.8	(8.1)%
Fiscal Services	4.1	3.9	(4.9)%
Food Services	44.4	49.2	10.8%
Central Services	10.6	11.5	8.5%
Student Transportation Services	57.2	55.3	(3.3)%
Operation of Plant	68.4	77.6	13.5%
Maintenance of Plant	17.1	17.5	2.3%
Administrative Technology Services	6.1	6.9	13.1%
Community Services	6.1	6.9	13.1%
Unallocated Interest on Long-Term Debt	16.4	15.2	(7.3)%
Total Expenses	987.1	1,029.1	4.3%
Decrease in Net Position	(32.0)	(36.7)	(14.7)%
Net Position, Beginning	838.0	806.0	(3.8)%
Adjustments to Beginning Net Position ¹	0.0	(22.1)	(221100.0)%
Net Position, Beginning, Restated	838.0	783.9	(6.5)%
Net Position, Ending	\$ 806.0	\$ 747.2	(7.3)%

Note: (1) Adjustments to beginning net position due to the implementation of GASB Statement No. 75, which is a change in accounting principle that addresses accounting and financial reporting for other postemployment benefits.

Figure A-5

Sources of Revenues for Fiscal Year 2018

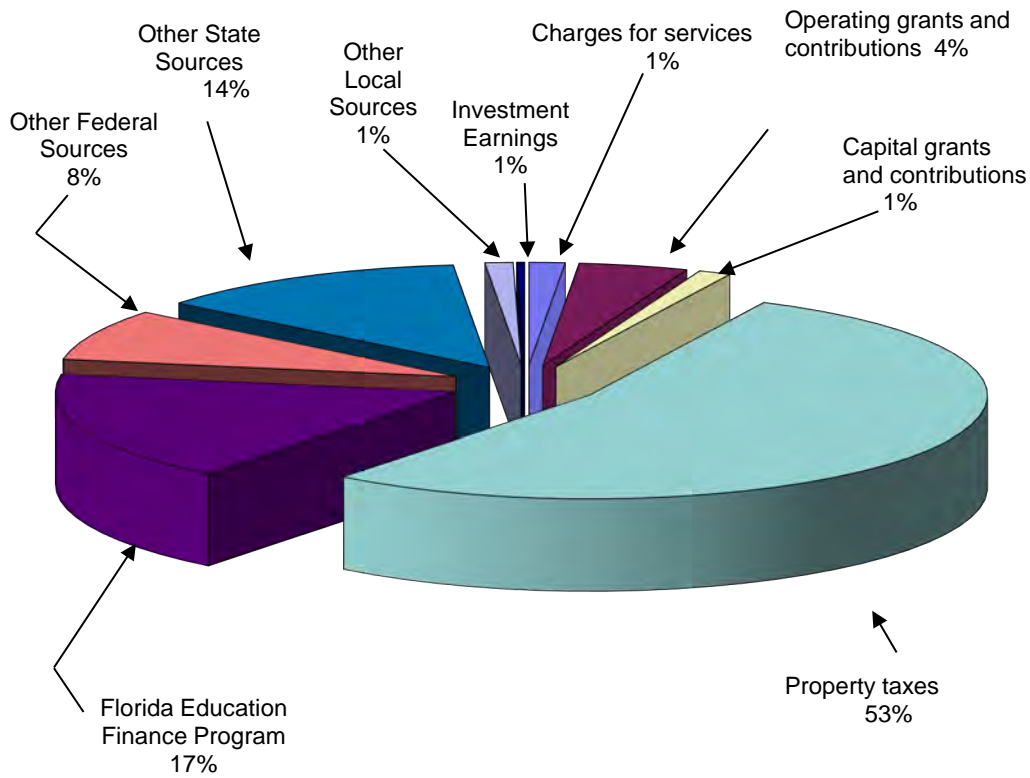
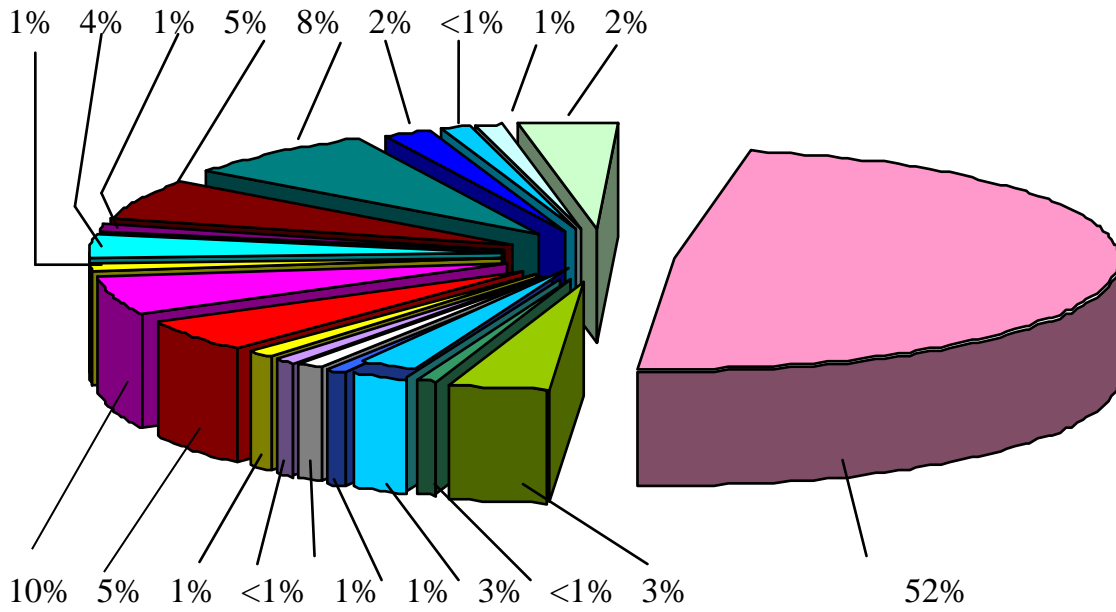


Figure A-6

Expenses for Fiscal Year 2018



- Instruction - 52%
- Student Support Services - 3%
- Instructional Media Services - <1%
- Instruction and Curriculum Development Services - 3%
- Instructional Staff Training Services - 1%
- Instruction Related Technology - 1%
- Board <1%
- General Administration - 1%
- School Administration - 5%
- Facilities Services - 10%
- Fiscal Services - 1%
- Food Services - 4%
- Student Transportation Services - 5%
- Operation of Plant - 8%
- Maintenance of Plant - 2%
- Administrative Technology Services - <1%
- Community Services - 1%
- Unallocated Interest on Long-Term Debt - 2%

Governmental Activities

Revenues for the District's governmental activities increased 3.9 percent, while expenses increased 4.3 percent. The decrease in net position for governmental activities was \$36.7 million in 2018. The major impact to revenue was the increase in property tax revenue of \$13.5 million.

Figure A-7 presents the cost of the District's activities. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities, Primary Government (in millions of dollars)

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2017	2018	Change	2017	2018	Change
Instruction	\$ 508.8	\$ 538.7	5.9%	\$ (498.0)	\$ (527.6)	5.9%
Student Support Services	32.7	35.0	7.0%	(32.7)	(35.0)	7.0%
Instructional Media Services	4.2	3.7	(11.9)%	(4.2)	(3.7)	(11.9)%
Instruction & Curriculum Development Services	24.9	28.0	12.4%	(24.9)	(28.0)	12.4%
Instructional Staff Training Services	10.6	10.6	0.0%	(10.6)	(10.6)	0.0%
Instruction Related Technology	8.2	8.4	2.4%	(8.2)	(8.4)	2.4%
Board	1.1	1.4	27.3%	(1.1)	(1.4)	27.3%
General Administration	6.7	7.1	6.0%	(6.7)	(7.1)	6.0%
School Administration	50.9	52.4	2.9%	(50.9)	(52.4)	2.9%
Facilities Services	108.6	99.8	(8.1)%	(98.1)	(88.3)	(10.0)%
Fiscal Services	4.1	3.9	(4.9)%	(4.1)	(3.9)	(4.9)%
Food Services	44.4	49.2	10.8%	0.4	(3.5)	(975.0)%
Central Services	10.6	11.5	8.5%	(10.6)	(11.5)	8.5%
Student Transportation Services	57.2	55.3	(3.3)%	(56.6)	(54.6)	(3.5)%
Operation of Plant	68.4	77.6	13.5%	(68.4)	(77.6)	13.5%
Maintenance of Plant	17.1	17.5	2.3%	(17.1)	(17.5)	2.3%
Administrative Technology Services	6.1	6.9	13.1%	(6.1)	(6.9)	13.1%
Community Services	6.1	6.9	13.1%	(6.1)	(6.9)	13.1%
Unallocated Interest on Long-Term Debt	16.4	15.2	(7.3)%	(14.4)	(13.2)	(8.3)%
Total	\$ 987.1	\$ 1,029.1	4.3%	\$ (918.4)	\$ (958.1)	4.3%

The cost of all governmental activities this year was \$1,029.1 million.

Part of the cost was financed by the users of the District's programs (\$14.0 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$57.0 million).

However, most of the District's costs (\$958.1 million) were financed by District and State taxpayers. This portion of governmental activities was financed with \$523.2 million from property taxes and \$392.8 million of unrestricted Florida Education Finance Program funds based on the statewide education aid formula, and other federal, state, and local sources.

Financial Analysis of the District's Funds

The focus of the 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. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$278.1 million, which is below last fiscal year's ending fund balances of \$325.3 million. Unassigned fund balance of \$87.1 million represents 31.3 percent of the ending fund balances and is available to meet the District's short-term spending needs. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending, because it is: 1) to liquidate inventory and prepaid items of \$3.0 million; 2) restricted by Federal law, State statute and local ordinance of \$183.0 million; and 3) assigned for State and Local programs of \$4.9 million.

Six of the ten Governmental Funds had more expenditures and other financing uses than revenues and other financing sources in 2018, thereby contributing to the decrease in total fund balance. Most significantly, \$27.3 million of the Capital Projects Fund Certificates of Participation/Impact Fees/State Grants fund balance decreased due to capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources and \$9.1 million of the Capital Projects Fund Local Capital Improvement Tax fund balance decreased because capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources. Some funds reflect increases (\$3.7 million) in fund balance. Most significantly, \$1.7 million of the Capital Projects Fund Capital Outlay and Debt Service fund balance increased due to conservative spending.

The *General Fund* is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$87.1 million, while total fund balance reached \$126.7 million. During the current fiscal year, the fund balance of the General Fund decreased by \$10.2 million. A key factor in this decrease was the continued implementation of several classroom curriculum initiatives in the current year using prior year resources and the District continuing to strategically decrease its fund balance.

The *Debt Service Fund Certificates of Participation* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation. The restricted fund balance at the end of fiscal year 2018 was \$0.3 million, a decrease of \$0.3 million from the prior fiscal year. The decrease is related to debt service payments the District made in early fiscal year 2018 with fiscal year 2017 resources.

The *Debt Service Fund ARRA Economic Stimulus* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Qualified School Construction Bond (QSCB). The restricted fund balance at the end of fiscal year 2018 was \$12.9 million, an increase of \$2.0 million from the prior fiscal year due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2028 when the debt will be paid.

The *Capital Projects Fund Local Capital Improvement Tax* is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2018, the total fund balance was \$62.8 million, a decrease of \$9.1 million from the prior fiscal year due to capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources.

The *Capital Projects Fund Certificates of Participation/Impact Fees/State Grants* is used to account for the resources generated by various sources for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract. The total fund balance for this fund at the end of the current fiscal year was \$52.2 million, a decrease of \$27.3 million from the prior fiscal year. The primary reason for this change was capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual budget several times. These budget amendments generally fall into two categories:

Amendments Related to Changes in Revenue Estimates.

Throughout the school year, the District received revised calculations in the FEFP (Florida Education Finance Program – the funding formula for Florida school districts), based on changes in student counts, State revenue estimates, and local tax roll estimates. With each calculation, the budget is amended to reflect the current revenue estimates provided in the FEFP. The District will also amend revenues in the General Fund for new State grants and changes in local revenue sources, such as interest and indirect cost revenue. The District budgets 96 percent of projected property tax revenues at the onset of each budget year, as required by law, and collections are generally higher. Revenue from property taxes was less than the final amended budget by \$1.8 million due to a lower collection rate.

Amendments to Modify Appropriations.

Throughout the fiscal year, the District may increase appropriations for new grants and unanticipated expenditures, such as hurricane damage.

Each school and department is allowed to modify its existing budget to meet its operational needs throughout the school year. An example of this type of amendment would be to move appropriations from purchased supplies to textbooks in order to acquire new textbooks for the start of class.

Budgeted expenditures were increased \$42.9 million from the original budget to the final amended budget primarily due to the rise in facilities services and operation of plant costs due to Hurricane Irma.

- Although the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by approximately \$96.9 million, the actual results for the fiscal year show that expenditures and financing uses exceeded revenues and other financing sources by \$10.2 million.
- The actual expenditures were \$100.9 million below budgeted levels. Actual expenditures for instruction were more than \$56.3 million below budgeted levels due to conservative spending at the schools.
- Actual expenditures for facilities services and operation of plant were \$23.0 million below budgeted levels due to several Hurricane Irma repairs not completed by fiscal year-end.

Capital Assets and Debt Administration

Capital Assets

By the end of the 2017-18 fiscal year, the District had an investment of \$1,271.0 million, net of accumulated depreciation, in a broad range of assets, including land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment, motor vehicles, audio visual material and software (see Figure A-8). This amount represents a net increase of \$18.3 million, or 1.5 percent, from the 2016-17 fiscal year. Additions to construction in progress, furniture, fixtures and equipment and motor vehicles, amounted to \$67.8 million for the fiscal year. Total depreciation expense for the year was \$49.4 million. (More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.)

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Total Percentage Change
	<u>2017</u>	<u>2018</u>	
Land	\$ 180.1	\$ 180.1	0.0%
Construction in Progress	8.7	58.5	870.0%
Improvements Other Than Buildings	26.6	26.3	(1.1)%
Buildings	973.9	938.9	(3.6)%
Furniture, Fixtures and Equipment	18.2	20.3	11.5%
Motor Vehicles	30.5	34.1	11.8%
Audio Visual Materials and Software	14.7	12.8	(12.9)%
Total	\$ 1,252.7	\$ 1,271.0	1.5%

The District's approved five-year Capital Outlay Plan includes the construction of one new high school, two new middle schools and two new elementary schools over the next five years. The District's student enrollment has grown over the last several years, 6.8 percent since 2014 for a present enrollment of 93,233 students.

The District's capital projects budget shows spending another \$204.1 million in the 2018-19 fiscal year for capital projects, principally in four areas:

- 1) \$12.0 million to purchase new school buses.
- 2) \$32.2 million to continue the upgrade of technology equipment.
- 3) \$54.7 million to continue the maintenance of existing schools.
- 4) \$36.4 million to renovation of one elementary, one middle and one high school and begin the construction of one new high school and one new middle school and to complete the construction of one new high school.

Long-Term Debt

At fiscal year-end, the District had \$435.3 million in SBE bonds, Certificates of Participation and Notes outstanding, a decrease of 4.0 percent from last fiscal year, as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	Total School District		Total Percentage Change
	<u>2017</u>	<u>2018</u>	
Certificates of Participation and Note Payables (financed with property taxes)	\$ 449.8	\$ 433.4	(3.6)%
State School Bonds (financed with specific taxes & fee revenues)	3.8	1.9	(50.0)%
Total	<u>\$ 453.6</u>	<u>\$ 435.3</u>	(4.0)%

During the fiscal year, the District issued \$46.2 million in COPS bonds and \$29 million in old debt was refunded

The District continues to retire its outstanding debt as it becomes due, retiring \$34.7 million of outstanding certificates of participation, notes, and bonds during the 2017-18 fiscal year.

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Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of four existing circumstances that could significantly affect its financial health in the future:

- Property tax roll increased over 8 percent for 2018, a positive economic indicator for our County. Although this increase marked the fifth increase in the tax roll since 2008, we expect these increases to be more modest to eventually flat in the future and have begun to plan for potential downward trends in tax rolls.
- Although Hurricane Irma brought our District and the community together in so many ways, it came at a tremendous cost. Irma had a physical and fiscal impact on our District with over \$31 million in damages, not to mention the significant amount of time lost and spent recovering. Although we expect to be partially reimbursed for damages through insurance and FEMA, it could take many more months, if not years. When you combine that with our increase in funding from the State equating only to \$0.47 per student, and the rising cost of healthcare, we took a substantial hit to our reserves and fund balance going forward. One particular area in distress is the District's capital plan.
- Local property taxes are currently the lone substantial source of funding in the capital plan. Despite the increase in the tax roll, the District's capital funding from state and local sources has been eliminated or significantly reduced over the past ten years. At the same time, student population grew (and continues to grow) one to two percent per year, approximately 1,500-2,000 students. This has created a situation where existing funding is not nearly enough to keep up with the need for new schools to accommodate our rapid growth, maintain our existing facilities and improve them to keep our students safe and secure while preparing them for the future with the most up-to-date technology. The funding shortfall over the next five years will be approximately \$478 million, even with additional borrowing to build new schools. The District has analyzed multiple options to help close this gap and decided to pursue a half-cent sales tax referendum on November's general election ballot, as it will raise the most revenue of the other options while keeping the burden on taxpayers low. In addition to the sales tax referendum, the District is actively working to creatively identify and obtain revenue from other sources to supplement current revenue.

Our School Board voted in July 2017 to bring a lawsuit against the state of Florida regarding House Bill 7069. This law was passed in the legislative session during the 2017 session, and contains provisions that, in our opinion, are detrimental to public education. One of the provisions in HB 7069 calls for sharing capital revenue with charter schools. Given the information above related to capital funding, this is of particular concern from a financial perspective. In addition, other provisions affect the educational program and usurp our authority to carry out our fundamental responsibility of providing a high quality education to all students.

Contacting the District's Financial Management

This Comprehensive Annual Financial Report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Financial Accounting, the School District of Lee County, 2855 Colonial Blvd., Fort Myers, Florida 33966-1012.

BASIC FINANCIAL STATEMENTS

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash	\$ 42,997,471	\$ 9,210,032
Investments	368,824,273	1,500,311
Accounts Receivable	836,275	3,645,699
Taxes Receivable	73,371	-
Due from Other Agencies	18,267,646	107,499
Inventory	3,039,187	32,150
Prepaid Expenses	-	2,316,114
Capital Credits Receivable	8,608,790	-
Restricted assets:		
Cash with Fiscal Agent	383,259	-
Capital assets:		
Non-depreciable	238,644,113	-
Depreciable, net	1,032,421,928	79,080,829
Total Assets	1,714,096,313	95,993,407
DEFERRED OUTFLOW OF RESOURCES		
Deferred amount on refunding	3,005,458	-
Deferred amount on OPEB	2,597,226	-
Deferred amount on pension	180,209,697	-
Total Deferred Outflow of Resources	185,812,381	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Salaries and Wages Payable	22,495,551	2,034,051
Payroll Deductions and Withholdings	6,215,978	-
Accounts Payable	13,711,560	3,412,127
Construction Contracts Payable	2,390,177	-
Construction Contracts Payable - Retainage	2,575,253	-
Matured Principal and Interest Payable	35,523,333	-
Accrued Interest Payable	219,683	-
Deposits Payable	18,434	-
Unearned Revenue	14,492,398	2,685
Due to Other Agencies	9,504,475	35,581
Noncurrent liabilities:		
Portion due within one year:		
Notes Payable	4,892,598	116,649
Bonds Payable	503,000	255,000
Obligations under Capital Lease	-	2,061,405
Liability for Compensated Absences	6,179,429	106,260
Certificates of Participation Payable	28,879,000	-
Estimated Early Retirement Payable	2,000	-
Estimated Insurance Claims Payable	12,921,891	-
Net Pension Liability	4,068,698	-
Portion due after one year:		
Notes Payable	12,974,660	1,349,126
Bonds Payable	1,385,985	19,813,051
Obligations under Capital Lease	-	66,960,858
Liability for Compensated Absences	58,267,415	35,421
Certificates of Participation Payable	386,635,802	-
Estimated Early Retirement Payable	1,232,000	-
Estimated Insurance Claims Payable	10,948,441	-
Postemployment Benefits Payable	50,164,566	-
Net Pension Liability	427,446,850	-
Total Liabilities	1,113,649,177	96,182,214
DEFERRED INFLOW OF RESOURCES		
Deferred amount on refunding	7,248,978	-
Deferred amount on OPEB	3,503,520	-
Deferred amount on pension	28,279,251	-
Total Deferred Inflow of Resources	39,031,749	-
NET POSITION		
Net Investment in Capital Assets	854,209,907	(5,015,410)
Restricted for:		
State Required Carryover Programs	19,648,769	-
Debt Service	13,319,651	1,434,577
Capital Projects	99,527,766	448,723
Food Service: Expendable	16,814,542	-
Food Service: Nonexpendable	757,515	-
Other Purposes	13,061,581	4,115,592
Unrestricted	(270,111,963)	(1,172,289)
Total Net Position	\$ 747,227,768	\$ (188,807)

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
Instruction	\$ 538,744,228	\$ 11,130,248	\$ -	\$ -	\$ (527,613,980)	\$ -
Student Support Services	34,960,215	-	-	-	(34,960,215)	-
Instructional Media Services	3,719,122	-	-	-	(3,719,122)	-
Instruction and Curriculum Development Services	28,000,315	-	-	-	(28,000,315)	-
Instructional Staff Training Services	10,643,654	-	-	-	(10,643,654)	-
Instruction Related Technology	8,425,222	-	-	-	(8,425,222)	-
Board	1,353,424	-	-	-	(1,353,424)	-
General Administration	7,069,119	-	-	-	(7,069,119)	-
School Administration	52,382,426	-	-	-	(52,382,426)	-
Facilities Services	99,796,725	-	-	11,486,346	(88,310,379)	-
Fiscal Services	3,887,675	-	-	-	(3,887,675)	-
Food Services	49,193,898	2,149,694	43,501,187	-	(3,543,017)	-
Central Services	11,457,838	-	-	-	(11,457,838)	-
Student Transportation Services	55,303,442	716,391	-	-	(54,587,051)	-
Operation of Plant	77,601,080	-	-	-	(77,601,080)	-
Maintenance of Plant	17,488,441	-	-	-	(17,488,441)	-
Administrative Technology Services	6,938,292	-	-	-	(6,938,292)	-
Community Services	6,939,725	-	-	-	(6,939,725)	-
Unallocated Interest and Fiscal Charges on Long-term Debt	15,196,488	-	-	2,024,433	(13,172,055)	-
Total Governmental Activities	1,029,101,329	13,996,333	43,501,187	13,510,779	(958,093,030)	
Total Primary Government	\$ 1,029,101,329	\$ 13,996,333	\$ 43,501,187	\$ 13,510,779	(958,093,030)	
Component Units:						
Charter Schools/Foundation	\$ 67,202,589	\$ 1,088,254	\$ 6,257,549	\$ 5,095,815		(54,760,971)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes				405,722,410	-	-
Property Taxes, Levied for Capital Projects				117,509,870	-	-
Florida Education Finance Program				172,938,376	-	-
Other Federal Sources Not Restricted to Specific Programs				82,171,199	-	-
Other State Sources Not Restricted to Specific Programs				125,430,747		52,516,068
Other Miscellaneous Sources Not Restricted to Specific Programs				12,192,287		2,041,168
Unrestricted Investment Earnings				5,384,868		40,050
Total General Revenues				921,349,757		54,597,286
Change in Net Position				(36,743,273)		(163,685)
Net Position - July 1, 2017				806,032,265		(25,122)
Adjustment to Beginning Net Position				(22,061,224)		-
Net Position - July 1, 2017, Restated				783,971,041		(25,122)
Net Position - June 30, 2018				\$ 747,227,768		(188,807)

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

**THE SCHOOL DISTRICT OF LEE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	General Fund	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 25,923,849	\$ -	\$ -	\$ 2,049,388	\$ 8,658,298	\$ 5,874,538	\$ 42,506,073
Investments	149,920,413	35,867,312	12,924,138	65,507,564	46,732,751	12,058,903	323,011,081
Accounts Receivable	830,246	-	-	-	-	6,029	836,275
Taxes Receivable	56,893	-	-	16,478	-	-	73,371
Due from Other Funds	5,302,982	-	-	-	-	-	5,302,982
Due from Other Agencies	4,998,142	-	-	-	3,340,907	9,928,597	18,267,646
Restricted Cash with Fiscal Agent	83,259	-	-	-	-	-	83,259
Inventory	2,281,672	-	-	-	-	757,515	3,039,187
Total Assets	\$ 189,397,456	\$ 35,867,312	12,924,138	\$ 67,573,430	\$ 58,731,956	\$ 28,625,582	\$ 393,119,874
LIABILITIES AND FUND BALANCES							
Liabilities							
Salaries and Wages Payable	\$ 22,495,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,495,551
Payroll Deductions and Withholdings	6,215,978	-	-	-	-	-	6,215,978
Accounts Payable	6,203,995	-	-	4,536,807	1,648,502	823,273	13,212,577
Matured Principal Payable	-	27,934,000	-	-	-	-	27,934,000
Matured Interest Payable	-	7,589,333	-	-	-	-	7,589,333
Construction Contracts Payable	116,973	-	-	131,477	1,737,745	403,982	2,390,177
Construction Contracts Payable - Retainage	339,582	-	-	77,872	2,112,912	44,887	2,575,253
Deposits Payable	18,434	-	-	-	-	-	18,434
Due to Other Agencies	9,504,475	-	-	-	-	-	9,504,475
Due to Other Funds	15,704,231	-	-	-	1,077,703	4,225,278	21,007,212
Unavailable Revenue	2,064,337	-	-	-	-	-	2,064,337
Total Liabilities	62,663,556	35,523,333	-	4,746,156	6,576,862	5,497,420	115,007,327
Fund Balance							
Nonspendable							
Inventory	2,281,672	-	-	-	-	757,515	3,039,187
Restricted for:							
State Required Carryover Programs	19,648,769	-	-	-	-	-	19,648,769
Other Purposes	12,761,581	-	-	-	-	-	12,761,581
Debt Service	-	343,979	12,924,138	-	-	51,534	13,319,651
Capital Projects	-	-	-	62,827,274	52,155,094	5,504,571	120,486,939
Food Service	-	-	-	-	-	16,814,542	16,814,542
Assigned to:							
Purchase Order Obligations	4,899,053	-	-	-	-	-	4,899,053
Unassigned	87,142,825	-	-	-	-	-	87,142,825
Total Fund Balances	126,733,900	343,979	12,924,138	62,827,274	52,155,094	23,128,162	278,112,547
Total Liabilities and Fund Balances	\$ 189,397,456	\$ 35,867,312	\$ 12,924,138	\$ 67,573,430	\$ 58,731,956	\$ 28,625,582	\$ 393,119,874

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

**THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2018**

Total Fund Balance - Governmental Funds \$ 278,112,547

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

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

Original cost of capital assets	\$ 1,992,242,715	
Accumulated depreciation	<u>(721,176,674)</u>	
		1,271,066,041

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. 185,812,381

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide financial statements. 8,608,790

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Balances at June 30, were:

Accrued Interest payable	(219,683)	
Bonds payable	(1,888,985)	
Certificates of participation payable	(415,514,802)	
Notes payable	(17,867,258)	
Estimated early retirement payable	(1,234,000)	
Net pension liability	(431,515,548)	
Estimated insurance claims payable	(23,870,332)	
Postemployment benefits payable	(50,164,566)	
Liability for compensated absences	<u>(64,446,844)</u>	
Subtotal, long-term liabilities		(1,006,722,018)

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. (39,031,749)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The assets and liabilities of the internal service funds, which are reported in the proprietary funds rather than the governmental funds, are included in governmental activities in the statement of net position. The internal service funds net position is \$25,499,339. This includes \$5,209 in capital assets, \$17,314 in compensated absences and \$23,870,332 in estimated unpaid claims included above. The net amount is as follows:

49,381,776

Total net position - governmental activities \$ 747,227,768

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018

	General Fund	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Federal Direct Sources	\$ 1,900,057	\$ -	\$ -	\$ -	\$ -	\$ 21,233,227	\$ 23,133,284
Federal Through State Sources	2,515,308	-	-	-	-	99,411,799	101,927,107
State Sources	296,077,241	-	-	-	2,560,336	5,597,553	304,235,130
Local Sources							
Taxes	405,722,410	-	-	117,509,870	-	-	523,232,280
Food Service Sales	-	-	-	-	-	2,149,694	2,149,694
Impact Fees	-	-	-	-	8,256,767	-	8,256,767
Miscellaneous	25,739,995	38,415	181,227	846,472	1,109,995	361,967	28,278,071
	<u>731,955,011</u>	<u>38,415</u>	<u>181,227</u>	<u>118,356,342</u>	<u>11,927,098</u>	<u>128,754,240</u>	<u>991,212,333</u>
Total Revenues							
EXPENDITURES							
Current							
Instruction	477,132,592	-	-	-	-	42,427,279	519,559,871
Student Support Services	27,144,501	-	-	-	-	6,184,571	33,329,072
Instructional Media Services	3,478,594	-	-	-	-	81,862	3,560,456
Instruction and Curriculum Development Services	9,497,962	-	-	-	-	17,312,824	26,810,786
Instructional Staff Training Services	5,273,447	-	-	-	-	5,035,516	10,308,963
Instruction Related Technology	7,850,539	-	-	-	-	87,247	7,937,786
Board	1,228,292	-	-	-	-	5,928	1,234,220
General Administration	3,540,570	-	-	-	-	3,287,922	6,828,492
School Administration	48,976,982	-	-	-	-	463,279	49,440,261
Facilities Services	13,099,833	-	-	37,398,819	1,631,068	1,548,848	53,678,568
Fiscal Services	3,708,277	-	-	-	-	-	3,708,277
Food Service	-	-	-	-	-	47,500,974	47,500,974
Central Services	10,833,831	-	-	-	-	40,145	10,873,976
Student Transportation Services	52,522,011	-	-	-	-	940,433	53,462,444
Operation of Plant	75,931,009	-	-	-	-	117,837	76,048,846
Maintenance of Plant	16,576,944	-	-	-	-	3,244	16,580,188
Administrative Technology Services	6,526,645	-	-	-	-	-	6,526,645
Community Services	6,209,466	-	-	-	-	506,576	6,716,042
Capital Outlay							
Facilities Acquisition and Construction	382,821	-	-	1,602,707	48,943,936	487,999	51,417,463
Other Capital Outlay	1,506,388	-	-	12,874,307	956,723	2,834,342	18,171,760
Debt Service							
Principal	-	32,783,643	-	-	-	1,885,000	34,668,643
Interest and Fiscal Charges	-	16,380,260	215,761	-	-	179,023	16,775,044
	<u>771,420,704</u>	<u>49,163,903</u>	<u>215,761</u>	<u>51,875,833</u>	<u>51,531,727</u>	<u>130,930,849</u>	<u>1,055,138,777</u>
Total Expenditures							
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	<u>(39,465,693)</u>	<u>(49,125,488)</u>	<u>(34,534)</u>	<u>66,480,509</u>	<u>(39,604,629)</u>	<u>(2,176,609)</u>	<u>(63,926,444)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of Refunding Bonds	-	32,085,000	-	-	-	-	32,085,000
Certificates of Participation Issued	-	79,030	-	-	13,990,970	-	14,070,000
Loss Recoveries	1,825,743	-	-	-	-	-	1,825,743
Sale of Capital Assets	-	-	-	-	700,000	-	700,000
Transfer In	27,422,143	48,566,425	2,016,129	-	-	-	78,004,697
Payments to Refunded COPS Escrow Agent	-	(31,904,569)	-	-	-	-	(31,904,569)
Transfer Out	-	-	-	(75,610,861)	(2,393,836)	-	(78,004,697)
	<u>29,247,886</u>	<u>48,825,886</u>	<u>2,016,129</u>	<u>(75,610,861)</u>	<u>12,297,134</u>	<u>-</u>	<u>16,776,174</u>
Total Other Financing Sources (Uses)							
Net Change in Fund Balance	(10,217,807)	(299,602)	1,981,595	(9,130,352)	(27,307,495)	(2,176,609)	(47,150,270)
Fund Balance, Beginning	136,951,707	643,581	10,942,543	71,957,626	79,462,589	25,304,771	325,262,817
Fund Balance, Ending	<u>\$ 126,733,900</u>	<u>\$ 343,979</u>	<u>\$ 12,924,138</u>	<u>\$ 62,827,274</u>	<u>\$ 52,155,094</u>	<u>\$ 23,128,162</u>	<u>\$ 278,112,547</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018**

Net change in fund balances- governmental funds \$ (47,150,270)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeds depreciation expense, net of noncapitalized outlays, and other additions in the current period.

Capital outlays	\$ 69,578,498	
Depreciation expense	<u>(49,382,405)</u>	20,196,093

In the governmental funds, the cost of capital 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 un depreciated cost of the disposed assets. (1,865,036)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not effect the statement of net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt proceeds	(43,280,431)	
Payment to escrow agent	31,904,569	
Deferred In/Outflows- Refundings	(2,874,569)	
Amortization-net	779,638	
Amortization-net	758,879	
Repayments	<u>34,668,643</u>	21,956,729

The District has recorded vested utility interest revenue in the government-wide statements that does not meet the earned criterion for recognition in the fund financial statements. 39,233

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. 20,000

In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the statement of activities, interest is recorded as it accrues. This is the increase in accrued interest payable. 40,038

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. (1,724,721)

The net change in the liability for postemployment health benefits is reported in the government-wide statements, but not in the governmental fund statements.

OPEB contribution	2,597,226	
OPEB expense	<u>(163,843)</u>	2,433,383

Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

FRS Pension contribution	28,051,468	
HIS Pension contribution	7,936,660	
FRS Pension expense	(45,567,148)	
HIS Pension expense	<u>(11,858,295)</u>	(21,437,315)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The change in net position of the internal service funds, of \$(9,258,536) is reported with governmental activities. This includes \$801 in depreciation, and \$6,327 in compensated absences included above. The net amount is as follows: (9,251,407)

Change in net position of governmental activities \$ (36,743,273)

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General Fund			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources	\$ 1,733,000	\$ 1,983,000	\$ 1,900,057	\$ 82,943
Federal Through State Sources	2,550,000	2,550,000	2,515,308	34,692
State Sources	296,182,073	296,518,659	296,077,241	441,418
Local Sources				
Taxes	407,559,691	407,559,691	405,722,410	1,837,281
Miscellaneous	21,242,180	25,129,628	25,739,995	(610,367)
Total Revenues	<u>729,266,944</u>	<u>733,740,978</u>	<u>731,955,011</u>	<u>1,785,967</u>
EXPENDITURES				
Current				
Instruction	525,804,832	533,473,251	477,132,592	56,340,659
Student Support Services	26,489,237	27,732,638	27,144,501	588,137
Instructional Media Services	3,940,975	3,945,359	3,478,594	466,765
Instruction and Curriculum Development Services	9,606,492	9,916,576	9,497,962	418,614
Instructional Staff Training Services	7,007,453	6,713,614	5,273,447	1,440,167
Instruction Related Technology	8,019,495	8,063,491	7,850,539	212,952
Board	1,810,030	1,860,502	1,228,292	632,210
General Administration	3,745,449	3,983,087	3,540,570	442,517
School Administration	50,399,871	51,348,192	48,976,982	2,371,210
Facilities Services	8,548,348	17,709,621	13,099,833	4,609,788
Fiscal Services	4,032,912	4,076,891	3,708,277	368,614
Central Services	12,245,199	12,545,360	10,833,831	1,711,529
Student Transportation Services	55,401,532	56,266,971	52,522,011	3,744,960
Operation of Plant	74,644,661	94,359,347	75,931,009	18,428,338
Maintenance of Plant	17,491,512	17,297,855	16,576,944	720,911
Administrative Technology Services	7,927,536	7,535,872	6,526,645	1,009,227
Community Services	12,374,489	7,810,116	6,209,466	1,600,650
Capital Outlay				
Facilities Acquisition and Construction	-	746,788	382,821	363,967
Other Capital Outlay	-	6,968,360	1,506,388	5,461,972
Total Expenditures	<u>829,490,023</u>	<u>872,353,891</u>	<u>771,420,704</u>	<u>100,933,187</u>
Deficiency of Revenues Under Expenditures	<u>(100,223,079)</u>	<u>(138,612,913)</u>	<u>(39,465,693)</u>	<u>(99,147,220)</u>
OTHER FINANCING SOURCES				
Loss Recoveries	5,897	12,654,688	1,825,743	10,828,945
Transfer In	9,619,350	29,063,307	27,422,143	1,641,164
Total Other Financing Sources	<u>9,625,247</u>	<u>41,717,995</u>	<u>29,247,886</u>	<u>12,470,109</u>
Net Change in Fund Balance	<u>(90,597,832)</u>	<u>(96,894,918)</u>	<u>(10,217,807)</u>	<u>(86,677,111)</u>
Fund Balance, Beginning	<u>136,654,621</u>	<u>136,951,707</u>	<u>136,951,707</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 46,056,789</u>	<u>\$ 40,056,789</u>	<u>\$ 126,733,900</u>	<u>\$ (86,677,111)</u>

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Governmental Activities- Internal Service Funds
<hr/>	
ASSETS	
Current Assets	
Cash	\$ 491,398
Investments	45,813,192
Due from Governmental Funds	15,704,230
Total Current Assets	<hr/> 62,008,820 <hr/>
Noncurrent Assets	
Restricted Cash with Fiscal Agent	300,000
Furniture, Fixtures and Equipment	7,999
Less Accumulated Depreciation	(2,790)
Total Noncurrent Assets	<hr/> 305,209 <hr/>
Total Assets	<hr/> 62,314,029 <hr/>
LIABILITIES	
Current Liabilities	
Accounts Payable	498,983
Unearned Revenue	12,428,061
Estimated Insurance Claims Payable	12,918,891
Liability for Compensated Absences	17,314
Total Current Liabilities	<hr/> 25,863,249 <hr/>
Long-Term Liabilities	
Estimated Insurance Claims Payable	<hr/> 10,951,441 <hr/>
Total Liabilities	<hr/> 36,814,690 <hr/>
NET POSITION	
Invested in Capital Assets	5,209
Restricted for Claims	300,000
Unrestricted	25,194,130
Total Net Position	<hr/> \$ 25,499,339 <hr/>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018**

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Premium Revenue	\$ 96,519,771
Other Operating Revenues	478,162
	96,997,933
OPERATING EXPENSE	
Salaries	335,671
Employee Benefits	96,811
Purchased Services	13,239,372
Materials and Supplies	1,480
Noncapitalized Equipment	17,625
Insurance Claims	93,129,766
Depreciation	801
	106,821,526
Operating Loss	(9,823,593)
NONOPERATING REVENUES	
Interest Income	565,057
	565,057
Changes in Net Position	(9,258,536)
Net Position - July 1, 2017	34,757,875
Net Position - June 30, 2018	\$ 25,499,339

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018**

	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers, Users and Participants	\$ 98,644,020
Cash Payments to Suppliers for Goods and Services	(13,193,112)
Cash Payments to Employees for Services	(426,156)
Cash Payments for Insurance Claims	(91,896,423)
Net Cash used by Operating Activities	(6,871,671)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Pooled Investments	4,934,943
Interest on Investments	565,057
Net Cash provided by Investing Activities	5,500,000
Net Decrease in Cash	(1,371,671)
Cash, Beginning	2,163,069
Cash, Ending	\$ 791,398
 Reconciliation of Operating Loss to Net Cash used by Operating Activities	
Operating Loss	\$ (9,823,593)
Adjustments to Reconcile Operating Income to Net Cash used by Operating Activities:	
Depreciation	801
Change in Assets and Liabilities:	
Decrease in Due from Governmental Funds	67,841
Increase in Accounts Payable	66,643
Decrease in Due to Governmental Funds	(1,278)
Increase in Advanced Revenue	1,578,246
Increase in Estimated Insurance Claims Payable	1,233,343
Increase in Liability for Compensated Absences	6,326
Total Adjustments	2,951,922
Net Cash used by Operating Activities	\$ (6,871,671)

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2018

	Fiduciary Funds
	Agency Funds
ASSETS	
Cash	\$ 1,268,504
Investments	6,669,535
Accounts Receivable	459,556
Inventory	409,100
 Total Assets	 \$ 8,806,695
LIABILITIES	
Accounts Payable and Other Current Liabilities	\$ 380,463
Due to Student Organizations and Other Agencies	8,426,232
 Total Liabilities	 \$ 8,806,695

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Reporting Entity

The District School Board of Lee County (Board) has direct responsibility for operation, control, and supervision of the School District of Lee County (District) and is considered a primary government for financial reporting. The District is part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the District is the Board, which is composed of seven elected members. The appointed Superintendent of Schools (Superintendent) is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000-1013, Florida Statutes. Geographic boundaries of the District correspond with those of Lee County, Florida.

Pursuant to Section 1010.51, Florida Statutes, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units" and GASB 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements Nos. 14 and No. 34", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Based on the application of these criteria, District management has determined that the following five charter schools are not component units: Florida Southwestern Collegiate High School, Oasis Elementary School, Oasis Middle School, Christa McAuliffe Elementary School, and Oasis High School. Each of these charter schools are operated and reported as a component unit by a government entity other than the District.

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

Blended Component Unit – Leasing Corporation

The Lee County School Board Leasing Corporation (Leasing Corporation) was formed on December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Additionally, the Corporation is legally separate from the District and the governing board of the Leasing Corporation is the District School Board. Therefore, the financial activities of the Leasing Corporation have been blended (reported as if it were part of the District) with those of the District. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Unit – Foundation

The Foundation for Lee County Public Schools, Inc., (Foundation) was formed for the purpose of improving the quality of education by increasing community involvement with and support for Lee County schools. Although

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

the District does not control the timing or amount of receipts from the Foundation, the majority of resources (or incomes thereon) that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

Discretely Presented Component Units – Charter Schools

At fiscal year-end there were nineteen charter schools operating within the District that met the criteria for presentation as a discretely presented component unit. All charter schools are separate, not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of the Lee County students attending these schools. Charter Schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on the District. Pursuant to Florida Statutes section 1002.33(17) students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the District. The charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. The financing of charter schools imposes a financial burden on the District. Because charter schools are fiscally dependent and create a financial burden on the District, charter schools are considered component units of the District. Audits were performed for each Charter School for the year ended, by independent certified public accountants and are on file at the District's administrative office.

During fiscal year 2018, Pivot Charter High School and Unity Charter School of Fort Myers, Inc. ceased operations on July 01, 2017 and June 30, 2018 respectfully. The District recovered all the assets of the charter school at the time of the closure. Unity Charter School of Fort Myers, Inc. did not submit an audit of their operations, thus no financial information has been reported for this entity.

The nineteen component unit charter schools in operation at fiscal year-end are listed below:

Accelerated Educational Services, Inc. - The school's charter was granted March 11, 2014, for a grade 6-8 school. As of June 30, 2018, the school was a grade 6-8 school. The school is located in Fort Myers, Florida.

Bonita Springs Charter School – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2018, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Cape Coral Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2018, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

City of Palms Charter High School, Inc. – The school's charter was granted October 25, 2005, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Coronado High School – The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

DJB Technical Academy, Inc. - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Gateway Charter School – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2018, the school was a grade K-4 school. The school is located in Fort Myers, Florida.

Gateway Intermediate Charter School – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2018, the school was a grade 5-8 school. The school is located in Fort Myers, Florida.

Gateway Charter High School – The school’s charter was granted October 21, 2003, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

The Heights Charter School – The school’s charter was granted December 08, 2015, for a grade K-3 school. As of June 30, 2018, the school was a grade K-3 school. The school is located in Fort Myers, Florida.

Island Park Charter High School, Inc. – The school’s charter was granted April 01, 2014, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

The Island School, Inc. - The school’s charter was granted May 2, 2000, for a grade K-8 school. As of June 30, 2018, the school was a grade K-5 school. The school is located in Boca Grande, Florida.

Northern Palms Charter High School - The school’s charter was granted April 28, 2015, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in North Fort Myers, Florida.

North Nicholas High School - The school’s charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

Oak Creek Charter School of Bonita Springs, Inc. – The school’s charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2018, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Palm Acres Charter High School, Inc. – The school’s charter was granted March 11, 2014, for a grade 9-12 school. As of June 30, 2018, the school was a grade 9-12 school. The school is located in Lehigh Acres, Florida.

Six Mile Charter Academy – The school’s charter was granted August 10, 2004, for a grade K-8 school. As of June 30, 2018, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Unity Charter School of Cape Coral, Inc. – The school’s charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2018, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Unity Charter School of Fort Myers, Inc. – The school’s charter was granted October 23, 2007, for a grade K-8 school. As of June 30, 2018, the school ceased operations. The school was located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

Change in Reporting Entity

As the financial information for Unity Charter School of Fort Myers, Inc. has not submitted, District’s management has excluded this charter school, which was reported as a component unit during prior years. The Component Unit Beginning Net Position has been adjusted for the removal of Goodwill L.I.F.E. Academy and Pivot Charter High School as both ceased operations June 30, 2017 and July 01, 2017 respectfully. Their June 30, 2017 audited financial statements were the final statement for both. As a result of these changes in reporting, the net position of the component units as a whole has been adjusted as follows:

Net Position, Beginning of year, as previously reported:	\$	(285,386)
Adjustment for Effect of Change in Reporting Entity		
Goodwill L.I.F.E Academy		216,071
Pivot Charter High School		(69,258)
Unity Charter School of Fort Myers, Inc.		113,451
Net Position-Beginning of year, adjusted	\$	(25,122)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (i.e., food service fees, student fees, print fees, and transportation fees), and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function (e.g., Federal food service, transportation, and Public Education Capital Outlay [PECO] grants). Taxes and other items not properly included among program revenues are reported instead as *general revenue*.

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

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- *Debt Service Fund – Certificates of Participation* accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.
- *Debt Service Fund – ARRA Economic Stimulus* accounts for the accumulation of resources for the payment of debt principal, interest and related costs on the Qualified School Construction Bonds.
- *Capital Projects Fund – Local Capital Improvement Tax* accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.
- *Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants* accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.

Additionally, the District reports the following fund types:

- *Internal Service Funds* account for the self-insurance programs.
- *Agency Funds* account for resources of the school internal funds that are used to administer money collected at schools in connection with student athletic, class, and club activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. The agency fund is custodial in nature (assets equal liabilities) and uses the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility or expenditure requirements imposed by the provider have been met.

Governmental fund financial statements, which include the General, Special Revenue, Debt Service, and Capital Projects funds, are prepared using the *current financial resource measurement focus* and the *modified accrual*

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) principal and interest on general long-term debt is recognized as expenditures when due; and (b) claims and judgments and compensated absences are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions are further classified into (a) derived tax revenues, (b) imposed nonexchange revenues, (c) government-mandated nonexchange transactions, and (d) voluntary nonexchange transactions. Derived tax revenues (i.e., sales tax) are recorded when the exchange transaction occurs. The District currently does not have any derived tax revenues. Imposed nonexchange transactions (i.e., property taxes) are recorded when use of the resource is required or first permitted by time requirement (for example, for property taxes, the period for which they are levied). Government-mandated and voluntary nonexchange transactions (i.e., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses for internal service funds include insurance claims and excess coverage premiums, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Each of the charter schools, included as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation for Lee County Public Schools, Inc., shown as a discretely presented component unit, is accounted for using the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

Budgetary Basis Accounting

The following procedures, established by State Statutes and State Board of Education rules, are used by the Board in setting up final budget balances reported on the financial statements:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the function level (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the Annual Financial Report. This function level is the legal level of budgetary control.
- 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 year-end and encumbrances outstanding are honored from the subsequent year's appropriations. During the fiscal year ended June 30, 2018, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, and other events.

Cash

Banks qualified as public depositories under Florida law hold cash deposits. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes. The Statement of Cash Flows considers cash as those accounts used as demand deposit accounts.

Restricted Cash with Fiscal Agent

Self-insurance funds are required to establish and maintain prescribed amounts of resources (consisting of cash) that can be used only to pay insurance claims.

Investments

Investments are stated at fair value, based on quoted market prices or recognized pricing sources. Investments consist of direct obligations of the United States Treasury, corporate notes, money market funds, municipal obligations, amounts placed with the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, and amounts placed for participation in the Florida PRIME, Florida Cooperative Liquid Asset Security System (FLCLASS), Florida Education Investment Trust Fund (FEITF) and Florida Fixed Income Trust (FL-FIT) investment pools created by Sections 218.405 and 218.417, Florida Statutes. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and FEITF which are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2018, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

Fair Value Measurement

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. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

Inventory

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost using the average cost method for the central stores, maintenance, transportation, and food service inventories and at last invoice price, which approximates the first-in, first-out basis, for the print shop and media/textbook inventories. United States Department of Agriculture donated foods are recorded at the value established by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services using the average cost method. The costs of inventories are recorded as expenditures when used (the consumption method) rather than purchased. The inventories at year-end are reported as non-spendable fund balance.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental funds that financed the acquisition or construction. The capital assets so acquired are reported at cost in the governmental activities column on the government-wide financial statements but are not reported in the governmental fund financial statement. The District defines capital assets as assets with an initial individual cost of \$1,000 or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	10-40
Buildings and Fixed Equipment	10-50
Motor Vehicles	5-10
Furniture Fixtures and Equipment	3-15
Audio-Visual Materials	3-5
Computer Software	5

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District's retirement plans and related amounts are described in a subsequent note.

Noncurrent Liabilities and Compensated Absences

In the government-wide financial statements and proprietary fund types in the fund financial statements, noncurrent obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable and Certificates of Participation are reported net of the applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances and payments to refunded bond escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave, including applicable salary-related amounts for Social Security, Medicare, and retirement contributions. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payment and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements.

Changes in noncurrent liabilities for the current year are reported in a subsequent note.

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 periods and so will *not* be recognized as an outflow of resources (expense) until then. The District has three items that qualifies for reporting in this category. The first is the deferred amount on refunding. 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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 10 years.

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 periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is the deferred amount on refunding. 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 second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 10 years.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order 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. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, 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 procedure to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first followed by unassigned fund balance.

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Fund Balance/Net Position

In the fund financial statements, governmental funds report constraints on the use of fund balance for amounts that are not spendable, are legally restricted by outside parties for use for a specific purpose, or have self-imposed constraints for use for a specific purpose.

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, law and regulations of other governments, or imposed by law through State statute.

Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the discretely presented component units financial statements have been reclassified in order to be consistent with the District's presentation.

State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program, administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE students and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE students and related data. Normally, such adjustments are treated as reductions or additions to 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 these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that educational program revenues be accounted for in the General Fund. For selected programs, funds received that are not expended at the fiscal year-end are carried forward into the following year to be expended for the same educational programs. A portion of the fund balance of the General Fund is restricted for the balance of these 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 Department. Accordingly, the District recognizes the allocation of Public

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Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received. The District also received a Charter School Capital Outlay appropriation.

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

Property Taxes – Revenue Recognition

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

Property taxes consist of ad valorem taxes on real and personal property within the District. The Lee County Property Appraiser determines property values and the Lee County Tax Collector's office collects the property taxes.

The Board adopted the 2017 tax levy on September 05, 2017. Taxes become an enforceable lien on property as of January 1. Tax bills are mailed in October, and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment and 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 certificates to satisfy unpaid taxes. These procedures result in the collection of substantially 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 in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Lee County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Board of County Commissioners of Lee County (County) on November 27, 2001. The fee is collected by the County for new residential construction, and can only be used to provide for the acquisition of capital assets or additions to capital assets and expenditures for site acquisition, construction design, site development, necessary off-site improvements, and equipment. Educational impact fee revenues are recognized in the government-wide and governmental fund financial statements when the fees are collected by the County.

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

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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.

Reporting Changes

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB they provide; and requires more extensive note disclosures and supplementary information about a government's OPEB liability. The beginning net position of the District was decreased by \$22,061,224 due to the adoption of this statement. The District's total OPEB liability reported at June 30, 2017, increased by \$22,061,224 to \$53,504,243 as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75, and beginning balances for deferred outflows/inflows of resources were not restated.

NOTE 2: CASH AND INVESTMENTS

2-A. Cash Deposits

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories if the same type as the depository in default. All bank balances of the District are fully insured or collateralized. As of June 30, 2018, the carrying amount of the District's bank deposits was \$43,380,730 and the respective bank balances totaled \$49,051,930. As of June 30, 2018, the carrying amount of the Agency Fund's bank deposits was \$1,268,504.

2-B. Investments

The District's investment policy permits investments in the Florida PRIME, FL CLASS, FEITF, FL-FIT, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

FEITF and Florida PRIME are external investment pools that are not registered with the Securities Exchange Commission (SEC), but do operate in a manner consistent with the SEC's Rule 2a7 off the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District's investments in both FEIFT and Florida PRIME are reported at the account balance which is amortized cost. There are no restrictions or fees to withdrawal from either of these pools.

All of the District's recurring fair value measurements as of June 30, 2018 are valued using a matrix pricing model (Level 2 inputs).

As of June 30, 2018, the District had the following investments:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
External Investment Pool:				
Florida Fixed Income Trust	\$ 35,608,227	\$ -	\$ 35,608,227	\$ -
Florida Cooperative Liquid Assets Security System	56,714,119	-	56,714,119	-
United States Treasury Securities	69,501,578	-	69,501,578	-
Obligations of United States Government				
Agencies and Instrumentalities	7,829,937	-	7,829,937	-
Bonds and Notes	26,404,758	-	26,404,758	-
Total investments by fair value level	\$ 196,058,619	\$ -	\$ 196,058,619	\$ -
 Investments measured at amortized cost				
External Investment Pool:				
Florida PRIME ¹	\$ 101,341,059			
Florida Education Investment Trust Fund	35,722,612			
Money Market Funds	35,701,983			
Total investments measured at amortized cost	172,765,654			
 Total District Investments, Governmental Activities	\$ 368,824,273			
 Agency Fund				
Florida PRIME	\$ 6,669,535			

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Note (1) At June 30, 2018, investments totaling \$69,750,623 were held under trust agreements in connection with Certificates of Participation, Series 2010, 2011A-QSCB, 2012B/C, 2013A, 2014A/B, 2016A and 2017A/B financing agreements. (See Note 7).

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy.

2-C. Investments – Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of one year or less. Investments of reserves, project funds, debt proceeds and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The maturity of Florida PRIME, FLCLASS, FEITF, and FL-FIT investment pools are based on the 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. As of June 30, 2018, the WAM for Florida PRIME is 30 days, FLCLASS is 64 days, FEITF is 32 days, FL-FIT Cash Pool is 95 days, and FL-FIT Enhanced Cash is 175 days.

2-D. Investments – Credit Risk

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

- a. Florida Local Government Surplus Funds Trust Funds. As of June 30, 2018, the District had investments totaling \$101,341,059 in Florida PRIME which had an AAAM rating by Standard and Poor's and are reported at amortized cost; \$56,714,119 in FLCLASS which had an AAAM rating by Standard and Poor's and are reported at fair value; \$35,722,612 in FEITF which had an AAAM rating by Standard and Poor's and are reported at amortized cost; and \$35,608,227 in FL-FIT which had an AAAf rating by Standard and Poor's and are reported at fair value.
- b. Direct Obligations of U.S. Treasury which are unconditionally guaranteed by the United States Government. The maximum length to maturity for direct obligations of US Treasuries shall be five (5) years from the date of purchase. As of June 30, 2018, the District held \$69,501,578 of US Treasuries of which had an S&P rating of AA+.
- c. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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rating agencies. The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase. As of June 30, 2018, the District held \$17,930,771 of corporate notes of which had an S&P rating between A and AAA.

- d. Municipal Obligations purchased for investment is a general obligation or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities, that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for municipal obligations shall be five (5) years from the date of purchase. As of June 30, 2018, the District held \$7,829,937 of municipal obligations of which had an S&P rating between AA and AAA.
- e. Commercial Paper purchased for investment must be rated, at the time of purchase, in the highest 308 tier (A-1, P-1 or F-1 or higher) by a minimum of two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be two hundred seventy (270) days from the date of purchase. As of June 30, 2018, the District held \$8,473,987 of commercial paper of which had an S&P rating between A1 and A1+.
- f. U.S. Federal Government Agency Securities and U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- g. Repurchase Agreements fully collateralized at 102 percent of market value by U.S. Treasuries, U.S. Government Agencies, U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- h. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2018, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$35,541,238, which were rated AAAM by Standard and Poor's; and Fidelity Institutional Government Class I Money Market Fund with a fair value of \$160,745, which were rated AAAM by Standard and Poor's.
- i. Certificates of Deposit, collateralized at 102 percent of market value, by U.S. Treasuries, U.S. Government Agencies, U. S. Government - Sponsored Agencies/Federal Instrumentalities.
- j. Passbook savings accounts and interest bearing time deposits with banks organized under the laws of the State of Florida or in banks doing business in the State of Florida.

2-E. Investments – 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. The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12, F.S., 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 the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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hand at the conclusion of the transaction. As of June 30, 2018, the District's investment portfolio was held with a third-party custodian.

Funds held by US Bank First American Government Obligation Class Y Money Market Fund are held pursuant to a trust agreement in connection with the issuance of various Certificates of Participation.

2-F. Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer. Up to 100 percent of the portfolio may be invested in U.S. Government securities, 75 percent may be invested in Federal Instrumentalities (US government sponsored agencies) with no more than 25 percent with a single issuer and 50 percent may be invested in US government agencies with no more than 10 percent with a single issuer. Corporate Notes are limited to 20 percent of the portfolio with no more than 5 percent with a single issuer. Commercial Paper is limited to 25 percent of the portfolio with no more than 5 percent with a single issuer.

As of June 30, 2018, all District investments were in compliance with the District's Investment Policy and did not exceed portfolio allocation or issuer maximums.

NOTE 3: DUE FROM OTHER AGENCIES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded. At June 30, 2018, the District has recorded due from other agencies as follows:

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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	Capital Projects- Certificates of Participation/ Impact Fees/ Nonmajor Governmental			
	General Fund	State Grants Fund	Funds	Total
Federal and State Sources				
Florida Retirement System	\$ 278,764	\$ -	\$ -	\$ 278,764
Fuel Tax	-	204,538	-	204,538
Grants and Entitlements	487,842	-	4,805,423	5,293,265
Medicaid	2,000,507	-	-	2,000,507
ROTC	87,374	-	-	87,374
State License Tax	49,256	-	-	49,256
Meal Claims	-	-	5,123,174	5,123,174
Local Sources				
Impact fees	-	3,136,369	-	3,136,369
Other	2,094,400	-	-	2,094,400
Total	<u>\$ 4,998,142</u>	<u>\$ 3,340,907</u>	<u>\$ 9,928,597</u>	<u>\$ 18,267,646</u>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS

Construction Commitments

The following is a summary of major construction commitments as of June 30, 2018.

PROJECTS	Original Contract	Completed to date 6/30/2018	Balance Committed 6/30/2018
New HS LLL #7045			
Contractor	\$ 46,437,447	\$ 42,258,236	\$ 4,179,211
Others	17,180,086	16,034,257	1,145,829
Outdoor Café Pavillion	289,973	136,617	153,356
Parking Lot	38,076	7,680	30,396
Walking Track	57,860	49,110	8,750
Total	<u>\$ 64,003,442</u>	<u>\$ 58,485,900</u>	<u>\$ 5,517,542</u>

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, 2018, the District has recorded encumbrances as follows:

Funds	Encumbrances
Major Funds:	
General	\$ 5,265,427
Capital Projects:	
Local Capital Improvements Tax	36,763,084
Certificates of Participation/Impact	
Fees/State Grants	7,802,464
Non-major Governmental Funds	<u>4,058,815</u>
Total	<u>\$ 53,889,790</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5: CAPITAL ASSETS

Capital asset balances and activities for the fiscal year ended June 30, 2018, were as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Governmental activities:				
<i>Capital Assets not being depreciated</i>				
Land	\$ 180,158,213	\$ 280,000	\$ (280,000)	\$ 180,158,213
Construction in Progress	8,729,939	49,956,074	(200,113)	58,485,900
Total Capital Assets not being depreciated	188,888,152	50,236,074	(480,113)	238,644,113
<i>Capital Assets being depreciated</i>				
Improvements other than Buildings	47,034,269	1,407,244	-	48,441,513
Buildings	1,497,546,599	78,822	(942,010)	1,496,683,411
Furniture, Fixtures and Equipment	79,133,548	8,265,265	(10,767,737)	76,631,076
Motor Vehicles	100,801,184	9,585,060	(8,008,069)	102,378,175
Audio Visual Materials	103,164	-	(5,063)	98,101
Software	29,799,343	206,146	(639,163)	29,366,326
Total Capital Assets being depreciated	1,754,418,107	19,542,537	(20,362,042)	1,753,598,602
<i>Less accumulated depreciation for:</i>				
Improvements other than Buildings	20,455,432	1,665,389	-	22,120,821
Buildings	523,662,255	34,939,706	(757,870)	557,844,091
Furniture, Fixtures and Equipment	60,965,543	5,118,683	(9,775,941)	56,308,285
Motor Vehicles	70,254,523	5,768,403	(7,793,476)	68,229,450
Audio Visual Materials	93,230	6,268	(4,587)	94,911
Software	15,140,292	1,883,956	(445,132)	16,579,116
Total accumulated depreciation	690,571,275	49,382,405	(18,777,006)	721,176,674
Capital Assets being depreciated, Net	1,063,846,832	(29,839,868)	(1,585,036)	1,032,421,928
Governmental Activities Capital Assets, Net:	\$ 1,252,734,984	\$ 20,396,206	\$ (2,065,149)	\$ 1,271,066,041

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Depreciation expense was charged to governmental functions as follows:

Governmental Function	Amount
Instruction	\$ 1,349,345
Student Support Services	60,516
Instructional Media Services	13,437
Instruction and Curriculum Development Services	6,029
Instructional Staff Training Services	4,569
Instruction Related Technology	3,146
General Administration	8,031
School Administration	75,490
Facilities Services	46,257,361
Fiscal Services	3,182
Food Services	892,654
Central Services	60,020
Student Transportation Services	166,856
Operation of Plant	56,990
Maintenance of Plant	267,149
Administrative Technology Services	129,880
Community Services	27,750
Total Depreciation Expense- Governmental Functions	\$ 49,382,405

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General	\$ 5,302,982	\$ 15,704,231
Capital Projects:		
Certificates of Participation/Impact		
Fees/State Grants	-	1,077,703
Non-major Governmental Funds	-	4,225,278
Proprietary Funds	<u>15,704,230</u>	-
Total	<u>\$ 21,007,212</u>	<u>\$ 21,007,212</u>

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

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

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General	\$ 27,422,143	\$ -
Debt Service Fund:		
Certificates of Participation	48,566,425	-
ARRA Economic Stimulus	2,016,129	-
Capital Projects:		
Local Capital Improvement Tax	-	75,610,861
Certificates of Participation/Impact		
Fees/State Grants	<u>-</u>	<u>2,393,836</u>
Total	<u>\$ 78,004,697</u>	<u>\$ 78,004,697</u>

The majority of the transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7: NONCURRENT LIABILITIES

7-A. Certificates of Participation Payable

The District entered into several financing arrangements, characterized as lease-purchase agreements, with the Florida School Boards Association, Inc. and the Lee County School Board Leasing Corporation (lessors) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance and refunding of several series of Certificates of Participation. Issues with remaining outstanding balances include 2010 (original issue: \$23,298,000); 2011A-QSCB (original issue: \$27,009,000); Series 2012B (original issue: \$149,015,000); Series 2012C (original issue: \$16,240,000); Series 2013A (original issue: \$25,287,000); Series 2014A (original issue: \$72,340,000); Series 2014B (original issue: \$60,220,000); Series 2016A (original issue: \$61,080,000) issued September 20, 2016; Series 2017A (original issue: \$60,177,000) issued March 15, 2017 and Series 2017B (original issue: \$46,155,000) issued December 15, 2017 be repaid from the proceeds of rents paid by the District.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for school districts. The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs or the BABs represent incremental Federal Funding, both must be repaid by the District. In June 2011, the Corporation issued Certificate Series 2011A-QSCB in the amount of \$27,009,000. The Series 2011A-QSCB was issued to finance the cost of construction, installation and equipping educational facilities. The Series 2011A-QSCB Certificates are structured as taxable bonds and the District will receive a direct rebate/subsidy payment from the U.S. Treasury to offset a portion of the interest expense. The interest rate bondholders will receive is 5.48 percent and the federal subsidy is 5.02 percent, therefore the net interest cost to the District is 0.46 percent. Interest earnings on the proceeds will further offset this expense.

As a condition of the financing arrangement, the District has given a ground lease on District property to the lessors with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 2036.

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

Series 2010

Two Elementary Schools
One Middle School
One Specialty School
Two Transportation Facilities

Series 2011A-QSCB

One Elementary School
One Middle School

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Series 2012B

Five Elementary Schools
Three Middle Schools
Two High Schools
One Specialty School
Two Transportation Facilities
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2012C

Three Elementary Schools
One Middle School
Two High Schools
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2013A

Four Elementary Schools
One Middle School
Two High Schools
One Specialty School
Two Building Conversions
New Administration Building
Vocational School Addition
Seven Additions to Existing Schools

Series 2014A

One Elementary School
One Middle School
One High School
New Administration Building

Series 2014B

Two Elementary Schools
Seven Additions to Existing Schools

Series 2016A

One High School

Series 2017A

Six Elementary Schools
One Middle School
One High School

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Series 2017B

- Five Elementary Schools
- Three Middle Schools
- Three High Schools
- One Specialty School
- Two Transportation Facilities
- Two Building Conversions
- New Administration Building
- Vocational School Addition

The lease payments are payable by the District semi-annually on December 31 and June 30 except for the Series 2012C which is payable on December 1 and June 1, at interest rates ranging from 1.91 to 5.00 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 43,636,955	\$ 28,879,000	\$ 14,757,955
2020	32,230,493	18,680,000	13,550,493
2021	59,890,276	47,250,000	12,640,276
2022	45,283,200	34,198,000	11,085,200
2023	43,572,248	33,809,000	9,763,248
2024-2028	227,090,540	195,985,000	31,105,540
2029-2033	35,093,750	26,760,000	8,333,750
2034-2036	21,056,350	19,485,000	1,571,350
Total Minimum Lease Payments	507,853,812	405,046,000	102,807,812
Add: Unamortized Premium/Discount, net	10,468,802	10,468,802	
Total Certificates of Participation Payable	<u>\$ 518,322,614</u>	<u>\$ 415,514,802</u>	<u>\$ 102,807,812</u>

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2018, there was no arbitrage rebate liability.

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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7-B. Notes Payable

Notes payable are comprised of the following:

Note Payables

Balance at 6/30/18

Capital One Bank Loan

\$6,306,547 borrowed 9-22-08, under provisions of Section 1013.23, Florida statutes. Interest rate of 4.46%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$760,433 during the 2017-18 fiscal year.

\$ 1,006,917

Bank of America Bank Loan

\$1,447,460 borrowed 9-27-12, under provisions of Section 1013.23, Florida statutes. Interest rate of 1.64%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$156,014 during the 2017-18 fiscal year.

692,341

Bank of America Bank Loan

\$20,000,000 borrowed 9-30-16, under provisions of Section 1013.23, Florida statutes. Interest rate of 1.33%. Proceeds used to purchase 190 school buses. The Board repaid \$3,832,000 during the 2017-18 fiscal year.

16,168,000

Total Notes Payable

\$ 17,867,258

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Amounts needed for the planned extended repayment of Section 1013.23, Florida Statutes, bank loans as of June 30, 2018 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
Notes Payable			
2018	\$ 5,146,287	\$ 4,892,598	\$ 253,689
2019	4,534,892	4,363,124	171,768
2020	4,360,309	4,245,877	114,432
2021	4,381,033	4,323,585	57,448
2022	42,189	42,074	115
Total Notes Payable	<u>\$ 18,464,710</u>	<u>\$ 17,867,258</u>	<u>\$ 597,452</u>

7-C. Bonds Payable

The following is a description of bonded debt issues:

State School Bonds: The SBE issued these bonds on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is pledged for all of these SBE Bonds. The original amount of SBE bonds issued was \$8,281,000. The State Board of Education and the SBA administer principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements.

Bonds payable at June 30, 2018, are as follows:

Bond Type	Amount Outstanding	Interest Rate (Percent)	Annual Maturity to
State School Bonds			
Series 2009A	\$ 110,000	5.00	2019
Series 2010A	155,000	4.00-5.00	2022
Series 2011A	485,000	3.00-5.00	2023
Series 2014A	684,000	5.00	2024
Series 2014B	<u>382,000</u>	2.00-5.00	2020
Sub-total	1,816,000		
Add: Unamortized Premium/Discount, net	<u>72,985</u>		
Total Bonds Payable	<u>\$ 1,888,985</u>		

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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The annual requirements to amortize all bonded debt outstanding as of June 30, 2018, including interest payments, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds			
2019	\$ 583,300	\$ 503,000	\$ 80,300
2020	475,500	420,000	55,500
2021	288,350	248,000	40,350
2022	294,950	267,000	27,950
2023	255,700	239,000	16,700
2024	145,950	139,000	6,950
Sub-total Bonds Payable	2,043,750	1,816,000	227,750
Add: Unamortized Premium/Discount, net	72,985	72,985	-
Total Bonds Payable	<u>\$ 2,116,735</u>	<u>\$ 1,888,985</u>	<u>\$ 227,750</u>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Changes in NonCurrent Liabilities

Noncurrent liability balances and activity for the year ended June 30, 2018, were as follows:

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018 *	Amounts Due Within One Year
Governmental Activities					
<i>Long-Term Debt</i>					
Bonds Payable	\$ 3,701,000	\$ -	\$ 1,885,000	\$ 1,816,000	\$ 503,000
Bond Premium	99,530	-	26,545	72,985	-
Certificates of Participation Payable	415,935,000	46,155,000	57,044,000	405,046,000	28,879,000
Certificates of Participation Premium	12,180,703	-	987,360	11,193,343	-
Certificates of Participation Discount	(979,566)	-	(255,025)	(724,541)	-
Notes Payable	22,636,901	-	4,769,643	17,867,258	4,892,598
Total Long-Term Debt	453,573,568	46,155,000	64,457,523	435,271,045	34,274,598
<i>Other Noncurrent Liabilities</i>					
Estimated Early Retirement Payable	1,254,000	-	20,000	1,234,000	5,000
Net Pension Liability	402,835,052	210,967,916	182,287,420	431,515,548	4,068,698
Estimated Insurance Claims Payable	22,636,989	93,129,766	91,896,423	23,870,332	12,918,891
Postemployment Benefits Payable	53,504,243	3,882,835	7,222,512	50,164,566	-
Liability for Compensated Absences	62,722,123	26,736,132	25,011,411	64,446,844	6,179,429
Total Other Liabilities	542,952,407	334,716,649	306,437,766	571,231,290	23,172,018
Total Noncurrent Liabilities	\$ 996,525,975	\$ 380,871,649	\$ 370,895,289	\$ 1,006,502,335	\$ 57,446,616

* Payments on the bonds and notes payable are made by the debt service fund. Payments on the estimated insurance claims payable are made by the Internal Service Fund. The early retirement payable, net pension liability and compensated absences liabilities are generally liquidated with the resources of the General and Special Revenue funds. Other postemployment benefits payable represents an implicit subsidy under GASB Statement No. 75 and will be included in future health insurance premiums charged to the General and Special Revenue funds.

Internal service funds predominantly serve the governmental funds. Accordingly, noncurrent liabilities are included as part of the above totals for governmental activities. At fiscal year-end, a \$17,314 liability for compensated absences in the Internal Service Fund is included in the above amounts.

NOTE 8: DEFEASED DEBT

On December 15, 2017, the Board issued \$32,085,000 in Certificates of Participation, Series 2017B, with an average interest rate of 2.32 percent, to refund the District's Certificates of Participation, Series 2012B. The Refunding Certificates are being issued to refund the \$29,030,000 principal amount of the District's Certificates of Participation, Series 2012B, that mature on or after August 1, 2024. The net proceeds of \$32,397,992, (after payment of \$180,431 in underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to call on February 01, 2022, all outstanding future debt payments on the Certificates of Participation, Series 2012B. As a result, \$29,030,000 of the 2012B series COPS are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Series 2012B Certificates of Participation were refunded to reduce its total debt service payments over the next ten years by approximately \$1,859,612 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,668,131.

NOTE 9: FUND BALANCE REPORTING

The District has adopted GASB Statement No. 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of fund balances, based on a hierarchy of spending constraints.

- **Restricted:** Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** Fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** Fund balances that contain self imposed constraints of the government to be used for a particular purpose.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories totaling \$3,039,187 that are classified as nonspendable.

The District has classified the remaining fund balances as *Restricted*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding the commitment or assignment of fund balances. As such, the District does not report any committed fund balance. However, certain actions taken by the District qualify as an assignment of fund balance in accordance with GASB Statement No. 54. Included in assigned fund balance is an amount for purchase order obligations outstanding that have not been already included as restricted fund balance.

• **Restricted for State Required Carryover Programs, Food Services, Debt Service, and Capital Projects:**

Federal laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. These funds have been included in the *Restricted* category of fund balance. The restricted fund balances totaled \$183,031,482 and represented \$19,648,769 in State required carryover programs, \$12,761,581 in

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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other externally restricted grants and donations, \$16,814,542 in food service, \$13,319,651 in debt service and \$120,486,939 in capital projects.

• **Assigned for State and Local Programs:**

The assigned fund balances total \$4,899,053. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$4,899,053, that have not been previously reported as restricted or assigned. Encumbrances are supported by outstanding purchase orders issued through the established Board approved budget process.

• **Unassigned:**

The unassigned fund balance in the General Fund is \$87,142,825.

NOTE 10: SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District’s State revenue for the 2017-18 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 172,938,376
Categorical Educational Programs:	
Class Size Reduction	100,819,469
Florida School Recognition Funds	3,407,525
Voluntary Prekindergarten Program	1,949,738
Workforce Development Program	9,697,421
Motor Vehicle License Tax (Capital Outlay and Debt Service)	3,737,272
Charter School Capital Outlay Funding	2,106,665
Public Education Capital Outlay (PECO)	1,293,490
Food Service Supplement	621,995
State License Tax	473,064
Sales Tax Distribution	223,250
District Discretionary Lottery Funds	165,672
Miscellaneous	6,801,193
Total	\$ 304,235,130

NOTE 11: PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2017 tax roll in fiscal year 2017-2018:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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	Mills	Amount
<u>General Fund:</u>		
Nonvoted School Tax		
Required Local Effort	4.431	\$ 388,636,904
Basic Discretionary Local Effort	0.748	61,316,263
 <u>Capital Projects Funds:</u>		
Nonvoted School Tax		
Local Improvements	1.500	122,960,421
 Total	 6.679	 \$ 572,913,588

NOTE 12: RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS

The District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers’ proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

General Information about the FRS

The 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 (DROP) 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. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple- employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS 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. Such provisions may be amended at any time by further action from the Florida Legislature. 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. 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’ Web site (www.dms.myflorida.com).

The District’s FRS and HIS pension expense totaled \$57,425,441 for the fiscal year ended June 30, 2018.

FRS Defined Benefit Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

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- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service*– Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable 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. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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:

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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
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
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
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
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were as follows:

Class	Employee Contribution (Percent of Gross Salary)	Employer Contribution (Percent of Gross Salary)
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.90
FRS, Senior Management Service	3.00	21.71
Deferred Retirement Option Program (Applicable to member from all of the above classes)	0.00	13.26
FRS, Re-employed Retiree	(A)	(A)

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

Note: Employer rates include the post-employment health insurance subsidy of 1.66 percent. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The District's contributions to the Plan totaled \$28,051,468 for the fiscal year ended June 30, 2018. This excludes the HIS defined benefit pension plan contributions.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of \$280,284,913 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016- 17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportion was 0.947570220 percent, which was an increase of 0.00002766833 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized the Plan pension expense of \$45,567,148. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,723,410	\$ 1,552,634
Change of assumptions	94,195,519	-
Net difference between projected and actual earnings on pension plan investments	-	6,946,161
Changes in proportion and differences between District contributions and proportionate share of contributions	1,159,891	6,340,595
District contributions subsequent to the measurement date	28,051,468	-
Total	\$ 149,130,288	\$ 14,839,390

The deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date, totaling \$28,051,468, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 13,427,105
2020	37,538,659
2021	25,874,110
2022	4,209,727
2023	18,168,300
Thereafter	7,021,529
Total	\$ 106,239,430

Actuarial Assumptions. The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.10 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As a result of the 2013 actuarial experience study, the inflation rate assumption was unchanged at 2.60 percent, and the overall payroll growth rate assumption was unchanged at 3.25 percent. The long-term expected rate of return decreased from 7.60 percent to 7.10 percent.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.7%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

¹ As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.10 percent, a decrease from the prior year of 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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JUNE 30, 2018

were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
District's proportionate share of the net pension liability	\$ 507,298,764	\$ 280,284,913	\$ 91,811,406

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

Payables to the Pension Plan. At June 30, 2018, the District reported a payable of \$4,776,729 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2018.

HIS Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement system in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three 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 Plan totaled \$7,936,660 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of \$151,230,635 for its proportionate share of the HIS Plan’s net pension liability. The current portion of the net pension liability is the

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportion was 1.414366908 percent, which was an increase of 0.004866316 from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized the HIS Plan pension expense of \$11,858,294. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 314,886
Change of assumptions	21,257,827	13,077,074
Net difference between projected and actual earnings on HIS pension plan investments	83,869	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	1,801,053	47,901
District contributions subsequent to the measurement date	7,936,660	-
Total	\$ 31,079,409	\$ 13,439,861

The deferred outflows of resources relating to pensions, resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$7,936,660, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 2,833,745
2020	2,817,874
2021	2,810,256
2022	2,207,835
2023	942,716
Thereafter	(1,909,538)
Total	\$ 9,702,888

Actuarial Assumptions. The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.85 percent. 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 plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability increased from 2.85 percent from the prior measurement date.

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 calculated using the discount rate of 3.58 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
District's proportionate share of the net pension liability	\$ 172,574,182	\$ 151,230,635	\$ 133,452,640

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

Payables to the Pension Plan. At June 30, 2018, the District reported a payable of \$1,345,226 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2018.

NOTE 13: RETIREMENT PLANS – DEFINED CONTRIBUTION PENSION PLANS

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member’s accounts during the 2017-18 fiscal year were as follows:

Class	Employer Contribution (Percent of Gross Salary)
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. 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 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, 2018, 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 SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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The District's Investment Plan pension expense totaled \$3,114,696 for the fiscal year ended June 30, 2018.

Payables to the Investment Plan. At June 30, 2018, the District reported a payable of \$533,231 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2018.

NOTE 14: EARLY RETIREMENT INCENTIVE PROGRAM

As authorized by Section 1012.685, Part VII, Florida Statutes, the Board implemented Early Retirement Plans (Plans) effective July 1, 1995, July 1, 1997, and July 1, 1999. The plans were offered to eligible employees on a one-time basis until May 15, 1995, May 15, 1997, and May 15, 1999, respectively. The purpose of the Plans was to provide eligible employees, who elect to retire under the retirement provisions of the FRS described in Note 12, with one of several incentive options which supplement the employee's (participant's) retirement benefits. A summary of the plan eligibility, benefits, and contribution obligations for the 1995 Plan follows. There is no remaining liability reported by the District for the 1997 and 1999 plans as of June 30, 2018.

Eligibility

Participants must be 57 years of age with a minimum of five years of service with the District or 62 years of age with at least ten years of FRS service and a minimum of five years of service with the District or any age with at least thirty years of FRS service and a minimum of five years of service with the District.

Benefits

Incentive option one includes a bonus equal to twenty-five percent of the employee's final annual salary, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

Incentive option two includes lifetime monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service and a life insurance benefit of \$10,000.

Incentive option three includes monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

The amount of the bonuses (if applicable) and accumulated leave pay are paid in five annual installments into an Internal Revenue Code 457F deferred compensation plan and directed into an investment fund selected by the participant. Alternatively, the participant may elect to receive twenty-five percent of the annual installments directly with the balance going into the deferred compensation plan.

Contributions

No contributions shall be required or permitted from any participant. The annual amounts contributed by the District are the actual amounts payable to participants or on their behalf for contributions to the 457F deferred compensation plan, retirement benefits, and premiums for health and life insurance coverage.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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JUNE 30, 2018

The District reported a liability in its Statement of Net Position of \$1,234,000 to recognize the present value of its obligation to pay death benefits to, or on behalf of, those retired employees. The Board has purchased life insurance on the participants, with itself as the beneficiary, to recover costs of the 1995 Plan over time.

The District has retained an administrator to handle the receipt of contributions and the disbursements of benefits to Plan participants.

NOTE 15: OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits Payable. The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

General Information about the OPEB Plan

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health plan for medical and prescription. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,831
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	11,100
Total	<u>12,931</u>

Total OPEB Liability

The District’s total OPEB liability of \$50,164,566 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.7-7.8 percent, average, including inflation
Discount rate	3.56 percent
Healthcare cost trend rates	7.00 percent for 2018, decreasing .25 percent per year to an ultimate rate of 4.24 percent for 2040 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017, valuation were based on a review of recent plan experience done concurrently with the June 30, 2017, valuation.

Changes in the Total OPEB Liability

	Amount
Balance at 6/30/17, as Restated	<u>\$ 53,504,243</u>
Changes for the year:	
Service Cost	2,685,667
Interest	1,586,448
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(3,892,800)
Benefit Payments	<u>(3,718,992)</u>
Net Changes	<u>(3,339,677)</u>
Balance at 6/30/18	<u><u>\$ 50,164,566</u></u>

There were no changes of benefit terms during the year.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.92 percent in 2016 to 3.56 percent in 2017.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56 percent) or 1 percentage point higher (4.56 percent) than the current rate:

	<u>1% Decrease (2.56%)</u>	<u>Current Discount Rate (3.56%)</u>	<u>1% Increase (4.56%)</u>
Total OPEB liability	\$56,440,668	\$50,164,566	\$44,841,561

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.24 percent) or 1 percentage point higher (8.00 percent decreasing 5.24 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (6.00% decreasing to 3.24%)</u>	<u>Healthcare Cost Trend Rates (7.00% decreasing to 4.24%)</u>	<u>1% Increase (8.00% decreasing to 5.24%)</u>
Total OPEB liability	\$44,519,360	\$50,164,566	\$57,290,699

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$3,882,835. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	3,503,520
Transactions subsequent to the measurement date	<u>2,597,226</u>	<u>-</u>
Total	<u>\$ 2,597,226</u>	<u>\$ 3,503,520</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,597,226 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ (389,280)
2020	(389,280)
2021	(389,280)
2022	(389,280)
2023	(389,280)
Thereafter	<u>(1,557,120)</u>
Total	<u>\$ (3,503,520)</u>

NOTE 16: VESTED INTERESTS IN UTILITY COOPERATIVES

The District has purchased electricity since 1969 from the Lee County Electric Cooperative, Inc. The District’s estimated vested interest in this Cooperative is \$8,608,790 at December 31, 2017, which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be payable to the District over a thirty-year period should the District terminate its business relationship with the Cooperative. During the fiscal year, the District recorded the earned capital credits as other local sources revenue in the government-wide statement and recorded general revenues on the governmental fund statements as the District received capital credits. The District would receive capital credits from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc. only in the unlikely event that they were to permanently cease operations. During the fiscal year, the District did not record any general revenue for capital credits earned from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc.

NOTE 17: 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. Property, workers’ compensation, automobile liability, and general liability coverage are self-insured up to specified limits. The District purchases policies with various insurance companies to provide coverage in excess of claims amounts above the stated self-insured retention deductible on any individual/aggregate claim. The District has contracted with a third-party administrator to administer the property/casualty program, including the processing, investigation, and payment of claims.

The District provides health coverage through a self-insurance program administered by an outside provider. The District reports the self-insurance programs in the Internal Service Funds. Amounts are transferred from various funds to the Internal Service Funds to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, and to pay the insurance services agent’s administrative fees.

There have been no significant reductions in insurance coverage. Settled claims resulting from risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

A liability in the amount of \$15,650,446 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Casualty, Liability and Workers’ Compensation Fund, at June 30, 2018. A liability in the amount of \$8,219,886 was actuarially determined to cover

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Health Insurance Fund, at June 30, 2018.

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

Casualty, Liability, Workers' Compensation Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2016-2017	\$ 15,096,990	\$ 9,301,483	\$ (8,690,906)	\$ 15,707,567
2017-2018	15,707,567	7,780,941	(7,838,062)	15,650,446

Health Insurance Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2016-2017	\$ 6,700,964	\$ 77,711,100	\$ (77,482,642)	\$ 6,929,422
2017-2018	6,929,422	85,348,825	(84,058,361)	8,219,886

NOTE 18: LITIGATION

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

NOTE 19: SUBSEQUENT EVENT

On October 15, 2018 the District issued Tax Anticipation Notes ("TANS"), Series 2018 for \$25,000,000. Note proceeds are to be used to pay fiscal year 2019 District operating expenditures prior to the receipt of ad-valorem taxes. The notes will be repaid in June 2019.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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REQUIRED SUPPLEMENTARY
INFORMATION

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS ¹

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 2,685,667
Interest	1,586,448
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	(3,892,800)
Benefit payments	<u>(3,718,992)</u>
Net changes in total OPEB liability	(3,339,677)
Total OPEB Liability-beginning, as restated	<u>53,504,243</u>
Total OPEB liability- ending	<u>\$ 50,164,566</u>
Covered employee payroll	\$ 421,730,073
Total OPEB Liability as a percentage of covered employee payroll	11.89%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹: 2018 was the first year of reporting net OPEB liability (GASB 75).

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹

	2013	2014	2015	2016	2017
District's proportion of the FRS net pension liability (asset)	1.000061253%	1.002008482%	1.010277504%	0.944803387%	0.947570220%
District's proportionate share of the FRS net pension liability (asset)	\$ 172,155,051	\$ 61,137,253	\$ 130,490,889	\$ 238,563,597	\$ 280,284,913
District's covered-employee payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	42.72%	14.85%	30.70%	54.76%	62.16%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	88.54%	96.09%	92.00%	84.88%	83.89%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹: 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹

	2014	2015	2016	2017
Contractually required FRS contribution	\$ 21,948,238	\$ 24,631,424	\$ 23,040,537	\$ 24,667,586
FRS contributions in relation to the contractually required FRS contribution	21,948,238	24,631,424	23,040,537	24,667,586
FRS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762
FRS contributions as a percentage of covered-employee payroll	5.33%	5.79%	5.29%	5.47%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
 HEALTH INSURANCE SUBSIDY PENSION PLAN ¹

	2013	2014	2015	2016	2017
District's proportion of the HIS net pension liability (asset)	1.386820766%	1.385582848%	1.400910797%	1.409500592%	1.414366908%
District's proportionate share of the HIS net pension liability (asset)	\$ 120,740,982	\$ 129,555,377	\$ 142,870,865	\$ 164,271,455	\$ 151,230,635
District's covered-employee payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	29.96%	31.47%	33.61%	37.71%	33.54%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.78%	0.99%	0.50%	0.97%	1.64%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
 SCHEDULE OF DISTRICT CONTRIBUTIONS-
 HEALTH INSURANCE SUBSIDY PENSION PLAN ¹

	2014	2015	2016	2017	2018
Contractually required HIS contribution	\$ 4,746,541	\$ 5,355,153	\$ 7,224,589	\$ 7,485,238	\$ 7,936,660
HIS contributions in relation to the contractually required HIS contribution	4,746,541	5,355,153	7,224,589	7,485,238	7,936,660
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637
HIS contributions as a percentage of covered-employee payroll	1.15%	1.26%	1.66%	1.66%	1.66%

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

NOTE 1: SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2018, total OPEB liability significantly decreased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below:

Changes of Benefit Terms. There were no benefit changes during the year.

Changes of Assumptions. The discount rate was changes from 2.92percent as of the beginning of the measurement period to 3.56 percent as of June 30, 2017 (based on the Long-tern Municipal Bond rate). This change decreased the Total OPEB Liability.

NOTE 2: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumptions. The long-term expected rate of return was decreased from 7.6 percent to 7.1 percent, and the active member mortality assumption was updated.

NOTE 3: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumptions. The municipal bond rate used to determine total pension liability increased from 2.85 percent to 3.58 percent.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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OTHER SUPPLEMENTARY
INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Two special revenue funds account for certain revenues derived from the State of Florida, the Federal Government, and other local and private sources which are required to finance restricted activities. Activities included within the funds are as follows:

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

Food Service Fund: To account for and report on activities of the Food Service Program in serving breakfast and lunch at the schools.

Debt Service Funds

One debt service fund is used to account for the payment of interest and principal of the current portion on long-term debt.

State Board of Education Bonds Fund (SBE/COBI): To account for and report on payment of principal, interest, and related costs on the State School Bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed Motor Vehicles License Tax.

(continued)

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NONMAJOR GOVERNMENTAL FUNDS (continued)

Capital Projects Funds

Two capital projects funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources are:

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

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

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>		
	<u>Total Nonmajor Governmental Funds</u>	<u>Contracted Programs</u>	<u>Food Service</u>	<u>SBE/COBI Bonds</u>	<u>Public Education Capital Outlay</u>	<u>Capital Outlay and Debt Service</u>
ASSETS						
Cash	\$ 5,874,538	\$ -	\$ 369,967	\$ -	\$ -	\$ 5,504,571
Investments	12,058,903	-	12,007,369	51,534	-	-
Accounts Receivable	6,029	-	6,029	-	-	-
Due from Other Agencies	9,928,597	4,805,423	5,123,174	-	-	-
Inventory	<u>757,515</u>	<u>-</u>	<u>757,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 28,625,582</u>	<u>\$ 4,805,423</u>	<u>\$ 18,264,054</u>	<u>\$ 51,534</u>	<u>\$ -</u>	<u>\$ 5,504,571</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 823,273	\$ 580,145	\$ 243,128	\$ -	\$ -	\$ -
Construction Contracts Payable	403,982	-	403,982	-	-	-
Construction Contracts Payable - Retainage	44,887	-	44,887	-	-	-
Due to Other Funds	<u>4,225,278</u>	<u>4,225,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,497,420</u>	<u>4,805,423</u>	<u>691,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance						
Nonspendable						
Inventory	757,515	-	757,515	-	-	-
Restricted for:						
Debt Service	51,534	-	-	51,534	-	-
Capital Projects	5,504,571	-	-	-	-	5,504,571
Food Service	<u>16,814,542</u>	<u>-</u>	<u>16,814,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>23,128,162</u>	<u>-</u>	<u>17,572,057</u>	<u>51,534</u>	<u>-</u>	<u>5,504,571</u>
Total Liabilities and Fund Balances	<u>\$ 28,625,582</u>	<u>\$ 4,805,423</u>	<u>\$ 18,264,054</u>	<u>\$ 51,534</u>	<u>\$ -</u>	<u>\$ 5,504,571</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018**

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		
	Total Nonmajor Governmental Funds	Contracted Programs	Food Service	SBE/COBI Bonds	Public Education Capital Outlay	Capital Outlay and Debt Service
Revenues						
Federal Direct Sources	\$ 21,233,227	\$ 21,233,227	\$ -	\$ -	\$ -	\$ -
Federal Through State Sources	99,411,799	56,482,107	42,929,692	-	-	-
State Sources	5,597,553	-	621,995	2,024,433	1,293,490	1,657,635
Local Sources						
Food Service Sales	2,149,694	-	2,149,694	-	-	-
Miscellaneous	361,967	89,832	268,747	-	-	3,388
Total Revenues	128,754,240	77,805,166	45,970,128	2,024,433	1,293,490	1,661,023
EXPENDITURES						
Current						
Instruction	42,427,279	42,427,279	-	-	-	-
Student Support Services	6,184,571	6,184,571	-	-	-	-
Instructional Media Services	81,862	81,862	-	-	-	-
Instruction and Curriculum Development Services	17,312,824	17,312,824	-	-	-	-
Instructional Staff Training Services	5,035,516	5,035,516	-	-	-	-
Instruction Related Technology	87,247	87,247	-	-	-	-
Board	5,928	5,928	-	-	-	-
General Administration	3,287,922	3,287,922	-	-	-	-
School Administration	463,279	463,279	-	-	-	-
Facilities Services	1,548,848	255,358	-	-	1,293,490	-
Food Service	47,500,974	-	47,500,974	-	-	-
Central Services	40,145	40,145	-	-	-	-
Student Transportation Services	940,433	940,433	-	-	-	-
Operation of Plant	117,837	117,837	-	-	-	-
Maintenance of Plant	3,244	3,244	-	-	-	-
Community Services	506,576	506,576	-	-	-	-
Capital Outlay						
Facilities Acquisition and Construction	487,999	261,018	226,981	-	-	-
Other Capital Outlay	2,834,342	794,127	2,040,215	-	-	-
Debt Service						
Principal	1,885,000	-	-	1,885,000	-	-
Interest and Fiscal Charges	179,023	-	-	176,001	-	3,022
Total Expenditures	130,930,849	77,805,166	49,768,170	2,061,001	1,293,490	3,022
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,176,609)	-	(3,798,042)	(36,568)	-	1,658,001
Net Change in Fund Balance	(2,176,609)	-	(3,798,042)	(36,568)	-	1,658,001
Fund Balance, Beginning	25,304,771	-	21,370,099	88,102	-	3,846,570
Fund Balance, Ending	<u>\$ 23,128,162</u>	<u>\$ -</u>	<u>\$ 17,572,057</u>	<u>\$ 51,534</u>	<u>\$ -</u>	<u>\$ 5,504,571</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - CERTIFICATES OF PARTICIPATION (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Certificates of Participation			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 38,415	\$ (38,415)
Total Local Sources	-	-	38,415	(38,415)
 Total Revenues	 -	 -	 38,415	 (38,415)
EXPENDITURES				
Debt Service				
Principal	27,221,645	32,783,645	32,783,643	2
Interest and Fiscal Charges	16,030,301	17,228,654	16,380,260	848,394
 Total Expenditures	 43,251,946	 50,012,299	 49,163,903	 848,396
Deficiency of Revenues Under Expenditures	 (43,251,946)	 (50,012,299)	 (49,125,488)	 (886,811)
OTHER FINANCING SOURCES (USES)				
Issuance of Refunding Bonds	-	32,085,000	32,085,000	-
Certificates of Participation Issued	-	79,030	79,030	-
Issuance of Loans	-	-	-	-
Transfer In	43,251,946	49,445,999	48,566,425	879,574
Payments to Refunded COPS Escrow Agent	-	(31,904,569)	(31,904,569)	-
 Total Other Financing Sources (Uses)	 43,251,946	 49,705,460	 48,825,886	 879,574
 Net Change in Fund Balance	 -	 (306,839)	 (299,602)	 (7,237)
Fund Balance, Beginning	643,581	643,581	643,581	-
Fund Balance, Ending	\$ 643,581	\$ 336,742	\$ 343,979	\$ (7,237)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - ARRA ECONOMIC STIMULUS (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ARRA Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 181,227	\$ (181,227)
Total Local Sources	-	-	181,227	(181,227)
Total Revenues	-	-	181,227	(181,227)
EXPENDITURES				
Debt Service				
Principal	1,800,600	1,800,600	-	1,800,600
Interest and Fiscal Charges	228,219	228,219	215,761	12,458
Total Expenditures	2,028,819	2,028,819	215,761	1,813,058
Deficiency of Revenues Under Expenditures	(2,028,819)	(2,028,819)	(34,534)	(1,994,285)
OTHER FINANCING SOURCES				
Transfer In	2,028,819	2,028,819	2,016,129	12,690
Total Other Financing Sources	2,028,819	2,028,819	2,016,129	12,690
Net Change in Fund Balance	-	-	1,981,595	(1,981,595)
Fund Balance, Beginning	10,942,543	10,942,543	10,942,543	-
Fund Balance, Ending	<u>\$ 10,942,543</u>	<u>\$ 10,942,543</u>	<u>\$ 12,924,138</u>	<u>\$ (1,981,595)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT TAX (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Local Capital Improvement Tax			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Ad Valorem Taxes	\$ 118,042,004	\$ 118,042,004	\$ 117,509,870	\$ 532,134
Interest Income	555,000	555,000	846,472	(291,472)
Total Local Sources	<u>118,597,004</u>	<u>118,597,004</u>	<u>118,356,342</u>	<u>240,662</u>
 Total Revenues	 <u>118,597,004</u>	 <u>118,597,004</u>	 <u>118,356,342</u>	 <u>240,662</u>
 EXPENDITURES				
Current				
Facilities Services	-	75,397,933	37,398,819	37,999,114
Capital Outlay				
Facilities Acquisition and Construction	91,123,424	2,264,022	1,602,707	661,315
Other Capital Outlay	-	18,390,281	12,874,307	5,515,974
Total Expenditures	<u>91,123,424</u>	<u>96,052,236</u>	<u>51,875,833</u>	<u>44,176,403</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>27,473,580</u>	 <u>22,544,768</u>	 <u>66,480,509</u>	 <u>(43,935,741)</u>
 OTHER FINANCING USES				
Transfer Out	(50,865,115)	(76,503,125)	(75,610,861)	(892,264)
Total Other Financing Uses	<u>(50,865,115)</u>	<u>(76,503,125)</u>	<u>(75,610,861)</u>	<u>(892,264)</u>
 Net Change in Fund Balance	 <u>(23,391,535)</u>	 <u>(53,958,357)</u>	 <u>(9,130,352)</u>	 <u>(44,828,005)</u>
Fund Balance, Beginning	<u>71,957,626</u>	<u>71,957,626</u>	<u>71,957,626</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 48,566,091</u>	<u>\$ 17,999,269</u>	<u>\$ 62,827,274</u>	<u>\$ (44,828,005)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CERTIFICATES OF PARTICIPATION/IMPACT FEES/STATE GRANTS
(MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Certificates of Participation/Impact Fees/State Grants</u>			Variance with Final Budget - Under (Over)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Sources:				
Charter School Capital Outlay	\$ 4,035,000	\$ 4,035,000	\$ 2,106,665	\$ 1,928,335
State Grants and Other State Sources	371,000	371,000	453,671	(82,671)
Total State Sources	<u>4,406,000</u>	<u>4,406,000</u>	<u>2,560,336</u>	<u>1,845,664</u>
Local Sources				
Impact Fees	6,615,000	6,615,000	8,256,767	(1,641,767)
Interest Income	150,000	150,000	1,029,975	(879,975)
Local Grants and Other Local Sources	-	25,000	80,020	(55,020)
Total Local Sources	<u>6,765,000</u>	<u>6,790,000</u>	<u>9,366,762</u>	<u>(2,576,762)</u>
Total Revenues	<u>11,171,000</u>	<u>11,196,000</u>	<u>11,927,098</u>	<u>(731,098)</u>
EXPENDITURES				
Current				
Facilities Services	-	4,658,856	1,631,068	3,027,788
Capital Outlay				
Facilities Acquisition and Construction	49,921,975	58,816,385	48,943,936	9,872,449
Other Capital Outlay	-	2,600,985	956,723	1,644,262
Total Expenditures	<u>49,921,975</u>	<u>66,076,226</u>	<u>51,531,727</u>	<u>14,544,499</u>
Deficiency of Revenues Under Expenditures	<u>(38,750,975)</u>	<u>(54,880,226)</u>	<u>(39,604,629)</u>	<u>(15,275,597)</u>
OTHER FINANCING SOURCES (USES)				
Certificates of Participation Issued	-	13,990,970	13,990,970	-
Sale of Capital Assets	-	700,000	700,000	-
Transfer Out	(4,035,000)	(4,035,000)	(2,393,836)	(1,641,164)
Total Other Financing Sources (Uses)	<u>(4,035,000)</u>	<u>10,655,970</u>	<u>12,297,134</u>	<u>(1,641,164)</u>
Net Change in Fund Balance	<u>(42,785,975)</u>	<u>(44,224,256)</u>	<u>(27,307,495)</u>	<u>(16,916,761)</u>
Fund Balance, Beginning	<u>79,462,589</u>	<u>79,462,589</u>	<u>79,462,589</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 36,676,614</u>	<u>\$ 35,238,333</u>	<u>\$ 52,155,094</u>	<u>\$ (16,916,761)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - CONTRACTED PROGRAMS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Contracted Programs			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 20,898,414	\$ 24,068,583	\$ 21,233,227	\$ 2,835,356
Total Federal Direct Sources	20,898,414	24,068,583	21,233,227	2,835,356
Federal Through State Sources:				
Other Federal Through State Grants	64,442,037	68,034,009	56,482,107	11,551,902
Total Federal Through State Sources	64,442,037	68,034,009	56,482,107	11,551,902
Local Sources:				
Child Care and Adult Course Fees	-	89,832	89,832	-
Total Local Sources	-	89,832	89,832	-
Total Revenues	85,340,451	92,192,424	77,805,166	14,387,258
EXPENDITURES				
Current				
Instruction	51,710,300	49,463,445	42,427,279	7,036,166
Student Support Services	6,207,743	6,891,930	6,184,571	707,359
Instructional Media Services	270,982	84,398	81,862	2,536
Instruction and Curriculum Development Services	18,359,158	19,471,358	17,312,824	2,158,534
Instructional Staff Training Services	3,737,838	7,767,745	5,035,516	2,732,229
Instruction Related Technology	56,901	87,953	87,247	706
Board	1,180	5,928	5,928	-
General Administration	2,119,207	3,670,645	3,287,922	382,723
School Administration	984,908	513,125	463,279	49,846
Facilities Services	509,483	308,133	255,358	52,775
Central Services	44,726	87,083	40,145	46,938
Student Transportation Services	610,864	1,155,431	940,433	214,998
Operation of Plant	97,109	141,735	117,837	23,898
Maintenance of Plant	3,250	3,244	3,244	-
Community Services	626,802	622,022	506,576	115,446
Capital Outlay				
Facilities Acquisition and Construction	-	336,879	261,018	75,861
Other Capital Outlay	-	1,581,370	794,127	787,243
Total Expenditures	85,340,451	92,192,424	77,805,166	14,387,258
Excess of Revenues Over Expenditures				
	-	-	-	-
Net Change in Fund Balance				
	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Food Service			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ -	\$ 40,500		
Total Federal Direct Sources	-	40,500	-	-
Federal Through State Sources:				
Food Service	\$ 45,012,609	\$ 45,443,345	\$ 42,761,243	\$ 2,682,102
Donated Foods and Cash in Lieu of	350,000	351,000	168,449	182,551
Total Federal Through State Sources	45,362,609	45,794,345	42,929,692	2,864,653
State Sources:				
Food Services	366,329	376,329	621,995	(245,666)
Total State Sources	366,329	376,329	621,995	(245,666)
Local Sources				
Food Service Sales	2,708,585	2,708,585	2,149,694	558,891
Interest Income	30,000	30,000	220,094	(190,094)
Gifts, Grants and Bequests	-	-	651	(651)
Local Grants and Other Local Sources	-	-	48,002	(48,002)
Total Local Sources	2,738,585	2,738,585	2,418,441	320,144
Total Revenues	48,467,523	48,949,759	45,970,128	2,939,131
EXPENDITURES				
Current				
Food Service	52,003,271	57,988,643	47,500,974	10,487,669
Capital Outlay				
Facilities Acquisition and Construction	-	454,818	226,981	227,837
Other Capital Outlay	-	3,024,639	2,040,215	984,424
Total Expenditures	52,003,271	61,468,100	49,768,170	11,699,930
Deficiency of Revenues Under Expenditures	(3,535,748)	(12,518,341)	(3,798,042)	(8,760,799)
Net Change in Fund Balance	(3,535,748)	(12,518,341)	(3,798,042)	(8,760,799)
Fund Balance, Beginning	21,737,625	21,370,099	21,370,099	-
Fund Balance, Ending	\$ 18,201,877	\$ 8,851,758	\$ 17,572,057	\$ (8,760,799)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - SBE/COBI BONDS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	SBE/COBI Bonds			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources:				
CO & DS withheld for SBE/COBI Bonds	\$ 2,059,550	\$ 2,048,490	\$ 2,012,373	\$ 36,117
SBE/COBI Bond Interest	1,000	12,060	12,060	-
Total State Sources	<u>2,060,550</u>	<u>2,060,550</u>	<u>2,024,433</u>	<u>36,117</u>
 Total Revenues	 <u>2,060,550</u>	 <u>2,060,550</u>	 <u>2,024,433</u>	 <u>36,117</u>
EXPENDITURES				
Debt Service				
Principal	1,885,000	1,885,000	1,885,000	-
Interest and Fiscal Charges	<u>175,550</u>	<u>176,001</u>	<u>176,001</u>	<u>-</u>
Total Expenditures	<u>2,060,550</u>	<u>2,061,001</u>	<u>2,061,001</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(451)</u>	<u>(36,568)</u>	<u>36,117</u>
Net Change in Fund Balance	<u>-</u>	<u>(451)</u>	<u>(36,568)</u>	<u>36,117</u>
Fund Balance, Beginning	<u>88,102</u>	<u>88,102</u>	<u>88,102</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 88,102</u>	<u>\$ 87,651</u>	<u>\$ 51,534</u>	<u>\$ 36,117</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Public Education Capital Outlay			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources:				
Public Education Capital Outlay	\$ 1,926,462	\$ 1,293,490	\$ 1,293,490	\$ -
Total State Sources	<u>1,926,462</u>	<u>1,293,490</u>	<u>1,293,490</u>	<u>-</u>
 Total Revenues	 <u>1,926,462</u>	 <u>1,293,490</u>	 <u>1,293,490</u>	 <u>-</u>
 EXPENDITURES				
Current				
Facilities Services	-	1,293,490	1,293,490	-
Total Expenditures	<u>-</u>	<u>1,293,490</u>	<u>1,293,490</u>	<u>-</u>
 Excess of Revenues Over Expenditures	 <u>1,926,462</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net Change in Fund Balance	 <u>1,926,462</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, Beginning	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, Ending	 <u>\$ 1,926,462</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Capital Outlay & Debt Service (CO and DS)</u>			Variance with Final Budget - Under (Over)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Sources:				
CO and DS Distributed to Districts	\$ 1,518,000	\$ 1,493,042	\$ 1,612,677	\$ (119,635)
Interest on Undistributed CO and DS	20,000	44,958	44,958	-
Total State Sources	<u>1,538,000</u>	<u>1,538,000</u>	<u>1,657,635</u>	<u>(119,635)</u>
Local Sources				
Interest Income	1,000	1,000	3,388	(2,388)
Total Local Sources	<u>1,000</u>	<u>1,000</u>	<u>3,388</u>	<u>(2,388)</u>
Total Revenues	<u>1,539,000</u>	<u>1,539,000</u>	<u>1,661,023</u>	<u>(122,023)</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	3,000	3,022	3,022	-
Total Expenditures	<u>3,000</u>	<u>3,022</u>	<u>3,022</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,536,000</u>	<u>1,535,978</u>	<u>1,658,001</u>	<u>(122,023)</u>
Net Change in Fund Balance	1,536,000	1,535,978	1,658,001	(122,023)
Fund Balance, Beginning	<u>3,846,570</u>	<u>3,846,570</u>	<u>3,846,570</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,382,570</u>	<u>\$ 5,382,548</u>	<u>\$ 5,504,571</u>	<u>\$ (122,023)</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the District on a cost reimbursement basis. The following funds are included in the Internal Service Funds:

Health: To account for and report on funds received for and used to pay for medical benefits issued under the District's self-insured health program.

Other (Casualty, Liability, and Worker's Compensation): To account for and report on funds received for and used by the District's self-insured property, casualty, liability, and worker's compensation program.

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
ASSETS			
Current Assets			
Cash	\$ 491,398	\$ 491,398	\$ -
Investments	45,813,192	45,813,192	-
Due from Governmental Funds	15,704,230	-	15,704,230
Total Current Assets	<u>62,008,820</u>	<u>46,304,590</u>	<u>15,704,230</u>
Noncurrent Assets			
Restricted Cash With Fiscal Agent	300,000	-	300,000
Furniture, Fixtures and Equipment	7,999	7,999	-
Less Accumulated Depreciation	(2,790)	(2,790)	-
Total Noncurrent Assets	<u>305,209</u>	<u>5,209</u>	<u>300,000</u>
Total Assets	<u>62,314,029</u>	<u>46,309,799</u>	<u>16,004,230</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	498,983	445,199	53,784
Unearned Revenue	12,428,061	12,428,061	-
Estimated Insurance Claims Payable	12,918,891	8,146,235	4,772,656
Liability for Compensated Absences	17,314	17,314	-
Total Current Liabilities	<u>25,863,249</u>	<u>21,036,809</u>	<u>4,826,440</u>
Long-Term Liabilities			
Estimated Insurance Claims Payable	10,951,441	73,651	10,877,790
Total Liabilities	<u>36,814,690</u>	<u>21,110,460</u>	<u>15,704,230</u>
NET POSITION			
Investment in Capital Assets	5,209	5,209	-
Restricted for Claims	300,000	-	300,000
Unrestricted	25,194,130	25,194,130	-
Total Net Position	<u>\$ 25,499,339</u>	<u>\$ 25,199,339</u>	<u>\$ 300,000</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2018**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
OPERATING REVENUES			
Premium Revenue	\$ 96,519,771	\$ 81,196,216	\$ 15,323,555
Other Operating Revenues	478,162	478,162	-
Total Operating Revenues	96,997,933	81,674,378	15,323,555
OPERATING EXPENSE			
Salaries	335,671	260,355	75,316
Employee Benefits	96,811	67,378	29,433
Purchased Services	13,239,372	5,737,003	7,502,369
Materials and Supplies	1,480	1,480	-
Noncapitalized Equipment	17,625	17,625	-
Insurance Claims	93,129,766	85,348,825	7,780,941
Depreciation	801	801	-
Total Operating Expenses	106,821,526	91,433,467	15,388,059
Operating Loss	(9,823,593)	(9,759,089)	(64,504)
NONOPERATING REVENUES			
Interest Income	565,057	565,057	-
Total Nonoperating Revenues	565,057	565,057	-
Changes in Net Position	(9,258,536)	(9,194,032)	(64,504)
Net Position - July 1, 2017	34,757,875	34,393,371	364,504
Net Position - June 30, 2018	\$ 25,499,339	\$ 25,199,339	\$ 300,000

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers, Users and Participants	\$ 98,644,020	\$ 83,252,624	\$ 15,391,396
Cash Payments to Suppliers for Goods and Services	(13,193,112)	(5,744,527)	(7,448,585)
Cash Payments to Employees for Services	(426,156)	(321,407)	(104,749)
Cash Payments for Insurance Claims	(91,896,423)	(84,058,361)	(7,838,062)
Net Cash used by Operating Activities	<u>(6,871,671)</u>	<u>(6,871,671)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Pooled Investments	4,934,943	4,934,943	-
Interest on Investments	565,057	565,057	-
Net Cash provided by Investing Activities	<u>5,500,000</u>	<u>5,500,000</u>	<u>-</u>
Net decrease in Cash	(1,371,671)	(1,371,671)	-
Cash, Beginning	2,163,069	1,863,069	300,000
Cash, Ending	<u>\$ 791,398</u>	<u>\$ 491,398</u>	<u>\$ 300,000</u>
Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities			
Operating Loss	\$ (9,823,593)	\$ (9,759,089)	\$ (64,504)
Adjustments to Reconcile Operating Income to Net Cash provided (used) by Operating Activities:			
Depreciation	801	801	-
Change in Assets and Liabilities:			
Decrease in Due from Governmental Funds	67,841	-	67,841
Increase in Accounts Payable	66,643	12,859	53,784
Decrease in Due to Governmental Funds	(1,278)	(1,278)	-
Increase in Advanced Revenue	1,578,246	1,578,246	-
Increase (decrease) in Estimated Insurance Claims Payable	1,233,343	1,290,464	(57,121)
Increase in Liability for Compensated Absences	6,326	6,326	-
Total Adjustments	<u>2,951,922</u>	<u>2,887,418</u>	<u>64,504</u>
Net Cash used by Operating Activities	<u>\$ (6,871,671)</u>	<u>\$ (6,871,671)</u>	<u>\$ -</u>

Fiduciary Funds

Agency Funds: To account for resources of the schools' internal funds that are used to administer monies collected at the schools for student, athletic, class, and club activities, etc.

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2018

	Internal Accounts			June 30, 2018
	July 1, 2017	Additions	Deletions	
ASSETS				
Cash	\$ 1,232,646	\$ 27,685,432	\$ 27,649,574	\$ 1,268,504
Investments	6,539,848	1,054,901	925,214	6,669,535
Accounts Receivable	396,896	62,660	-	459,556
Inventory	351,039	921,785	863,724	409,100
	<u>8,520,429</u>	<u>29,724,778</u>	<u>29,438,512</u>	<u>8,806,695</u>
Total Assets	<u>\$ 8,520,429</u>	<u>\$ 29,724,778</u>	<u>\$ 29,438,512</u>	<u>\$ 8,806,695</u>
LIABILITIES				
Accounts Payable and Other Current Liabilities	\$ 410,239	\$ 25,841,695	\$ 25,871,471	\$ 380,463
Due to Student Organizations and Other Agencies	8,110,190	1,653,473	1,337,431	8,426,232
	<u>8,520,429</u>	<u>27,495,168</u>	<u>27,208,902</u>	<u>8,806,695</u>
Total Liabilities	<u>\$ 8,520,429</u>	<u>\$ 27,495,168</u>	<u>\$ 27,208,902</u>	<u>\$ 8,806,695</u>

Discretely Presented Component Units

The component units' columns in the basic financial statements, pages 33 through 34, include the financial data of the District's discretely presented component units. The District's discretely presented component units consist of the following entities:

Charter Schools: Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Accelerated Educational Services, Inc., Bonita Springs Charter School, Cape Coral Charter School, City of Palms Charter High School Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, The Heights Charter School, Island Park Charter High School, Inc., The Island School, Inc., Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., Six Mile Charter Academy, and Unity Charter School of Cape Coral, Inc.

The Foundation for Lee County Public Schools, Inc: The Foundation is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District.

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018**

	Charter Schools		
	Accelerated Educational Services, Inc.	Bonita Springs Charter School	Cape Coral Charter School
ASSETS			
Cash	\$ 172,671	\$ 985,051	\$ 66,634
Investments	-	1,500,311	-
Accounts Receivable	9,756	118,389	713,465
Deposits Receivable	-	17,571	2,339
Due from Other Agencies	-	31,584	9,407
Inventory	-	-	-
Prepaid Expenses	-	60,446	35,861
Capital assets:			
Improvements other than Buildings	-	264,444	106,643
Less Accumulated Depreciation	-	(201,793)	(68,288)
Buildings	-	18,237,000	17,721,743
Less Accumulated Depreciation	-	(523,469)	(4,984,240)
Furniture, Fixtures and Equipment	34,520	2,661,915	1,106,906
Less Accumulated Depreciation	(21,041)	(2,274,169)	(932,728)
Software	-	-	-
Less Accumulated Amortization	-	-	-
Total Assets	195,906	20,877,280	13,777,742
LIABILITIES			
Salaries and Wages Payable	-	415,756	175,289
Accounts Payable	20,955	159,198	336,584
Advanced Revenue	-	-	-
Due to Other Agencies	-	-	899
Noncurrent liabilities:			
Portion due within one year:			
Bonds Payable	-	255,000	-
Notes Payable	5,114	-	-
Obligations under Capital Lease	-	-	460,559
Liability for Compensated Absences	-	31,987	12,539
Portion due after one year:			
Bonds Payable	-	19,813,051	-
Notes Payable	3,061	-	-
Obligations under Capital Lease	-	-	15,530,027
Liability for Compensated Absences	-	10,663	4,180
Total Liabilities	29,130	20,685,655	16,520,077
NET POSITION			
Net Investment in Capital Assets	13,479	(1,887,343)	(1,541,358)
Restricted for:			
Debt Service	-	1,434,577	-
Capital Projects	-	-	-
Other Purposes	-	-	-
Unrestricted	153,297	644,391	(1,200,977)
Total Net Position - Component Units	\$ 166,776	\$ 191,625	\$ (2,742,335)

Charter Schools

City of Palms Charter High School, Inc.	Coronado High School	DJB Technical Academy, Inc.	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School	The Heights Charter School
\$ 400,214	\$ 181,186	\$ 106,441	\$ 685,688	\$ 1,253,965	\$ 653,151	\$ 39,638
-	-	-	-	-	-	-
63,624	-	2,312	750,167	918,118	377,830	-
-	-	-	30,928	-	32,310	-
-	2,041	1,614	13,219	13,432	6,816	-
-	-	-	-	-	-	-
10,110	-	33,084	19,316	10,076	25,794	-
-	-	-	305,790	4,625	879,327	-
-	-	-	(134,022)	(3,392)	(393,091)	-
-	-	38,534	27,869,053	-	13,338,119	-
-	-	(18,286)	(6,975,150)	-	(3,751,346)	-
71,279	400,465	43,179	1,805,774	842,570	1,694,188	51,060
(69,729)	(301,152)	(27,337)	(1,572,192)	(748,979)	(1,520,152)	(11,771)
25,000	-	-	-	-	-	-
(25,000)	-	-	-	-	-	-
<u>475,498</u>	<u>282,540</u>	<u>179,541</u>	<u>22,798,571</u>	<u>2,290,415</u>	<u>11,342,946</u>	<u>78,927</u>
-	-	32,911	373,373	271,190	207,024	-
32,588	103,257	29,548	460,655	262,157	867,604	14,297
-	-	-	-	-	-	-
-	-	-	1,767	256	-	-
-	-	-	-	-	-	-
-	-	27,375	-	-	-	-
-	-	7,089	683,646	-	444,163	-
-	-	-	18,572	13,661	11,009	-
-	-	-	-	-	-	-
-	-	98,094	-	-	340,000	-
-	-	-	24,204,672	-	11,700,895	-
-	-	-	6,191	4,554	3,669	-
<u>32,588</u>	<u>103,257</u>	<u>195,017</u>	<u>25,748,876</u>	<u>551,818</u>	<u>13,574,364</u>	<u>14,297</u>
1,550	99,313	(96,468)	(2,070,198)	94,824	(872,118)	39,289
-	-	-	-	-	-	-
90,617	-	22,983	-	-	-	-
-	-	-	-	-	-	-
<u>350,743</u>	<u>79,970</u>	<u>58,009</u>	<u>(880,107)</u>	<u>1,643,773</u>	<u>(1,359,300)</u>	<u>25,341</u>
<u>\$ 442,910</u>	<u>\$ 179,283</u>	<u>\$ (15,476)</u>	<u>\$ (2,950,305)</u>	<u>\$ 1,738,597</u>	<u>\$ (2,231,418)</u>	<u>\$ 64,630</u>

(Continued)

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 June 30, 2018

	Charter Schools		
	Island Park Charter High School, Inc.	The Island School, Inc.	Northern Palms Charter High School
ASSETS			
Cash and cash equivalents	\$ 301,101	\$ 1,072,088	\$ 193,893
Investments	-	-	-
Accounts Receivable	-	-	190,797
Deposits Receivable	-	-	-
Due from Other Agencies	4,276	-	-
Inventory	-	-	-
Prepaid Expenses	-	1,903	4,051
Capital assets:			
Improvements other than Buildings	-	-	-
Less Accumulated Depreciation	-	-	-
Buildings	-	2,945,969	-
Less Accumulated Depreciation	-	(671,458)	-
Furniture, Fixtures and Equipment	275,391	217,180	144,639
Less Accumulated Depreciation	(176,285)	(263,253)	(48,209)
Software	-	-	8,862
Less Accumulated Amortization	-	-	(2,954)
Total Assets	404,483	3,302,429	491,079
LIABILITIES			
Salaries and Wages Payable	-	10,668	-
Accounts Payable	174,071	-	4,717
Unearned Revenue	-	-	-
Due to Other Agencies	-	-	-
Noncurrent liabilities:			
Portion due within one year:			
Bonds Payable	-	-	-
Notes Payable	-	7,140	-
Obligations under Capital Lease	-	-	-
Liability for Compensated Absences	-	-	-
Portion due after one year:			
Bonds Payable	-	-	-
Notes Payable	-	-	-
Obligations under Capital Lease	-	-	-
Liability for Compensated Absences	-	-	-
Total Liabilities	174,071	17,808	4,717
NET POSITION			
Net Investment in Capital Assets	99,106	2,228,438	102,338
Restricted for:			
Debt Service	-	-	-
Capital Projects	93,941	-	63,731
Other Purposes	-	703,193	-
Unrestricted	37,365	352,990	320,293
Total Net Position - Component Units	\$ 230,412	\$ 3,284,621	\$ 486,362

Charter Schools				
North Nicholas High School	Oak Creek Charter School of Bonita Springs, Inc.	Palm Acres Charter High School, Inc	Six Mile Charter Academy	Unity Charter School of Cape Coral, Inc.
\$ 369,833	\$ 141,675	\$ 851,102	\$ 145,900	\$ 23,803
-	-	-	-	-
-	16,334	4,269	433,445	-
-	-	-	17,625	-
4,364	-	-	12,159	8,587
-	-	-	-	-
-	2,561	15,468	109,132	20,605
-	33,896	-	257,257	-
-	(6,780)	-	(107,902)	-
-	222,053	-	17,929,083	20,920
-	(30,327)	-	(5,042,556)	(4,184)
140,957	160,461	254,672	1,342,985	-
(140,957)	(38,378)	(187,733)	(1,118,279)	-
-	-	21,805	-	-
-	-	(10,911)	-	-
<u>374,197</u>	<u>501,495</u>	<u>948,672</u>	<u>13,978,849</u>	<u>69,731</u>
-	-	-	377,073	170,767
260,808	48,993	239,711	262,518	126,712
2,685	-	-	-	-
-	32,659	-	-	-
-	-	-	-	-
-	77,020	-	-	-
-	-	-	465,948	-
-	-	-	18,492	-
-	-	-	-	-
-	282,971	-	625,000	-
-	-	-	15,525,264	-
-	-	-	6,164	-
<u>263,493</u>	<u>441,643</u>	<u>239,711</u>	<u>17,280,459</u>	<u>297,479</u>
17,532	51,934	77,833	(1,400,355)	16,736
-	-	-	-	-
-	-	177,451	-	-
-	-	-	-	-
<u>93,172</u>	<u>7,918</u>	<u>453,677</u>	<u>(1,901,255)</u>	<u>(244,484)</u>
<u>\$ 110,704</u>	<u>\$ 59,852</u>	<u>\$ 708,961</u>	<u>\$ (3,301,610)</u>	<u>\$ (227,748)</u>

(Continued)

THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018

	<u>Total Charter Schools</u>	<u>The Foundation for Lee County Public Schools, Inc.</u>	<u>Total Component Units</u>
ASSETS			
Cash	\$ 7,644,034	\$ 1,565,998	\$ 9,210,032
Investments	1,500,311	-	1,500,311
Accounts receivable	3,598,506	47,193	3,645,699
Deposits Receivable	100,773	-	100,773
Due from other Agencies	107,499	-	107,499
Inventory	-	32,150	32,150
Prepaid Expenses	348,407	1,967,707	2,316,114
Capital assets:			
Improvements other than Buildings	1,851,982	-	1,851,982
Less Accumulated Depreciation	(915,268)	-	(915,268)
Buildings	98,322,474	-	98,322,474
Less Accumulated Depreciation	(22,001,016)	-	(22,001,016)
Furniture, Fixtures and Equipment	11,248,141	102,412	11,350,553
Less Accumulated Depreciation	(9,452,344)	(92,354)	(9,544,698)
Software	55,667	-	55,667
Less Accumulated Amortization	(38,865)	-	(38,865)
Total Assets	<u>92,370,301</u>	<u>3,623,106</u>	<u>95,993,407</u>
LIABILITIES			
Salaries and Wages Payable	2,034,051	-	2,034,051
Accounts Payable	3,404,373	7,754	3,412,127
Unearned Revenue	2,685	-	2,685
Due to other Agencies	35,581	-	35,581
Noncurrent liabilities:			
Portion due within one year:			
Bonds Payable	255,000	-	255,000
Notes Payable	116,649	-	116,649
Obligations under Capital Lease	2,061,405	-	2,061,405
Liability for Compensated Absences	106,260	-	106,260
Portion due after one year:			
Bonds Payable	19,813,051	-	19,813,051
Notes Payable	1,349,126	-	1,349,126
Obligations under Capital Lease	66,960,858	-	66,960,858
Liability for Compensated Absences	35,421	-	35,421
Total Liabilities	<u>96,174,460</u>	<u>7,754</u>	<u>96,182,214</u>
NET POSITION			
Net Investment in Capital Assets	(5,025,468)	10,058	(5,015,410)
Restricted for:			
Debt Service	1,434,577	-	1,434,577
Capital Projects	448,723	-	448,723
Other Purposes	703,193	3,412,399	4,115,592
Unrestricted	<u>(1,365,184)</u>	<u>192,895</u>	<u>(1,172,289)</u>
Total net position - Component Units	<u>\$ (3,804,159)</u>	<u>\$ 3,615,352</u>	<u>\$ (188,807)</u>

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**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018**

	Charter Schools		
	Accelerated Educational Services, Inc.	Bonita Springs Charter School	Cape Coral Charter School
Governmental activities			
Expenses			
Instruction	\$ 246,152	\$ 4,752,878	\$ 2,329,160
Student Support Services	-	261,609	261,659
Instructional Media Services	-	3,428	-
Instruction and Curriculum Development Services	56,536	16,202	5,613
Instructional Staff Training Services	199	19,073	22,418
Instruction Related Technology	5,106	122,089	85,651
Board	17,413	26,881	22,926
General Administration	29,956	-	-
School Administration	155,442	686,839	450,801
Facilities Services	-	-	-
Fiscal Services	12,651	794,803	75,555
Food Services	29,257	359,108	242,000
Central Services	-	96,360	93,524
Student Transportation Services	103,900	754,351	308,148
Operation of Plant	142,687	1,311,138	948,161
Maintenance of Plant	-	233,915	248,654
Community Services	28,623	72,635	48,284
Unallocated Interest and Fiscal Charges on Long-term Debt	1,572	1,385,555	915,858
Unallocated Depreciation Expense *	-	-	-
Total Expenses	\$ 829,494	\$ 10,896,864	\$ 6,058,412
Program Revenues			
Charges for Services	\$ -	\$ 243,107	\$ 272,259
Operating Grants and Contributions	119,035	915,616	411,041
Capital Grants and Contributions	-	949,076	463,954
Total Program Revenues	119,035	2,107,799	1,147,254
Net Program Revenues	(710,459)	(8,789,065)	(4,911,158)
General Revenues			
Other State Sources not restricted to specific programs	587,436	8,508,804	4,803,535
Other Miscellaneous Sources Not Restricted to Specific Programs	6,192	15	18,074
Unrestricted Investment Earnings	-	18,071	-
Total General Revenues	593,628	8,526,890	4,821,609
Changes in Net Position	(116,831)	(262,175)	(89,549)
Net Position - July 1, 2017	283,607	453,800	(2,652,786)
Net Position-June 30, 2018	\$ 166,776	\$ 191,625	\$ (2,742,335)

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

Charter Schools

City of Palms Charter High School, Inc.	Coronado High School	DJB Technical Academy, Inc.	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School
\$ 403,381	\$ 312,910	\$ 228,029	\$ 3,598,320	\$ 2,621,100	\$ 2,176,623
-	139,789	-	232,424	148,528	162,826
-	-	-	-	-	-
116,200	-	-	13,438	3,464	3,288
-	-	-	11,093	15,830	18,246
-	-	49,383	138,729	83,828	90,251
28,044	57,480	122,020	20,315	16,651	19,830
-	-	-	-	-	-
533,351	474,202	200,156	498,135	250,998	384,747
-	-	37,868	-	-	-
-	184,060	26,940	1,774,929	492,025	10,488
3,000	235	-	398,516	10,143	309,022
-	-	-	100,017	89,581	86,727
3,350	-	49,895	500,770	493,036	404,012
126,295	426,613	42,027	1,224,531	455,750	948,321
3,756	-	3,519	270,311	73,532	247,805
-	-	174	77,448	-	-
-	-	1,070	1,498,593	-	719,922
-	-	11,553	-	-	-
<u>\$ 1,217,377</u>	<u>\$ 1,595,289</u>	<u>\$ 772,634</u>	<u>\$ 10,357,569</u>	<u>\$ 4,754,466</u>	<u>\$ 5,582,108</u>
\$ -	\$ -	\$ -	\$ 323,310	\$ -	\$ 46,083
-	27,765	-	649,393	271,711	511,161
39,527	132,811	18,171	772,285	703,425	413,751
39,527	160,576	18,171	1,744,988	975,136	970,995
<u>(1,177,850)</u>	<u>(1,434,713)</u>	<u>(754,463)</u>	<u>(8,612,581)</u>	<u>(3,779,330)</u>	<u>(4,611,113)</u>
1,137,566	1,154,990	764,173	7,717,933	4,515,579	3,690,207
6,175	195,148	71,829	30,999	20,008	512,121
-	-	-	-	-	-
<u>1,143,741</u>	<u>1,350,138</u>	<u>836,002</u>	<u>7,748,932</u>	<u>4,535,587</u>	<u>4,202,328</u>
<u>(34,109)</u>	<u>(84,575)</u>	<u>81,539</u>	<u>(863,649)</u>	<u>756,257</u>	<u>(408,785)</u>
477,019	263,858	(97,015)	(2,086,656)	982,340	(1,822,633)
<u>\$ 442,910</u>	<u>\$ 179,283</u>	<u>\$ (15,476)</u>	<u>\$ (2,950,305)</u>	<u>\$ 1,738,597</u>	<u>\$ (2,231,418)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018**

	Charter Schools		
	Island Park		
	The Heights Charter School	Charter High School, Inc.	The Island School, Inc.
Governmental activities			
Expenses			
Instruction	\$ 285,102	\$ 436,509	\$ 652,007
Student Support Services	-	155,446	-
Instructional Media Services	-	-	-
Instruction and Curriculum Development Services	-	-	6,993
Instructional Staff Training Services	-	-	-
Instruction Related Technology	62,676	-	-
Board	7,946	41,951	-
General Administration	-	-	241,400
School Administration	115,028	437,136	-
Facilities Services	-	952	-
Fiscal Services	-	910,063	43,935
Food Services	41,734	1,849	-
Central Services	-	-	-
Student Transportation Services	-	-	-
Operation of Plant	93,308	323,090	132,000
Maintenance of Plant	-	-	-
Community Services	-	-	56,521
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	-
Unallocated Depreciation Expense *	-	-	-
Total Expenses	\$ 605,794	\$ 2,306,996	\$ 1,132,856
Program Revenues			
Charges for Services	\$ 178	\$ -	\$ 29,260
Operating Grants and Contributions	-	30,720	-
Capital Grants and Contributions	-	248,059	-
Total Program Revenues	178	278,779	29,260
Net Program Revenues	(605,616)	(2,028,217)	(1,103,596)
General Revenues			
Other State Sources not restricted to specific programs	638,275	2,077,150	471,039
Other Miscellaneous Sources Not Restricted to Specific Programs	233	-	745,748
Unrestricted Investment Earnings	-	-	4,093
Total General Revenues	638,508	2,077,150	1,220,880
Changes in Net Position	32,892	48,933	117,284
Net Position - July 1, 2017	31,738	181,479	3,167,337
Net Position-June 30, 2018	\$ 64,630	\$ 230,412	\$ 3,284,621

Charter Schools

Northern Palms Charter High School	North Nicholas High School	Oak Creek Charter School of Bonita Springs, Inc.	Palm Acres Charter High School, Inc	Six Mile Charter Academy	Unity Charter School of Cape Coral, Inc.
\$ 329,932	\$ 515,091	\$ 1,646,764	\$ 536,641	\$ 3,695,094	\$ 691,886
-	146,560	22,623	-	238,768	-
-	-	-	-	-	-
36,500	-	-	107,015	1,507	10,892
-	-	-	-	26,347	-
-	-	-	-	142,183	-
20,104	46,042	15,996	30,715	21,872	10,933
-	-	-	-	-	64,280
450,178	466,315	187,012	728,079	550,861	176,361
-	-	-	-	-	153,692
-	834,258	664,157	-	885,194	181,072
3,550	228	231,440	5,600	288,613	80,693
43,363	-	-	79,941	103,448	22,660
3,144	-	71,521	5,100	569,654	68,454
99,158	386,370	837,090	174,680	1,101,734	123,423
3,569	-	-	10,887	237,759	-
-	-	7,676	-	112,552	12,989
-	-	17,980	-	946,999	-
-	-	-	-	-	2,092
<u>\$ 989,498</u>	<u>\$ 2,394,864</u>	<u>\$ 3,702,259</u>	<u>\$ 1,678,658</u>	<u>\$ 8,922,585</u>	<u>\$ 1,599,427</u>
\$ -	\$ -	\$ 1,583	\$ -	\$ 163,601	\$ 8,873
27,799	28,274	173,392	56,954	655,878	141,888
-	262,820	347,825	-	727,103	17,008
<u>27,799</u>	<u>291,094</u>	<u>522,800</u>	<u>56,954</u>	<u>1,546,582</u>	<u>167,769</u>
<u>(961,699)</u>	<u>(2,103,770)</u>	<u>(3,179,459)</u>	<u>(1,621,704)</u>	<u>(7,376,003)</u>	<u>(1,431,658)</u>
1,831,639	2,128,611	3,173,790	1,405,467	6,624,268	1,285,606
5,047	-	139,872	5,000	4,733	279,974
-	-	-	-	14,059	-
<u>1,836,686</u>	<u>2,128,611</u>	<u>3,313,662</u>	<u>1,410,467</u>	<u>6,643,060</u>	<u>1,565,580</u>
874,987	24,841	134,203	(211,237)	(732,943)	133,922
(388,625)	85,863	(74,351)	920,198	(2,568,667)	(361,670)
<u>\$ 486,362</u>	<u>\$ 110,704</u>	<u>\$ 59,852</u>	<u>\$ 708,961</u>	<u>\$ (3,301,610)</u>	<u>\$ (227,748)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Charter Schools</u>		<u>The Foundation for Lee County Public Schools, Inc.</u>		<u>Total Component Units</u>
	Total Charter Schools		The Foundation for Lee County Public Schools, Inc.		Total Component Units
Governmental activities					
Expenses					
Instruction	\$ 25,457,579		\$ -		\$ 25,457,579
Student Support Services	1,770,232		-		1,770,232
Instructional Media Services	3,428		-		3,428
Instruction and Curriculum Development Services	377,648		-		377,648
Instructional Staff Training Services	113,206		-		113,206
Instruction Related Technology	779,896		-		779,896
Board	527,119		-		527,119
General Administration	335,636		-		335,636
School Administration	6,745,641		-		6,745,641
Facilities Services	192,512		-		192,512
Fiscal Services	6,890,130		-		6,890,130
Food Services	2,004,988		-		2,004,988
Central Services	715,621		-		715,621
Pupil Transportation Services	3,335,335		-		3,335,335
Operation of Plant	8,896,376		-		8,896,376
Maintenance of Plant	1,333,707		-		1,333,707
Community Services	416,902		1,805,439		2,222,341
Unallocated Interest and Fiscal Charges on Long-term Debt	5,487,549		-		5,487,549
Unallocated Depreciation Expense *	13,645		-		13,645
Total Expenses	\$ 65,397,150		\$ 1,805,439		\$ 67,202,589
Program Revenues					
Charges for Services	\$ 1,088,254		\$ -		\$ 1,088,254
Operating Grants and Contributions	4,020,627		2,236,922		6,257,549
Capital Grants and Contributions	5,095,815		-		5,095,815
Total Program Revenues	10,204,696		2,236,922		12,441,618
Net Program Revenues	(55,192,454)		431,483		(54,760,971)
General Revenues					
Other State Sources not restricted to specific programs	52,516,068		-		52,516,068
Other Miscellaneous Sources Not Restricted to Specific Programs	2,041,168		-		2,041,168
Unrestricted Investment Earnings	36,223		3,827		40,050
Total General Revenues	54,593,459		3,827		54,597,286
Changes in Net Position	(598,995)		435,310		(163,685)
Net Position - July 1, 2017	(3,205,164)		3,180,042		(25,122)
Net Position-June 30, 2018	\$ (3,804,159)		\$ 3,615,352		\$ (188,807)

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

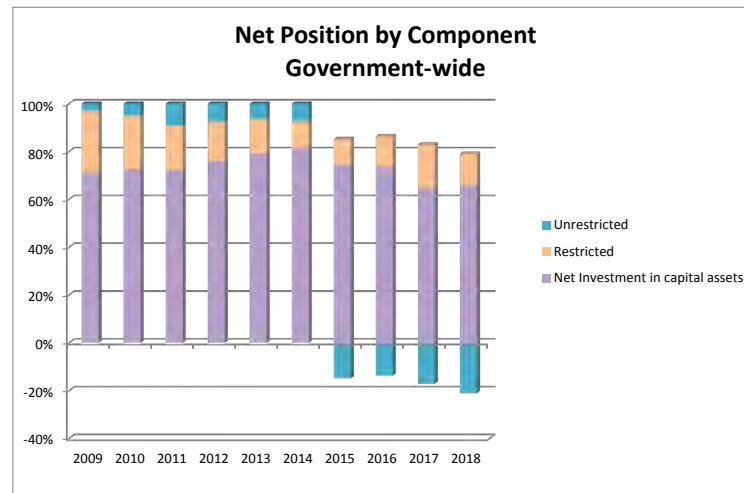
Operating Information

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

**THE SCHOOL DISTRICT OF LEE COUNTY
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)**

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Primary Government:										
Net Investment in capital assets	\$ 889,658,611	\$ 903,539,567	\$ 896,693,252	\$ 903,860,005	\$ 887,783,551	\$ 892,757,501	\$ 866,637,441	\$ 851,527,173	\$ 793,900,590	\$ 854,209,907
Restricted	325,524,131	278,364,305	233,649,374	197,520,171	162,026,667	118,642,826	120,085,063	143,874,783	220,817,390	163,129,824
Unrestricted	34,495,460	59,858,412	110,911,102	86,954,265	69,149,197	78,560,813	(172,351,864)	(157,404,251)	(208,685,715)	(270,111,963)
Total Primary Government net position	\$ 1,249,678,202	\$ 1,241,762,284	\$ 1,241,253,728	\$ 1,188,334,441	\$ 1,118,959,415	\$ 1,089,961,140	\$ 814,370,640	\$ 837,997,705	\$ 806,032,265	\$ 747,227,768

Source: District Records



THE SCHOOL DISTRICT OF LEE COUNTY
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Expenses										
Primary Government Activities										
Instruction	\$ 425,450,532	\$ 417,050,879	\$ 433,180,316	\$ 417,291,563	\$ 441,261,156	\$ 452,139,428	\$ 463,560,816	\$ 477,957,931	\$ 508,830,499	\$ 538,744,228
Student Support Services	27,907,162	26,709,653	27,024,831	26,014,869	27,552,396	27,234,115	27,780,981	29,628,657	32,730,160	34,960,215
Instructional Media Services	6,438,815	4,827,097	4,318,165	5,077,074	4,284,720	4,101,178	3,938,948	4,170,590	4,229,828	3,719,122
Instruction and Curriculum Development Services	15,031,956	13,444,598	12,894,502	11,750,555	11,989,193	15,671,169	16,966,982	20,256,522	24,935,745	28,000,315
Instructional Staff Training Services	9,933,041	11,214,029	11,204,173	10,421,863	11,579,277	10,992,855	10,936,643	10,877,081	10,571,419	10,643,654
Instruction Related Technology	4,679,712	4,619,892	4,658,335	5,687,487	6,217,478	6,635,241	6,473,494	7,361,597	8,159,250	8,425,222
Board	902,082	790,180	787,388	831,526	790,767	895,721	881,699	927,293	1,133,922	1,353,424
General Administration	3,918,822	4,216,080	4,763,156	4,836,325	4,946,220	5,266,987	5,254,912	5,868,836	6,658,948	7,069,119
School Administration	43,869,820	41,351,915	42,405,924	40,490,378	42,187,249	43,152,176	43,733,268	44,847,942	50,889,724	52,382,426
Facilities Services	81,289,058	106,859,204	90,701,253	96,214,772	109,543,317	104,076,826	105,714,698	90,933,729	108,581,681	99,796,725
Fiscal Services	3,803,339	3,741,286	3,580,452	3,179,971	3,435,563	3,375,399	3,499,445	3,738,706	4,121,395	3,887,675
Food Services	28,478,537	27,578,058	29,423,128	31,281,911	33,937,724	37,849,286	36,079,447	39,628,416	44,410,500	49,193,898
Central Services	8,371,211	9,077,173	8,087,084	8,466,790	8,017,845	8,215,908	9,169,918	8,807,231	10,630,643	11,457,838
Student Transportation Services	47,032,022	46,101,766	47,477,640	47,107,688	49,342,732	51,962,891	51,464,810	51,487,889	57,211,045	55,303,442
Operation of Plant	66,649,955	64,865,149	63,872,675	63,592,099	65,138,670	63,425,409	65,998,561	64,678,201	68,390,472	77,601,080
Maintenance of Plant	15,777,536	15,418,759	14,989,305	14,223,106	14,556,120	14,992,123	15,054,885	15,577,105	17,083,172	17,488,441
Administrative Technology Services	4,768,118	4,751,386	5,378,856	5,410,542	5,443,779	5,951,380	5,813,682	5,537,292	6,047,231	6,938,292
Community Services	5,939,533	4,249,023	4,139,953	4,098,516	3,982,902	4,177,873	4,387,938	5,089,352	6,098,631	6,939,725
Unallocated Interest and Fiscal Charges on Long-term Debt	25,284,293	23,191,205	21,910,292	20,057,378	18,583,298	14,923,957	13,560,901	13,580,969	16,384,698	15,196,488
Total Primary Government Expenses	<u>825,525,544</u>	<u>830,057,332</u>	<u>830,797,428</u>	<u>816,034,413</u>	<u>862,790,406</u>	<u>875,039,922</u>	<u>890,272,028</u>	<u>900,955,339</u>	<u>987,098,963</u>	<u>1,029,101,329</u>
Program Revenues										
Primary Government Activities										
Charges for Services										
Student Fees	7,905,165	7,419,332	8,229,276	7,999,884	8,734,131	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248
Food Service	8,786,416	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694
Bus Trips	452,847	511,233	446,533	432,515	463,553	614,533	452,662	517,086	583,876	716,391
Operating Grants & Contributions	40,955,538	24,381,950	26,990,829	28,624,862	29,944,986	31,100,325	32,719,648	38,758,768	42,282,889	43,501,187
Capital Grants & Contributions	18,544,595	7,283,648	9,461,466	7,425,368	7,434,727	5,476,977	8,151,917	11,335,181	12,471,936	13,510,779
Total Primary Government Program Revenues	<u>76,644,561</u>	<u>47,035,417</u>	<u>51,907,186</u>	<u>51,158,392</u>	<u>53,053,251</u>	<u>52,591,740</u>	<u>56,628,212</u>	<u>63,317,013</u>	<u>68,689,426</u>	<u>71,008,299</u>
Net Expense										
Total Primary Government Net Expense	<u>(748,880,983)</u>	<u>(783,021,915)</u>	<u>(778,890,242)</u>	<u>(764,876,021)</u>	<u>(809,737,155)</u>	<u>(822,448,182)</u>	<u>(833,643,816)</u>	<u>(837,638,326)</u>	<u>(918,409,537)</u>	<u>(958,093,030)</u>
General Revenues and Other Changes in Net Position										
Primary Government Activities										
Property Taxes:										
Levied for Operational Purposes	436,127,971	395,734,805	383,037,327	348,605,113	334,067,478	349,879,204	366,770,645	385,303,457	399,499,006	405,722,410
Levied for Capital Projects	149,125,429	99,477,337	70,064,384	82,284,982	82,363,776	86,208,685	92,989,838	99,905,824	110,255,520	117,509,870
Florida Education Finance Program	17,817,292	55,848,837	80,355,668	89,072,529	130,152,064	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376
Other Federal Sources	50,670,296	92,253,295	117,412,700	65,032,017	63,855,649	71,540,533	73,829,346	74,666,159	76,935,631	82,171,199
Other State Sources	118,863,779	110,419,837	115,357,177	116,012,704	117,511,539	120,560,479	121,137,837	120,690,788	122,024,361	125,430,747
Other Miscellaneous Sources	9,386,766	15,859,537	8,762,613	8,832,209	9,616,539	7,784,746	10,833,883	11,582,589	10,815,979	12,192,287
Unrestricted Investment Earnings	(1,329,696)	5,512,349	3,391,817	2,117,178	2,795,084	1,158,238	1,584,339	3,349,036	3,065,164	5,384,868
Total Primary Government	<u>780,661,837</u>	<u>775,105,997</u>	<u>778,381,686</u>	<u>711,956,732</u>	<u>740,362,129</u>	<u>793,449,907</u>	<u>824,254,570</u>	<u>861,265,391</u>	<u>886,444,097</u>	<u>921,349,757</u>
Changes in Net Position										
Total Primary Government	<u>\$ 31,780,854</u>	<u>\$ (7,915,918)</u>	<u>\$ (508,556)</u>	<u>\$ (52,919,289)</u>	<u>\$ (69,375,026)</u>	<u>\$ (28,998,275)</u>	<u>\$ (9,389,246)</u>	<u>\$ 23,627,065</u>	<u>\$ (31,965,440)</u>	<u>\$ (36,743,273)</u>

Source: District Records

Table 3

THE SCHOOL DISTRICT OF LEE COUNTY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
General Fund								
Nonspendable	\$ 1,689,456	\$ 2,187,723	\$ 2,256,156	\$ 2,349,033	\$ 2,472,299	\$ 2,528,087	\$ 2,088,384	\$ 2,281,672
Restricted	6,379,538	14,139,594	11,662,553	12,775,113	15,167,227	19,736,496	32,206,280	32,410,350
Assigned	69,938,055	11,022,864	17,117,748	1,553,091	2,193,111	1,685,017	4,748,142	4,899,053
Unassigned	87,579,373	116,160,720	93,861,720	111,046,656	109,451,484	116,229,361	97,908,901	87,142,825
Total General Fund	<u>\$ 165,586,422</u>	<u>\$ 143,510,901</u>	<u>\$ 124,898,177</u>	<u>\$ 127,723,893</u>	<u>\$ 129,284,121</u>	<u>\$ 140,178,961</u>	<u>\$ 136,951,707</u>	<u>\$ 126,733,900</u>
All Other Governmental Funds								
Nonspendable	\$ 274,957	\$ 344,491	\$ 314,978	\$ 306,965	\$ 546,974	\$ 691,172	\$ 922,314	\$ 757,515
Restricted	259,742,244	190,494,828	149,993,931	105,260,748	104,070,862	123,147,115	187,388,796	150,621,132
Assigned	2,067,004	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 262,084,205</u>	<u>\$ 190,839,319</u>	<u>\$ 150,308,909</u>	<u>\$ 105,567,713</u>	<u>\$ 104,617,836</u>	<u>\$ 123,838,287</u>	<u>\$ 188,311,110</u>	<u>\$ 151,378,647</u>
	Pre-GASB 54							
	<u>June 30, 2009</u>	<u>June 30, 2010</u>						
General Fund								
Reserved	\$ 20,908,431	\$ 20,137,618						
Unreserved	89,167,603	113,530,351						
Total General Fund	<u>\$ 110,076,034</u>	<u>\$ 133,667,969</u>						
All Other Governmental Funds								
Reserved	\$ 46,280,105	\$ 11,456,547						
Unreserved, reported in:								
Special Revenue Funds	5,385,865	10,427,742						
Capital Projects Funds	262,856,930	247,955,414						
Total All Other Governmental Funds	<u>\$ 314,522,900</u>	<u>\$ 269,839,703</u>						

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)**

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 912,913	\$ 979,958	\$ 1,089,726	\$ 1,260,711	\$ 1,436,160	\$ 1,487,186	\$ 1,550,039	\$ 1,693,731	\$ 1,678,367	\$ 1,873,725
Impact Aid	4,925	2,355	20,234	20,178	35,179	33,670	35,649	33,010	23,965	26,332
Miscellaneous Federal Direct	6,910,777	8,974,884	9,946,147	9,821,818	11,552,855	15,205,945	19,506,514	19,619,329	19,272,370	21,233,227
Total Federal Direct	7,828,615	9,957,197	11,056,107	11,102,707	13,024,194	18,814,328	21,092,202	21,346,070	20,974,702	23,133,284
Federal Through State Sources:										
Medicaid	1,313,278	2,420,605	2,057,558	2,196,690	2,078,730	2,771,182	2,559,473	2,408,004	2,247,950	2,515,308
Food Service	20,430,332	23,858,206	26,464,668	27,986,673	29,379,199	30,251,849	31,694,451	37,899,971	41,517,823	42,761,243
Donated Foods and Cash in Lieu of	-	-	-	-	-	278,967	460,867	295,922	201,443	168,449
Other Federal Through State Grants	41,528,403	79,887,323	104,305,269	51,800,689	48,752,725	49,955,023	50,177,671	50,912,085	53,712,979	56,482,107
Total Federal Through State Sources	63,272,013	106,166,134	132,827,495	81,984,052	80,210,654	83,257,021	84,892,462	91,515,982	97,680,195	101,927,107
State Sources:										
Florida Education Finance Program (FEFP)	17,817,291	65,517,716	80,355,668	89,072,529	130,152,064	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376
Workforce Development Program	10,531,771	-	9,473,074	10,159,251	10,064,375	9,890,385	9,889,670	10,026,007	10,064,226	9,697,421
Categorical Education Programs	36,533,686	5,911,240	-	-	-	-	-	-	-	-
Discretionary Lottery Funds	1,984,085	227,084	312,199	275,950	-	876,119	323,400	-	1,544,033	165,672
CO & DS Distributed to Districts	929,162	916,066	965,172	1,032,414	1,108,525	1,141,731	1,167,484	1,629,782	1,540,677	1,612,677
Interest on Undistributed CO & DS	32,368	35,937	37,441	35,202	32,007	16,436	22,936	10,635	59,174	44,958
CO & DS withheld for SBE/COBI Bonds	2,323,540	2,336,563	2,253,026	2,251,424	2,284,729	2,288,003	2,253,621	2,031,334	2,067,209	2,067,577
State License Tax	491,382	496,031	500,399	472,464	486,672	487,284	505,704	493,900	532,402	473,064
Food Services	478,189	511,914	528,273	582,536	565,787	569,509	564,330	562,875	563,623	621,995
SBE/COBI Bond Interest	678	1,333	326	(256)	9,760	97	1,851	376	549	12,060
Sales Tax Distribution	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Public Education Capital Outlay	8,973,242	1,088,067	3,152,602	-	-	-	1,527,590	1,277,972	1,926,462	1,293,490
Class Size Reduction Program	85,279,249	88,741,650	92,645,707	94,203,723	96,629,891	97,026,663	98,655,320	99,525,290	100,383,530	100,819,469
Charter School Capital Outlay	4,732,956	4,891,005	4,540,302	4,167,303	3,554,080	5,551,748	4,157,950	2,477,285	3,489,966	2,106,665
State Grants and Other State Sources	854,470	483,948	7,926,158	6,771,605	6,776,521	6,728,280	7,605,793	8,168,306	6,010,204	12,158,456
Total State Sources	171,185,319	171,381,804	202,913,597	209,247,395	251,887,661	281,117,527	284,007,581	292,194,550	292,253,741	304,235,130
Taxes and Miscellaneous Sources:										
Ad Valorem Taxes	585,253,400	495,212,142	453,101,711	430,890,095	416,431,254	436,087,889	459,760,483	485,209,281	509,754,526	523,232,280
Food Service Sales	8,786,415	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694
Impact Fees	2,565,553	4,682,432	2,780,641	3,833,326	3,776,456	1,807,460	2,767,510	6,137,978	6,654,615	8,256,767
Rent	507,120	719,824	670,210	611,901	543,515	519,193	504,692	563,164	563,078	559,349
Child Care and Adult Course Fees	7,905,165	7,419,332	8,229,276	7,999,884	8,734,131	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248
Interest Income	(1,829,571)	5,417,498	3,299,367	2,009,650	2,687,846	1,075,646	1,516,346	3,168,228	2,640,876	4,819,811
Gifts, Grants and Bequests	456,611	1,481,048	367,002	530,916	566,264	890,387	944,180	987,130	1,313,789	503,297
Local Grants and Other Local Sources	7,664,193	13,044,107	7,447,942	7,574,976	8,506,497	6,474,001	9,229,924	10,209,424	9,104,887	11,265,366
Total Taxes and Miscellaneous Sources	611,308,886	535,415,637	482,675,231	460,126,511	447,721,817	462,254,481	490,027,120	518,981,183	543,382,496	561,916,812
Total Revenues	853,594,833	822,920,772	829,472,430	762,460,665	792,844,326	845,443,357	880,019,365	924,037,785	954,291,134	991,212,333

Expenditures

Instruction	417,694,474	414,895,169	436,605,401	418,281,865	438,716,531	455,149,280	471,369,228	478,381,855	488,006,506	519,559,871
Student Support Services	27,370,767	26,407,874	27,247,673	25,036,041	25,876,049	27,269,545	28,489,369	29,975,388	31,253,938	33,329,072
Instructional Media Services	6,279,903	4,684,420	4,287,385	5,073,542	4,293,740	4,076,432	3,979,897	4,112,761	3,976,544	3,560,456
Instruction & Curriculum Development Services	14,716,327	13,218,730	13,173,766	11,693,445	12,042,091	15,812,284	17,545,476	20,384,407	23,742,954	26,810,786
Instructional Staff Training Services	9,722,620	11,235,522	11,311,146	10,415,053	11,633,055	11,075,716	11,095,452	10,880,377	10,285,951	10,308,963
Instruction Related Technology	4,557,907	4,547,890	4,663,130	5,694,277	6,181,095	6,634,614	6,570,043	7,295,095	7,791,033	7,937,786
Board	879,726	781,919	793,839	832,635	859,492	899,374	929,472	954,337	1,048,033	1,234,220
General Administration	4,009,500	4,233,091	4,869,615	4,846,909	4,954,413	5,303,008	5,288,097	5,804,461	6,462,157	6,828,492
School Administration	43,017,294	41,321,862	42,700,204	40,590,505	41,995,343	43,276,063	44,813,725	45,148,863	47,934,075	49,440,261
Facilities Services	7,853,475	8,817,426	43,208,252	47,008,796	58,086,153	56,932,333	36,550,257	45,450,241	61,930,947	53,678,568
Fiscal Services	3,695,355	3,776,784	3,662,302	3,291,652	3,384,349	3,377,986	3,539,350	3,783,553	3,951,176	3,708,277
Food Service	27,258,408	26,979,027	29,239,256	31,095,080	33,419,140	37,477,013	35,900,193	38,726,448	42,253,373	47,500,974
Central Services	8,077,238	8,978,113	8,072,928	8,353,079	7,876,731	8,217,089	9,273,731	8,718,831	10,098,243	10,873,976
Student Transportation Services	45,234,651	44,890,196	47,435,530	47,114,585	48,546,573	51,612,381	51,883,896	51,134,340	54,860,905	53,462,444
Operation of Plant	65,270,390	64,305,699	64,057,630	63,523,851	64,779,091	63,491,054	66,354,947	64,170,207	67,051,631	76,048,846
Maintenance of Plant	15,104,396	15,192,197	14,998,770	14,260,930	14,340,708	15,017,778	15,117,700	15,401,562	16,192,001	16,580,188
Administrative Technology Services	4,476,119	4,623,126	5,294,441	5,318,278	5,400,395	5,966,705	5,811,533	5,493,704	5,690,703	6,526,645
Community Services	5,875,016	4,186,572	4,080,235	4,039,122	3,924,482	4,126,238	4,454,444	5,125,124	5,923,833	6,716,042
Capital Outlay										
Facilities Acquisition & Construction	133,685,326	87,643,545	4,534,128	57,570,549	12,354,082	20,295,567	4,506,531	1,116,341	21,100,943	51,417,463
Other Capital Outlay	4,125,633	3,302,752	12,034,365	8,394,998	13,097,011	8,594,674	13,465,816	9,961,398	29,600,365	18,171,760
Debt Service										
Principal	85,622,580	26,944,446	28,046,604	22,778,439	23,640,078	25,656,399	26,291,709	26,823,872	28,342,021	34,668,643
Interest and Fiscal Charges	25,501,216	23,406,338	22,549,742	20,467,619	19,167,501	17,756,347	16,113,573	15,343,234	17,689,077	16,775,044
Total Expenditures	960,028,321	844,372,698	832,866,342	855,681,250	854,568,103	888,017,880	879,344,439	894,186,399	985,186,409	1,055,138,777
Excess of Revenues										
Over (under) Expenditures	(106,433,488)	(21,451,926)	(3,393,912)	(93,220,585)	(61,723,777)	(42,574,523)	674,926	29,851,386	(30,895,275)	(63,926,444)
Other Financing Sources (Uses)										
Issuance of Refunding Bonds	-	1,285,000	310,000	795,000	-	998,000	4,893,000	-	60,177,000	32,085,000
Premium on Refunding Bonds	-	1,926,424	50,206	122,041	-	161,543	465,287	-	-	-
Certificates of Participation Issued	60,000,000	26,950,000	50,307,000	165,255,000	-	25,287,000	132,560,000	-	61,080,000	14,070,000
Premium on Certificates of Participation Issued	-	-	-	14,774,075	-	-	19,921,890	-	10,557,060	-
Issuance of Loans	6,306,547	-	-	-	1,447,460	-	-	-	20,000,000	-
Loss Recoveries	250,934	330,126	454,093	747,891	188,710	572,687	222,938	263,905	326,784	1,825,743
Sale of Capital Assets	-	-	-	-	944,473	-	-	-	-	700,000
Transfer In	72,505,380	75,685,066	93,557,964	71,440,656	65,531,189	70,288,506	66,008,781	54,315,049	56,064,515	78,004,697
Payments to Refunded COPS/Bond Escrow Agent	-	(30,130,886)	(23,564,432)	(181,793,829)	-	(26,360,187)	(158,127,690)	-	(60,000,000)	(31,904,569)
Transfer Out	(72,505,380)	(75,685,066)	(93,557,964)	(71,440,656)	(65,531,189)	(70,288,506)	(66,008,781)	(54,315,049)	(56,064,515)	(78,004,697)
Total Other Financing Sources (Uses)	66,557,481	360,664	27,556,867	(99,822)	2,580,643	659,043	(64,575)	263,905	92,140,844	16,776,174
Net Change in Fund Balances	\$ (39,876,007)	\$ (21,091,262)	\$ 24,162,955	\$ (93,320,407)	\$ (59,143,134)	\$ (41,915,480)	\$ 610,351	\$ 30,115,291	\$ 61,245,569	\$ (47,150,270)
Debt Service as a percentage of noncapital expenditures	13.0%	6.2%	6.2%	5.5%	5.2%	5.0%	4.9%	4.8%	4.9%	5.2%

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST 10 FISCAL YEARS
 (UNAUDITED)
 (amounts expressed in thousands)**

Fiscal Year	Real Property			Personal Property	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a percentage of Actual Value ¹
	Residential	Commercial	Other						
2009	\$ 66,592,240	\$12,757,889	\$ 1,250,737	\$ 3,927,562	\$25,496,141	\$ 59,032,287	4.22	\$ 110,753,036	76.32%
2010	50,045,073	10,106,431	750,756	4,022,513	16,818,192	48,106,581	4.22	82,498,303	78.70%
2011	42,678,718	8,659,204	545,540	3,844,518	13,841,212	41,886,768	4.22	70,351,061	79.21%
2012	41,682,602	7,543,635	588,772	3,450,443	14,089,660	39,175,792	3.72	68,116,399	78.20%
2013	41,893,822	7,314,284	545,034	3,147,143	14,947,716	37,952,567	3.72	68,644,339	77.06%
2014	43,666,928	7,270,867	534,598	3,147,804	17,060,361	37,559,836	4.22	72,497,286	75.34%
2015	46,907,208	7,663,877	642,067	3,103,287	20,663,672	37,652,767	4.22	79,782,598	73.09%
2016	50,840,606	7,999,476	679,028	3,125,423	23,821,441	38,823,092	4.22	87,278,538	71.78%
2017	55,237,868	8,633,141	662,497	3,353,903	28,254,650	39,632,759	4.12	96,920,144	70.04%
2018	60,444,365	8,946,505	911,374	3,736,874	30,507,410	43,531,708	4.12	105,312,246	70.30%

Source: Lee County Tax Collector

¹ Includes tax-exempt property

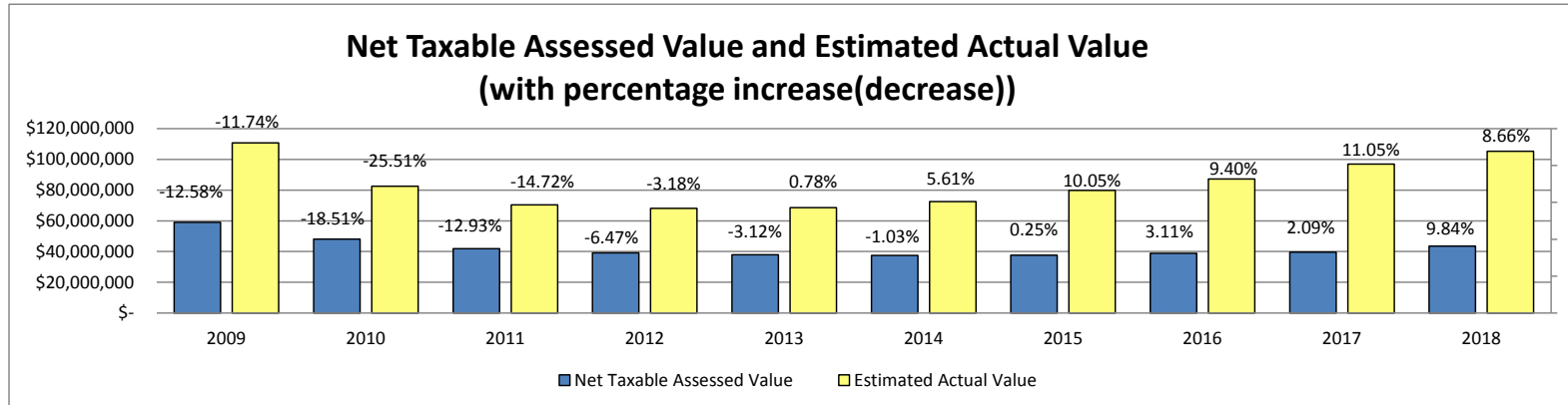


Table 6

**THE SCHOOL DISTRICT OF LEE COUNTY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST 10 FISCAL YEARS
(UNAUDITED)
(PER \$ 1,000 Assessed Valuation)**

4.291

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lee County										
General Revenue	3.720	3.720	3.720	3.720	3.720	4.220	4.220	4.220	4.120	4.120
Capital Improvements	0.500	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Lee County Millage	4.220	4.220	4.220	3.720	3.720	4.220	4.220	4.220	4.120	4.120
School District	6.868	7.508	8.015	7.854	7.584	7.598	7.416	7.285	6.989	6.679
Municipalities										
Cape Coral	4.833	7.970	7.970	7.957	7.957	7.707	7.707	6.957	6.750	6.750
Sanibel	2.611	2.615	2.591	2.526	2.557	2.531	2.415	2.311	2.301	2.280
Fort Myers	7.163	7.400	8.400	8.400	8.776	8.776	8.776	8.776	8.750	8.650
Fort Myers Beach	0.709	0.819	0.914	0.814	0.769	0.753	0.753	0.800	0.800	0.870
Bonita Springs	0.827	0.827	0.827	0.827	0.817	0.817	0.817	0.817	0.817	0.817
Total Municipalities Millage	16.143	19.631	20.702	20.524	20.876	20.584	20.468	19.661	19.418	19.367
Lee County Special Districts										
Lee County Hyacinth Control	0.021	0.028	0.310	0.310	0.030	0.029	0.028	0.026	0.026	0.025
Lee County Mosquito Control	0.164	0.213	0.239	0.239	0.230	0.252	0.240	0.240	0.240	0.280
South Fl. Water Management Dist.	0.624	0.624	0.624	0.436	0.429	0.411	0.384	0.355	0.331	0.310
West Coast Inland Waterway	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039
MSTU (Unincorporated)	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840
Lee County Library	1.179	1.258	1.312	1.229	1.229	1.428	1.404	1.318	1.318	1.355
Total Special Districts Millage	2.867	3.002	3.364	3.093	2.797	2.999	2.935	2.818	2.794	2.849
Other Special Districts ¹	.025-3.000	.015-3.500	.041-4.000	.010-4.000	.066-4.700	.0076-4.500	.0585-4.500	.0549-4.000	.0650-4.000	.0572-3.900
Total Direct and Overlapping Rates ²	30.098	34.361	36.301	35.191	34.977	35.401	35.039	33.984	33.321	33.015

¹ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

² Does not include Other Special Districts since reported as a range. Overlapping rates are those of Lee County that apply to property owners within Lee County. Not all overlapping rates apply to all Lee County property owners (e.g. special assessments only apply to the property owners located in that district).

Source: Lee County Property Appraiser

**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
FL Power & Light	\$ 1,405,691,992	1	1.899%	\$ 856,813,460	1	0.970%
Lee County Electric Coop	403,368,781	2	0.545%	287,721,680	3	0.326%
Christian & Missionary Alliance Inc.	515,287,265	3	0.696%	195,926,120	4	0.222%
Embarq Florida Inc	154,128,335	4	0.208%	435,084,310	2	0.493%
Miromar Outlet West LLC	141,460,267	6	0.191%			
Coconut Point Developers LLC	116,768,514	5	0.158%	140,105,780	5	0.159%
Edison Mall LLC	105,581,560	7	0.143%	95,093,490	8	0.108%
Gulf Coast Town Center Holdings	97,883,253	8	0.132%	121,528,620	6	0.138%
Comcast of CO FL	72,246,232	9	0.098%			
Bell Tower Shops LLC	68,561,524	10	0.093%			
Centex Homes				109,305,910	7	0.124%
Bay Colony Gateway Inc.				93,130,180	9	0.105%
Harper Brothers Inc.				92,718,970	10	0.105%
	<u>\$ 3,080,977,723</u>		<u>4.161%</u>	<u>\$ 2,427,428,520</u>		<u>2.750%</u>

Source: Lee County Property Appraiser

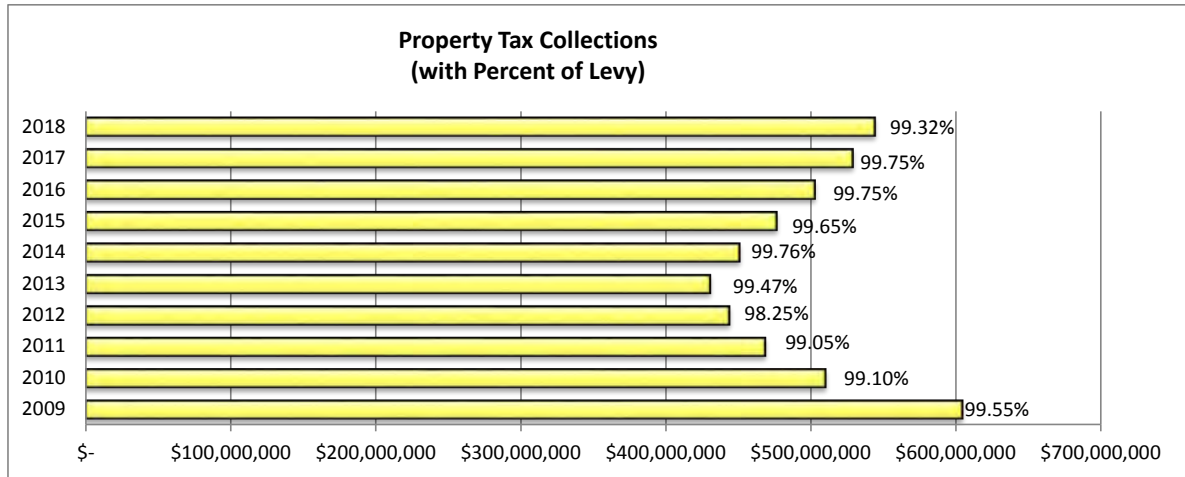
Table 8

**THE SCHOOL DISTRICT OF LEE COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 606,574,530	\$ 599,212,175	98.79%	\$ 4,642,681	\$ 603,854,856	99.55%
2010	514,468,676	506,573,323	98.47%	3,253,496	509,826,819	99.10%
2011	472,729,944	465,862,569	98.55%	2,360,446	468,223,015	99.05%
2012	451,523,332	442,322,541	97.96%	1,284,232	443,606,773	98.25%
2013	432,674,296	429,593,960	99.29%	800,920	430,394,880	99.47%
2014	451,539,308	449,874,457	99.63%	588,444	450,462,901	99.76%
2015	477,812,166	475,572,585	99.53%	551,446	476,124,031	99.65%
2016	503,609,120	501,939,146	99.67%	411,247	502,350,393	99.75%
2017	529,936,514	528,409,682	99.71%	197,825	528,607,507	99.75%
2018	547,501,768	543,773,247	99.32%	-	543,773,247	99.32%

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

Source: Lee County Tax Collector



**THE SCHOOL DISTRICT OF LEE COUNTY
RATIOS OF OUSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS
(UNAUDITED)**

Other Governmental Activities Debt							
Fiscal Year	State Board of Education Bonds ¹	Certificates of Participation ¹	Section 1013.23 Loans ¹	Total Primary Government	Percentage of Net Taxable Assessed Value of Property ²	Percentage of Personal Income ³	Per Capita ³
2009	\$ 18,158,856	\$ 533,914,940	\$ 9,337,009	\$ 561,410,805	0.95%	2.28%	\$ 912.68
2010	16,635,256	508,946,484	8,567,563	534,149,303	1.11%	2.32%	857.52
2011	15,063,679	509,959,310	7,766,959	532,789,948	1.27%	2.20%	852.04
2012	13,424,854	488,321,129	6,908,520	508,654,503	1.30%	1.99%	805.69
2013	11,714,048	466,668,088	7,445,903	485,828,039	1.28%	1.79%	752.88
2014	9,793,078	441,584,903	6,335,504	457,713,485	1.22%	1.64%	692.34
2015	7,522,931	405,938,966	5,165,795	418,627,692	1.11%	1.48%	616.07
2016	5,782,782	381,212,806	3,933,922	390,929,510	1.01%	1.36%	556.89
2017	3,800,530	427,136,137	22,636,901	453,573,568	1.14%	1.45%	627.93
2018	1,888,985	415,514,802	17,867,258	435,271,045	1.00%	1.32%	588.82

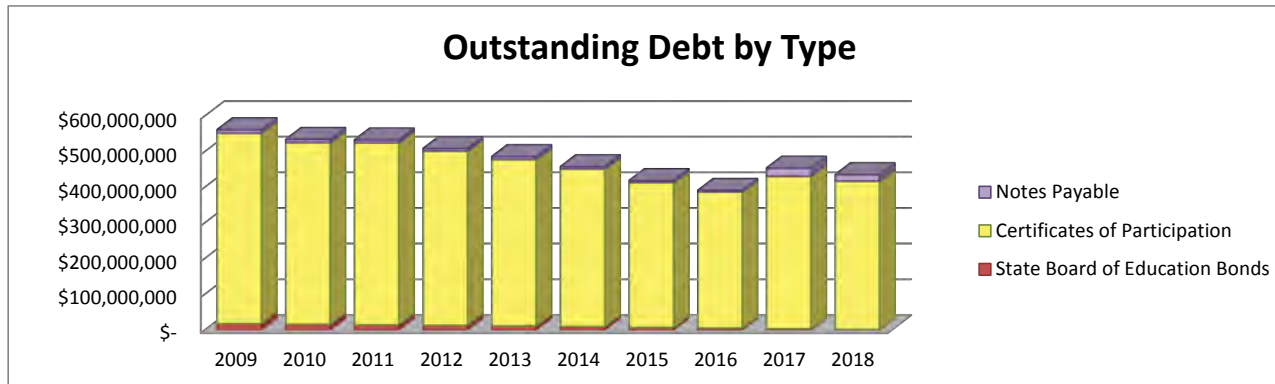
Note: Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

¹ The district issued \$20 million of Loans and \$60.1 million of Certificates of Participation and refinanced \$60.2 million of Certificates of Participation during 2017.

² See Table 5 for property value data.

³ Population and personal income data can be found in Table 13.

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$5,903,228,700	\$ 4,810,658,100	\$4,188,676,800	\$3,917,579,200	\$3,795,256,700	\$3,755,983,600	\$3,765,276,700	\$3,882,309,200	\$3,963,275,900	\$4,353,170,800
Total bonded debt	17,730,000	16,120,000	14,560,000	12,885,000	11,235,000	9,373,000	7,169,000	5,495,000	3,701,000	1,816,000
Less amount available in Debt Service Funds	473,143	438,473	401,473	363,704	306,223	233,871	194,248	132,577	88,102	51,534
Total amount applicable to debt limit	<u>17,256,857</u>	<u>15,681,527</u>	<u>14,158,527</u>	<u>12,521,296</u>	<u>10,928,777</u>	<u>9,139,129</u>	<u>6,974,752</u>	<u>5,362,423</u>	<u>3,612,898</u>	<u>1,764,466</u>
Legal debt margin on bonded debt	<u>\$5,885,971,843</u>	<u>\$ 4,794,976,573</u>	<u>\$4,174,518,273</u>	<u>\$3,905,057,904</u>	<u>\$3,784,327,923</u>	<u>\$3,746,844,471</u>	<u>\$3,758,301,948</u>	<u>\$3,876,946,777</u>	<u>\$3,959,663,002</u>	<u>\$4,351,406,334</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.71%</u>	<u>99.67%</u>	<u>99.66%</u>	<u>99.68%</u>	<u>99.71%</u>	<u>99.76%</u>	<u>99.81%</u>	<u>99.86%</u>	<u>99.91%</u>	<u>99.96%</u>

Note: The State of Florida does not have a limit on the amount of voter approved (General Obligation) debt.

Source: District Records

THE SCHOOL DISTRICT OF LEE COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2018
(UNAUDITED)

FINANCIAL PARAMETERS

Direct debt:	
State Board of Education Bonds ⁽¹⁾	\$ 1,888,985
Section 1013.23 Loans	17,867,258
Certificates of Participation	<u>415,514,802</u>
Total Direct Debt	435,271,045
Overlapping debt ⁽²⁾	
Lee County ⁽³⁾	<u>193,633,000</u>
Total Direct and Overlapping debt	<u><u>\$ 628,904,045</u></u>
Population	739,224
Assessed property valuation (in thousands)	\$ 105,312,246
Net Assessed taxable property valuation (in thousands)	\$ 43,531,708

DEBT RATIOS

Percent of assessed property valuation	
Direct debt	0.41%
Overlapping debt	0.18%
Direct and overlapping debt	0.60%
Percent of net assessed taxable property valuation	
Direct debt	1.00%
Overlapping debt	0.44%
Direct and overlapping debt	1.44%
Per Capita	
Direct debt	\$ 589
Overlapping debt	\$ 262
Direct and overlapping debt	\$ 851

(1) State Board of Education debt is payable from motor vehicle and gross receipt taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of June 30, 2018.

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

Sources: District Records; Table 5; and Table 13
Lee County Clerk of Court

**THE SCHOOL DISTRICT OF LEE COUNTY
PLEGGED-REVENUE COVERAGE
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	State Board of Education Bonds				Coverage
	Motor Vehicle Tax ¹	Principal	Interest		
2009	\$ 2,275,455	\$ 1,405,000	\$ 919,671	0.98	
2010	2,287,774	1,485,000	837,160	0.99	
2011	2,253,026	1,515,000	769,621	0.99	
2012	2,251,424	1,585,000	702,626	0.98	
2013	2,233,830	1,650,000	627,328	0.98	
2014	2,236,557	1,730,000	548,498	0.98	
2015	2,201,187	1,822,000	309,730	1.03	
2016	1,977,534	1,674,000	364,967	0.97	
2017	2,013,091	1,794,000	263,480	0.98	
2018	2,012,373	1,885,000	174,550	0.98	

Note 1: The above revenues do not include interest earnings which are also available for debt service.

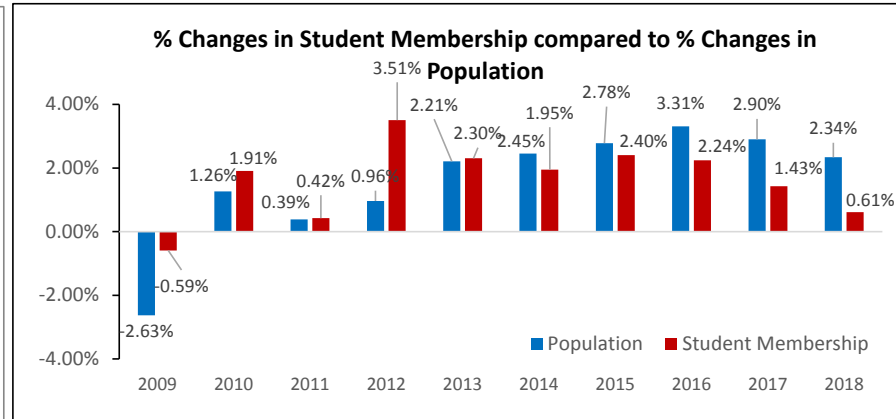
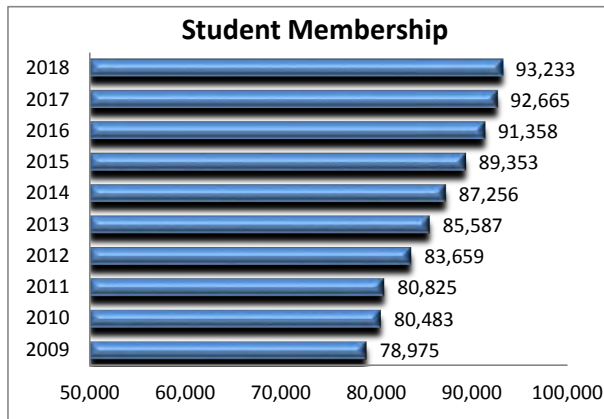
Note 2: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
DEMOGRAPHIC STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Estimated Population ⁴	Personal Income (thousands of dollars) ¹	Per Capita Personal Income ¹	Median Age ⁴	Average Daily School Membership (K through Grade 12)³	Unemployment Rate %²
2009	615,124	\$ 24,674,348	\$ 41,954	42.7	78,975	13.9%
2010	622,900	22,983,593	39,160	42.7	80,483	13.0%
2011	625,310	24,271,330	30,363	44.0	80,825	11.7%
2012	631,330	25,496,678	29,445	45.7	83,659	9.3%
2013	645,293	27,161,256	43,022	45.6	85,587	7.4%
2014	661,115	27,856,374	43,169	45.5	87,256	6.1%
2015	679,513	28,292,424	42,795	46.0	89,353	5.2%
2016	701,982	28,704,773	42,243	46.4	91,358	4.6%
2017	722,336	31,296,442	44,583	46.9	92,665	4.2%
2018	739,224	33,060,033	45,768	47.3	93,233	3.8%

¹ Federal Bureau of Economic Analysis
² Florida Research and Economic Database
³ District records
⁴ Factfinder.census.gov



**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	13,257	1	4.08%	8,600	2	3.01%
Lee County School Board	11,561	2	3.56%	10,405	1	3.64%
Publix Super Markets	4,613	3	1.42%	4,215	3	1.47%
Wal-Mart Stores, Inc.	3,550	4	1.09%	2,071	5	0.72%
Lee County Government	2,387	5	0.74%	2,559	4	0.90%
Lee County Sheriff's Office	1,558	6	0.48%	1,544	7	0.54%
City of Cape Coral	1,350	7	0.42%	1,700	6	0.59%
Florida Gulf Coast University	1,350	8	0.42%	1,292	9	0.45%
Chico's FAS, Inc	1,147	9	0.35%			0.00%
Home Depot	1,072	10	0.33%			0.00%
U.S Postal Service			0.00%	1,397	8	0.49%
Bonita Bay Group	-		0.00%	1,035	10	0.36%
Total	41,845		12.89%	34,818		12.18%

Source: Lee County Office of Economic Development, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

**THE SCHOOL DISTRICT OF LEE COUNTY
NUMBER OF FULL-TIME PERSONNEL
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(A) Full-time Instructional	(B) Full-time Administrative	(C) Full-time Support Services	Total
2009	5,096	316	3,644	9,056
2010	4,908	316	3,415	8,639
2011	4,965	322	3,419	8,706
2012	5,108	325	3,447	8,880
2013	5,281	328	3,525	9,134
2014	5,169	341	3,597	9,107
2015	5,385	345	3,777	9,507
2016	5,476	343	3,525	9,344
2017	5,604	360	3,757	9,721
2018	5,278	370	3,784	9,432

- (A) Full-Time Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialist, Other Professional Instructional Staff
- (B) Full-Time Principals, Assistant Principals, Superintendent, Chief Academic Officer, Chief Business Officer, Administrators on Assignment, Directors, Coordinators
- (C) Full-Time Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

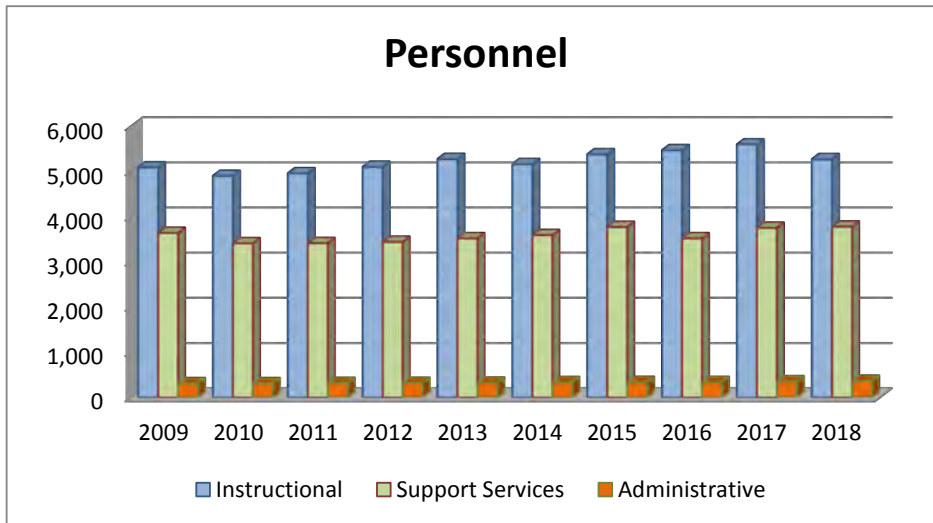
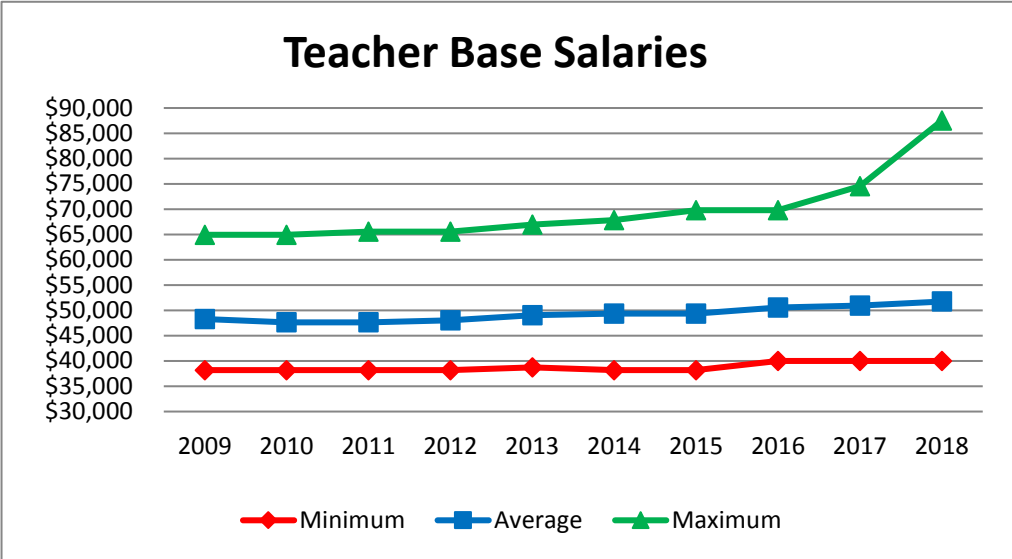


Table 16

**THE SCHOOL DISTRICT OF LEE COUNTY
TEACHERS' BASE SALARIES (10 MONTHS)
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2009	\$ 38,192	\$ 64,941	\$ 48,282
2010	38,192	64,941	47,628
2011	38,192	65,563	47,628
2012	38,192	65,563	48,056
2013	38,701	66,984	49,028
2014	38,192	67,869	49,377
2015	38,192	69,819	49,392
2016	40,000	69,819	50,568
2017	40,000	74,565	50,960
2018	40,000	87,500	51,744

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
OPERATING STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Expenditures	Enrollment	Cost per Student	Percentage Change	Instructional Personnel	Ratio of Students to Instructional Personnel	School Attendance Percentage
2009	\$ 960,028,321	78,975	\$ 12,156	-0.38%	5,096	15.50	94.07%
2010	844,372,698	80,483	10,491	-13.70%	4,908	16.40	93.68%
2011	832,866,342	80,825	10,305	-1.78%	4,965	16.28	93.62%
2012	855,681,250	83,659	10,228	-0.74%	5,108	16.38	93.92%
2013	854,568,103	85,587	9,985	-2.38%	5,281	16.21	93.82%
2014	888,017,880	87,256	10,177	1.93%	5,169	16.88	93.84%
2015	879,344,439	89,353	9,841	-3.30%	5,385	16.59	93.54%
2016	894,186,399	91,358	9,788	-0.54%	5,476	16.68	93.30%
2017	985,186,409	92,665	10,632	8.62%	5,604	16.54	93.19%
2018	1,055,138,777	93,233	11,317	6.45%	5,278	17.66	93.15%

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
FOOD SERVICE OPERATING DATA
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>6/30/2016¹</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Days Meals were Served	180	180	180	180	180	180	180	180	180	173
Average Number of Free and Reduced Meals Served Daily	44,936	51,626	57,503	59,417	59,771	60,856	62,437	76,745	76,353	73,275
Number of Free and Reduced Meals Served	8,088,525	9,292,739	10,350,523	10,695,067	10,758,865	10,954,113	11,238,624	13,814,058	13,743,539	12,676,636
Average Daily Subsidy Received	\$ 116,196	\$ 132,221	\$ 148,255	\$ 156,203	\$ 164,343	\$ 172,780	\$ 179,215	\$ 213,502	\$ 232,066	\$ 244,258
Total Subsidy Received	\$ 20,915,264	\$ 23,799,702	\$ 26,685,835	\$ 28,116,617	\$ 29,581,719	\$ 31,100,325	\$ 32,258,781	\$ 38,430,442	\$ 41,771,877	\$ 42,256,618
Average Number of Meals Served Daily	58,527	62,589	70,205	71,237	70,972	72,297	73,307	78,247	80,444	76,368
Number of Full Paid Meals Served	2,446,286	1,973,355	2,286,294	2,127,621	2,016,051	2,059,262	1,956,721	270,353	736,329	535,005
Average Daily Revenues	\$ 165,280	\$ 176,881	\$ 187,805	\$ 196,119	\$ 202,706	\$ 208,263	\$ 214,686	\$ 231,282	\$ 248,950	\$ 264,170
Total Revenues	\$ 29,750,388	\$ 31,838,517	\$ 33,804,923	\$ 35,301,408	\$ 36,487,013	\$ 37,487,371	\$ 38,643,497	\$ 41,630,724	\$ 44,811,030	\$ 45,701,381
Average Daily Costs	\$ 151,613	\$ 150,316	\$ 162,882	\$ 180,511	\$ 192,739	\$ 225,410	\$ 205,006	\$ 221,638	\$ 234,741	\$ 274,572
Total Costs	\$ 27,290,385	\$ 27,056,893	\$ 29,318,801	\$ 32,491,974	\$ 34,693,021	\$ 40,573,818	\$ 36,901,006	\$ 39,894,897	\$ 42,253,373	\$ 47,500,974

¹ 2016 was the first year 92 of 98 schools provided free breakfast and lunch to all students.

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	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	June 30, 2018
Allen Park ES (1957)										
Square Feet	112,165	112,662	123,105	129,052	129,052	129,052	129,052	129,052	129,052	129,052
Capacity (students)	1,056	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,010
Enrollment	900	932	940	954	935	920	953	959	970	997
Alva School (K-8) (1886) ^g										
Square Feet	47,774	47,774	53,572	56,092	56,092	56,791	144,444	144,444	144,444	144,444
Capacity (students)	391	391	391	391	391	441	1,089	1,089	1,089	1,089
Enrollment	409	394	381	382	401	383	961	985	1,014	1,042
Bayshore ES (1966)										
Square Feet	85,873	85,873	86,380	87,182	87,182	91,368	91,368	91,368	91,368	91,368
Capacity (students)	693	693	693	693	693	693	693	693	693	656
Enrollment	552	583	590	620	621	639	613	602	630	640
Bonita Springs ES (1916)										
Square Feet	51,746	53,595	50,352	50,352	50,352	50,352	50,352	50,352	50,352	50,352
Capacity (students)	405	396	396	396	396	396	396	396	396	396
Enrollment	434	470	436	448	422	464	478	499	517	513
Caloosa ES (2000)										
Square Feet	141,632	141,632	143,029	133,604	133,604	133,604	133,604	133,604	133,604	133,604
Capacity (students)	1,075	1,085	1,085	1,085	1,085	1,085	1,085	1,085	1,085	992
Enrollment	1,017	981	939	940	920	912	914	913	938	947
Cape Coral ES (1963)										
Square Feet	114,054	114,054	113,774	112,871	112,871	112,871	112,871	112,871	112,871	112,871
Capacity (students)	898	898	898	898	898	898	898	898	898	838
Enrollment	752	769	739	713	739	735	763	742	736	694
Colonial ES (1978)										
Square Feet	109,524	109,524	114,769	114,769	114,769	114,983	114,983	114,983	114,983	114,983
Capacity (students)	965	922	922	922	922	922	922	922	922	882
Enrollment	695	774	799	743	761	799	789	796	787	847
Diplomat ES (1991)										
Square Feet	117,267	117,267	119,233	119,533	119,533	119,533	119,533	119,533	119,533	119,533
Capacity (students)	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	982
Enrollment	939	906	902	913	915	923	934	932	938	974
Edgewood Renaissance (1924)										
Square Feet	105,524	105,524	110,849	113,208	113,208	113,208	113,208	113,208	113,208	113,208
Capacity (students)	741	741	741	741	741	741	741	741	741	736
Enrollment	434	432	481	553	464	561	553	527	565	599
Edison Park ES (1926)										
Square Feet	70,956	70,956	74,381	72,843	72,843	72,843	72,843	72,843	72,843	72,843
Capacity (students)	449	457	455	455	455	455	455	455	455	455
Enrollment	387	383	365	360	374	374	365	352	355	349
Franklin Park ES (1954)										
Square Feet	94,148	94,148	93,245	89,228	89,228	89,228	89,228	89,228	89,228	89,228
Capacity (students)	579	579	579	579	579	579	579	579	579	579
Enrollment	506	499	479	505	435	442	427	454	474	482
Ft Myers Beach ES (1938)										
Square Feet	27,020	27,723	30,278	30,634	30,634	30,634	30,634	30,634	30,634	30,634
Capacity (students)	200	221	220	220	220	220	220	220	220	204
Enrollment	150	143	134	148	126	134	116	120	121	108

(Continued)

Elementary Schools

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	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	June 30, 2018
G. Weaver Hipps ES (2009)										
Square Feet	106,076	106,076	106,711	106,693	106,693	106,693	106,693	106,693	106,693	106,813
Capacity (students)	-	758	758	758	758	758	758	758	758	730
Enrollment	-	561	619	717	749	768	778	779	798	794
Gateway ES (1991)										
Square Feet	111,466	111,466	113,567	114,113	114,113	114,113	114,113	114,113	114,113	114,273
Capacity (students)	758	758	758	736	736	736	736	736	736	713
Enrollment	747	694	679	675	691	712	736	719	736	750
Gulf Elementary (1982)										
Square Feet	156,012	156,012	162,360	158,586	158,586	158,586	158,586	158,586	158,586	158,586
Capacity (students)	1,347	1,347	1,293	1,275	1,275	1,275	1,275	1,275	1,275	1,230
Enrollment	1,207	1,159	1,175	1,104	1,059	996	1,019	1,044	1,044	1,075
Hancock Creek ES (1992)										
Square Feet	145,890	145,890	146,342	145,802	145,802	145,802	145,802	145,802	145,802	145,802
Capacity (students)	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	964
Enrollment	883	874	883	878	837	804	821	845	871	883
Harns Marsh Elementary (2005)										
Square Feet	120,419	120,419	122,700	124,793	124,793	124,793	124,793	124,793	124,793	124,831
Capacity (students)	912	912	912	912	912	912	912	912	912	912
Enrollment	914	932	925	927	945	995	985	1,011	1,021	1,048
Hector Caferata Jr. Elementary (2006)										
Square Feet	71,199	71,199	74,726	74,927	74,927	74,927	74,927	74,927	74,927	75,711
Capacity (students)	883	883	883	883	883	883	883	883	883	862
Enrollment	736	717	757	752	757	744	689	695	677	674
Heights ES (1963)										
Square Feet	154,099	154,099	158,152	158,152	158,152	158,152	158,152	158,152	158,152	158,152
Capacity (students)	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,295
Enrollment	826	889	961	988	1,083	1,136	1,181	1,197	1,199	1,196
J. Colin English ES (1929)										
Square Feet	96,778	96,778	98,734	98,193	98,193	98,193	98,193	98,193	98,193	98,193
Capacity (students)	601	601	601	601	601	601	601	601	601	584
Enrollment	386	310	364	393	397	427	454	513	461	445
James Stephens Int'l Academy (1958) b										
Square Feet	-	168,406	171,775	175,579	175,579	175,579	175,579	175,579	175,579	175,579
Capacity (students)	-	1,077	1,073	1,095	1,095	1,095	1,095	1,095	1,095	1,095
Enrollment	-	664	870	777	756	697	527	730	358	424
Lehigh ES (1958)										
Square Feet	149,735	149,735	149,855	146,199	146,199	146,199	146,199	146,199	146,199	146,199
Capacity (students)	758	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,038
Enrollment	802	834	875	1,021	1,048	1,104	1,196	1,179	1,195	1,237
Littleton ES (1991)										
Square Feet	118,279	118,279	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545
Capacity (students)	738	738	738	738	738	738	738	738	738	736
Enrollment	621	593	538	531	523	535	545	549	530	537
Manatee ES (2008)										
Square Feet	127,358	127,358	128,642	128,557	128,557	128,557	128,557	128,557	128,557	128,557
Capacity (students)	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	940
Enrollment	757	781	952	922	877	880	850	937	900	888

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Michigan Montessori (K-8) (1964) ^b										
Square Feet	83,627	83,627	-	-	-	-	-	-	-	-
Capacity (students)	663	-	-	-	-	-	-	-	-	-
Enrollment	475	-	-	-	-	-	-	-	-	-
Mirror Lakes ES (1998)										
Square Feet	133,702	133,702	141,301	143,470	143,470	143,470	143,470	143,470	143,470	143,470
Capacity (students)	1,061	1,061	1,061	1,061	1,061	1,071	1,071	1,071	1,071	960
Enrollment	1,070	983	1,059	1,123	1,079	1,093	1,115	1,110	1,203	1,125
North Ft Myers Academy (K-8) (1973)										
Square Feet	205,425	205,425	232,632	200,855	200,855	200,855	200,855	200,855	200,855	200,855
Capacity (students)	1,315	1,417	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,367
Enrollment	1,016	1,005	1,012	992	976	1,054	1,115	1,120	1,117	1,104
Orange River ES (1957)										
Square Feet	97,883	97,883	98,124	100,794	100,794	100,799	100,799	100,799	100,799	99,095
Capacity (students)	817	817	817	817	817	817	817	817	817	762
Enrollment	790	795	807	830	827	804	817	817	854	856
Orangewood ES (1954)										
Square Feet	86,249	87,104	90,199	91,612	91,612	91,612	91,612	91,612	91,612	91,612
Capacity (students)	637	614	614	614	614	614	614	614	614	606
Enrollment	724	704	608	597	593	583	609	581	579	578
Patriot ES (2008)										
Square Feet	125,295	125,295	126,217	125,887	125,887	125,887	125,887	125,887	125,887	125,887
Capacity (students)	1,046	1,046	1,046	1,042	1,046	1,046	1,046	1,046	1,046	984
Enrollment	757	744	743	695	675	673	633	687	721	733
Pelican ES (1978)										
Square Feet	154,885	154,885	151,841	151,740	151,740	151,740	151,740	151,740	151,740	151,740
Capacity (students)	1,352	1,362	1,362	1,388	1,388	1,388	1,388	1,388	1,388	1,287
Enrollment	1,134	1,063	1,017	975	934	925	902	950	938	976
Pine Island ES (1955)										
Square Feet	54,391	54,391	54,635	54,153	54,153	54,153	54,153	54,153	54,153	54,153
Capacity (students)	391	391	391	391	391	391	391	391	391	355
Enrollment	302	294	284	246	242	236	247	217	235	237
Pinewoods ES (1992)										
Square Feet	126,864	127,328	145,979	145,752	145,752	145,752	145,752	145,752	145,752	145,752
Capacity (students)	1,044	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	980
Enrollment	954	904	898	931	950	967	1,013	1,080	1,114	1,123
Ray V. Pottorf Elementary (2005)										
Square Feet	121,453	121,453	122,936	124,900	124,900	124,900	124,900	124,900	124,900	124,900
Capacity (students)	882	864	864	864	864	864	864	864	864	864
Enrollment	602	616	642	643	649	702	730	727	704	718
Rayma Page Elementary (2004)										
Square Feet	118,093	117,936	119,637	119,637	119,637	119,637	119,637	119,637	119,637	119,637
Capacity (students)	846	846	846	846	846	846	846	846	846	846
Enrollment	647	720	736	777	798	831	856	849	845	826
River Hall Elementary (2006)										
Square Feet	124,040	124,040	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525
Capacity (students)	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	966
Enrollment	903	915	942	915	934	975	913	960	1,017	1,014

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San Carlos Park ES (1978)										
Square Feet	120,186	120,186	118,053	120,672	120,672	120,672	120,672	120,665	120,665	120,825
Capacity (students)	1,062	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	982
Enrollment	858	827	845	859	898	876	942	996	999	971
Skyline ES (1987)										
Square Feet	142,322	142,322	145,678	145,961	145,961	145,961	145,961	145,961	145,961	145,961
Capacity (students)	1,380	1,380	1,380	1,412	1,412	1,412	1,412	1,412	1,412	1,282
Enrollment	1,012	966	881	838	859	882	868	908	957	1,048
Spring Creek ES (1981)										
Square Feet	98,328	98,328	99,049	95,575	95,575	95,575	95,575	95,575	95,575	95,575
Capacity (students)	753	753	753	735	735	735	735	735	735	709
Enrollment	694	706	713	710	672	721	760	770	757	769
Sunshine ES (1986)										
Square Feet	126,484	126,484	128,990	129,061	129,061	129,061	129,061	129,061	129,061	129,061
Capacity (students)	1,191	1,191	1,191	1,108	1,108	1,108	1,108	1,108	1,108	1,036
Enrollment	1,132	1,118	1,133	1,143	1,124	1,168	1,218	1,185	1,201	1,185
Tanglewood Riverside ES (1970)										
Square Feet	98,639	98,639	107,392	108,195	108,195	108,195	108,195	108,195	108,195	108,195
Capacity (students)	773	786	786	786	786	786	786	786	786	764
Enrollment	710	751	712	714	725	749	774	766	781	753
The Sanibel School (K-8) (1962)										
Square Feet	73,577	73,577	70,792	80,981	80,981	80,981	80,981	80,981	80,981	80,981
Capacity (students)	395	439	439	423	423	423	423	423	423	423
Enrollment	372	368	337	342	337	338	338	315	314	290
Three Oaks ES (1987)										
Square Feet	91,616	91,616	92,483	93,886	93,886	93,886	93,886	93,886	93,886	93,886
Capacity (students)	738	731	731	731	731	731	731	731	731	694
Enrollment	762	745	808	798	810	845	894	900	933	915
Tice ES (1927)										
Square Feet	70,443	70,443	70,247	69,451	114,593	106,028	106,028	106,028	106,028	106,028
Capacity (students)	587	587	587	587	679	616	616	616	616	616
Enrollment	554	495	480	451	485	475	509	567	614	606
Tortuga Preserve ES (2012)										
Square Feet	-	-	-	129,114	129,936	129,936	129,936	129,936	129,936	129,936
Capacity (students)	-	-	-	1,050	1,056	1,056	1,056	1,056	1,056	1,056
Enrollment	-	-	-	-	723	911	952	941	1,014	1,000
Trafalgar ES (2004)										
Square Feet	91,577	91,577	92,367	92,377	92,377	92,377	92,377	92,377	92,377	92,377
Capacity (students)	1,036	1,036	998	998	998	998	998	998	998	936
Enrollment	828	817	844	844	833	834	815	805	795	797
Treeline ES (2008)										
Square Feet	125,155	125,155	128,983	129,597	129,597	129,597	129,597	129,597	129,597	129,597
Capacity (students)	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	994
Enrollment	896	872	914	952	1,014	999	1,027	1,041	1,088	1,076
Tropic Isles ES (1959)										
Square Feet	110,590	110,590	109,921	117,098	117,098	117,098	117,098	117,098	117,098	117,098
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	968
Enrollment	875	931	933	972	973	925	980	972	975	970

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Veterans Park Academy K-8 (2004)										
Square Feet	196,821	196,821	202,802	247,972	247,972	247,972	247,972	247,972	247,972	250,055
Capacity (students)	1,768	1,964	1,967	1,945	1,945	1,945	1,945	1,945	1,945	1,898
Enrollment	1,439	1,392	1,448	1,482	1,428	1,497	1,555	1,580	1,608	1,651
Villas ES (1961)										
Square Feet	112,453	112,453	114,894	115,515	115,515	115,515	115,515	115,515	115,515	115,515
Capacity (students)	881	881	881	881	881	881	881	881	881	842
Enrollment	805	784	785	788	809	811	808	843	867	860

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Middle Schools										
Alva MS (1927) ^g										
Square Feet	83,208	83,208	83,882	87,563	87,563	87,563	-	-	-	-
Capacity (students)	514	571	556	556	556	648	-	-	-	-
Enrollment	531	562	506	534	549	549	-	-	-	-
Bonita Springs MS (1976)										
Square Feet	126,497	126,497	123,971	129,498	129,498	129,498	129,498	129,498	129,498	128,766
Capacity (students)	888	988	982	990	990	990	990	990	990	1,012
Enrollment	652	625	641	696	779	779	817	866	903	914
Caloosa MS (2000)										
Square Feet	132,111	132,111	136,609	166,253	166,253	166,253	166,253	166,253	166,253	173,040
Capacity (students)	1,013	1,126	1,137	1,159	1,159	1,159	1,159	1,159	1,159	1,159
Enrollment	852	876	886	895	901	901	896	885	883	831
Challenger MS (2008)										
Square Feet	162,113	162,113	161,941	161,808	161,808	161,808	161,808	161,808	161,808	161,808
Capacity (students)	1,230	1,367	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366
Enrollment	970	1,024	1,088	1,083	1,079	1,079	1,089	1,047	1,046	1,035
Cypress Lake MS (1961)										
Square Feet	137,171	137,175	139,611	137,523	137,523	137,523	137,523	137,523	137,523	137,523
Capacity (students)	880	896	941	941	941	941	941	941	941	978
Enrollment	717	715	713	731	774	774	829	814	829	865
Diplomat MS (1999)										
Square Feet	139,855	139,855	146,584	171,107	171,107	171,107	171,107	171,107	171,107	171,107
Capacity (students)	974	1,082	1,072	1,094	1,094	1,094	1,094	1,094	1,094	1,094
Enrollment	818	842	841	841	849	849	857	840	823	835
Ft Myers Middle Academy (1951)										
Square Feet	125,675	125,675	125,676	128,511	128,511	128,511	128,511	128,511	128,511	128,511
Capacity (students)	858	954	952	952	952	952	952	952	952	952
Enrollment	702	536	617	522	488	488	469	570	520	501
Gulf Middle (1981)										
Square Feet	129,821	129,821	131,988	131,834	131,834	131,834	131,834	131,834	131,834	131,834
Capacity (students)	943	1,048	1,046	1,024	1,024	1,024	1,024	1,024	1,024	1,024
Enrollment	838	798	826	778	789	789	813	793	787	786
Harnes Marsh MS (2012)										
Square Feet	-	-	-	163,814	164,662	164,662	164,662	164,662	164,662	164,664
Capacity (students)	-	-	-	1,345	1,325	1,325	1,325	1,325	1,325	1,357
Enrollment	-	-	-	-	1,066	1,066	1,114	1,040	1,145	1,225
Lee MS (1958) ^c										
Square Feet	168,406	-	-	-	-	-	-	-	-	-
Capacity (students)	926	-	-	-	-	-	-	-	-	-
Enrollment	472	-	-	-	-	-	-	-	-	-
Lehigh Acres MS (1982)										
Square Feet	127,054	127,054	130,421	130,421	130,421	130,421	130,421	130,421	130,421	130,421
Capacity (students)	1,058	1,175	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
Enrollment	1,012	988	1,034	1,134	1,064	1,045	1,069	1,157	1,223	1,302
Lexington Middle School (2005)										
Square Feet	175,499	175,499	169,591	172,672	172,672	172,672	172,672	172,672	172,672	172,672
Capacity (students)	1,031	1,147	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146
Enrollment	859	909	899	896	914	933	990	1,036	1,084	1,113

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Middle Schools										
Mariner MS (2004)										
Square Feet	135,183	135,183	149,247	151,198	151,198	151,198	151,198	151,198	151,198	151,244
Capacity (students)	1,141	1,268	1,270	1,294	1,294	1,294	1,294	1,294	1,294	1,294
Enrollment	1,078	942	866	849	911	919	881	883	890	875
Oak Hammock MS (2009)										
Square Feet	153,490	153,490	160,262	160,246	160,246	160,246	160,246	160,246	160,246	160,246
Capacity (students)	1,224	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Enrollment	826	1,165	1,224	1,260	1,071	1,088	1,164	1,163	1,324	1,410
Paul Laurence Dunbar MS (1962)										
Square Feet	163,548	163,548	161,250	157,828	157,828	157,828	157,828	157,828	157,828	157,828
Capacity (students)	1,013	1,126	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
Enrollment	837	879	806	848	933	969	904	855	943	985
Three Oaks MS (1991)										
Square Feet	144,127	144,127	145,838	152,119	152,119	152,119	152,119	152,119	152,119	152,119
Capacity (students)	986	1,097	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Enrollment	771	795	817	851	900	938	974	969	991	1,035
Trafalgar MS (1989)										
Square Feet	143,159	143,159	141,307	145,346	145,346	145,346	145,346	145,346	145,346	145,346
Capacity (students)	1,034	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	898	819	855	832	847	843	874	908	906	895
Varsity Lakes MS (2004)										
Square Feet	160,890	160,890	160,998	160,998	160,998	160,998	160,998	160,998	160,998	1,609,998
Capacity (students)	1,044	1,162	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
Enrollment	841	912	1,000	1,097	956	998	1,053	1,055	1,146	1,227

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High Schools										
Cape Coral Sr HS (1978)										
Square Feet	263,353	263,353	270,155	272,847	272,847	272,847	272,847	272,847	272,847	272,908
Capacity (students)	1,759	1,855	1,853	1,843	1,843	1,843	1,843	1,843	1,843	1,830
Enrollment	1,699	1,556	1,493	1,444	1,519	1,577	1,591	1,549	1,566	1,539
Cypress Lake Sr HS (1967)										
Square Feet	276,380	276,380	270,449	269,521	269,521	269,521	269,521	269,378	269,378	270,647
Capacity (students)	1,643	1,706	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,690
Enrollment	1,261	1,532	1,442	1,447	1,481	1,369	1,466	1,532	1,564	1,576
Dunbar HS (2000)										
Square Feet	210,097	210,097	210,611	234,470	121,018	121,018	255,430	255,430	255,430	255,430
Capacity (students)	1,186	1,249	1,254	1,225	697	712	1,912	1,912	1,912	1,866
Enrollment	842	716	737	861	875	1,058	1,277	1,718	1,773	1,904
East HS (2006)										
Square Feet	313,853	313,853	318,740	312,333	312,333	312,333	312,333	312,333	312,333	316,893
Capacity (students)	1,947	2,049	2,057	2,057	2,057	2,057	2,057	2,057	2,057	2,035
Enrollment	1,447	1,499	1,530	1,597	1,593	1,644	1,726	1,822	1,996	1,788
Estero Sr HS (1985)										
Square Feet	268,042	267,550	270,953	272,710	272,710	272,710	272,710	272,710	272,710	272,710
Capacity (students)	1,639	1,710	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,719
Enrollment	1,360	1,424	1,434	1,480	1,573	1,667	1,657	1,708	1,773	1,727
Ft Myers Sr HS (1921)										
Square Feet	276,931	276,928	274,864	264,335	264,335	264,335	264,335	264,335	264,335	264,048
Capacity (students)	1,869	1,960	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963
Enrollment	1,645	1,728	1,802	1,790	1,853	1,857	1,866	1,814	1,889	1,938
Ida S. Baker HS (2005)										
Square Feet	313,559	313,559	314,162	309,507	309,507	309,507	309,507	309,507	309,507	309,507
Capacity (students)	1,941	1,995	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,993
Enrollment	1,814	1,832	1,704	1,710	1,659	1,683	1,746	1,718	1,764	1,758
Island Coast HS (2008)										
Square Feet	266,259	266,259	264,356	269,599	269,599	269,599	269,599	268,866	268,866	268,866
Capacity (students)	1,968	2,060	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,059
Enrollment	1,125	1,444	1,517	1,522	1,480	1,386	1,429	1,545	1,536	1,529
Lehigh Sr HS (1994)										
Square Feet	286,602	286,602	308,610	289,278	289,278	289,278	289,278	289,278	289,278	289,278
Capacity (students)	1,733	1,825	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824
Enrollment	1,363	1,321	1,414	1,575	1,775	1,689	1,774	1,718	1,954	2,119
Mariner Sr HS (1986)										
Square Feet	253,905	253,905	256,523	258,181	258,181	258,181	258,181	258,181	258,181	258,181
Capacity (students)	1,636	1,724	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,715
Enrollment	1,559	1,402	1,361	1,436	1,437	1,485	1,507	1,481	1,486	1,495
North Ft Myers Sr HS (1960)										
Square Feet	254,877	254,877	257,992	258,399	258,399	258,399	258,399	258,399	258,399	258,399
Capacity (students)	1,763	1,859	1,858	1,804	1,804	1,804	1,804	1,804	1,804	1,794
Enrollment	1,596	1,512	1,517	1,578	1,585	1,572	1,624	1,612	1,695	1,827
Riverdale High 6-12 (1972)										
Square Feet	250,474	250,474	246,290	250,303	250,303	250,303	250,303	250,303	250,303	257,634
Capacity (students)	1,927	2,028	2,029	2,040	2,040	2,040	2,040	2,040	2,040	2,024
Enrollment	1,501	1,541	1,594	1,758	1,901	1,830	1,943	1,975	2,058	2,256

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
High Schools										
South HS (2006)										
Square Feet	312,519	312,519	313,589	309,136	309,136	309,136	309,136	309,096	309,096	310,208
Capacity (students)	1,925	2,054	2,057	2,077	2,077	2,077	2,077	2,127	2,127	2,107
Enrollment	1,358	1,473	1,651	1,676	1,758	1,711	1,796	1,912	1,904	1,889

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	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	June 30, 2018
Special Schools										
ALC West (2008) ^h										
Square Feet	22,566	22,566	22,566	22,566	22,566	22,566	22,566	22,566	-	-
Capacity (students)	265	265	265	265	265	265	265	265	-	-
Enrollment	175	163	177	141	97	110	85	61	-	-
Buckingham Exceptional Ctr (1984)										
Square Feet	27,880	27,880	28,551	32,552	32,552	32,552	32,552	32,552	32,552	32,552
Capacity (students)	100	100	100	100	100	100	100	100	100	100
Enrollment	110	109	105	99	98	87	88	90	87	81
Cape Coral Technical College (1991) ^e										
Square Feet	61,927	61,927	64,842	64,798	64,798	64,798	64,798	64,798	64,798	64,410
Capacity (students)	324	324	324	324	324	324	324	324	324	342
Enrollment ^d	50	28	28	27	-	-	-	-	-	-
Ft. Myers Technical College (1966) ^e										
Square Feet	182,684	182,684	184,153	184,255	184,255	184,255	184,255	184,255	184,255	184,255
Capacity (students)	648	648	649	654	654	654	654	654	654	654
Enrollment ^d	91	55	62	53	-	-	-	-	-	-
Lee County Public Service Academy (1964) ^c										
Square Feet	-	83,627	85,846	106,068	106,068	106,068	106,068	106,068	106,068	106,068
Capacity (students)	-	737	741	270	270	270	270	270	270	270
Enrollment	-	-	-	-	-	-	-	-	-	-
New Directions School (1993)										
Square Feet	141,483	141,483	147,758	145,027	145,027	145,027	145,027	145,027	145,027	145,018
Capacity (students)	645	615	614	636	636	636	636	636	636	678
Enrollment	505	490	462	360	374	353	283	227	320	335
Royal Palm Exceptional (1994)										
Square Feet	59,332	59,332	59,484	60,347	60,347	60,347	60,347	60,347	60,347	60,347
Capacity (students)	230	230	230	230	230	230	230	230	230	230
Enrollment	174	165	173	161	170	152	128	155	168	171

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	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	June 30, 2018
Ancillary Facilities										
Adams Building (1974) ^f										
Square Feet	64,320	64,320	64,320	64,320	64,320	-	-	-	-	-
Dunbar Community (1910)										
Square Feet	22,301	22,301	21,465	21,153	21,153	21,153	21,153	21,153	21,153	21,153
Food Service Warehouse (1960)										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Gwynne Building (1911)										
Square Feet	19,692	19,692	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395
Hipps Building (1955) ^f										
Square Feet	40,222	40,222	39,184	39,184	39,184	-	-	-	-	-
Maintenance (1972)										
Square Feet	63,801	63,801	62,762	62,762	62,762	62,762	62,762	62,762	62,762	62,762
New Administrative Complex (1986) ^a										
Square Feet	298,859	298,859	288,475	309,577	309,577	309,577	309,577	310,001	310,001	310,253
R&R Building (1975)										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	9,984	9,984	9,984
Supply (1960)										
Square Feet	18,308	18,308	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417
Transportation Central (1960)										
Square Feet	28,307	28,307	28,852	28,909	28,909	28,909	28,909	28,909	28,909	28,909
Transportation East (2004)										
Square Feet	6,568	6,568	6,351	9,361	9,361	9,361	9,361	9,361	9,361	9,361
Transportation Leonard (2009)										
Square Feet	25,124	25,124	25,125	24,699	24,699	24,699	24,699	24,699	24,699	24,699
Transportation West (1995)										
Square Feet	20,492	20,492	22,602	28,685	28,685	28,685	28,685	28,685	28,685	28,685
Transportation 6 Mile Cypress (2004)										
Square Feet	26,965	26,965	25,540	39,729	39,729	39,729	39,729	39,729	39,729	39,729

Source: District Facilities Office

Note: Year of construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

^a New administrative complex was purchased in 2005 but was originally built in 1986.

^b Michigan Montessori (K-8) was moved to Lee Middle and renamed James Stephens Int'l Academy beginning 2010. School was changed from K-8 school to Elementary school beginning 2017.

^c Lee County Public Service Academy was housed at Ft. Myers Institute of Technology prior to 2011, then moved to the old Michigan Montessori facility in 2011.

^d Students reported under home high school beginning 2013.

^e Lee County High Tech Central was renamed Ft. Myers Institute of Technology during 2014 and renamed Fort Myers Technical College during 2015. North Vo-Tech was renamed Cape Coral Institute of Technology during 2014 and renamed Cape Coral Technical College during 2015.

^f Building was sold July 2013.

^g Alva Middle was combined with Alva Elementary and renamed Alva School K-8 beginning 2015.

^h ALC West was closed at the end of 2016.

OTHER INDEPENDENT AUDITOR'S
REPORTS, SCHEDULES, AND
OTHER INFORMATION



**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**

School Board and Superintendent
School District of Lee County, Florida
Fort Myers, Florida

We have audited, in accordance with the 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 School District of Lee County, Florida (the “District”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 19, 2018. Our report includes a reference to other auditors who audited the financial statements of the 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 of 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated December 19, 2018.

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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
December 19, 2018



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

School Board and Superintendent
School District of Lee County, Florida
Fort Myers, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the School District of Lee County, Florida (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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; and 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 and the 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 complied, in all material respects, with the types of 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, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

School Board and Superintendent
School District of Lee County, Florida

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Cont.)

The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
December 19, 2018

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass Through Grantor Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department Of Agriculture:			
Florida Department Agriculture & Consumer Services:			
School Breakfast Program	10.553	17002	\$ 8,868,328
National School Lunch Program	10.555	17001, 17003	31,677,034
Summer Food Service Program for Children	10.559	17006, 17007	815,877
Total Child Nutrition Cluster			<u>41,361,239</u>
Student Financial Assistance Cluster			
United States Department Of Education:			
Federal Pell Grant Program	84.063	N/A	<u>2,169,922</u>
Special Education Cluster:			
United States Department Of Education:			
Florida Department of Education:			
Special Education-Grants To States	84.027	262, 263	18,951,927
Special Education-Preschool Grants	84.173	266, 267	446,245
Total Special Education Cluster			<u>19,398,172</u>
Not Clustered			
United States Department Of Agriculture:			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4895	1,153,581
Florida Department Agriculture & Consumer Services:			
Fresh Fruit and Vegetable Program	10.582	17004	374,372
Team Nutrition Grants	10.574		40,500
Total United States Department of Agriculture			<u>1,568,452</u>
United States Department Of Defense:			
Army Junior Reserve Officers Training Corps		N/A	<u>1,873,725</u>
United States Department Of Education:			
Impact Aid (Title VIII of ESEA)	84.041	N/A	26,332
Magnet Schools Assistance	84.165	N/A	1,355,552
Teacher Incentive Fund	84.374	N/A	9,145,612
Florida Department of Education:			
Adult Ed -Basic Grants to States	84.002	191, 193	1,316,689
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	29,544,379
Migrant Education - State Grant Program	84.011	217	323,972
Career and Technical Education - Basic Grants to States	84.048	161	1,021,521
Education for Homeless Children and Youth	84.196	127	75,160
Charter Schools	84.282	298	118,821
21st Century Community Learning Centers	84.287	244	245,672
English Language Acquisition Grants	84.365	102	1,242,396
Supporting Effective Instruction State Grant	84.367	224	2,644,591
Title I Grants to Local Educational Agencies	84.377	126	608,092
Student Support and Academic Enrichment Program	84.424	241	32,474
Total United States Department of Education			<u>47,701,263</u>
United States Department Of Health & Human Services:			
Head Start	93.600	N/A	<u>8,562,142</u>
Total Expenditures of Federal Awards			<u>\$ 122,634,915</u>

- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lee County District School Board under programs of the Federal government for the fiscal year ended June 30, 2018. 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 Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following 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 has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance:
 - a. National School Lunch Program – includes \$90,850 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
 - b. Child Care Food Program - includes \$77,460.93 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Impact Aid. Expenditures are related to grant number/program 19-FL-2018-2902.
- (6) Head Start. Expenditures include \$313,331 for grant number/program year 04CH4749/03. \$224,451 for grant number/program year

SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies)? ___ Yes X None reported

Type of report issued on compliance for major federal program: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance? ___ Yes X No

Identification of Major Programs:

CFDA Numbers

Name of Federal Program or Cluster

84.027 & 84.173

Special Education Cluster

84.374

Teacher and School Leader Incentive Grants

93.600

Head Start

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee? X Yes ___ No

SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For the Year Ended June 30, 2018

Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.

No matters were reported.

Section III - Federal Awards Findings and Questioned Costs Section reported in accordance with the Uniform Guidance.

No matters were reported.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

School Board and Superintendent
School District of Lee County, Florida
Fort Myers, Florida

Report on Financial Statements

We have audited the financial statements of the School District of Lee County, Florida (the "District") as of and for the year ended June 30, 2018, and have issued our report thereon dated December 19, 2018.

Auditor's Responsibility

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; 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 on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated December 19, 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 report. In connection with our audit, there were no findings or recommendations.

Financial Condition

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Financial Condition (Cont.)

Pursuant to Sections 10.804(1)(f)5a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by the same.

Transparency

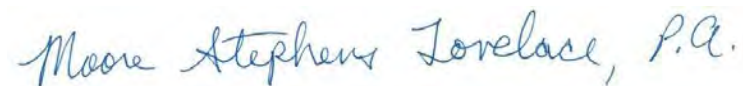
Section 10.804(1)(f)6., *Rules of the Auditor General*, requires the that we report the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In conjunction with our audit, we did not have any such findings.

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, the School District Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Tampa, Florida
December 19, 2018



INDEPENDENT ACCOUNTANT'S REPORT

School Board and Superintendent
School District of Lee County, Florida
Fort Myers, Florida

We have examined the School District of Lee County, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended June 30, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with those requirements. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2018.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Tampa, Florida
December 19, 2018



The School District of Lee County

**Cathleen O'Daniel Morgan
District 7 (Chairman)**

**Pamela H. LaRiviere
District 5 (Vice Chairman)**

Mary Fischer, District 1

Melisa W. Giovannelli, District 2

Chris N. Patricca, District 3

Steven K. Teuber, District 4

Jane E. Kuckel, PhD, District 6

Dr. Gregory K. Adkins, Superintendent

www.leeschools.net

**The School Board of Lee County, Florida, prohibits discrimination
on the basis of age, color, disability, gender, national origin,
marital status, religion, or sexual orientation.**

**2855 Colonial Boulevard
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