

PASCO TOGETHER



TOGETHER WE LEAD



TOGETHER WE STAND



TOGETHER WE LEARN

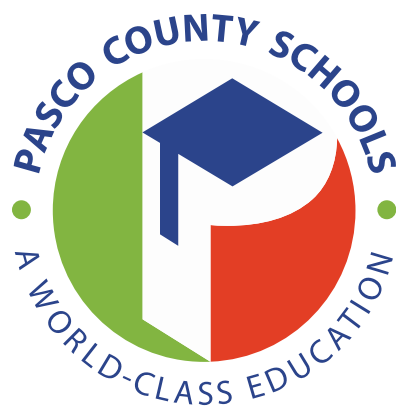
Comprehensive Annual Financial Report

Fiscal year Ended June 30, 2018



Pasco County Schools

Kurt S. Browning, Superintendent of Schools
Land O' Lakes, Florida • www.pascoschools.org



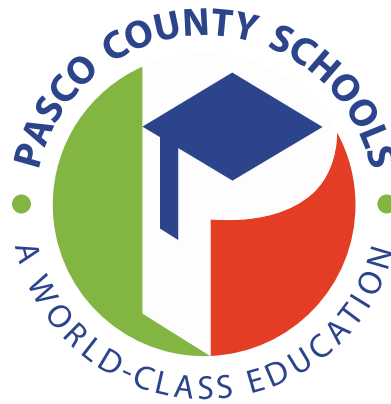
Comprehensive Annual Financial Report

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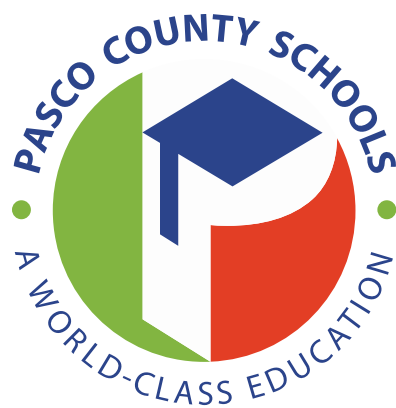
*District School Board of Pasco County
Land O' Lakes, Florida*

for the

Fiscal Year Ended June 30, 2018



*Issued by:
Finance Services Department*



**District School Board of Pasco County
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

Table of Contents

	<u>Exhibit, Schedule or Table</u>	<u>Page No(s).</u>
Introductory Section:		
Letter of Transmittal		i-vi
Certificate of Achievement for Excellence in Financial Reporting		vii
Certificate of Excellence in Financial Reporting		viii
List of Principal Officials		ix
Organizational Chart		x
Financial Section:		
Independent Auditor's Report		1-4
Management's Discussion and Analysis		5-19
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	A	22-23
Statement of Activities	B	24-25
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	27
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	E	28-29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	F	30
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual-General Fund	G	31-34
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual-Special Revenue-Other Federal Programs Fund	H	35-37
Statement of Fund Net Position-Proprietary Funds	I	38
Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	J	39
Statement of Cash Flows-Proprietary Funds	K	40
Statement of Fiduciary Net Position-Fiduciary Funds	L	41
Statement of Changes in Fiduciary Net Position-Fiduciary Funds	M	42
Notes to Financial Statements		43-99

(Continued)

	Exhibit, Schedule or Table	Page No.
Financial Section (continued):		
Other Required Supplementary Information		
Schedule of Changes in the District School Board's Net Pension Liability And Related Ratios - Early Retirement Plan		101
Schedule of Contributions - Early Retirement Plan		102
Schedule of Investment Returns - Early Retirement Plan		102
Schedule of Changes in the District's Total OPEB Liability and Related Ratios - Other Post-Employment Benefits		103
Schedule of the District's Proportionate Share of the Net Pension Liability- Florida Retirement System (FRS) Defined Benefit Pension Plan		104
Schedule of the District's Contributions- Florida Retirement System (FRS) Defined Benefit Pension Plan		104
Schedule of the District's Proportionate Share of the Net Pension Liability- Health Insurance Subsidy (HIS) Defined Benefit Pension Plan		105
Schedule of the District's Contributions- Health Insurance Subsidy (HIS) Defined Benefit Pension Plan		105
Combining and Individual Fund Financial Statements and Schedules:		
Combining Schedules of Nonmajor Governmental Funds		
Combining Balance Sheet-Nonmajor Governmental Funds	A	108-109
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Governmental Funds	B	110-113
Schedules of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual-Governmental Funds		
Special Revenue-Food and Nutrition Services Fund	C1	116
Debt Service-State Board of Education Bonds Fund	C2	117
Debt Service-District Revenue Bonds Fund	C3	118
Debt Service-Other Fund	C4	119
Capital Projects-Public Education Capital Outlay Fund	C5	120
Capital Projects-Capital Outlay and Debt Service Fund	C6	121
Capital Projects-Local Optional Millage Levy Fund	C7	122
Capital Projects-Other Fund	C8	123
Combining Statements of Internal Service Funds		
Combining Statement of Fund Net Position-Internal Service Funds	D	126-127
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position-Internal Service Funds	E	128-129
Combining Statement of Cash Flows-Internal Service Funds	F	130-131
Combining Statements of Agency Funds		
Combining Statement of Assets and Liabilities-Agency Funds	G	134
Combining Statement of Changes in Assets and Liabilities-Agency Funds	H	135
Combining Statements of Component Units		
Combining Statement of Net Position-Component Units	I	138-139
Combining Statement of Activities-Component Units	J	140-146

(Continued)

	Exhibit, Schedule or Table	Page No.
Statistical Section:		
Introduction		148-149
Net Position by Component-Government-Wide	1	150-151
Changes in Net Position-Primary Government	2	152-153
Fund Balances-Governmental Funds	3	154-155
Changes in Fund Balances-Governmental Funds and Debt Service Ratios	4	156-157
Assessed and Estimated Actual Value of Taxable Property	5	158
General Governmental Tax Revenues by Source	6	159
Property Tax Levies and Collections	7	160
Direct and Overlapping Property Tax Rates	8	161
Principal Property Taxpayers	9	162
Ratios of Outstanding Debt by Type	10	163
Direct and Overlapping Governmental Activities Debt	11	164
Legal Debt Margin Information	12	166-167
Pledged Revenue Coverage	13	168
Demographic and Economic Statistics	14	169
Principal Employers	15	170
Number of Personnel	16	171
Teacher Base Salaries	17	172
Operating Statistics	18	173
School Building Information	19	174-179

Single Audit Report:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		181-182
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		183-185
Schedule of Expenditures of Federal Awards		186-187
Schedule of Findings and Questioned Costs		188-190



INTRODUCTORY SECTION



Pasco County Schools

Kurt S. Browning, Superintendent of Schools

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

December 19, 2018

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

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

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

The audit firm of Carr, Riggs and Ingram, LLC has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 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 that the District's basic financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the School District

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

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

The geographic boundaries of the District are those of Pasco County. During the 2016-2017 fiscal year, the District operated 83 schools, including 49 elementary schools, 15 middle schools, 14 high schools, Pasco eSchool and 4 specialized schools; and sponsored 11 charter schools. The District reported serving 73,645 full-time equivalent students for the 2017-2018 fiscal year and projects it will enroll 75,686 students for the 2018-2019 school year.

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

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

In addition to the educational programs offered to K-12 students, the District offers pre-kindergarten services, including programs for babies of teen parents who are progressing toward achieving high school diplomas; special education programs for infants and toddlers below the age of three; pre-kindergarten programs for three- and four-year-old disabled students; and programs for eligible low income, at-risk pre-school age students.

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

This report includes all funds of the District, the Pasco County School Board Leasing Corporation (the "Leasing Corporation"), eleven (11) charter schools and the Pasco Education Foundation, Inc. (the "Foundation"), which comprise the reporting entity. The Leasing Corporation was formed to facilitate financing for the acquisition of educational facilities and equipment. Charter schools are public schools operating under performance contracts with the District. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Pasco County. The charter schools and Foundation are included in the CAFR as discretely presented component units.

Economic Condition and Outlook

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

Since calendar year 2009, the population of Pasco County increased 19.5 percent to an estimated 525,643 in calendar year 2018. For the calendar year 2017, the Florida Price Level Index for School Personnel, which is prepared by the Florida Polytechnic University under the direction of the Florida Department of Education, ranked Pasco County 26th of 67 counties in the State with a value of 97.96.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 97.96 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (100.66) and Pinellas (99.82), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 10,215 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Financial Information

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

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

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

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance (assigned and unassigned fund balance) at June 30, 2018, in the general fund is \$54,428,150 or 9.85 percent of total general fund expenditures. The District has appropriated \$7,908,090 of this amount for spending in the 2018-2019 fiscal year.

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

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

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

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

Accomplishments

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

We currently offer the International Baccalaureate (IB) Program at Gulf and Land O' Lakes High schools, the IB middle years program at Pine View Middle School and are in the candidacy process for the primary years program at Pine View Elementary School. We offer the esteemed Cambridge Assessment International Education and AICE Diploma program at Anclote and Pasco high schools, Pasco and Paul R. Smith middle schools, and San Antonio Elementary School. We continue to expand our career and technical programs, and students can take honors, Advanced Placement, and Dual Enrollment classes at the middle and high

school levels. We also offer the nationally-recognized college readiness program, AVID, at four high schools, five middle schools, and four elementary schools. Our Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program. In 2015, we reopened Sanders Memorial Elementary School as the District's first magnet school with a focus on STEAM (Science, Technology, Engineering, Arts, and Math) education, and in the 2016-2017 year we added STEM magnet programs at Bayonet Point and Centennial middle schools. Finally, we continue to expand charter school options.

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

Our Pasco eSchool is one of Florida's premier online education programs, boasting some of the highest completion rates and assessment scores in the state and the second highest enrollment of any Florida school district virtual education program. In 2018, Pasco eSchool was named Florida Virtual School's large Franchise of the Year, and Pasco eSchool American Sign Language teacher Nancy Barbara was named Canvas National Middle School Teacher of the Year.

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

On measures of student achievement, such as the District's graduation and drop-out rates, Pasco continues to exceed the state average. Graduation rates are released by the State in late Fall each year. Last year, under the Florida calculation rate, Pasco had a 81.4 percent graduation rate, almost 2.5 percentage points higher than the previous year. This increased graduation rate is a reflection of Pasco's key priorities: high impact instruction, data-driven decisions, and collaborative culture.

Studies clearly indicate that student success is linked to teacher quality. The District has demonstrated a commitment to recruiting and retaining the brightest individuals to work with our children. Pasco is ranked 8th among Florida school districts for success in retaining teachers. In 2017-18, 36.3% percent of teachers in Pasco County Schools had earned a Master's Degree compared to 35.7% in 2016-17. In 2016-17, the district implemented a comprehensive strategic recruitment plan which has reduce the number of first day vacancies in 2016-17 by 81%, compared to at the start of the 2015-16 school year. It is the District's goal to recruit, hire, and retain highly qualified and certified teachers for all classrooms across the district in order to provide Pasco students the best opportunity to achieve a world class education that will prepare them to be lifelong learners.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the "ASBO") awarded its Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the seventeenth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Acknowledgements

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

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

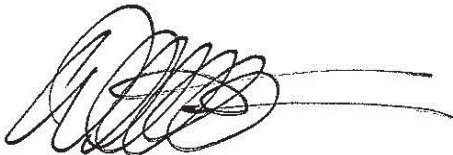
Respectfully submitted,



Mr. Kurt S. Browning
Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer



Mr. Dominick Cristofaro
Director of Finance Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**District School Board of Pasco County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

District School Board of Pasco County

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

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.'.

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

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE
Executive Director

List of Principal Officials As of June 30, 2018

Principal Officials – Elected

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

Principal Officials – Appointed

ADMINISTRATORS

Ray Gadd, Deputy Superintendent

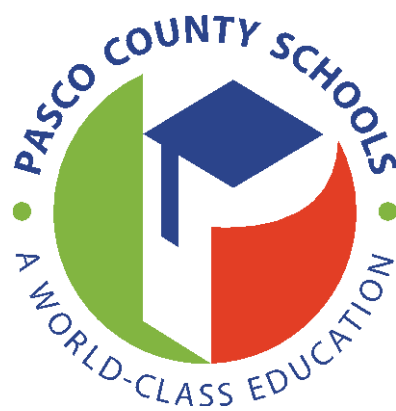
Olga Swinson, CPA, CGFM, Chief Finance Officer

Vanessa Hilton, Assistant Superintendent for Student Achievement
Kevin Shibley, Esq., Assistant Superintendent for Administration
Elizabeth Kuhn, Esq., Assistant Superintendent for Support Services
Tammy Berryhill, Assistant Superintendent-High Schools
Marcy Hetzler-Nettles, Assistant Superintendent-Middle Schools
Dr. Dave Scanga, Assistant Superintendent-Elementary Schools
Dr. Monica Ilse, Assistant Superintendent-Elementary Schools
Kimberly Poe, Executive Director-Elementary Schools

FINANCIAL SECTION



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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County 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 and special revenue – other federal programs funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As described in Note 3 to the financial statements, the District adopted *Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in a cumulative effect of change in accounting principle of (\$34,348,826) and (\$574,098) to the June 30, 2017 net position for governmental activities and business-type activities, respectively. 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 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

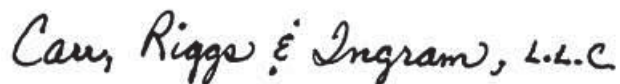
The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

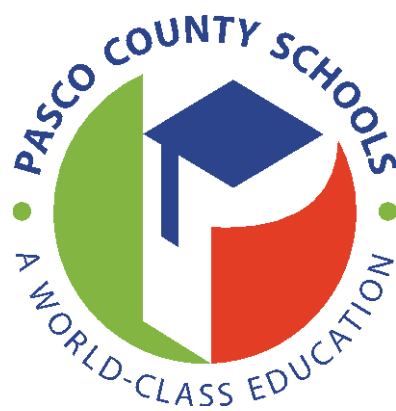


CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
December 19, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2018**

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

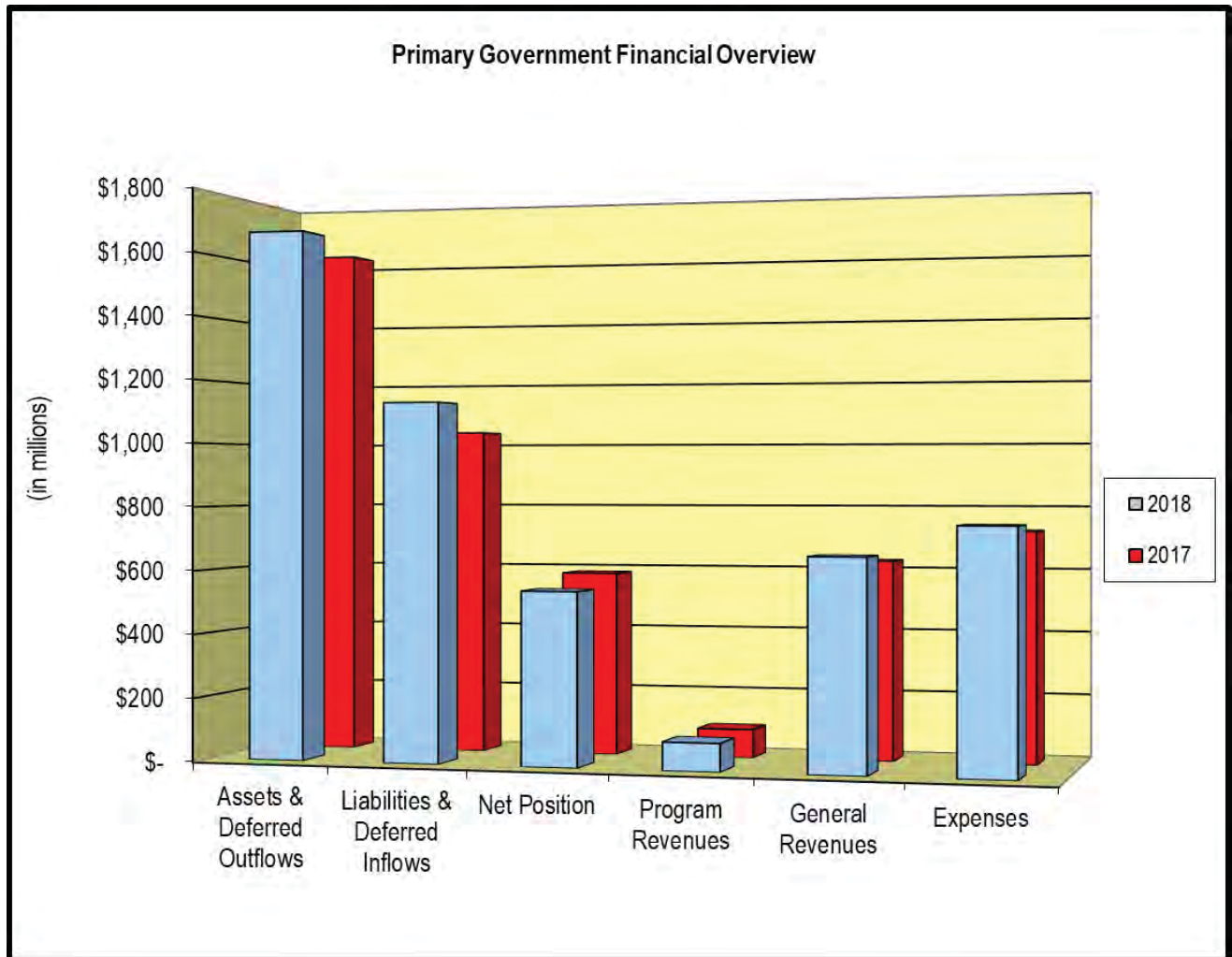
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2017-2018 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2018, by \$541,537,077.
- The District's total net position decreased by \$6,875,165.
- The beginning net position was restated and decreased by \$34,922,924 due to the implementation of GASB 75.
- Total revenues of \$743,102,996 were comprised of general revenues in the amount of \$654,764,521 or 88.1 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$88,338,475 or 11.9 percent.
- For the year ended June 30, 2018, the District had \$749,978,161 in expenses related to governmental and business-type activities; \$88,338,475 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$654,764,521 were sufficient to provide the District's programs.
- The Business-type activities had total expenditures and transfers out of \$10,532,368 which exceeded total revenues, resulting in a net deficit of (\$197,941).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$228,631,422 an increase of \$24,166,912 in comparison with the prior fiscal year. Approximately 23.81 percent of this total amount, or \$54,428,150, is available for spending at the District's discretion for the purposes defined for each governmental fund (*assigned and unassigned fund balance*).
- At the end of the 2017-2018 fiscal year, unassigned fund balance for the General Fund was \$27,711,359 or 5.01 percent of total General Fund expenditures.
- The District's total long-term debt for bonds, COP's and capital leases increased by \$10,807,790 or 2.17 percent, during the current fiscal year.

The primary government financial overview for the 2016-2017 and 2017-2018 fiscal years is shown below:

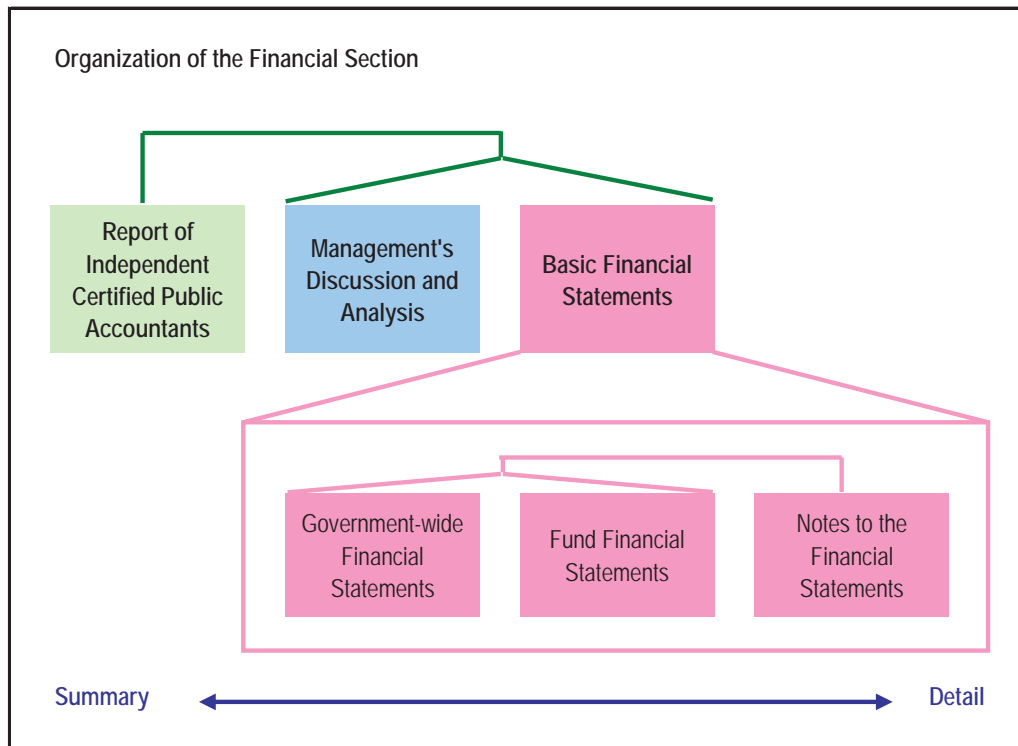


Overview of the Financial Statements

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

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

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



The basic financial statements consist of three components:

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$541,537,077 at June 30, 2018. The following is a summary of the District's net position as of June 30, 2018, compared to net position as of June 30, 2017:

Net Position, End of Year							
	Governmental		Business-Type		Total		Percentage Change
	Activities		Activities				
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	
Current and Other Assets	\$ 333,789,688	\$ 309,370,911	\$ 5,392,455	\$ 5,127,199	\$ 339,182,143	\$ 314,498,110	
Capital Assets	1,146,596,381	1,144,474,144	112,367	133,420	1,146,708,748	1,144,607,564	
Total Assets	1,480,386,069	1,453,845,055	5,504,822	5,260,619	1,485,890,891	1,459,105,674	1.84%
Deferred Outflows of Resources	187,542,106	166,362,867	2,312,808	2,121,285	189,854,914	168,484,152	
Long-Term Liabilities	1,042,641,120	969,329,480	7,418,039	6,739,004	1,050,059,159	976,068,484	
Other Liabilities	48,164,217	53,913,407	104,958	113,554	48,269,175	54,026,961	
Total Liabilities	1,090,805,337	1,023,242,887	7,522,997	6,852,558	1,098,328,334	1,030,095,445	6.62%
Deferred Inflows of Resources	35,095,670	13,911,817	784,724	247,398	35,880,394	14,159,215	
Net Position:							
Net Investment in							
Capital Assets	675,505,097	680,286,796	112,367	133,420	675,617,464	680,420,216	
Restricted	126,907,839	102,033,724	-	-	126,907,839	102,033,724	
Unrestricted - FRS/HIS Pensions	(229,800,814)	(206,170,832)	(3,506,418)	(3,137,046)	(233,307,232)	(209,307,878)	
Unrestricted - Other	(30,584,954)	6,903,530	2,903,960	3,285,574	(27,680,994)	10,189,104	
Total Net Position	\$ 542,027,168	\$ 583,053,218	\$ (490,091)	\$ 281,948	\$ 541,537,077	\$ 583,335,166	-7.17%

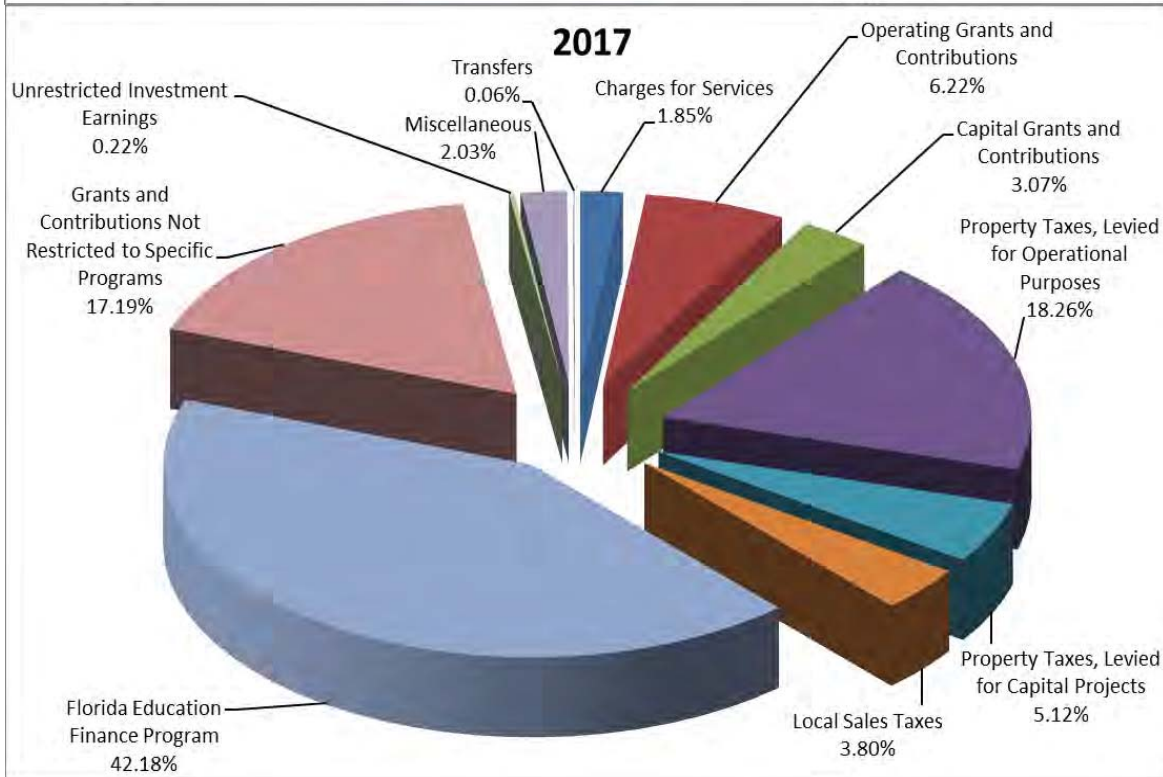
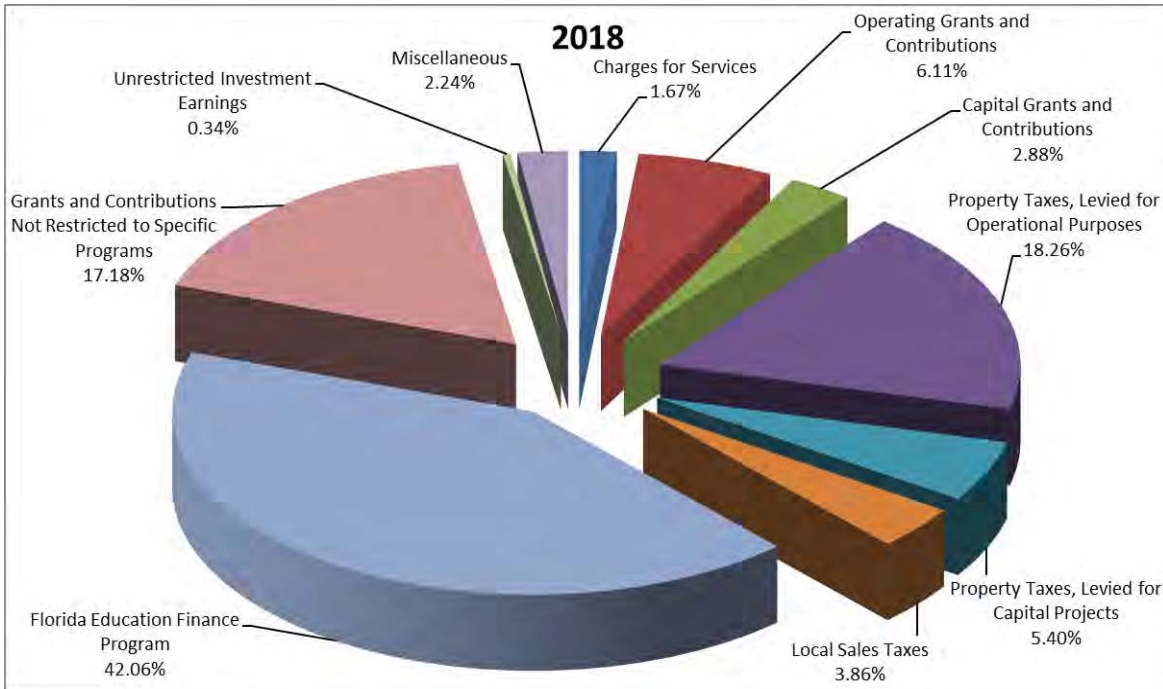
The largest portion of the District's net position, exclusive of Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) pension amounts, reflects its net investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software). The District uses these capital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

The restricted portion of the District's net position, exclusive of FRS and HIS pension amounts, represents resources which are subject to external restrictions on how they may be used. The deficit unrestricted net position, exclusive of FRS and HIS pension amounts, was the result of liabilities related to compensated absences and Other Post-Employment Benefits (OPEB).

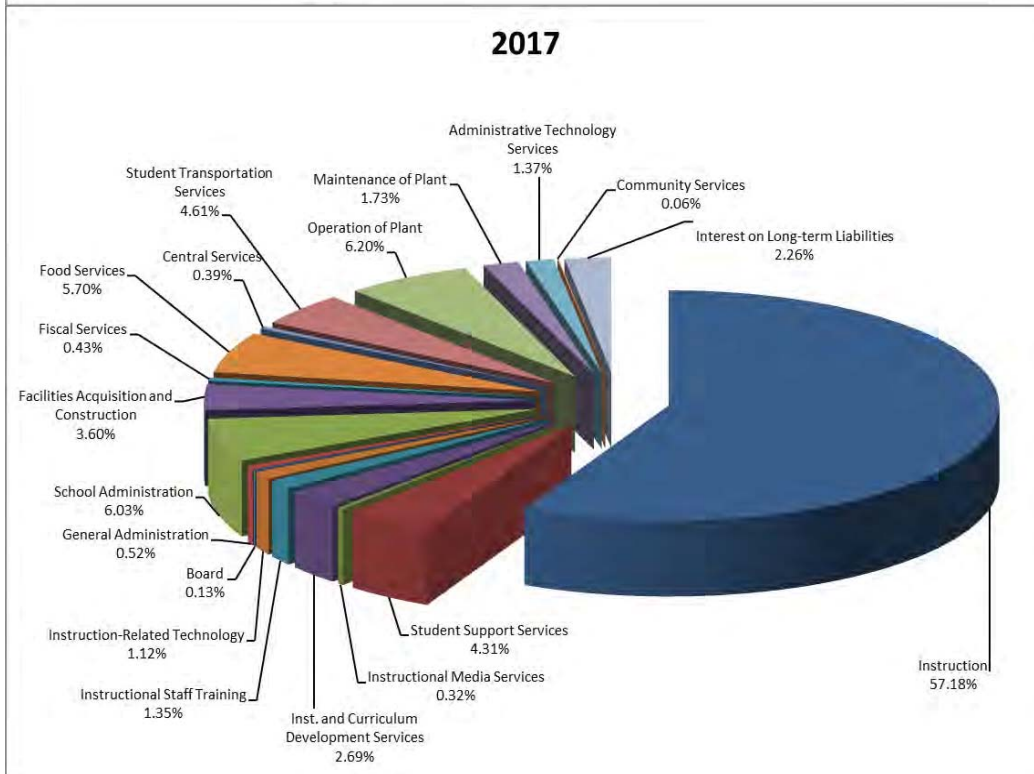
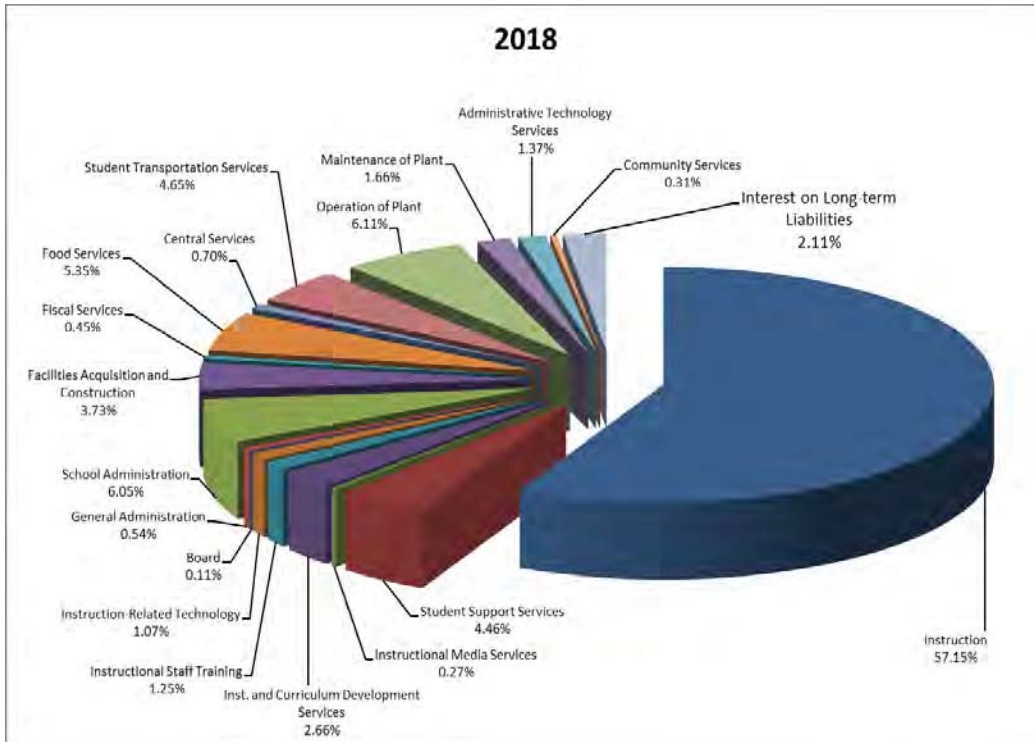
The key elements of the changes in the District's net position for the fiscal year ended June 30, 2018, and June 30, 2017 are as follows:

<u>Operating Results for the Year</u>							
	Governmental Activities		Business-type Activity		Total School District		% Change
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Revenues:							
Program Revenues:							
Charges for Services	\$ 12,219,894	\$ 13,138,858	\$ 10,292,604	\$ 11,077,724	\$ 22,512,498	\$ 24,216,582	-7.04%
Operating Grants and Contributions	44,743,319	44,065,787	-	-	44,743,319	44,065,787	1.54%
Capital Grants and Contributions	21,082,658	21,752,287	-	-	21,082,658	21,752,287	-3.08%
General Revenues:							
Property Taxes, Levied for Operational Purposes	133,771,102	129,369,699	-	-	133,771,102	129,369,699	3.40%
Property Taxes, Levied for Capital Projects	39,599,116	36,291,600	-	-	39,599,116	36,291,600	9.11%
Local Sales Taxes	28,398,773	26,942,544	-	-	28,398,773	26,942,544	5.40%
Florida Education Finance Program	308,188,941	298,842,427	-	-	308,188,941	298,842,427	3.13%
Grants and Contributions not Restricted to Specific Programs	125,892,302	121,835,263	-	-	125,892,302	121,835,263	3.33%
Unrestricted Investment Earnings	2,486,903	1,532,310	40,525	19,651	2,527,428	1,551,961	62.85%
Miscellaneous	16,385,561	14,408,081	1,298	259	16,386,859	14,408,340	13.73%
Total Revenues	732,768,569	708,178,856	10,334,427	11,097,634	743,102,996	719,276,490	3.31%
Program Expenses:							
Instruction	422,570,775	408,448,107	-	-	422,570,775	408,448,107	3.46%
Student Support Services	33,010,405	30,820,513	-	-	33,010,405	30,820,513	7.11%
Instructional Media Services Inst. and Curriculum Development Services	2,018,167	2,271,748	-	-	2,018,167	2,271,748	-11.16%
Instructional Staff Training	19,647,149	19,238,370	-	-	19,647,149	19,238,370	2.12%
Instruction-Related Technology	9,237,951	9,608,442	-	-	9,237,951	9,608,442	-3.86%
Board	7,900,006	7,983,137	-	-	7,900,006	7,983,137	-1.04%
General Administration	799,596	932,028	-	-	799,596	932,028	-14.21%
School Administration	4,012,766	3,709,541	-	-	4,012,766	3,709,541	8.17%
Facilities Acquisition and Construction	44,770,488	43,055,596	-	-	44,770,488	43,055,596	3.98%
Fiscal Services	27,557,051	25,737,667	-	-	27,557,051	25,737,667	7.07%
Food Services	3,293,417	3,092,802	-	-	3,293,417	3,092,802	6.49%
Central Services	39,594,503	40,699,866	-	-	39,594,503	40,699,866	-2.72%
Student Transportation Services	5,183,668	2,817,157	-	-	5,183,668	2,817,157	84.00%
Operation of Plant	34,350,249	32,940,721	-	-	34,350,249	32,940,721	4.28%
Maintenance of Plant	45,156,061	44,284,504	-	-	45,156,061	44,284,504	1.97%
Administrative Technology Services	12,300,170	12,375,243	-	-	12,300,170	12,375,243	-0.61%
Community Services	10,156,901	9,795,116	-	-	10,156,901	9,795,116	3.69%
Interest on Long-term Liabilities	2,314,173	410,564	10,531,758	10,445,049	12,845,931	10,855,613	18.33%
Total Expenses	739,446,403	714,336,707	10,531,758	10,445,049	749,978,161	724,781,756	3.48%
Excess (Deficiency) of Revenues Over Expenditures	(6,677,834)	(6,157,851)	(197,331)	652,585	(6,875,165)	(5,505,266)	24.88%
Transfers	610	405,273	(610)	(405,273)	-	-	0.00%
Change in Net Position	(6,677,224)	(5,752,578)	(197,941)	247,312	(6,875,165)	(5,505,266)	24.88%
Net Position, Beginning	583,053,218	588,805,796	281,948	34,636	583,335,166	588,840,432	-0.93%
Adjustment to Beginning Net Position	(34,348,826)	-	(574,098)	-	(34,922,924)	-	-
Net Position, Ending	\$ 542,027,168	\$ 583,053,218	\$ (490,091)	\$ 281,948	\$ 541,537,077	\$ 583,335,166	-7.17%

Governmental Activities Revenue by Source – Statement of Activities



Governmental Activities Expenses by Function – Statement



Total revenues increased by \$23,826,506 primarily due to an increase in Florida Education Finance Program revenues received during the fiscal year. This \$9,346,514 increase was related to an increase in State funding per student and an increase in student FTE. Other increases include Property Tax revenues of \$4,401,403.

Total expenses increased by \$25,196,405 primarily due to a rise in instructional costs during the fiscal year. The portion of this overall increase related to salary adjustments and the related benefits was \$14,941,091.

The Business-type activities had total expenditures and transfers out of \$10,532,368 which exceeded total revenues, resulting in a net deficit of (\$197,941).

Financial Analysis of the Government Funds

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

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

As of the end of the 2017-2018 fiscal year, the District's governmental funds reported combined ending fund balances of \$228,631,422, an increase of \$24,166,912, in comparison with the prior fiscal year. Approximately 23.81 percent of this total amount, or \$54,428,150, constitutes total assigned and unassigned fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2018, and June 30, 2017.

Fund Balance	2018	2017	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 63,353,525	\$ 59,964,340	\$ 3,389,185	5.65%
Capital Projects - Other Funds	114,609,357	92,966,598	21,642,759	23.28%
Other Governmental Funds (nonmajor)	50,668,540	51,533,572	(865,032)	-1.68%
Total Fund Balances	<u>\$ 228,631,422</u>	<u>\$ 204,464,510</u>	<u>\$ 24,166,912</u>	<u>11.82%</u>

The General Fund is the chief operating fund of the District. At the end of the 2017-2018 fiscal year, the unassigned fund balance of the General Fund was \$27,711,359, while total fund balance reached \$63,353,525. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.01 percent of total General Fund expenditures, while total fund balance represents 11.46 percent. Fund balance of the District's General Fund increased by \$3,389,185 during the 2017-2018 fiscal year.

The following schedule shows the changes in General Fund revenues and other financing sources (uses) for the fiscal years ended June 30, 2018 and June 30, 2017:

<u>General Fund Revenues and Other Financing Sources (Uses)</u>	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 583,983	\$ 547,328	\$ 36,655	6.70%
Federal Through State Sources:				
Other Federal Through State Sources	3,237,360	3,521,189	(283,829)	-8.06%
State Sources				
Florida Education Finance Program (FEFP)	308,188,941	298,842,427	9,346,514	3.13%
Other Restricted State Sources	94,180,945	88,437,107	5,743,838	6.49%
Local Sources:				
Ad Valorem Taxes	133,771,102	129,369,699	4,401,403	3.40%
Interest Income	1,108,611	625,270	483,341	77.30%
Other Local Sources	15,736,656	14,038,731	1,697,925	12.09%
Other Financing Sources (Uses)	(789,314)	428,787	(1,218,101)	-284.08%
Total General Fund Revenues and Other Financing Sources (Uses)	\$ 556,018,284	\$ 535,810,538	\$ 20,207,746	3.77%

During the 2017-2018 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$20,207,746 or 3.77 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students as well as an increase in state provided funds for Best & Brightest and School Recognition.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2018 and June 30, 2017:

<u>General Fund - Expenditures by Object</u>	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Salaries	\$ 341,924,714	\$ 331,137,542	\$ 10,787,172	3.26%
Employee Benefits	115,210,740	111,369,287	3,841,453	3.45%
Purchased Services	61,110,014	58,956,784	2,153,230	3.65%
Energy Services	12,711,633	12,098,339	613,294	5.07%
Materials and Supplies	13,431,475	11,393,130	2,038,345	17.89%
Capital Outlay	1,037,664	1,184,628	(146,964)	-12.41%
Other Expenditures	7,202,859	6,448,492	754,367	11.70%
Total General Fund Expenditures	\$ 552,629,099	\$ 532,588,202	\$ 20,040,897	3.76%

General Fund expenditures increased by \$20,040,897 or 3.76 percent. The following are some of the highlights:

- Salaries increased by \$10,787,172 which reflects salary increases and additional allocations
- Employee Benefits increased by \$3,841,453 due to an increase in insurance and retirement costs
- Purchased Services increased by \$2,153,230 primarily due to an increase in Charter School enrollment
- Materials and Supplies increased by \$2,038,345 due to new textbook adoptions

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2018 and June 30, 2017:

<u>General Fund Expenditures by Function</u>	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 342,622,384	\$ 330,996,764	\$ 11,625,620	3.51%
Student Support Services	28,028,490	26,145,288	1,883,202	7.20%
Instructional Media Services	2,152,227	2,460,802	(308,575)	-12.54%
Inst. and Curriculum Development Services	13,761,979	12,684,055	1,077,924	8.50%
Instructional Staff Training Services	2,709,612	3,204,399	(494,787)	-15.44%
Instruction-Related Technology	6,913,315	7,068,610	(155,295)	-2.20%
Board	617,585	659,516	(41,931)	-6.36%
General Administration	1,343,273	1,412,717	(69,444)	-4.92%
School Administration	41,013,352	39,358,666	1,654,686	4.20%
Facilities Acquisition and Construction	2,857,509	3,072,028	(214,519)	-6.98%
Fiscal Services	3,053,310	2,850,360	202,950	7.12%
Food Services	263,653	70,689	192,964	272.98%
Central Services	7,090,736	7,408,148	(317,412)	-4.28%
Student Transportation Services	32,534,571	30,969,810	1,564,761	5.05%
Operation of Plant	44,110,460	42,685,819	1,424,641	3.34%
Maintenance of Plant	11,514,450	11,520,471	(6,021)	-0.05%
Administrative Technology Services	9,344,788	8,988,265	356,523	3.97%
Community Services	2,320,791	416,265	1,904,526	457.53%
Capital Outlay	376,614	615,530	(238,916)	-38.81%
Total General Fund Expenditures	<u>\$ 552,629,099</u>	<u>\$ 532,588,202</u>	<u>\$ 20,040,897</u>	<u>3.76%</u>

The *Capital Projects Other Fund*, which is used to account for capital project activity funded by sources such as Certificates of Participation, Sales Tax, Impact Fees and capital leases, has a total fund balance of \$114,609,357, of which \$114,056,051 is restricted for specific capital projects and \$553,306 is non-spendable inventory. The net increase in fund balance in the Capital Projects Other Fund was \$21,642,759 and resulted primarily from a Sales Tax Revenue bond issue.

General Fund Budgetary Highlights

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

General Fund Revenues and Other Financing Sources (Uses)	Original Budget	Final Budget	Actual 2018	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 587,000	\$ 629,673	\$ 583,983	\$ 42,673	\$ (45,690)
Federal Through State Sources:					
Other Federal Through State Sources	3,700,000	3,700,000	3,237,360	-	(462,640)
State Sources					
Florida Education Finance Program (FEFP)	315,268,131	313,978,937	308,188,941	(1,289,194)	(5,789,996)
Other Restricted State Sources	87,839,135	94,080,851	94,180,945	6,241,716	100,094
Local Sources:					
Ad Valorem Taxes	132,782,348	132,782,348	133,771,102	-	988,754
Interest Income	700,000	700,000	1,108,611	-	408,611
Other Local Sources	13,868,776	13,961,241	15,736,656	92,465	1,775,415
Other Financing Sources (Uses)	(869,062)	(661,318)	(789,314)	207,744	(127,996)
Total General Fund Revenues and Other Financing Sources (Uses)	\$ 553,876,328	\$ 559,171,732	\$ 556,018,284	\$ 5,295,404	\$ (3,153,448)

The General Fund actual revenues were less than the final budgeted revenues, excluding Other Financing Sources (Uses), by \$3,025,452. This difference was primarily due to a reduction in funds received for various local projects and a reduction in Medicaid program revenues. The General Fund final budget revenues, excluding Other Financing Sources, increased by \$5,087,660 over the original budget due to state provided funds for Best & Brightest supplements and increased funds for School Recognition.

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

General Fund Expenditures by Function	Original Budget	Final Budget	Actual 2018	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Instruction	\$ 348,105,940	\$ 363,401,750	\$ 342,622,384	\$ 15,295,810	\$ (20,779,366)
Student Support Services	26,942,443	28,244,823	28,028,490	1,302,380	(216,333)
Instructional Media Services	2,782,831	2,718,137	2,152,227	(64,694)	(565,910)
Inst. and Curriculum Development Services	13,048,775	14,070,398	13,761,979	1,021,623	(308,419)
Instructional Staff Training Services	3,520,187	3,388,696	2,709,612	(131,491)	(679,084)
Instruction-Related Technology	6,897,254	7,053,105	6,913,315	155,851	(139,790)
Board	1,863,423	745,621	617,585	(1,117,802)	(128,036)
General Administration	1,353,374	1,457,770	1,343,273	104,396	(114,497)
School Administration	40,321,511	41,223,260	41,013,352	901,749	(209,908)
Facilities Acquisition and Construction	2,704,997	2,947,938	2,857,509	242,941	(90,429)
Fiscal Services	2,987,790	3,270,771	3,053,310	282,981	(217,461)
Food Services	844	270,154	263,653	269,310	(6,501)
Central Services	8,034,371	8,272,177	7,090,736	237,806	(1,181,441)
Student Transportation Services	30,922,352	34,564,174	32,534,571	3,641,822	(2,029,603)
Operation of Plant	45,867,153	46,539,737	44,110,460	672,584	(2,429,277)
Maintenance of Plant	12,145,660	12,351,868	11,514,450	206,208	(837,418)
Administrative Technology Services	9,878,804	9,994,923	9,344,788	116,119	(650,135)
Community Services	538,567	2,520,468	2,320,791	1,981,901	(199,677)
Capital Outlay	-	567,211	376,614	567,211	(190,597)
Total General Fund Expenditures	\$ 557,916,276	\$ 583,602,981	\$ 552,629,099	\$ 25,686,705	\$ (30,973,882)

The General Fund actual expenditures were less than the final budgeted appropriations by \$30,973,882. There were many approved but unfilled teaching and transportation positions. The General Fund final budget appropriations increased by \$25,686,705 over the original budget due primarily to salary and benefit increases.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2018, amounts to \$1,146,708,748. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials, and computer software. Major capital asset events during the current fiscal year ended June 30, 2018, included the continued progress on the following items that were also included in Construction in Progress at fiscal year-end: the major renovations to Land O' Lakes High and Woodland Elementary.

The following is a summary of the District's capital assets as of June 30, 2018:

<u>Capital Assets (net of depreciation)</u>								
	Governmental Activities		Business-type Activity		Total School District		Percentage Change	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>		
Land	\$ 82,798,835	\$ 81,688,175	\$ -	\$ -	\$ 82,798,835	\$ 81,688,175	1.36%	
Construction in Progress	29,468,438	120,439,513	-	-	29,468,438	120,439,513	-75.53%	
Improvements Other Than Buildings	21,572,383	22,207,087	15,984	17,433	21,588,367	22,224,520	-2.86%	
Buildings and Fixed Equipment	949,681,977	860,506,902	14,348	13,269	949,696,325	860,520,171	10.36%	
Furniture, Fixtures and Equipment	35,117,562	34,968,844	69,767	93,923	35,187,329	35,062,767	0.36%	
Motor Vehicles	20,145,229	17,426,512	-	-	20,145,229	17,426,512	15.60%	
Audio Visual Materials	6,271	15,589	-	-	6,271	15,589	-59.77%	
Computer Software	7,805,686	7,221,522	12,268	8,795	7,817,954	7,230,317	8.13%	
Total	\$ 1,146,596,381	\$ 1,144,474,144	\$ 112,367	\$ 133,420	\$ 1,146,708,748	\$ 1,144,607,564	0.18%	

Additional information on the District's capital assets can be found in the notes to the financial statements in Note 6 - Changes in Capital Assets on pages 60 and 61.

Long-term Debt

As of June 30, 2018, the District has total long-term debt outstanding of \$509,369,443. This amount is comprised of \$146,779,651 of bonds payable, \$340,183,148 of certificates of participation and \$22,406,644 of obligations under capital leases.

The following is a summary of the District's long-term debt as of June 30, 2018:

<u>Outstanding Long-Term Debt</u>				
	Total School District		Increase (Decrease)	Percentage Change
	<u>2018</u>	<u>2017</u>		
Obligations Under Capital Leases	\$ 22,406,644	\$ 17,316,666	\$ 5,089,978	29.39%
SBE Bonds	7,409,605	8,497,480	(1,087,875)	-12.80%
District Revenue Bonds	2,334,829	2,442,818	(107,989)	-4.42%
Sales Tax Revenue Bonds	137,035,217	115,368,137	21,667,080	18.78%
Certificates of Participation	340,183,148	354,936,552	(14,753,404)	-4.16%
Total	\$ 509,369,443	\$ 498,561,653	\$ 10,807,790	2.17%

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

Additional information on the District's long-term debt can be found in the notes to the financial statements in Note 12 – Changes in Long Term Liabilities on page 72.

Outlook for the Future

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

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

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

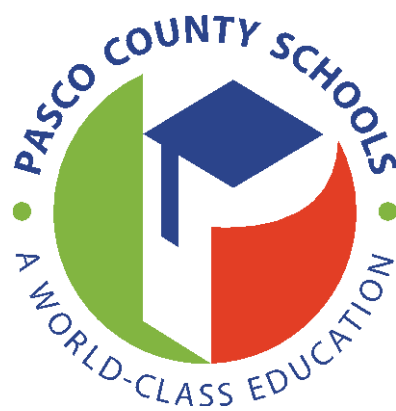
Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS



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District School Board of Pasco County
Statement of Net Position
June 30, 2018

Exhibit A

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
ASSETS:				
Cash	\$ 12,054,547	\$ 171,806	\$ 12,226,353	\$ 3,050,801
Cash with Fiscal Agent	2,154,919	-	2,154,919	4,576,047
Investments	284,699,159	5,198,330	289,897,489	-
Accounts Receivable	2,362,901	21,887	2,384,788	71,628
Accrued Interest Receivable	82,399	432	82,831	-
Deposits Receivable	-	-	-	1,703,366
Due From Other Agencies	20,510,438	-	20,510,438	-
Inventories	5,420,465	-	5,420,465	-
Prepaid Items	84,233	-	84,233	1,892,885
Capital Credits Receivable	5,356,162	-	5,356,162	2,045,876
Net Pension Asset - SERP	1,064,465	-	1,064,465	-
Capital Assets (net of accumulated depreciation):				
Land	82,798,835	-	82,798,835	1,939,534
Construction in Progress	29,468,438	-	29,468,438	1,092,327
Improvements Other Than Buildings	21,572,383	15,984	21,588,367	250,691
Leasehold Property and Improvements	-	-	-	496,553
Buildings and Fixed Equipment	949,681,977	14,348	949,696,325	15,059,779
Furniture, Fixtures, and Equipment	35,117,562	69,767	35,187,329	722,191
Motor Vehicles	20,145,229	-	20,145,229	262,840
Audio Visual Materials	6,271	-	6,271	-
Computer Software	7,805,686	12,268	7,817,954	29,090
Total Assets	<u>1,480,386,069</u>	<u>5,504,822</u>	<u>1,485,890,891</u>	<u>33,193,608</u>
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of				
Hedging Derivatives	12,073,561	-	12,073,561	-
Deferred Amount - Bond Refunding	5,519,765	-	5,519,765	-
Deferred Amount - OPEB	4,499,367	75,201	4,574,568	-
Deferred Amount - Pension SERP	841,396	-	841,396	-
Deferred Amount - Pension FRS / HIS	164,608,017	2,237,607	166,845,624	713,615
Total Deferred Outflows of Resources	<u>187,542,106</u>	<u>2,312,808</u>	<u>189,854,914</u>	<u>713,615</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,667,928,175</u>	<u>\$ 7,817,630</u>	<u>\$ 1,675,745,805</u>	<u>\$ 33,907,223</u>

(continued)

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
LIABILITIES:				
Salaries and Benefits Payable	\$ 3,209,375	\$ -	\$ 3,209,375	\$ 962,342
Payroll Deductions and Withholdings Payable	11,172,839	-	11,172,839	-
Accounts Payable	24,345,950	1,636	24,347,586	1,334,648
Construction Contracts Payable	454,007	-	454,007	-
Construction Contracts Payable-Retainage	2,164,032	-	2,164,032	-
Due to Other Agencies	1,031	-	1,031	111,819
Sales Tax Payable	3,479	653	4,132	-
Deposits Payable	52,497	-	52,497	-
Accrued Interest Payable	4,835,754	-	4,835,754	38,446
Other Postemployment Benefits Liability	-	-	-	14,170
Advanced Revenue	1,925,253	102,669	2,027,922	8,070
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	580,915
Bonds Payable	19,931,003	-	19,931,003	210,000
Certificates of Participation Payable	14,850,287	-	14,850,287	-
Obligations Under Capital Leases	7,363,790	-	7,363,790	27,775
Estimated Insurance Claims Payable	2,612,000	-	2,612,000	-
Compensated Absences Payable	481,356	-	481,356	136,538
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	7,958,914
Bonds Payable	126,848,648	-	126,848,648	14,373,520
Certificates of Participation Payable	325,332,861	-	325,332,861	-
Obligations Under Capital Leases	15,042,854	-	15,042,854	8,566
Estimated Insurance Claims Payable	4,598,000	-	4,598,000	-
Compensated Absences Payable	40,204,444	567,909	40,772,353	-
Other Post-Employment Benefits Obligation	105,257,531	1,792,557	107,050,088	-
Net Pension Liability - FRS / HIS	368,044,785	5,057,573	373,102,358	802,023
Derivatives Swap Liability	12,073,561	-	12,073,561	-
Total Liabilities	<u>1,090,805,337</u>	<u>7,522,997</u>	<u>1,098,328,334</u>	<u>26,567,746</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount - OPEB	5,879,719	98,272	5,977,991	-
Deferred Amount - Pension SERP	2,851,905	-	2,851,905	-
Deferred Amount - Pension FRS / HIS	26,364,046	686,452	27,050,498	40,444
Total Deferred Inflows of Resources	<u>35,095,670</u>	<u>784,724</u>	<u>35,880,394</u>	<u>40,444</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>1,125,901,007</u>	<u>8,307,721</u>	<u>1,134,208,728</u>	<u>26,608,190</u>
NET POSITION:				
Net Investment in Capital Assets	675,505,097	112,367	675,617,464	155,357
Restricted for:				
State Categorical Programs	5,297,161	-	5,297,161	-
Debt Service	9,266,585	-	9,266,585	1,175,247
Capital Projects	104,885,753	-	104,885,753	-
Special Revenue-Food Service	7,458,340	-	7,458,340	-
Other Purposes	-	-	-	4,163,026
Non-expendable-Permanent Endowment	-	-	-	-
Unrestricted	(260,385,768)	(602,458)	(260,988,226)	1,805,403
Total Net Position	<u>542,027,168</u>	<u>(490,091)</u>	<u>541,537,077</u>	<u>7,299,033</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 1,667,928,175</u>	<u>\$ 7,817,630</u>	<u>\$ 1,675,745,805</u>	<u>\$ 33,907,223</u>

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

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 422,570,775	\$641,551	\$ -	\$ -
Student Support Services	33,010,405	-	-	-
Instructional Media Services	2,018,167	-	-	-
Instruction and Curriculum Development Services	19,647,149	-	-	-
Instructional Staff Training Services	9,237,951	-	-	-
Instruction-Related Technology	7,900,006	-	-	-
Board	799,596	-	-	-
General Administration	4,012,766	-	-	-
School Administration	44,770,488	-	-	-
Facilities Acquisition and Construction	27,557,051	-	-	18,087,333
Fiscal Services	3,293,417	-	-	-
Food Services	39,594,503	10,385,274	28,719,933	-
Central Services	5,183,668	-	-	-
Student Transportation Services	34,350,249	1,193,069	16,023,386	-
Operation of Plant	45,156,061	-	-	-
Maintenance of Plant	12,300,170	-	-	-
Administrative Technology Services	10,156,901	-	-	-
Community Services	2,314,173	-	-	-
Interest on Long-term Liabilities	15,572,907	-	-	2,995,325
Total Governmental Activities	<u>739,446,403</u>	<u>12,219,894</u>	<u>44,743,319</u>	<u>21,082,658</u>
Business-Type Activities:				
PLACE Program	9,943,439	9,699,751	-	-
Vending Program	588,319	592,853	-	-
Total Business-Type Activities	<u>10,531,758</u>	<u>10,292,604</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 749,978,161</u>	<u>\$ 22,512,498</u>	<u>\$ 44,743,319</u>	<u>\$ 21,082,658</u>
Component Units:				
Educational Foundation/Charter Schools	<u>\$ 39,761,710</u>	<u>\$ 648,161</u>	<u>\$ 633,875</u>	<u>\$ 671,785</u>

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, July 1, 2017

* Adjustment to Beginning Net Position

Net Position, June 30, 2018

*The implementation of GASB Statement 75 resulted in the reclassification of the beginning net position of the governmental and business-type activities in the government-wide financial statements. The net OPEB liabilities and the related deferred amounts were reclassified as expenses of prior periods and resulted in this adjustment. Adjustments to the Internal Service Funds June 30, 2017 net position are included in the governmental activities as well as the related Internal Service Fund financial statements.

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (421,929,224)	\$ -	\$ (421,929,224)	\$ -
(33,010,405)	-	(33,010,405)	-
(2,018,167)	-	(2,018,167)	-
(19,647,149)	-	(19,647,149)	-
(9,237,951)	-	(9,237,951)	-
(7,900,006)	-	(7,900,006)	-
(799,596)	-	(799,596)	-
(4,012,766)	-	(4,012,766)	-
(44,770,488)	-	(44,770,488)	-
(9,469,718)	-	(9,469,718)	-
(3,293,417)	-	(3,293,417)	-
(489,296)	-	(489,296)	-
(5,183,668)	-	(5,183,668)	-
(17,133,794)	-	(17,133,794)	-
(45,156,061)	-	(45,156,061)	-
(12,300,170)	-	(12,300,170)	-
(10,156,901)	-	(10,156,901)	-
(2,314,173)	-	(2,314,173)	-
(12,577,582)	-	(12,577,582)	-
<u>(661,400,532)</u>	<u>-</u>	<u>(661,400,532)</u>	<u>-</u>
-	(243,688)	(243,688)	-
-	4,534	4,534	-
-	<u>(239,154)</u>	<u>(239,154)</u>	-
<u>(661,400,532)</u>	<u>(239,154)</u>	<u>(661,639,686)</u>	-
-	-	-	<u>(37,807,889)</u>
133,771,102	-	133,771,102	-
39,599,116	-	39,599,116	-
28,398,773	-	28,398,773	-
434,081,243	-	434,081,243	32,565,203
2,486,903	40,525	2,527,428	171,166
16,385,561	1,298	16,386,859	3,865,981
610	(610)	-	-
<u>654,723,308</u>	<u>41,213</u>	<u>654,764,521</u>	<u>36,602,350</u>
(6,677,224)	(197,941)	(6,875,165)	(1,205,539)
583,053,218	281,948	583,335,166	8,531,772
(34,348,826)	(574,098)	(34,922,924)	\$ (27,200)
<u>\$ 542,027,168</u>	<u>\$ (490,091)</u>	<u>\$ 541,537,077</u>	<u>\$ 7,299,033</u>

**District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2018**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue			
	Primary Operating Fund	Other Funds	Other Federal Programs Fund			
ASSETS:						
Cash	\$ 2,744,104	\$ 360,623	\$ 17,637	\$ 8,308,319	\$ 11,430,683	
Cash with Fiscal Agent	-	-	-	2,154,919	2,154,919	
Investments	65,437,459	109,989,242	-	38,227,966	213,654,667	
Accounts Receivable	1,764,625	25	-	15,160	1,779,810	
Accrued Interest Receivable	8,319	64,317	-	2,389	75,025	
Due from Other Funds	5,999,366	1,626,892	-	-	7,626,258	
Due from Other Agencies	3,672,869	6,486,284	6,548,745	3,802,540	20,510,438	
Inventories	3,543,981	553,306	-	1,323,178	5,420,465	
Prepaid Items	84,233	-	-	-	84,233	
TOTAL ASSETS	\$ 83,254,956	\$ 119,080,689	\$ 6,566,382	\$ 53,834,471	\$ 262,736,498	
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Salaries and Benefits Payable	\$ 3,205,203	\$ -	\$ 1,246	\$ -	\$ 3,206,449	
Payroll Deductions and Withholdings Payable	11,096,251	-	-	-	11,096,251	
Accounts Payable	5,489,747	1,242,348	551,346	537,250	7,820,691	
Construction Contracts Payable	-	454,007	-	-	454,007	
Construction Contracts Payable-Retainage	-	2,154,650	-	9,382	2,164,032	
Due to Other Funds	-	-	5,999,366	1,626,892	7,626,258	
Due to Other Agencies	-	-	1,031	-	1,031	
Sales Tax Payable	3,479	-	-	-	3,479	
Deposits Payable	52,497	-	-	-	52,497	
Accrued Interest Payable	-	-	-	-	-	
Advanced Revenue	54,254	620,327	13,393	992,407	1,680,381	
Total Liabilities	19,901,431	4,471,332	6,566,382	3,165,931	34,105,076	
Fund Balances:						
Nonspendable:						
Inventories:						
General Fund	3,543,981	-	-	-	3,543,981	
Capital Projects Other	-	553,306	-	-	553,306	
Special Revenue-Food Service	-	-	-	1,323,178	1,323,178	
Prepaid Items:						
General Fund	84,233	-	-	-	84,233	
Restricted:						
Categorical Programs	5,297,161	-	-	-	5,297,161	
Special Revenue-Food Service	-	-	-	6,135,162	6,135,162	
Debt Service	-	-	-	14,102,339	14,102,339	
Capital Projects	-	114,056,051	-	29,107,861	143,163,912	
Assigned:						
School Operations:						
School and Local Programs	18,808,701	-	-	-	18,808,701	
Next Year Budget	7,908,090	-	-	-	7,908,090	
Unassigned Fund Balance	27,711,359	-	-	-	27,711,359	
Total Fund Balances	63,353,525	114,609,357	-	50,668,540	228,631,422	
TOTAL LIABILITIES AND FUND BALANCES	\$ 83,254,956	\$ 119,080,689	\$ 6,566,382	\$ 53,834,471	\$ 262,736,498	

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

District School Board of Pasco County
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2018

Total fund balances for total governmental funds (page 26).	\$	228,631,422
<p>Amounts reported for governmental activities in the statement of net position (page 23) are different because:</p>		
<p>Non-current assets do not represent current financial resources and, therefore, are not reported in the governmental funds.</p>		
<p>Non-current assets at year-end consist of:</p>		
Capital Credits Receivable	\$ 5,356,162	
Net Pension Asset - SERP	1,064,465	
Capital Assets (net of accumulated depreciation)	1,146,593,726	1,153,014,353
<p>Deferred outflows of resources are reported as a result of:</p>		
Changes in fair value of Hedging Derivatives	12,073,561	
Deferred Amounts on Bond Refundings	5,519,765	
Deferred Amounts for Pension - SERP	841,396	
Deferred Amounts for Pension - OPEB	4,499,367	
Deferred Amounts for Pension - FRS / HIS	164,608,017	187,542,106
<p>Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.</p>		
		(4,835,754)
<p>Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.</p>		
<p>Long-term liabilities at year-end consist of:</p>		
Bonds Payable	(146,779,651)	
Certificates of Participation Payable	(340,183,148)	
Obligations Under Capital Leases	(22,406,644)	
Compensated Absences Payable	(40,362,980)	
Other Post-employment Benefits Obligation	(104,856,710)	
Net Pension Liability FRS / HIS	(366,437,858)	
Derivative Swap Liability	(12,073,561)	(1,033,100,552)
<p>Deferred inflows of resources are reported as a result of :</p>		
Deferred Amounts for Pension - SERP	(2,851,905)	
Deferred Amounts for Pension - OPEB	(5,879,719)	
Deferred Amounts for Pension - FRS / HIS	(26,364,046)	(35,095,670)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		45,871,263
Total Net Position - Governmental Activities	\$	<u>542,027,168</u>

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Major Funds					Total Governmental Funds
	General Primary Operating Fund	Capital Projects		Special Revenue		
		Other Funds	Other Funds	Federal Programs Fund	Other Fund	
Revenues:						
Federal Sources:						
Federal Direct	\$ 583,983	\$ -	\$ -	\$ 7,951,950	\$ -	\$ 9,097,099
Federal Through State	3,237,360	-	-	35,221,311	-	66,813,748
State Sources:						
Florida Education Finance Program	308,188,941	-	-	-	-	308,188,941
Public Education Capital Outlay	-	-	-	-	1,996,243	1,996,243
Food Services	-	-	-	-	364,856	364,856
SBE/COBI Bond Interest	-	-	-	-	7,470	7,470
CO & DS Withheld for State Education Bonds	-	-	-	-	1,246,477	1,246,477
CO & DS Interest	-	-	-	-	36,059	36,059
CO & DS Distributed	-	-	-	-	1,661,042	1,661,042
Racing Commission Funds	-	-	-	-	223,250	223,250
State Grants and Other	94,180,945	-	-	-	-	94,180,945
Local Sources:						
Property Taxes	133,771,102	-	-	-	39,599,116	173,370,218
Local Sales Taxes	-	28,398,773	-	-	-	28,398,773
Impact Fees	-	16,091,090	-	-	-	16,091,090
Food Services	-	-	-	-	9,709,510	9,709,510
Investment Earnings	1,108,611	1,112,918	-	-	265,374	2,486,903
Local Grants and Other	15,736,656	694,545	-	-	1,184,082	17,615,283
Total Revenues	556,807,598	46,297,326	43,173,261	85,209,722	731,487,907	
Expenditures:						
Current-Education:						
Instruction	342,622,384	-	23,574,981	-	-	366,197,365
Student Support Services	28,028,490	-	3,481,237	-	-	31,509,727
Instructional Media Services	2,152,227	-	29,366	-	-	2,181,593
Inst. and Curriculum Development Services	13,761,979	-	4,819,098	-	-	18,581,077
Instructional Staff Training Services	2,709,612	-	6,480,573	-	-	9,190,185
Instruction-Related Technology Board	6,913,315	-	397,674	-	-	7,310,989
General Administration	617,585	-	-	-	-	617,585
	1,343,273	-	2,392,083	-	-	3,735,356

(continued)

	Major Funds					Total Governmental Funds
	General	Capital Projects		Special Revenue	Nonmajor Governmental Funds	
	Primary Operating Fund	Other Funds	Federal Economic Stimulus Programs Fund			
Expenditures (continued):						
School Administration	41,013,352	-	130,933	-	-	41,144,285
Facilities Acquisition and Construction	2,857,509	3,075,870	-	-	1,401,666	7,335,045
Fiscal Services	3,053,310	-	107,908	-	-	3,161,218
Food Services	263,653	-	105,972	-	38,194,070	38,563,695
Central Services	7,090,736	-	324,871	-	-	7,415,607
Student Transportation Services	32,534,571	-	220,627	-	-	32,755,198
Operation of Plant	44,110,460	-	152,576	-	-	44,263,036
Maintenance of Plant	11,514,450	-	90,029	-	-	11,604,479
Administrative Technology Services	9,344,788	-	112,378	-	-	9,457,166
Community Services	2,320,791	-	-	-	-	2,320,791
Capital Outlay:						
Facilities Acquisition and Construction	1,012	52,800,985	101,539	-	9,313,633	62,217,169
Other Capital Outlay	375,602	-	651,416	-	170,754	1,197,772
Debt Service:						
Principal	-	-	-	-	34,130,499	34,130,499
Interest	-	-	-	-	17,233,274	17,233,274
Fiscal Charges	-	-	-	-	233,877	233,877
Total Expenditures	552,629,099	55,876,855	43,173,261	100,677,773	100,677,773	752,356,988
Excess (Deficiency) of Revenues Over Expenditures	4,178,499	(9,579,529)	-	(15,468,051)	(15,468,051)	(20,869,081)
Other Financing Sources (Uses):						
Proceeds of Bonds Issued	-	34,925,000	-	-	75,000	35,000,000
Capital Leases	-	12,699,947	-	-	61,591	12,761,538
Proceeds from the Sale of Capital Assets	106,300	704,001	-	-	-	810,301
Payments to Refunded Bond Escrow Agent	-	-	-	-	(3,830,656)	(3,830,656)
Transfers In	1,058,706	16,246	-	-	51,207,195	52,282,147
Transfers Out	(1,954,320)	(17,122,906)	-	-	(32,910,111)	(51,987,337)
Total Other Financing Sources (Uses)	(789,314)	31,222,288	-	-	14,603,019	45,035,993
Net Change in Fund Balances	3,389,185	21,642,759	-	-	(865,032)	24,166,912
Fund Balances, July 1, 2017	59,964,340	92,966,598	-	-	51,533,572	204,464,510
Fund Balances, June 30, 2018	\$ 63,353,525	\$ 114,609,357	\$ -	\$ -	\$ 50,668,540	\$ 228,631,422

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

District School Board of Pasco County
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances for Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balances - Governmental Funds (page 29). \$ 24,166,912

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

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

Expenditures for capital assets	\$ 63,424,139	
Less current year depreciation	<u>(59,841,899)</u>	3,582,240

Capital assets donated to the District increase net position on the statement of activities. However, they do not provide current financial resources and are not reported as revenues in the governmental funds. 79,194

The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the assets disposed of. (1,537,290)

The net change in the Net Pension Asset (SERP) and the related Deferred Amounts is reported in the government-wide statements, but not in the governmental fund statements. (1,596,698)

The net change in the Net Pension Liability (FRS / HIS) and the related Deferred Amounts is reported in the government-wide statements, but not in the governmental fund statements. (23,252,332)

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

Principal payments	34,130,499	
New Certificates of Participation Issues	(35,000,000)	
Bonds Refunded	3,630,000	
Capital Leases Issued	(12,761,538)	
Net decrease in deferred charges	(612,955)	
Net decrease in premiums and discounts	<u>2,823,249</u>	(7,790,745)

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period. 252,043

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. (1,036,502)

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities. (115,394)

The net change in liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements. (2,793,617)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities. 3,364,965

Change in Net Position - Governmental Activities (pages 24 & 25). \$ (6,677,224)

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 587,000	\$ 629,673	\$ 583,983	\$ (45,690)
Federal Through State	3,700,000	3,700,000	3,237,360	(462,640)
State Sources:				
Florida Education Finance Program	315,268,131	313,978,937	308,188,941	(5,789,996)
State Grants and Other	87,839,135	94,080,851	94,180,945	100,094
Local Sources:				
Property Taxes	132,782,348	132,782,348	133,771,102	988,754
Investment Earnings	700,000	700,000	1,108,611	408,611
Local Grants and Other	13,868,776	13,961,241	15,736,656	1,775,415
Total Revenues	554,745,390	559,833,050	556,807,598	(3,025,452)
Expenditures:				
Current-Education:				
Instruction				
Salaries	\$ 222,408,713	225,894,712	\$ 220,349,159	\$ 5,545,553
Employee Benefits	68,754,836	70,069,016	69,872,918	196,098
Purchased Services	36,186,028	43,380,380	37,664,523	5,715,857
Materials and Supplies	16,177,353	17,973,549	9,152,065	8,821,484
Capital Outlay	138,830	370,604	181,756	188,848
Other Expenditures	4,440,180	5,713,489	5,401,963	311,526
Student Support Services				
Salaries	17,839,913	18,755,434	18,714,025	41,409
Employee Benefits	6,062,877	6,300,725	6,286,999	13,726
Purchased Services	2,824,167	2,894,742	2,805,814	88,928
Materials and Supplies	204,623	220,185	156,894	63,291
Capital Outlay	10,163	20,391	20,392	(1)
Other Expenditures	700	53,346	44,366	8,980
Instructional Media Services				
Salaries	966,019	998,993	955,768	43,225
Employee Benefits	457,372	461,686	437,484	24,202
Purchased Services	249,951	281,833	186,192	95,641
Materials and Supplies	515,781	428,652	318,311	110,341
Capital Outlay	592,644	546,173	254,472	291,701
Other Expenditures	1,064	800	-	800
Instruction and Curriculum Development Services				
Salaries	9,144,419	9,961,634	9,961,634	-
Employee Benefits	3,107,608	3,142,831	3,142,831	-
Purchased Services	540,493	721,198	553,593	167,605
Materials and Supplies	195,495	166,184	34,050	132,134
Capital Outlay	2,000	13,356	9,955	3,401
Other Expenditures	58,760	65,195	59,916	5,279

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	2,232,107	2,141,197	1,723,785	417,412
Employee Benefits	505,378	514,568	437,151	77,417
Purchased Services	278,247	430,271	348,836	81,435
Materials and Supplies	480,925	242,186	165,182	77,004
Capital Outlay	10,500	8,391	1,326	7,065
Other Expenditures	13,030	52,083	33,332	18,751
Instruction-Related Technology				
Salaries	5,180,448	5,230,152	5,155,703	74,449
Employee Benefits	1,715,856	1,769,258	1,704,757	64,501
Purchased Services	950	53,695	52,855	840
Board				
Salaries	228,982	238,982	237,236	1,746
Employee Benefits	1,338,855	168,855	153,252	15,603
Purchased Services	268,365	301,313	193,660	107,653
Materials and Supplies	3,260	3,260	1,197	2,063
Capital Outlay	510	210	-	210
Other Expenditures	23,451	33,001	32,240	761
General Administration				
Salaries	622,969	662,969	654,265	8,704
Employee Benefits	219,749	310,099	284,067	26,032
Purchased Services	98,532	179,303	124,392	54,911
Materials and Supplies	8,550	8,336	3,584	4,752
Capital Outlay	2,900	2,792	667	2,125
Other Expenditures	400,674	294,271	276,298	17,973
School Administration				
Salaries	27,874,206	28,245,648	28,219,354	26,294
Employee Benefits	9,889,866	10,423,067	10,423,028	39
Purchased Services	1,166,560	1,209,564	1,101,090	108,474
Materials and Supplies	627,128	586,644	521,895	64,749
Capital Outlay	101,091	124,797	111,997	12,800
Other Expenditures	662,660	633,540	635,988	(2,448)
Facilities Services				
Salaries	1,206,145	1,226,145	1,192,092	34,053
Employee Benefits	365,473	365,473	354,652	10,821
Purchased Services	1,107,254	1,333,770	1,300,068	33,702
Materials and Supplies	11,225	9,900	7,203	2,697
Capital Outlay	6,400	4,150	945	3,205
Other Expenditures	8,500	8,500	2,549	5,951

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	1,962,942	2,000,882	1,985,631	15,251
Employee Benefits	669,089	811,547	811,547	-
Purchased Services	243,349	336,585	170,356	166,229
Materials and Supplies	19,580	17,166	10,553	6,613
Capital Outlay	1,205	2,826	1,887	939
Other Expenditures	91,625	101,765	73,336	28,429
Food Services				
Salaries	-	222,920	222,920	-
Employee Benefits	-	20,699	20,699	-
Materials and Supplies	844	26,516	20,034	6,482
Capital Outlay	-	19	-	19
Central Services				
Salaries	4,600,343	4,574,107	4,499,716	74,391
Employee Benefits	1,509,858	1,596,495	1,534,692	61,803
Purchased Services	1,366,305	1,529,809	644,020	885,789
Materials and Supplies	118,276	118,004	79,657	38,347
Capital Outlay	23,783	25,522	10,751	14,771
Other Expenditures	415,806	428,240	321,900	106,340
Student Transportation Services				
Salaries	15,965,173	18,565,720	18,405,678	160,042
Employee Benefits	8,162,070	8,828,290	8,198,873	629,417
Purchased Services	1,137,609	1,388,498	1,278,646	109,852
Energy Services	4,110,000	4,120,000	3,225,650	894,350
Materials and Supplies	1,532,700	1,526,797	1,311,033	215,764
Capital Outlay	4,800	4,869	178	4,691
Other Expenditures	10,000	130,000	114,513	15,487
Operation of Plant				
Salaries	17,153,009	17,362,115	16,966,773	395,342
Employee Benefits	7,332,207	7,549,685	7,472,452	77,233
Purchased Services	9,312,752	9,364,620	9,209,992	154,628
Energy Services	11,138,000	11,138,000	9,478,092	1,659,908
Materials and Supplies	907,841	1,051,080	913,239	137,841
Capital Outlay	20,244	41,396	37,071	4,325
Other Expenditures	3,100	32,841	32,841	-
Maintenance of Plant				
Salaries	6,015,023	6,015,023	5,615,200	399,823
Employee Benefits	2,037,950	2,037,950	1,953,651	84,299
Purchased Services	3,708,247	3,907,355	3,635,183	272,172
Materials and Supplies	370,300	377,262	299,758	77,504
Capital Outlay	12,015	12,153	8,697	3,456
Other Expenditures	2,125	2,125	1,961	164

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	6,235,595	6,236,749	6,031,250	205,499
Employee Benefits	2,024,365	2,024,465	2,005,469	18,996
Purchased Services	1,517,184	1,631,169	1,238,080	393,089
Materials and Supplies	28,435	26,414	9,079	17,335
Capital Outlay	19,125	22,026	12,122	9,904
Other Expenditures	54,100	54,100	48,788	5,312
Community Services				
Salaries	72,474	1,122,483	1,034,525	87,958
Employee Benefits	36,866	143,192	116,218	26,974
Purchased Services	231,328	645,525	602,714	42,811
Energy Services	-	7,891	7,891	-
Materials and Supplies	24,623	433,431	427,741	5,690
Capital Outlay	19,624	14,294	8,834	5,460
Other Expenditures	153,652	153,652	122,868	30,784
Capital Outlay:				
Facilities Acquisition and Construction	-	1,025	1,012	13
Other Capital Outlay	-	566,186	375,602	190,584
Total Expenditures	557,916,276	583,602,981	552,629,099	30,973,882
Excess (Deficiency) of Revenues Over Expenditures	(3,170,886)	(23,769,931)	4,178,499	27,948,430
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	-	234,301	106,300	(128,001)
Transfers In	915,612	1,058,706	1,058,706	-
Transfers Out	(1,784,674)	(1,954,325)	(1,954,320)	5
Total Other Financing Sources (Uses)	(869,062)	(661,318)	(789,314)	(127,996)
Net Change in Fund Balance	(4,039,948)	(24,431,249)	3,389,185	27,820,434
Fund Balance, Beginning	59,964,340	59,964,340	59,964,340	-
Fund Balance, Ending	\$ 55,924,392	\$ 35,533,091	\$ 63,353,525	\$ 27,820,434

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 7,615,582	\$ 8,040,456	\$ 7,951,950	\$ (88,506)
Federal Through State	36,811,573	41,134,420	35,221,311	(5,913,109)
Total Revenues	<u>44,427,155</u>	<u>49,174,876</u>	<u>43,173,261</u>	<u>(6,001,615)</u>
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,773,913	13,696,706	12,890,633	806,073
Employee Benefits	5,994,420	6,022,885	5,541,418	481,467
Purchased Services	2,615,207	2,406,494	1,998,060	408,434
Materials and Supplies	943,280	1,879,539	1,549,336	330,203
Capital Outlay	345,685	521,400	438,367	83,033
Other Expenditures	1,145,757	1,236,253	1,157,167	79,086
Student Support Services				
Salaries	2,478,580	2,636,072	2,353,393	282,679
Employee Benefits	892,553	942,824	843,809	99,015
Purchased Services	163,495	143,320	114,497	28,823
Materials and Supplies	184,235	234,607	153,604	81,003
Capital Outlay	5,850	14,097	13,984	113
Other Expenditures	2,000	2,070	1,950	120
Instructional Media Services				
Salaries	11,859	15,451	13,531	1,920
Employee Benefits	5,420	6,149	5,490	659
Materials and Supplies	3,600	6,959	5,367	1,592
Capital Outlay	3,161	5,001	4,978	23
Instruction and Curriculum Development Services				
Salaries	3,489,606	4,235,308	3,406,276	829,032
Employee Benefits	1,111,711	1,192,584	975,063	217,521
Purchased Services	343,426	288,137	257,774	30,363
Materials and Supplies	95,670	234,735	147,539	87,196
Capital Outlay	8,850	25,145	12,140	13,005
Other Expenditures	18,533	20,306	20,306	-
Instructional Staff Training Services				
Salaries	4,461,728	4,598,205	3,864,008	734,197
Employee Benefits	1,090,018	1,164,217	989,637	174,580
Purchased Services	1,057,805	1,646,676	1,343,130	303,546
Materials and Supplies	96,949	131,419	70,306	61,113
Capital Outlay	-	307	307	-
Other Expenditures	413,515	428,750	213,185	215,565

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instruction-Related Technology				
Salaries	154,216	283,514	273,468	10,046
Employee Benefits	49,718	90,894	85,888	5,006
Purchased Services	69,400	82,253	38,318	43,935
Materials and Supplies	1,211	974	-	974
Board				
Purchased Services	-	-	-	-
General Administration				
Other Expenditures	2,643,739	2,726,168	2,392,083	334,085
School Administration				
Salaries	-	93,097	93,097	-
Employee Benefits	-	29,196	27,307	1,889
Purchased Services	200	-	-	-
Capital Outlay	-	10,879	10,529	350
Facilities Services				
Other Capital Outlay	1,700	-	-	-
Fiscal Services				
Salaries	74,592	81,747	80,597	1,150
Employee Benefits	26,196	27,727	25,769	1,958
Materials and Supplies	500	552	552	-
Capital Outlay	-	990	990	-
Food Services				
Purchased Services	56,974	105,950	105,950	-
Materials and Supplies	228	22	22	-
Capital Outlay	800	-	-	-
Central Services				
Salaries	12,330	117,193	108,424	8,769
Employee Benefits	1,281	27,154	25,836	1,318
Purchased Services	47,816	83,501	83,500	1
Materials and Supplies	-	50,005	50,005	-
Other Expenditures	40,000	57,106	57,106	-
Student Transportation Services				
Salaries	63,173	67,541	67,366	175
Employee Benefits	21,510	22,589	21,767	822
Purchased Services	235,853	215,538	130,564	84,974
Capital Outlay	-	269	269	-
Other Expenditures	-	661	661	-
Operation of Plant				
Purchased Services	9,239	40,463	37,648	2,815
Energy Services	19,989	104,427	104,427	-
Materials and Supplies	10,595	10,501	10,501	-
Capital Outlay	1,000	-	-	-

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Maintenance of Plant				
Purchased Services	18,898	92,014	90,029	1,985
Capital Outlay	200	-	-	-
Administrative Technology Services				
Salaries	87,561	87,561	86,553	1,008
Employee Benefits	21,410	26,157	25,825	332
Capital Outlay:				
Facilities Acquisition and Construction	-	168,545	101,539	67,006
Other Capital Outlay	-	734,074	651,416	82,658
Total Expenditures	<u>44,427,155</u>	<u>49,174,878</u>	<u>43,173,261</u>	<u>6,001,617</u>
Net Change in Fund Balance	-	2	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

District School Board of Pasco County
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

Exhibit I

	Business-Type Activity		Governmental Activities	
	Major Fund	Nonmajor		
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program	Total Enterprise Funds	Internal Service Funds
ASSETS:				
Current Assets:				
Cash	\$ 164,861	\$ 6,945	\$ 171,806	\$ 623,864
Investments	5,198,330	-	5,198,330	71,044,492
Accounts Receivable	21,887	-	21,887	583,091
Accrued Interest Receivable	432	-	432	7,374
Total Current Assets	<u>5,385,510</u>	<u>6,945</u>	<u>5,392,455</u>	<u>72,258,821</u>
Noncurrent Assets:				
Improvements Other Than Buildings, Net	15,984	-	15,984	-
Buildings and Fixed Equipment, Net	14,348	-	14,348	-
Furniture, Fixtures, and Equipment, Net	69,767	-	69,767	2,655
Computer Software, Net	12,268	-	12,268	-
Total Noncurrent Assets	<u>112,367</u>	<u>-</u>	<u>112,367</u>	<u>2,655</u>
Total Assets	<u>5,497,877</u>	<u>6,945</u>	<u>5,504,822</u>	<u>72,261,476</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension FRS/HIS	2,237,607	-	2,237,607	1,049,891
Other Post-Employment Benefits	75,201	-	75,201	16,386
Total Deferred Outflows of Resources	<u>2,312,808</u>	<u>-</u>	<u>2,312,808</u>	<u>1,066,277</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 7,810,685</u></u>	<u><u>\$ 6,945</u></u>	<u><u>\$ 7,817,630</u></u>	<u><u>\$ 73,327,753</u></u>
LIABILITIES:				
Current Liabilities:				
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 2,926
Payroll Deductions and Withholdings Payable	-	-	-	76,588
Accounts Payable	1,330	306	1,636	16,525,259
Sales Tax Payable	-	653	653	-
Advanced Revenues	102,669	-	102,669	244,872
Current portion of long-term liabilities:				
Compensated Absences Payable	-	-	-	11,945
Estimated Insurance Claims Payable	-	-	-	2,612,000
Total Current Liabilities	<u>103,999</u>	<u>959</u>	<u>104,958</u>	<u>19,473,590</u>
Noncurrent Liabilities:				
Compensated Absences Payable	567,909	-	567,909	310,875
Estimated Insurance Claims Payable	-	-	-	4,598,000
Other Post-Employment Benefits Obligation	1,792,557	-	1,792,557	395,793
Net Pension Liability - FRS / HIS	5,057,573	-	5,057,573	1,133,175
Total Noncurrent Liabilities	<u>7,418,039</u>	<u>-</u>	<u>7,418,039</u>	<u>6,437,843</u>
Total Liabilities	<u>7,522,038</u>	<u>959</u>	<u>7,522,997</u>	<u>25,911,433</u>
DEFERRED INFLOWS OF RESOURCES:				
Pension FRS/HIS	686,452	-	686,452	1,523,643
Other Post-Employment Benefits	98,272	-	98,272	21,414
Total Deferred Inflows of Resources	<u>784,724</u>	<u>-</u>	<u>784,724</u>	<u>1,545,057</u>
NET POSITION:				
Investment in Capital Assets	112,367	-	112,367	2,655
Unrestricted	(608,444)	5,986	(602,458)	45,868,608
Total Net Position	<u>(496,077)</u>	<u>5,986</u>	<u>(490,091)</u>	<u>45,871,263</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 7,810,685</u></u>	<u><u>\$ 6,945</u></u>	<u><u>\$ 7,817,630</u></u>	<u><u>\$ 73,327,753</u></u>

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

District School Board of Pasco County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

Exhibit J

	Business-Type Activity		Total Enterprise Funds	Governmental Activities
	Major Fund	Nonmajor		Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
Operating Revenues:				
Charges for Services Provided	\$ 9,699,751	\$ -	\$ 9,699,751	\$ 13,926,207
Charges for Sales	-	592,853	592,853	-
Insurance Premiums:				
Board Contributions	-	-	-	76,643,872
Employees	-	-	-	7,180,830
Retirees	-	-	-	4,552,287
Other Operating Revenues	-	1,298	1,298	2,891,056
Total Operating Revenues	9,699,751	594,151	10,293,902	105,194,252
Operating Expenses:				
Salaries	5,391,650	-	5,391,650	1,142,769
Employee Benefits	2,642,951	-	2,642,951	850,665
Purchased Services	323,858	-	323,858	18,863,144
Insurance Premiums	-	-	-	6,496,683
Energy Services	410,392	-	410,392	10,541,260
Materials and Supplies	311,959	16,921	328,880	132,356
Capital Outlay	56,692	-	56,692	18,128
Insurance Claims	-	-	-	64,442,760
Other	774,767	571,398	1,346,165	106,053
Depreciation	30,790	-	30,790	-
Total Operating Expenses	9,943,059	588,319	10,531,378	102,593,818
Operating Income (Loss)	(243,308)	5,832	(237,476)	2,600,434
Nonoperating Revenues (Expenses):				
Investment Earnings	40,525	-	40,525	673,123
Gifts, Grants, and Bequests	-	-	-	103,800
Insurance Loss Recoveries	-	-	-	283,715
Loss on Disposition of Assets	(380)	-	(380)	(1,907)
Total Nonoperating Revenues (Expenses)	40,145	-	40,145	1,058,731
Income (Loss) Before Transfers	(203,163)	5,832	(197,331)	3,659,165
Transfers In	-	-	-	-
Transfers Out	(610)	-	(610)	(294,200)
Change in Net Position	(203,773)	5,832	(197,941)	3,364,965
Total Net Position, July 1, 2017	281,794	154	281,948	42,631,392
Adjustment to Net Position	(574,098)	-	(574,098)	(125,094)
Total Net Position, June 30, 2018	\$ (496,077)	\$ 5,986	\$ (490,091)	\$ 45,871,263

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

District School Board of Pasco County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

Exhibit K

	Business-Type Activity		Governmental Activities	
	Major Fund	Nonmajor	Total Enterprise Funds	Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Sales and Services	\$ 9,777,696	\$ 592,853	\$ 10,370,549	\$ 13,926,207
Cash Received from Premiums	-	-	-	87,967,980
Cash Received from Other Operating Revenues	-	1,298	1,298	2,891,056
Cash Payments to Suppliers for Goods and Services	(1,883,409)	(590,340)	(2,473,749)	(34,974,136)
Cash Payments to Employees for Services	(7,583,861)	-	(7,583,861)	(1,591,200)
Cash Payments for Insurance Claims	-	-	-	(63,984,760)
Net Cash Provided (Used) by Operating Activities	<u>310,426</u>	<u>3,811</u>	<u>314,237</u>	<u>4,235,147</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Insurance Loss Recoveries	-	-	-	283,715
Gifts, Grants and Bequests	-	-	-	103,800
Transfers In	-	-	-	1,903,677
Transfers Out	(610)	-	(610)	(2,197,877)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(610)</u>	<u>-</u>	<u>(610)</u>	<u>93,315</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(10,117)	-	(10,117)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(10,117)</u>	<u>-</u>	<u>(10,117)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	42,084	-	42,084	698,822
Purchase and Sale of Investments	(2,090,524)	-	(2,090,524)	(19,423,125)
Net Cash Provided (Used) by Investing Activities	<u>(2,048,440)</u>	<u>-</u>	<u>(2,048,440)</u>	<u>(18,724,303)</u>
Net Change in Cash	(1,748,741)	3,811	(1,744,930)	(14,395,841)
Cash, Beginning	1,913,602	3,134	1,916,736	15,019,705
Cash, Ending	<u>\$ 164,861</u>	<u>\$ 6,945</u>	<u>\$ 171,806</u>	<u>\$ 623,864</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (243,308)	\$ 5,832	\$ (237,476)	\$ 2,600,434
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	30,790	-	30,790	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	78,779	-	78,779	(407,055)
Increase (Decrease) in Accounts Payable	(5,741)	306	(5,435)	1,183,488
Increase in Sales Tax Payable	-	(2,327)	(2,327)	-
Increase in Salaries and Benefits Payable	-	-	-	2,912
Increase in Payroll Deductions and Withholdings Payable	-	-	-	4,154
Increase in Advanced Revenues	(834)	-	(834)	(1,954)
(Decrease) in Compensated Absences Payable	34,506	-	34,506	7,305
Increase in Other Post-Employment Benefits Obligation	46,862	-	46,862	10,114
Increase in Pension Amounts	369,372	-	369,372	377,749
(Decrease) in Estimated Insurance Claims Payable	-	-	-	458,000
Total Adjustments	<u>553,734</u>	<u>(2,021)</u>	<u>551,713</u>	<u>1,634,713</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 310,426</u>	<u>\$ 3,811</u>	<u>\$ 314,237</u>	<u>\$ 4,235,147</u>

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

District School Board of Pasco County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

Exhibit L

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 528,715	\$ 3,496	\$ 9,296,017
Collateralized Mortgage Obligations	341,909	-	-
Corporate Bonds	183,193	-	-
Government and Municipal Bonds	8,115,578	-	-
Domestic Equity Mutual Funds	2,777,211	-	-
International Equity Mutual Funds	1,687,907	-	-
Domestic Fixed Income Mutual Funds	2,575,429	-	-
Government Sponsored Enterprise Securities	106,493	24,734	74,162
Money Market Funds	719,094	-	-
Accounts Receivable	-	-	9,815
Interest Receivable	146,071	3	8
Inventories	-	-	5,078
TOTAL ASSETS	\$ 17,181,600	\$ 28,233	\$ 9,385,080
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ 580,625
Internal Accounts Payable	-	-	8,270,929
ABC Program Payable	-	-	533,526
Total Liabilities	-	-	\$ 9,385,080
NET POSITION:			
Restricted for Pension Benefits	17,181,600	-	
Restricted for Medical Benefits	-	25,207	
Restricted for Educational Support	-	3,026	
Total Net Position	17,181,600	28,233	
TOTAL LIABILITIES AND NET POSITION	\$ 17,181,600	\$ 28,233	

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

District School Board of Pasco County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Investment Earnings:		
Interest, Dividends and Other	969,137	390
Net Investment Income	969,137	390
Total Additions	969,137	390
DEDUCTIONS:		
Benefit Payments	-	-
Purchased Services	1,423,624	-
Administrative Expenses	-	4,492
Administrative Expense (other)	1,760	-
Total Deductions	1,425,384	4,492
Change in Net Position	(456,247)	(4,102)
Net Position, July 1, 2017	17,637,847	32,335
Net Position, June 30, 2018	\$ 17,181,600	\$ 28,233

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

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

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

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

- Blended Component Unit. The Pasco County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 9. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, eleven charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

- ◇ Academy at the Farm, Inc. is a K through 8th grade school focused on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.
- ◇ Athenian Academy of Pasco County, Inc. is a K through 8th grade school offering students a program that focuses on technology, performing arts, hands-on science, character education, cooperative learning, reteach and enrichment, and rigorous educational programs.
- ◇ Classical Preparatory Charter School is a K through 11th grade school providing a classical style education.
- ◇ Countryside Montessori Charter School is a 1st through 8th grade school providing an alternative education program.
- ◇ Dayspring Academy for Education and the Arts is a K through 12th grade school emphasizing the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Florida Virtual Academy at Pasco is a K through 12th grade school providing curriculum in an on-line educational environment.
- ◇ Imagine School at Land O'Lakes is a K through 8th grade school providing an alternative education program.
- ◇ Learning Lodge Academy is a K through 5th grade school providing an alternative elementary education program.
- ◇ Pasco MYcroSchool is a 9th through 12th alternative school providing a high school program for students who need to get back on-track to graduation.
- ◇ Pepin Academies of Pasco County is a 3rd through 12th grade school providing an alternative education program for special needs students.
- ◇ Plato Academy Trinity Charter School is a K through 3rd grade school offering an enriched, disruption-free environment through optimum instruction, support and encouragement.

The School Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2018.

The Pasco Education Foundation (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

expenditures to or for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. The financial data reported on the accompanying statements was derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2018.

Audits of the charter schools and Foundation for the fiscal year ended June 30, 2018, were conducted by independent certified public accountants and are filed at the District's administrative office at 7227 Land O' Lakes Boulevard, Land O' Lakes, Florida 34638.

➤ **Basis of Presentation**

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

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Capital Projects – Other Fund – to account for the financial resources such as sales tax proceeds, impact fees, certificates of participation and capital leases which are used for capital outlay needs.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

- Special Revenue – Other Federal Programs Fund – to account for and report on certain Federal grant program resources.

Additionally, the District reports the following major proprietary fund:

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

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

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

➤ **Basis of Accounting**

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

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

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

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

➤ **Recently Issued and Adopted Pronouncements**

The District adopted new accounting guidance GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of GASB 75 were effective for the fiscal year 2018.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

➤ **Deposits and Investments**

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

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service money with the SBA for participation in the Florida PRIME investment pool created by Sections 218.405 and 215.47, Florida Statutes; and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2018, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at amortized cost.

Investments made locally consist of United States Treasury Securities and Federal Agency Securities, money market and bond mutual funds, corporate debt obligations, commercial paper and collateralized mortgage obligations and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in Note 4.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at cost. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, telecommunications, technology services, and transportation items are based on a weighted average. Fuel inventories are stated at last quoted price at June 30, 2018. The United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

➤ **Capital Assets**

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

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

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

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

Changes in capital assets for the current year are further described in Note 6.

➤ **Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees to whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Changes in compensated absences liability for the current year are further described in Note 12.

➤ **Long-Term Liabilities**

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

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

Changes in long-term liabilities for the current year are further described in Note 12.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has four items that qualify for reporting in this category. They are the accumulated decrease in the fair value of hedging derivatives, the deferred amount on refunding reported in the government-wide statement of net position, the deferred amount for OPEB and the deferred amount for pensions. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*. The deferred outflows of resources related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. They are the deferred amount for OPEB and the deferred amount for pension. The deferred inflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*. The deferred inflows of resources related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Deferred outflows/inflows for pensions for the current year are further described in Notes 17, 18 and 19.

➤ **Net Position Flow Assumption**

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

➤ **Fund Balance Flow Assumptions**

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

➤ **Program Revenues**

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

➤ **State Revenue Sources**

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

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

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

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

➤ **District Property Taxes**

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

The School Board adopted the 2017 tax levy on September 19, 2017. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

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

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

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

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

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

➤ **Federal Revenue Sources**

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

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

3. PRIOR PERIOD ADJUSTMENTS

The implementation of GASB Statement 75 resulted in the reclassification of the beginning net position of the governmental and business-type activities in the government-wide financial statements. The net OPEB liabilities and the related deferred amounts were reclassified as expenses of prior periods and resulted in the adjustments below. Adjustments to the Internal Service Funds June 30, 2017 net position are included in the governmental activities as well as the related Internal Service Fund financial statements.

	Governmental Activities	Business-type Activities
Net Position - June 30, 2017 - As previously stated	\$ 583,053,218	\$ 281,948
Change in reporting for OPEB	(34,348,826)	(574,098)
Net Position - June 30, 2017 - As restated	\$ 548,704,392	\$ (292,150)

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

4. INVESTMENTS

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

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

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

Investments at June 30, 2018 are shown below:

<u>Investments by Fair Value Level</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
			<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Commercial Paper	165 Days Average	\$ 11,868,419	-	\$ 11,868,419	-
United States Treasury Securities	2.86 Years Average	11,264,635	6,993,097	4,271,538	-
Government Sponsored Enterprises (2)	110 Days Average	1,491,015	-	1,491,015	-
Municipal Securities	1.65 Years Average	5,022,081	-	5,022,081	-
Corporate Notes	1.91 Years Average	5,919,120	4,939,220	979,900	-
Total Investments by Fair Value Level		35,565,271	\$ 11,932,317	\$ 23,632,953	\$ -
<u>Investments Measured at Net Asset Value (NAV)</u>					
Florida Fixed Income Trust - 1-3 Year Pool	2.63 Years Average	84,051,591			
Total Investments Measured at NAV		84,051,591			
<u>Investments Measured at Amortized Cost</u>					
SBA-Debt Service Account	6 months	158,834			
Local Government Investment Pools					
Florida PRIME	31 Days Average	31,204,748			
Florida Education Investment Trust Fund	32 Days Average	20,146,206			
Florida Fixed Income Trust - Cash Pool	95 Day Average	84,263,459			
Money Market Funds					
Fidelity Institutional Government	36 Days Average	34,606,277			
Total Investments Measured at Amortized		170,379,523			
Total Investments		\$ 289,996,385			

(1) Pension Trust Fund investments are separately disclosed in Note 18.

(2) Amount includes \$98,896 held in Fiduciary Funds.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Interest Rate Risk

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

- FLFIT Cash Pool has daily liquidity with unlimited investments and redemptions. The fund has investments in Commercial Paper, Certificates of Deposit, Collateralized Bank Deposits, US Treasury Notes, Corporate Notes, and Federal Agencies

Credit Risk

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

- The District's investments in the State Board of Administration (SBA) Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate and credit risk for this account.
- The Florida Fixed Income Trust was rated AAf/S1+ by Standard & Poor's.
- The District's investments in Commercial Paper were rated A-1 by Standard & Poor's and P-1 by Moody's.
- US Treasury Securities were rated Aaa by Moody's and AA+ by Standard & Poor's.
- The District's investment in Government Sponsored Enterprise Securities was rated P-1 by Moody's and/or A1+ by Standard & Poor's.
- The District's investments in State and Local Government Bonds had ratings from AA+ to AAA by Standard & Poor's.
- The District's investments in Corporate Notes had ratings from A to AA+ by Standard & Poor's.
- As of June 30, 2017, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's.
- The Florida Education Investment Trust Fund is rated AAAM by Standard & Poor's.
- The District's investments in money market funds were rated AAAM by Standard & Poor's.
- The District's investment in the Florida FIT Cash Pool was rated AAf/S1+ by Standard & Poor's.
- The District's investment in the Florida FIT 1-3 Year Pool was rated AA+f/S1 by Standard & Poor's.

Custodial Credit Risk

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

- The District's investment policy requires that all investment securities purchased by the District shall be held by third party custodians and be properly designated as an asset of the District. All investments, except for investments in money market funds and Local Government Investment Pools, were held in third-party custodial accounts in the District's name.

Concentration of Credit Risk

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

Foreign Currency Risk

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

5. RECEIVABLES AND ADVANCED REVENUE

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

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

As of June 30, 2018, the various components of advanced revenue reported in the governmental funds were as follows:

General Operating - Advanced Revenue	\$	54,254
Capital Projects - Advanced Revenue		620,327
Special Revenue Other Federal Programs - Advanced Revenue		13,393
Food & Nutrition - Advanced Revenue		992,407
Total Advanced Revenue for Government Funds		\$ 1,680,381

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2018, are presented in the table below:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 81,688,175	\$ 1,433,977	\$ 323,317	\$ 82,798,835
Construction in Progress	120,439,513	42,013,490	132,984,565	29,468,438
Total Capital Assets Not Being Depreciated	<u>202,127,688</u>	<u>43,447,467</u>	<u>133,307,882</u>	<u>112,267,273</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	58,140,915	1,409,347	-	59,550,262
Buildings and Fixed Equipment	1,417,058,822	130,657,457	-	1,547,716,279
Furniture, Fixtures, and Equipment (1)	103,595,137	11,647,064	7,773,153	107,469,048
Motor Vehicles	49,238,133	4,903,252	408,318	53,733,067
Audio Visual Materials	155,737	-	93,033	62,704
Computer Software	27,145,403	4,072,505	49,800	31,168,108
Total Capital Assets Being Depreciated	<u>1,655,334,147</u>	<u>152,689,625</u>	<u>8,324,304</u>	<u>1,799,699,468</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	35,933,828	2,044,051	-	37,977,879
Buildings and Fixed Equipment	556,551,920	41,482,382	-	598,034,302
Furniture, Fixtures, and Equipment (1)	68,626,293	10,694,999	6,969,806	72,351,486
Motor Vehicles	31,811,621	2,139,905	363,688	33,587,838
Audio Visual Materials	140,148	15	83,730	56,433
Computer Software	19,923,881	3,486,057	47,516	23,362,422
Total Accumulated Depreciation	<u>712,987,691</u>	<u>59,847,409</u>	<u>7,464,740</u>	<u>765,370,360</u>
Total Capital Assets Being Depreciated, Net	<u>942,346,456</u>	<u>92,842,216</u>	<u>859,564</u>	<u>1,034,329,108</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,144,474,144</u>	<u>\$ 136,289,683</u>	<u>\$ 134,167,446</u>	<u>\$ 1,146,596,381</u>

Note (1) includes Internal Service Fund assets of \$26,543 and \$23,888 of accumulated depreciation.

BUSINESS-TYPE ACTIVITIES

Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 27,131	\$ -	\$ -	\$ 27,131
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	383,031	6,322	31,944	357,409
Computer Software	45,079	3,796	-	48,875
Total Capital Assets Being Depreciated	<u>489,816</u>	<u>10,118</u>	<u>31,944</u>	<u>467,990</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	9,698	1,627	178	11,147
Buildings and Fixed Equipment	21,306	1,556	2,635	20,227
Furniture, Fixtures, and Equipment	289,108	27,284	28,750	287,642
Computer Software	36,284	323	-	36,607
Total Accumulated Depreciation	<u>356,396</u>	<u>30,790</u>	<u>31,563</u>	<u>355,623</u>
Business Type Activities Capital Assets, Net	<u>\$ 133,420</u>	<u>\$ (20,672)</u>	<u>\$ 381</u>	<u>\$ 112,367</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 38,697,725
Student Support Services	40,134
Instructional Media Services	96,422
Instruction and Curriculum Dev Services	35,659
Instructional Staff Training Services	2,518
Instruction-Related Technology	283
School Administration	19,360
Facilities Services	20,239,760
Fiscal Services	303
Food Services	61,861
Central Services	1,732
Student Transportation Services	336,714
Operation of Plant	5,779
Maintenance of Plant	296,241
Community Services	7,408
Total Depreciation Expense - Governmental Activities	\$ 59,841,899
BUSINESS - TYPE ACTIVITIES	
PLACE Program	\$ 30,790

7. CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2018, are shown below:

Salary and Benefits Payable	\$ 3,209,375
Payroll Deductions and Withholdings Payable	11,172,839
Accounts Payable	24,345,950
Construction Contracts Payable	454,007
Construction Contracts Payable-Retainage	2,164,032
Due to Other Agencies	1,031
Sales Tax Payable	3,479
Deposits Payable	52,497
Accrued Interest Payable	4,835,754
Advanced Revenue	1,925,253
Total	\$ 48,164,217

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

8. CAPITAL LEASES

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

Asset Description	Asset Balance
Buses	\$ 12,083,567
Computer Equipment	11,825,100
Total	\$ 23,908,667

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

Following are the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2018:

	Total	Principal	Interest
Fiscal Year Ending June 30:			
2019	\$ 7,804,825	\$ 7,363,790	\$ 441,035
2020	5,633,928	5,340,553	293,375
2021	3,982,012	3,797,878	184,134
2022	2,277,674	2,174,447	103,227
2023	2,085,165	2,023,417	61,748
2024-2028	1,737,345	1,706,559	30,786
Total Minimum Lease Payments	23,520,949	22,406,644	1,114,305
Less Interest	(1,114,305)	-	-
Present Value of Minimum Payments	<u>\$ 22,406,644</u>	<u>\$ 22,406,644</u>	<u>\$ 1,114,305</u>

The stated and imputed interest rates range from 1.56 percent to 2.75 percent.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

9. CERTIFICATES OF PARTICIPATION

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

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

Certificates of Participation payable at June 30, 2018, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004 - QZAB	\$ 4,546,000	\$ 4,546,000	1.00	2018
Series 2005B (1)	30,500,000	785,612	Weekly ARS	2030
Series 2005 - QZAB	785,612	30,500,000	0.00	2020
Series 2008C (2)	74,115,000	72,180,000	Weekly	2032
Series 2008 - QZAB	1,170,010	117,001	0.00	2018
Series 2009 - QSCB	11,000,000	11,000,000	2.44	2025
Series 2013A (3)	45,385,000	38,635,000	3.00 - 5.00	2029
Series 2014A (4)	30,655,000	28,445,000	2.98	2030
Series 2014B-1 (5)	72,246,316	58,793,929	2.60	2026
Series 2014 - QSCB	13,655,000	13,655,000	5.00	2037
Series 2015A (6)	44,145,000	44,145,000	5.00	2027
Series 2016A	25,995,000	24,875,000	2.00 - 5.00	2040
 Total Certificates of Participation	 <u>\$ 354,197,938</u>	 <u>\$ 327,677,542</u>		

Note: (1) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2018, was 1.89 percent.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$1 per year. The District has the following ground leases as of June 30, 2018:

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The District properties included in the ground lease agreements are as follows:

Certificates of Participation, Series 1992-A

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

Certificates of Participation, Series 1996

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

Certificates of Participation, Series 2004

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

Certificates of Participation, Series 2004-QZAB

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

Certificates of Participation, Series 2005-QZAB

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

Certificates of Participation, Series 2005-A and B

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

Certificates of Participation, Series 2007-A and B

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

Certificates of Participation, Series 2008-QZAB

Renovations for Pasco High School

Certificates of Participation, Series 2009 QSCB

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

Certificates of Participation, Series 2014 QSCB

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

Certificates of Participation, Series 2016A

Cypress Creek Middle/High School

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The lease payments for the Series 2005-A, Series 2007-A, Series 2013-A, Series 2014-A, 2014-B(1) and 2014-B(2) and Series 2015A Certificates are payable by the District, semiannually, on August 1st and February 1st. Interest payments for the Series 2005-B Certificates are payable weekly at current auction interest rates until the final maturity date. Interest payments for the Series 2008-C Certificates are payable monthly. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15th and March 15th. The lease payments for the Series 2005-QZAB and the Series 2008-QZAB are payable by the District, annually, on December 23rd and September 23rd respectively. Interest payments for the Series 2009-QSCB are payable by the District, quarterly, on September 15th, December 15th, March 15th and June 15th. The lease payments for the Series 2014 QSCB are payable by the District, semiannually, on June 1st and December 1st. The lease payments for the Series 2016A are payable by the District, semiannually, on December 30th and June 30th. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30, 2018:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Fiscal Year Ending June 30:			
2019	\$ 26,534,639	\$ 13,753,822	\$ 12,780,817
2020	26,838,752	14,618,128	12,220,624
2021	32,184,329	20,530,783	11,653,546
2022	26,885,361	15,824,083	11,061,278
2023	26,873,909	16,402,613	10,471,296
2024-2028	144,592,609	103,143,113	41,449,496
2029-2033	136,041,010	117,745,000	18,296,010
2034-2038	25,831,750	20,590,000	5,241,750
2039-2043	5,458,750	5,070,000	388,750
Sub-Total	451,241,109	327,677,542	123,563,567
Add: Unamortized Premium on Debt	12,505,606	12,505,606	-
Total Minimum Lease Payments	<u>\$ 463,746,715</u>	<u>\$ 340,183,148</u>	<u>\$ 123,563,567</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

10. DERIVATIVE INSTRUMENTS

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

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

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

The interest rate swap is reported as an investment derivative instrument because it does meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ended June 30, 2018.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2018 and the changes in fair values of such derivative instruments for the year ended are as follows:

	Changes In Fair Value		Fair Value at June 30, 2018		Notional
	Classification	Amount	Classification	Amount	
Governmental activities					
Fair value hedges:					
Pay-fixed interest rate swaps	Deferred outflow	\$ 3,490,422	Debt	\$ (12,073,561)	\$ 72,180,000

Terms – The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$72,180,000 matches the \$72,180,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 4.38 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative \$12,073,561 for the Certificates of Participation, Series 2008C. The estimated the fair value of the Certificates of Participation, Series 2008C related swap agreement using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market. This fair value estimate is calculated based on level 2 valuation inputs.

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

Termination Risk – In the event the swap is terminated, the District could be exposed to higher interest rate payments on the Certificate. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value. Under certain circumstances, some within the control and some outside the control of the School Board, the 2008C swap agreement may be terminated and the School Board may be obligated to make a termination payment, which under certain market conditions, could be substantial.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

11. **BONDS PAYABLE**

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

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2009-A, Refunding	\$ 160,000	\$ 1,300,000	5.00	2017-2019
Series 2010A	1,110,000	1,450,000	3.50 - 5.00	2017-2030
Series 2011A	800,000	1,710,000	3.00 - 5.00	2017-2023
Series 2014A, Refunding	1,230,000	1,724,000	2.00 - 3.00	2017-2025
Series 2014B, Refunding	54,000	2,411,000	2.00 - 5.00	2017-2020
Series 2017A, Refunding	3,288,000	3,288,000	5.000	2017-2028
District Revenue Bonds:				
Series 2003, Refunding	2,365,000	3,660,000	4.00 - 4.63	2017-2033
Series 2013, Sales Tax	71,905,000	96,715,000	3.00 - 5.00	2017-2024
Series 2016, Sales Tax	24,660,000	30,075,000	1.99	2017-2024
Series 2018, Sales Tax	35,000,000	35,000,000	2.80	2018-2024
Subtotal	<u>140,572,000</u>			
Unamortized Premium on Debt	6,237,822			
Unamortized Discount on Debt	<u>(30,171)</u>			
Total Bonds Payable	<u><u>\$ 146,779,651</u></u>			

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

➤ **State School Bonds**

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

➤ **District Revenue Bonds**

District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapter 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes, now Section 212.20(6)(d)6.a., Florida Statutes). The approximate amount of pari-mutuel tax proceeds pledged is \$3,539,944, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 18 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue until repaid. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account. For the 2017-2018 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$222,032 of principal and interest.

Sales Tax Revenue Bonds – Series 2013, Series 2016 and Series 2018 - These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Part I, Florida Statutes, Chapter 2006-340, Laws of Florida, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. The approximate amount of local infrastructure sales surtax pledged is \$149,773,704, which represents the total amount of principal and interest still due, and the remaining period of the pledge is nine years. The District pledged approximately 55 percent of the total sales tax revenue until the bonds are repaid. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the major remodeling and infrastructure upgrades of elementary, middle, and high schools within the District. For the 2017-2018 fiscal year, the District recognized pledged revenue of \$28,398,773 and paid \$12,231,469 in principal and interest for Series 2013, \$3,778,121 in principal and interest for Series 2016 and \$0 in principal and interest for Series 2018.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Annual requirements to amortize all bonded debt outstanding as of June 30, 2018, are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2019	\$ 1,062,565	\$ 759,000	\$ 303,565
2020	924,265	658,000	266,265
2021	911,205	677,000	234,205
2022	933,355	733,000	200,355
2023	954,205	787,000	167,205
2024-2028	3,182,090	2,793,000	389,090
2029-2033	<u>249,200</u>	<u>235,000</u>	<u>14,200</u>
 Total State School Bonds	 <u>8,216,885</u>	 <u>6,642,000</u>	 <u>1,574,885</u>
 District Revenue Bonds:			
2019	22,070,941	17,450,000	4,620,941
2020	21,593,031	17,440,000	4,153,031
2021	21,560,223	18,070,000	3,490,223
2022	21,546,402	18,765,000	2,781,402
2023	21,532,147	19,490,000	2,042,147
2024-2028	43,686,048	41,750,000	1,936,048
2029-2033	<u>1,102,825</u>	<u>965,000</u>	<u>137,825</u>
 Total District Revenue Bonds	 <u>153,091,617</u>	 <u>133,930,000</u>	 <u>19,161,617</u>
 Subtotal	 161,308,502	 140,572,000	 20,736,502
 Unamortized Discount on Debt	 (30,171)	 (30,171)	 -
Unamortized Premium on Debt	<u>6,237,822</u>	<u>6,237,822</u>	<u>-</u>
 Total	 <u>\$167,516,153</u>	 <u>\$146,779,651</u>	 <u>\$20,736,502</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

12. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 118,374,000	\$ 35,000,000	\$ 12,802,000	\$ 140,572,000	\$ 18,209,000
Add: Unamortized Premium (Discount) on Debt	7,934,435	-	1,726,784	6,207,651	1,722,003
Total Bonds Payable	<u>126,308,435</u>	<u>35,000,000</u>	<u>14,528,784</u>	<u>146,779,651</u>	<u>19,931,003</u>
Certificates of Participation Payable	341,334,481	-	13,656,939	327,677,542	13,753,822
Add: Unamortized Premium on Debt	13,602,071	-	1,096,465	12,505,606	1,096,465
Total Certificates of Participation Payable	<u>354,936,552</u>	<u>-</u>	<u>14,753,404</u>	<u>340,183,148</u>	<u>14,850,287</u>
Obligations Under Capital Leases	17,316,666	12,761,538	7,671,560	22,406,644	7,363,790
Estimated Insurance Claims Payable	6,752,000	4,647,580	4,189,580	7,210,000	2,612,000
Compensated Absences Payable (1)	39,641,993	14,399,660	13,355,853	40,685,800	481,356
Other Post-Employment Benefits Obligation (2) (4)	107,166,766	1,423,489	3,332,724	105,257,531	-
Net Pension Liability - FRS / HIS (3)	339,324,624	56,386,035	27,665,874	368,044,785	-
Derivatives Swap Liability	15,563,983	-	3,490,422	12,073,561	-
Total Governmental Activities	<u>\$ 1,007,011,019</u>	<u>\$ 124,618,302</u>	<u>\$ 88,988,201</u>	<u>\$ 1,042,641,120</u>	<u>\$ 45,238,436</u>
BUSINESS - TYPE ACTIVITIES					
Compensated Absences Payable	\$ 533,403	\$ 451,716	\$ 417,210	\$ 567,909	\$ -
Other Post-Employment Benefits Obligation (4)	1,824,468	23,790	55,701	1,792,557	-
Net Pension Liability - FRS / HIS	<u>5,010,933</u>	<u>426,817</u>	<u>380,177</u>	<u>5,057,573</u>	<u>-</u>
Total Business - Type Activities	<u>\$ 7,368,804</u>	<u>\$ 902,323</u>	<u>\$ 853,088</u>	<u>\$ 7,418,039</u>	<u>\$ -</u>

Note (1) includes balances at June 30 2018, of the Internal Service Funds of \$322,820 with \$11,945 due in one year, and additions and deductions of \$115,947 and \$108,642, respectively.

Note (2) includes balances at June 30 2017, of the Internal Service Funds of \$395,793, and additions and deductions of \$5,184 and \$12,137, respectively.

Note (3) includes balances at June 30 2017, of the Internal Service Funds of \$1,133,175, and additions and deductions of \$172,551 and \$1,549,997, respectively.

Note (4) Balance as of 7/1/2017 restated due to the implementation of GASB 75 as stated under Recently Issued and Adopted Pronouncements in Note 1. Restatement as of 7/1/2017 are recorded as part of the prior period adjustment described in Note 3.

For the governmental activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 23.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

13. **FUND BALANCE REPORTING**

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories totaling \$5,420,465 and prepaid items totaling \$84,233 that are considered nonspendable. The District does not have nonspendable funds related to endowments.

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

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. The District's restricted fund balance total is \$168,698,574 and represents \$5,297,161 in State Categorical programs primarily for Instructional Materials, \$6,135,162 in Food Service, \$14,102,339 in Debt Service, and \$143,163,912 in Capital Projects.
- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). Amounts are committed upon a majority vote of the Board at a public meeting. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.
- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The Board has adopted Policy 6220, which authorizes the Superintendent to assign amounts in fund balance to a specific purpose. At fiscal year-end, based on the Board policy, the assigned fund balances were \$18,808,701 for local instructional programs and \$7,908,090 was assigned to eliminate a deficit in next year's budget.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- **Unassigned:** The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. The Board has not adopted a stabilization arrangement or a minimum fund balance policy. Instead, the Board has adopted Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unassigned fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned General Fund balance was \$27,711,359 or 5.01 percent of General Fund total expenditures. This indicates a positive financial condition for the District.

The following table represents fund balances at June 30, 2018:

Description	Major Funds			Total Governmental Funds
	General Funds	Capital Projects Other Funds	Other Governmental Funds	
Fund Balances:				
Nonspendable:				
Inventories:				
General Fund	\$ 3,543,981	\$ -	\$ -	\$ 3,543,981
Capital Projects Other	-	553,306	-	553,306
Special Revenues - Food Service	-	-	1,323,178	1,323,178
Prepaid Items:				
General Fund	84,233	-	-	84,233
Restricted:				
Categorical Programs	5,297,161	-	-	5,297,161
Special Revenues -Food Service	-	-	6,135,162	6,135,162
Debt Service	-	-	14,102,339	14,102,339
Capital Projects	-	114,056,051	29,107,861	143,163,912
Assigned:				
School Operations				
State and Local Programs	18,808,701	-	-	18,808,701
Next Year Budget	7,908,090	-	-	7,908,090
Unassigned:	27,711,359	-	-	27,711,359
	<u>\$ 63,353,525</u>	<u>\$ 114,609,357</u>	<u>\$ 50,668,540</u>	<u>\$ 228,631,422</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General Fund	\$ 5,999,366	\$ -
Capital Projects - Other Funds	1,626,892	-
Special Revenue - Other Federal Programs Fund	-	5,999,366
Nonmajor Governmental Funds	-	1,626,892
Total	<u>\$ 7,626,258</u>	<u>\$ 7,626,258</u>

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2018-2019 fiscal year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 1,058,706	\$ 1,954,320
Capital Projects - Other	16,246	17,122,906
Nonmajor Governmental Funds	51,207,195	32,910,111
Internal Service Funds	-	294,200
Enterprise Funds	-	610
Total	<u>\$ 52,282,147</u>	<u>\$ 52,282,147</u>

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2017-2018 fiscal year:

Florida Education Finance Program	\$	308,188,941
Class Size Reduction		78,374,666
Best and Brightest		6,333,400
School Recognition		3,759,589
Workforce Development Program		3,015,968
Motor Vehicle License Tax (Capital Outlay and Debt Service)		2,995,325
Voluntary Pre K		1,392,723
Public Education Capital Outlay (PECO)		1,231,737
Charter School Capital Outlay Funding		764,506
Mobile Home License Tax		416,185
Food Service Supplement		364,856
Fuel Tax Refund		168,336
Full Service Schools		137,325
School Health Supplement		129,003
Miscellaneous		632,723
		<hr/>
Total	\$	<u><u>407,905,283</u></u>

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

16. PROPERTY TAXES

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

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.317	\$ 117,886,797
Basic Discretionary Local Effort	0.748	20,426,064
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	40,961,361
Total	<u><u>6.565</u></u>	<u><u>\$ 179,274,222</u></u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

17. **FLORIDA RETIREMENT SYSTEM PENSION PLANS**

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

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

The District's FRS And HIS pension expense totaled \$53,111,222 for the fiscal year ended June 30, 2018.

Florida Retirement System (FRS) Defined Benefit Pension Plan

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

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

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

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

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

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

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

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Contributions – The Florida Legislature establishes the contribution rates for participating employers and employees. During the 2017-2018 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.92
Florida Retirement System, Elected County Officers	3.00	45.50
Florida Retirement System, Senior Management Service	3.00	22.71
Deferred Retirement Option Program, Applicable to Members from All of the Above Classes	0.00	13.26
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note: (A) Employer rates include 1.66 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled \$23,015,862 for the fiscal year ended June 30, 2018. Employee contributions totaled \$8,550,601 for the same period.

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 liability of \$248,722,397 for its proportionate share of the FRS Pension Plan 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 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.8409 percent, which was an increase of 0.0106 percent from its proportionate share of 0.8303 percent measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$42,548,779 for the FRS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,826,731	\$ 1,377,794
Changes in assumptions	83,588,285	-
Net difference between projected and actual earnings on pension plan investments	-	6,163,963
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	7,246,939	6,041,912
District contributions subsequent to the measurement date	23,015,862	-
Total	\$ 136,677,817	\$ 13,583,669

The deferred outflows of resources related to pensions totaling \$23,015,862 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2019	\$ 14,027,988
2020	35,424,371
2021	23,666,530
2022	4,175,941
2023	16,474,081
Thereafter	6,309,375
Total	\$ 100,078,286

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

Valuation date	July 1, 2016
Discount rate	7.10%
Long-term expected rate of return, net of investment expense, including inflation	7.10%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Discount Rate – The discount rate used to measure the total pension liability was 7.10 percent. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2017 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the SBA. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.8%
Fixed income	18%	4.5%	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		2.60%		1.90%

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.10 percent as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.10 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 FRS Pension Plan net pension liability	\$ 450,172,516	\$ 248,722,397	\$ 81,472,644

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

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

Benefits Provided – For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding two (2) years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District’s contributions to the HIS Pension Plan totaled \$6,096,006 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 \$124,379,961 for its proportionate share of the HIS Pension Plan net pension liability. The current portion of the net pension liability is the District’s proportionate share of benefits expected to be paid within 1 year, net of the District’s proportionate share of the pension plan’s fiduciary net position available to pay that amount. This current portion will be funded from the District’s required contributions to the FRS including the established HIS amount of 1.66 percent. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District’s proportionate share of the net pension liability was based on the District’s 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 proportionate share was 1.1632 percent, which was an increase of 0.0076 percent from its proportionate share of 1.1556 percent measured as of June 30, 2016.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$10,562,443 for the HIS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 258,979
Changes in assumptions	17,483,546	10,755,267
Net difference between projected and actual earnings on pension plan investments	68,978	-
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	6,519,277	2,452,583
District contributions subsequent to the measurement date	6,096,006	-
Total	\$ 30,167,807	\$ 13,466,829

The deferred outflows of resources related to pensions totaling \$6,096,006 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2019	\$ 3,140,183
2020	3,127,130
2021	3,332,250
2022	1,489,385
2023	988,141
Thereafter	(1,472,117)
Total	\$ 10,604,972

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

Valuation date	July 1, 2016
Discount rate	3.85%
Municipal bond rate	3.85%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

The actuarial assumptions that determined the total pension liability as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.85 percent as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.85 percent) or 1 percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
District's proportionate share of			
HIS Pension Plan net pension liability	\$ 141,934,006	\$ 124,379,961	\$ 109,758,410

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

Defined Contribution Plan

Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the FRS Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by the SBA as an option to the defined benefit plan, and reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as in the FRS defined-benefit plan. Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment options. Allocations to the investment members' accounts during the 2017-18 fiscal year were as follows:

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one (1) year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five (5) years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 District's FRS Investment Plan contributions and pension expense (not including the 1.66 percent HIS contributions or employee contributions) totaled \$3,863,713 for the fiscal year ended June 30, 2018. Employee contributions totaled \$1,810,344 for the same period.

Payables to Pension Plan

At June 30, 2018, the District reported payables of \$3,905,369 for the outstanding amount of employee (\$969,324) and employer (\$2,936,045) contributions to the FRS Plans required for the fiscal year ended June 30, 2018. This includes amounts for the FRS Pension Plan, the HIS Pension Plan and the FRS Investment Plan.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

18. EARLY RETIREMENT PROGRAM

Plan Description

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

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

Based on an actuarial report as of July 1, 2017, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	302
Active Plan Participants	<u>392</u>
Total	<u>694</u>

A summary of eligibility and benefits follow:

➤ Eligibility

The participant must have elected early retirement under the FRS; attained the age of 50 but not have attained the age of 62 upon early retirement; been credited with at least 25 years (and who have reached the final step on the appropriate salary schedule) of service under the FRS upon early retirement; and (for nonunion contract employees) completed at least 12 years of service in the District, with 10 of those years being consecutive.

➤ Benefits

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Summary of Significant Accounting Policies

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

Separate statements are not issued for the plan.

Contributions and Reserves

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

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

Total contributions to the Plan amounted to \$0 for 2015-2016, 2016-2017 and 2017-2018 fiscal years. The contributions were paid by the Board and were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2017. The percentage of pension cost contributed by the Board was 100 percent for all three (3) fiscal years.

As of June 30, 2018, the actuarial accrued liability for benefits was \$16,117,135. The computation of the annual required contribution for the 2017-2018 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous fiscal years.

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Investments

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

The following was the Board adopted asset allocation as of June 30, 2018:

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

The Plan's cash and investments at June 30, 2018, consisted of the following:

	Maturity Range	Balance June 30, 2018	Percentage of Plan Net Assets	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)
<u>Investments by Fair Value Level</u>						
Collateralized Mortgage Obligations	14.99 Years - 17.82 Years	\$ 341,909	2.01%	-	341,909	-
Corporate Bonds	4.83 Years - 15.21 Years	183,192	1.07%	183,192	-	-
Government Sponsored Enterprises	1.99 years - 15.15 Years	106,493	0.63%	-	106,493	-
Government and Municipal Bonds	0.50 Years - 27.71 Years	8,115,578	47.64%	8,115,578	-	-
Total Investments by Fair Value Level		8,747,172	51.35%	\$ 8,298,770	\$ 448,402	\$ -
<u>Investments Measured at Net Asset Value (NAV)</u>						
Domestic Equity Mutual Funds	N/A	2,777,211	16.30%			
International Equity Mutual Funds	N/A	1,687,907	9.91%			
Domestic Fixed Income Mutual Funds	N/A	2,575,429	15.12%			
Total Investments Measured at NAV		7,040,547	41.33%			
<u>Investments Measured at Amortized Cost</u>						
Cash and Cash Equivalents		528,716	3.10%			
Money Market Funds		719,094	4.22%			
Total Investments Measured at Amortized Cost		1,247,810	7.32%			
Total Investments		\$ 17,035,529	100.00%			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Credit Risk

- The District's investment policy authorizes the District to participate in the SBA Florida PRIME. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, money market funds with the Securities and Exchange Commission, and United States government funds registered under the Investment Act of 1940. The policy further provides that the securities shall only be purchased from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida, Florida-based regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1, or from primary security dealers as designated by the Federal Reserve of New York.
- The Plan's investments in Collateralized Mortgage Obligations had ratings of D to AAA by Standard and Poor's or WR to A3 by Moody's.
- The Plan's investments in Corporate Bonds had ratings of BBB- to BBB+ by Standard and Poor's or of Baa1 to Baa2 by Moody's.
- The Plan's investments in Government Sponsored Enterprises had a rating of Aaa by Moody's.
- The Plan's investments in Government and Municipal Bonds had ratings of NR to AAA by Standard and Poor's or of WR to Aaa by Moody's.

Concentration of Credit Risk

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

Rate of Return

- For the year ended June 30, 2018, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 1.22 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the net pension asset of the District at June 30, 2018, the measurement date, were as follows:

Plan Fiduciary Net Position	\$ 17,181,600
Total Pension Liability	(16,117,135)
Net Pension Asset	<u>\$ 1,064,465</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.60%

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$1,596,698 for the SERP Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 2,851,905
Net difference between projected and actual earnings on pension plan investments	841,396	-
Total	\$ 841,396	\$ 2,851,905

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

Fiscal Year Ending June 30	Amount
2019	\$ (71,084)
2020	(171,014)
2021	(244,263)
2022	(362,263)
2023	(422,505)
Thereafter	(739,380)
Total	\$ (2,010,509)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return *	7.50%
Projected Salary Increases *	3.00%
*Includes Inflation at:	2.50%
Cost-of-Living Adjustments	None

The actuarial assumptions that determined the total pension liability as of June 30, 2018, were based on expectations as to future plan experience and not the results of a historical actuarial experience study.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Long Term Expected Rate of Return

Best estimates of arithmetic real rate of return on the major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
Domestic Equity	39%	5.88% per annum
International Equity	21%	5.88% per annum
Domestic Fixed Income	40%	3.68% per annum
Total or Weighted Arithmetic Average	100%	5.00% per annum

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

The following presents the District's net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 405,182	\$ (1,064,465)	\$ (2,323,726)

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balances at 6/30/2017	\$ 14,587,748	\$ 17,637,847	\$ (3,050,099)
Changes for the year:			
Service Cost	32,343	-	32,343
Expected interest growth	1,047,288	1,270,353	(223,065)
Unexpected investment income	-	(301,218)	301,218
Benefit payments, including refunds of member contributions	(1,393,381)	(1,393,381)	-
Demographic experience	1,242,829	-	1,242,829
Assumption changes	600,308	-	600,308
Administrative Expenses	-	(32,001)	32,001
Net change in total pension liability	1,529,387	(456,247)	1,985,634
Balances at 6/30/2018	\$ 16,117,135	\$ 17,181,600	\$ (1,064,465)

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

19. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District follows GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for reporting the employers' OPEB Plan liability.

The Post-Employment 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, employees who retire from the District and their eligible dependents, may continue to participate in the District's health plan for medical, prescription drug, mental health/substance abuse, employee assistance program and life insurance. The District subsidizes the premium rates paid by retirees by allowing them to participate in the 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. Additionally, for certain retirees, the District pays a portion of the cost of health and pharmacy insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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

Summary of Membership Information

The following table provides a summary of the number of participants in the OPEB Plan as of the measurement date:

Retirees and Beneficiaries	1,943
Inactive, Nonretired Members	-
Active Plan Members	9,461
<hr/> Total Plan Members	<hr/> 11,404

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Changes in the Total OPEB Plan Liability

The following table shows the change in the District's OPEB Plan liability:

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 4,853,750
Interest on Total OPEB Obligation	3,274,803
Changes in assumptions and other inputs	(6,681,284)
Benefit payments	(3,388,425)
Net change in Total OPEB Liability	(1,941,156)
Total OPEB Liability, Beginning	108,991,244
Total OPEB Liability, Ending	\$ 107,050,088

Funded Status and Funding Progress

As of June 30, 2017, the most recent valuation date, the total OPEB Plan liability was \$107,050,088, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$360,237,888, and the ratio of the total OPEB Plan liability to the covered payroll was 29.72 percent.

The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

Actuarial Valuation Date

For employee and retiree population purposes and or development of per capita cost purposes and for valuation purposes, June 30, 2017, was the actuarial valuation date.

Actuarial Valuation Methods and Assumptions

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions used in the July 1, 2016, actuarial valuation of the Florida Retirement (FRS) was used in the OPEB Plan liability calculation.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2016, actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OEPB Plan Actuarial Valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2016, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Mortality tables used in the July 1, 2016, actuarial valuation of the Florida Retirement System were used. They are based on the results of a statewide experience study covering the period 2008 through 2013.

The total OPEB Plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.70 percent to 7.80 percent, including inflation as used in the July 1, 2016 actuarial valuation of the Florida Retirement System

Healthcare cost trend rates were based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.24% plus 0.36% increase for excise tax.

Aging factor expenses were based on the 2013 SOA Study "Health Care Costs – From Birth to Death". Administrative expenses are included in the per capita health costs.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Discount Rate

There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.56% (based on the daily rate closest to but not later than the measurement date of the "Fidelity General Obligation AA Index"). The discount rate was 2.92% as of the beginning of the measurement period.

The District's annual OPEB expense totaled \$7,425,260 for the fiscal year ended June 30, 2018. At June 30, 2018, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 5,977,991
District contributions subsequent to the measurement date	4,574,568	-
Total	\$ 4,574,568	\$ 5,977,991

The deferred outflows of resources related to pensions totaling \$4,574,568 resulting from District contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2019	\$ 703,293
2020	\$ 703,293
2021	\$ 703,293
2022	\$ 703,293
2023	\$ 703,293
Thereafter	2,461,526
Total	\$ 5,977,991

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Sensitivity of the District's Total OPEB PLAN Liability to Changes in the Discount Rate

The following presents the District's OPEB Plan liability calculated using the discount rate of 3.56 percent, as well as what the OPEB Plan 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:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Total Pension Liability	\$ 117,682,086	\$ 107,050,088	\$ 97,443,875

Sensitivity of the District's Total OPEB PLAN Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates as well as what the OPEB Plan's total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease (6.00% down to 3.24%)	Current Healthcare Cost Trend Rate Assumption	1% Increase (8.00% down to 5.24%)
Total OPEB Liability	\$ 94,302,710	\$ 107,050,088	\$ 122,433,064

20. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2018, the accumulated credits to the District's account are \$5,356,162. During the 2017-2018 fiscal year, the District earned capital credits of \$457,714 and received a cash payment of \$205,671, for a net increase of \$252,043.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

21. **CONSTRUCTION CONTRACT AND OTHER COMMITMENTS**

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Cypress Creek Middle			
New School Construction	\$ 2,338,491	\$ 1,259,355	\$ 1,079,136
Land O' Lakes High			
Campus Redevelopment	19,628,460	11,436,644	\$ 8,191,816
Marchman Technical College			
Campus Redevelopment	11,628,646	11,125,318	\$ 503,328
New Middle School "JJ" Starkey Ranch			
New School Construction	2,354,349	-	\$ 2,354,349
Woodland Elementary			
Campus Redevelopment	9,271,787	5,941,012	\$ 3,330,775
Zephyrhills High School			
Campus Redevelopment	2,397,971	80,759	\$ 2,317,212
Total	<u>\$ 47,619,704</u>	<u>\$ 29,843,088</u>	<u>\$ 17,776,616</u>

22. **ENCUMBRANCES**

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, the District has recorded \$31,424,995 in encumbrances within the District's governmental funds as follows: \$5,508,362 for the General Fund; \$23,863,268 for the Capital Projects-Other Fund; \$2,053,365 for the Nonmajor Governmental Funds.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

23. RISK MANAGEMENT PROGRAMS

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

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

A liability in the amount of \$7,210,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2018.

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

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016-2017	\$ 7,682,000	\$ 57,837,427	\$ 58,767,427	\$ 6,752,000
2017-2018	6,752,000	64,442,760	63,984,760	7,210,000

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

24. LITIGATION

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

25. **SUBSEQUENT EVENTS**

On June 19, 2018, the School Board approved a resolution adding Schedules 17, 18 and 19 to the Master Lease Agreement with Apple Finance Services. The District financed the purchase of Apple and HP laptops totaling \$6,488,526 and iPads totaling \$414,070.

On November 6, 2018, the School Board approved a resolution adding Schedules 4 and 5 to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of Apple and HP laptops totaling \$155,820 and iPads totaling \$47,639.

On November 6, 2018, the School Board issued Certificates of Participation (COPs), Series 2018A, for a par amount of \$68,200,000, and a premium amount of \$7,536,232. The COPs Series 2018A proceeds will fund the construction of Cypress Creek Middle School and partially fund the construction of Bexley K-8.

On December 4, 2018, the School Board approved a resolution adding Schedule 6 to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of diesel buses, services vehicles, and radios totaling \$5,000,000.

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**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**



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

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

	2017-2018 fiscal year *	2016-2017 fiscal year *	2015-2016 fiscal year *	2014-2015 fiscal year *	2013-2014 fiscal year *
Total Pension Liability					
Service Cost	\$ 32,343	\$ 39,458	\$ 39,458	\$ 610,538	\$ 610,538
Interest	1,047,288	1,084,026	1,058,153	1,468,046	1,413,259
Demographic Experience	1,242,829	64,395	1,584,308	-	-
Benefit payments, including refunds of member contributions	(1,393,381)	(1,300,770)	(1,189,185)	(1,058,026)	(998,103)
Changes in benefit terms	-	-	-	(8,758,650)	-
Assumption changes	600,308	-	(1,115,213)	(4,541,925)	-
Net change in total pension liability	<u>1,529,387</u>	<u>(112,891)</u>	<u>377,521</u>	<u>(12,280,017)</u>	<u>1,025,694</u>
Total Pension Liability - Beginning	<u>14,587,748</u>	<u>14,700,639</u>	<u>14,323,118</u>	<u>26,603,135</u>	<u>25,577,441</u>
Total Pension Liability - Ending	<u>\$ 16,117,135</u>	<u>\$ 14,587,748</u>	<u>\$ 14,700,639</u>	<u>\$ 14,323,118</u>	<u>\$ 26,603,135</u>
Plan Fiduciary Net Position					
Contributions- employer	\$ -	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288
Net investment income	969,135	756,397	1,000,647	428,679	929,052
Benefit payments, including refunds of member contributions	(1,393,381)	(1,300,770)	(1,189,185)	(1,074,335)	(960,021)
Administrative Expenses	(32,001)	(20,015)	(27,263)	(12,549)	-
Net Change in Plan Fiduciary Net Position	<u>(456,247)</u>	<u>(564,388)</u>	<u>(215,801)</u>	<u>1,004,355</u>	<u>1,560,319</u>
Plan Fiduciary Net Position - Beginning	<u>17,637,847</u>	<u>18,202,235</u>	<u>18,418,036</u>	<u>17,413,681</u>	<u>15,853,362</u>
Plan Fiduciary Net Position - Ending	<u>\$ 17,181,600</u>	<u>\$ 17,637,847</u>	<u>\$ 18,202,235</u>	<u>\$ 18,418,036</u>	<u>\$ 17,413,681</u>
Net Pension (Asset) Liability - Ending	<u>\$ (1,064,465)</u>	<u>\$ (3,050,099)</u>	<u>\$ (3,501,596)</u>	<u>\$ (4,094,918)</u>	<u>\$ 9,189,454</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.60%	120.91%	123.82%	128.59%	65.46%
Covered Payroll	\$ 16,096,946	\$ 24,925,025	\$ 24,925,025	\$ 167,496,619	\$ 167,496,619
District's Net Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	5.49%

* Rolled forward based on financial data as of the measurement dates of June 30 of each fiscal year.

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

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

SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288	\$ 1,578,667	\$ 1,509,443	\$ 1,380,553	\$ 1,314,812	\$ 1,437,237
Contributions in relation to the actuarially determined contribution	-	-	-	1,662,560	1,591,288	1,578,667	1,509,443	1,380,553	1,314,812	1,437,237
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,096,946		\$ 24,925,025		\$ 167,496,619		\$ 173,775,663		\$ 171,655,074	
Contributions as a percentage of covered-employee payroll	0.00%		0.00%		0.95%		0.87%		0.77%	

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Discount rate	7.50% per annum (2.50% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases	3% per annum
Retirement age	Eligible employees are assumed to retire at the rate of 2% at each of ages 50 through 52, 3% at each of ages 53 and 54, and 10% at each of ages 55 through 61.
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with generational projections using Scale BB.
Other decrements	Assumed employment termination is based on age, ranging from 12% at age 30 to 7% at age 60; assumed disability is based on age and gender, ranging from 0.0600% for males at age 20 or 0.0240% for females at age 20 to 1.3620% for males at age 60 or 0.7504% for females at age 60.
Non-investment expenses	None assumed.
Future contributions	Contributions from the employer are assumed to be made as legally required.
Changes	Since the prior measurement date, the discount rate was changed from 7.67% per annum to 7.50% per annum and the mortality improvement projection scale was changes from Scale AA to Scale BB.

SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money - weighted rate of return, net of investment expense	1.22%	7.45%	5.43%	2.46%	5.75%	1.82%	4.33%	5.66%	10.50%	1.90%

DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS - OTHER POST-EMPLOYMENT BENEFITS

	2018
Service Cost	\$ 4,853,750
Interest on Total OPEB Obligation	3,274,803
Changes in assumptions and other inputs	(6,681,284)
Benefit payments	(3,388,425)
Net change in Total OPEB Liability	(1,941,156)
Total OPEB Liability, Beginning	108,991,244
Total OPEB Liability, Ending	\$ 107,050,088
Covered Payroll	360,237,888
Total OPEB liability as a percentage of Covered-employee payroll	29.72%
OPEB Liability Valuation Date	June 30, 2017

Notes to Schedule:

Changes in assumptions and other inputs include the change in the discount rate from 2.92% as of the beginning of the measurement period to 3.56% as of June 30, 2017.

Note: The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. Information for prior years is not available.

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

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

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.8409%	0.8303%	0.8708%	0.8829%	0.8076%
District's proportionate share of the net pension liability	\$ 248,722,397	\$ 209,652,102	\$ 112,469,821	\$ 53,867,811	\$ 139,021,758
District's covered payroll	311,685,147	301,546,181	291,200,791	294,102,035	278,165,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.80%	69.53%	38.62%	18.32%	49.98%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

Notes to Schedule:

Changes of Assumptions: The long-term expected rate of return used to determine total pension liability decreased from 2.85 percent to 3.85 percent.

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

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 23,015,862	\$ 21,889,801	\$ 20,248,257	\$ 21,229,772	\$ 19,338,513
Contributions in relation to the contractually required contribution	23,015,862	21,889,801	20,248,257	21,229,772	19,338,513
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 305,150,289	\$ 311,685,147	\$ 301,546,181	\$ 291,200,791	\$ 294,102,035
Contributions as a percentage of covered-employee payroll	7.54%	7.02%	6.71%	7.29%	6.58%

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

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

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

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

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	1.1632%	1.1556%	1.1336%	1.1613%	1.0739%
District's proportionate share of the net pension liability	\$ 124,379,961	\$ 134,683,455	\$ 115,611,582	\$ 108,582,475	\$ 93,494,824
District's covered payroll	371,320,922	357,548,640	343,998,370	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.50%	37.67%	33.61%	31.37%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

Notes to Schedule:

Changes of Assumptions: The municipal rate used to determine total pension liability was increased from 2.85 percent to 3.85 percent.

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

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,096,006	\$ 6,156,250	\$ 5,923,321	\$ 4,333,408	\$ 3,978,153
Contributions in relation to the contractually required contribution	6,096,006	6,156,250	5,923,321	4,333,408	3,978,153
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 367,437,906	\$ 371,320,922	\$ 357,548,640	\$ 343,998,370	\$ 346,174,340
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.26%	1.15%

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

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

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

Combining Schedules of Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Nonmajor Debt Service Funds

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

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

**District School Board of Pasco County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

Schedule A

	Special Revenue		Debt Service			Total Nonmajor Debt Service Funds
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	
Assets:						
Cash	\$ 6,320,292	\$ 6,320,292	\$ -	\$ 41,917	\$ 861,714	\$ 903,631
Cash with Fiscal Agent	-	-	158,834	-	2,154,919	2,313,753
Investments	-	-	-	-	10,917,671	10,917,671
Accounts Receivable	14,989	14,989	-	-	171	171
Accrued Interest Receivable	-	-	-	-	216	216
Due from Other Agencies	824,781	824,781	-	-	-	-
Inventories	1,323,178	1,323,178	-	-	-	-
Total Assets	<u>\$ 8,483,240</u>	<u>\$ 8,483,240</u>	<u>\$ 158,834</u>	<u>\$ 41,917</u>	<u>\$ 13,934,691</u>	<u>\$ 14,135,442</u>
Liabilities and Fund Balances:						
Liabilities:						
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	32,493	32,493	-	-	33,103	33,103
Construction Contracts Payable	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-	-
Advanced Revenue	992,407	992,407	-	-	-	-
Total Liabilities	<u>1,024,900</u>	<u>1,024,900</u>	<u>-</u>	<u>-</u>	<u>33,103</u>	<u>33,103</u>
Fund Balances:						
Nonspendable:						
Inventory	1,323,178	1,323,178	-	-	-	-
Restricted:						
Special Revenue-Food Service	6,135,162	6,135,162	-	-	-	-
Debt Service	-	-	158,834	41,917	13,901,588	14,102,339
Capital Projects	-	-	-	-	-	-
Total Fund Balance	<u>7,458,340</u>	<u>7,458,340</u>	<u>158,834</u>	<u>41,917</u>	<u>13,901,588</u>	<u>14,102,339</u>
Total Liabilities and Fund Balances	<u>\$ 8,483,240</u>	<u>\$ 8,483,240</u>	<u>\$ 158,834</u>	<u>\$ 41,917</u>	<u>\$ 13,934,691</u>	<u>\$ 14,135,442</u>

Capital Projects				
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 75,847	\$ 1,008,549	\$ 1,084,396	\$ 8,308,319
-	-	-	-	2,154,919
-	8,000,110	19,151,351	27,151,461	38,227,966
-	-	-	-	15,160
-	710	1,463	2,173	2,389
2,977,759	-	-	2,977,759	3,802,540
-	-	-	-	1,323,178
<u>\$ 2,977,759</u>	<u>\$ 8,076,667</u>	<u>\$ 20,161,363</u>	<u>\$ 31,215,789</u>	<u>\$ 53,834,471</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	67,691	403,963	471,654	537,250
-	-	-	-	-
-	9,382	-	9,382	9,382
-	-	-	-	-
1,626,892	-	-	1,626,892	1,626,892
-	-	-	-	-
-	-	-	-	992,407
<u>1,626,892</u>	<u>77,073</u>	<u>403,963</u>	<u>2,107,928</u>	<u>3,165,931</u>
-	-	-	-	1,323,178
-	-	-	-	6,135,162
-	-	-	-	14,102,339
1,350,867	7,999,594	19,757,400	29,107,861	29,107,861
<u>1,350,867</u>	<u>7,999,594</u>	<u>19,757,400</u>	<u>29,107,861</u>	<u>50,668,540</u>
<u>\$ 2,977,759</u>	<u>\$ 8,076,667</u>	<u>\$ 20,161,363</u>	<u>\$ 31,215,789</u>	<u>\$ 53,834,471</u>

**District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018**

Schedule B

	Special Revenue			Debt Service				Total Nonmajor Debt Service Funds
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds		State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund		
Revenues:								
Federal Sources:								
Federal Direct								
Federal Through State								
Food Services	28,355,077	28,355,077						
Slate Sources:								
Public Education Capital Outlay								
Food Services	364,856	364,856						
SBE/COBI Bond Interest			7,470					7,470
CO & DS Withheld for State Education Bonds			1,246,477					1,246,477
CO & DS Interest								
CO & DS Distributed								
Racing Commission Funds				223,250				223,250
Local Sources:								
Property Taxes								
Food Services	9,712,760	9,712,760						
Investment Earnings						26,015		26,015
Local Grants and Other	672,514	672,514				15		15
Total Revenues	39,105,207	39,105,207	1,253,947	223,250	587,196	2,064,393		

Expenditures:								
Current-Education:								
Instruction								
Student Support Services								
Instructional Media Services								
Instruction and Curriculum Development Services								
Instructional Staff Training Services								
Instruction-Related Technology Board								

	Special Revenue			Debt Service				Total Nonmajor Debt Service Funds
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	Slate Board of Education Bonds Fund	District Revenue Bonds Fund	Debt		Total	
					Service Other Fund	Service Other Fund		
Expenditures (continued):								
General Administration	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-
Facilities Services	-	-	-	-	-	-	-	-
Fiscal Services	-	-	-	-	-	-	-	-
Food Services	38,194,070	38,194,070	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-	-	-	-
Capital Outlay:								
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-
Other Capital Outlay	170,754	170,754	-	-	-	-	-	-
Debt Service:								
Principal	-	-	922,000	110,000	33,098,499	-	34,130,499	-
Interest	-	-	299,475	112,032	16,821,767	-	17,233,274	-
Fiscal Charges	-	-	899	345	230,210	-	231,454	-
Total Expenditures	38,364,824	38,364,824	1,222,374	222,377	50,150,476	-	51,595,227	-
Excess (Deficiency) of Revenues Over Expenditures	740,383	740,383	31,573	873	(49,563,280)	-	(49,530,834)	-
Other Financing Sources (Uses):								
Proceeds of Lease-Purchase Agreements	-	-	-	-	75,000	-	75,000	-
Capital Leases	-	-	-	-	61,591	-	61,591	-
Payments to Refunding Escrow Agent	-	-	(3,830,656)	-	-	-	(3,830,656)	-
Transfers In	-	-	-	-	48,442,056	-	48,442,056	-
Transfers Out	(825,909)	(825,909)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(825,909)	(825,909)	(3,830,656)	-	48,578,647	-	44,747,991	-
Net Change in Fund Balances	(85,526)	(85,526)	(3,799,083)	873	(984,633)	-	(4,782,843)	-
Fund Balances, July 1, 2017	7,543,866	7,543,866	3,957,917	41,044	14,886,221	-	18,885,182	-
Fund Balances, June 30, 2018	\$ 7,458,340	\$ 7,458,340	\$ 158,834	\$ 41,917	\$ 13,901,588	-	\$ 14,102,339	-

(Continued)

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

Schedule B

	Capital Projects					Total Nonmajor Governmental Funds
	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
Revenues:						
Federal Sources:						
Federal Direct	-	-	-	-	-	\$ 561,166
Federal Through State	-	-	-	-	-	-
Food Services	-	-	-	-	-	28,355,077
State Sources:						
Public Education Capital Outlay	1,996,243	-	-	1,996,243	-	1,996,243
Food Services	-	-	-	-	-	364,856
SBE/COBI Bond Interest	-	-	-	-	-	7,470
CO & DS Withheld for State Education Bonds	-	-	-	-	-	1,246,477
CO & DS Interest	-	36,059	-	36,059	-	36,059
CO & DS Distributed	-	1,661,042	-	1,661,042	-	1,661,042
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	39,599,116	39,599,116	-	39,599,116
Food Services	-	-	-	-	-	9,712,760
Investment Earnings	-	70,472	168,887	239,359	-	265,374
Local Grants and Other	-	88	508,215	508,303	-	1,180,832
Total Revenues	1,996,243	1,767,661	40,276,218	44,040,122	44,040,122	85,209,722
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Media Services	-	-	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-	-	-
Instructional Staff Training Services	-	-	-	-	-	-
Instruction-Related Technology Board	-	-	-	-	-	-

	Capital Projects					Total Nonmajor Governmental Funds
	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
Expenditures (continued):						
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Facilities Services	-	-	1,401,666	1,401,666	1,401,666	1,401,666
Fiscal Services	-	-	-	-	-	-
Food Services	-	-	-	-	-	38,194,070
Central Services	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-	-
Capital Outlay:						
Facilities Acquisition and Construction	1,484,544	679,110	7,149,979	9,313,633	9,313,633	9,313,633
Other Capital Outlay	-	-	-	-	-	170,754
Debt Service:						
Principal	-	-	-	-	-	34,130,499
Interest	-	-	-	-	-	17,233,274
Fiscal Charges	-	2,423	-	2,423	2,423	233,877
Total Expenditures	1,484,544	681,533	8,551,645	10,717,722	100,677,773	
Excess (Deficiency) of Revenues Over Expenditures	511,699	1,086,128	31,724,573	33,322,400	(15,468,051)	
Other Financing Sources (Uses):						
Proceeds of Bonds Issued	-	-	-	-	-	75,000
Capital Leases	-	-	-	-	-	61,591
Payments to Refunding Escrow Agent	-	-	-	-	-	(3,830,656)
Transfers In	-	-	2,765,139	2,765,139	51,207,195	51,207,195
Transfers Out	(764,506)	-	(31,319,696)	(32,084,202)	(32,910,111)	(32,910,111)
Total Other Financing Sources (Uses)	(764,506)	-	(28,554,557)	(29,319,063)	14,603,019	
Net Change in Fund Balances	(252,807)	1,086,128	3,170,016	4,003,337	(865,032)	
Fund Balances, July 1, 2017	1,603,674	6,913,466	16,587,384	25,104,524	51,533,572	
Fund Balances, June 30, 2018	\$ 1,350,867	\$ 7,999,594	\$ 19,757,400	\$ 29,107,861	\$ 50,668,540	

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

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Food and Nutrition Services Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 28,175,000	\$ 28,275,000	\$ 28,355,077	\$ 80,077
State Sources:				
Food Service	377,645	377,645	364,856	(12,789)
Local Sources:				
Food Service Sales	-	11,197,704	9,709,510	(1,488,194)
Local Grants and Other	11,747,704	550,000	675,764	125,764
Total Revenues	<u>40,300,349</u>	<u>40,400,349</u>	<u>39,105,207</u>	<u>(1,295,142)</u>
Expenditures:				
Current-Education:				
Food Services				
Salaries	12,688,274	12,688,274	13,134,055	(445,781)
Employee Benefits	5,109,090	5,109,090	5,714,662	(605,572)
Purchased Services	1,106,100	1,063,535	962,144	101,391
Energy Services	600,000	1,000,000	961,177	38,823
Materials and Supplies	18,395,957	19,665,957	15,821,525	3,844,432
Capital Outlay	295,000	182,876	76,788	106,088
Other Expenditures	1,532,000	1,532,000	1,523,719	8,281
Capital Outlay:				
Other Capital Outlay	-	252,012	170,754	81,258
Total Expenditures	<u>39,726,421</u>	<u>41,493,744</u>	<u>38,364,824</u>	<u>3,128,920</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>573,928</u>	<u>(1,093,395)</u>	<u>740,383</u>	<u>1,833,778</u>
Other Financing Sources (Uses):				
Transfers Out	(853,869)	(925,910)	(825,909)	100,001
Net Change in Fund Balance	(279,941)	(2,019,305)	(85,526)	1,933,779
Fund Balance, Beginning	<u>7,543,866</u>	<u>7,543,866</u>	<u>7,543,866</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,263,925</u>	<u>\$ 5,524,561</u>	<u>\$ 7,458,340</u>	<u>\$ 1,933,779</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources				
SBE/COBI Bond Interest	\$ -	\$ -	\$ 7,470	\$ 7,470
CO & DS Withheld for State Education Bonds	1,294,000	1,294,000	1,246,477	(47,523)
Total Revenues	<u>1,294,000</u>	<u>1,294,000</u>	<u>1,253,947</u>	<u>(40,053)</u>
Expenditures:				
Debt Service:				
Principal	922,000	922,000	922,000	-
Interest	370,830	370,830	299,475	71,355
Fiscal Charges	1,000	1,000	899	101
Total Expenditures	<u>1,293,830</u>	<u>1,293,830</u>	<u>1,222,374</u>	<u>71,456</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>170</u>	<u>170</u>	<u>31,573</u>	<u>31,403</u>
Other Financing Sources (Uses):				
Face Value of Refunding Bonds	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payments to Refunding Escrow Agent	-	-	(3,830,656)	(3,830,656)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(3,830,656)</u>	<u>(3,830,656)</u>
Net Change in Fund Balance	170	170	(3,799,083)	(3,799,253)
Fund Balances, Beginning	<u>3,957,917</u>	<u>3,957,917</u>	<u>3,957,917</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 3,958,087</u>	<u>\$ 3,958,087</u>	<u>\$ 158,834</u>	<u>\$ (3,799,253)</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	41	41	-	(41)
Total Revenues	<u>223,291</u>	<u>223,291</u>	<u>223,250</u>	<u>(41)</u>
Expenditures:				
Debt Service:				
Principal	110,000	110,000	110,000	-
Interest	112,032	112,032	112,032	-
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	<u>223,032</u>	<u>223,032</u>	<u>222,377</u>	<u>655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>259</u>	<u>259</u>	<u>873</u>	<u>614</u>
Net Change in Fund Balance	259	259	873	614
Fund Balance, Beginning	41,044	41,044	41,044	-
Fund Balance, Ending	<u>\$ 41,303</u>	<u>\$ 41,303</u>	<u>\$ 41,917</u>	<u>\$ 614</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Other Funds
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 500,000	\$ 561,166	\$ 561,166	\$ -
Local Sources:				
Investment Earnings	14,436	169,736	26,015	(143,721)
Local Grants and Other	-	-	15	15
Total Revenues	<u>514,436</u>	<u>730,902</u>	<u>587,196</u>	<u>(143,706)</u>
Expenditures:				
Debt Service:				
Principal	34,077,500	34,119,725	33,098,499	1,021,226
Interest	17,917,827	17,917,827	16,821,767	1,096,060
Fiscal Charges	250,000	327,000	230,210	96,790
Total Expenditures	<u>52,245,327</u>	<u>52,364,552</u>	<u>50,150,476</u>	<u>2,214,076</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(51,730,891)</u>	<u>(51,633,650)</u>	<u>(49,563,280)</u>	<u>2,070,370</u>
Other Financing Sources (Uses):				
Capital Leases	-	35,408	61,591	26,183
Proceeds of Certificates of Participation Issued	-	75,000	75,000	-
Transfers In	53,597,549	53,683,365	48,442,056	(5,241,309)
Total Other Financing Sources	<u>53,597,549</u>	<u>53,793,773</u>	<u>48,578,647</u>	<u>(5,215,126)</u>
Net Change in Fund Balance	1,866,658	2,160,123	(984,633)	(3,144,756)
Fund Balances, Beginning	<u>14,886,221</u>	<u>14,886,221</u>	<u>14,886,221</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 16,752,879</u>	<u>\$ 17,046,344</u>	<u>\$ 13,901,588</u>	<u>\$ (3,144,756)</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 1,785,427	\$ 1,928,521	\$ 1,996,243	\$ 67,722
Current-Education:				
Facilities Services	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction	1,842,153	2,089,710	1,484,544	605,166
Total Expenditures	1,842,153	2,089,710	1,484,544	605,166
Excess (Deficiency) of Revenues Over Expenditures	(56,726)	(161,189)	511,699	672,888
Other Financing Uses:				
Transfer Out	(621,412)	(764,506)	(764,506)	-
Proceeds on Refunding Bonds	(621,412)	(764,506)	(764,506)	-
Net Change in Fund Balance	(678,138)	(925,695)	(252,807)	672,888
Fund Balances, Beginning	1,603,674	1,603,674	1,603,674	-
Fund Balances, Ending	\$ 925,536	\$ 677,979	\$ 1,350,867	\$ 672,888

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Capital Outlay and Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
CO & DS Distributed	\$ 233,319	\$ 233,319	\$ 1,661,042	\$ 1,427,723
Interest on Undistributed CO & DS	-	-	36,059	36,059
Local Sources:				
Investment Earnings	48,100	48,100	70,472	22,372
Local Grants and Other	-	-	88	88
Total Revenues	<u>281,419</u>	<u>281,419</u>	<u>1,767,661</u>	<u>1,486,242</u>
Expenditures:				
Current-Education:				
Facilities Services	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction	2,896,799	2,902,431	679,110	2,223,321
Debt Service:				
Dues, Fees and Issuance Costs	-	-	2,423	(2,423)
Total Expenditures	<u>2,896,799</u>	<u>2,902,431</u>	<u>681,533</u>	<u>2,220,898</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,615,380)</u>	<u>(2,621,012)</u>	<u>1,086,128</u>	<u>(734,656)</u>
Net Change in Fund Balance	(2,615,380)	(2,621,012)	1,086,128	(734,656)
Fund Balances, Beginning	6,913,466	6,913,466	6,913,466	-
Fund Balances, Ending	<u>\$ 4,298,086</u>	<u>\$ 4,292,454</u>	<u>\$ 7,999,594</u>	<u>\$ (734,656)</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Local Optional Millage Levy Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Property Taxes	\$ 39,322,907	\$ 39,322,907	\$ 39,599,116	\$ 276,209
Investment Earnings	100,900	100,900	168,887	67,987
Other Local	265,072	228,070	508,215	280,145
Total Revenues	<u>39,688,879</u>	<u>39,651,877</u>	<u>40,276,218</u>	<u>624,341</u>
Expenditures:				
Current-Education:				
Facilities Services	441,386	486,475	1,401,666	(915,191)
Capital Outlay:				
Facilities Acquisition and Construction	9,454,068	12,858,525	7,149,979	5,708,546
Total Expenditures	<u>9,895,454</u>	<u>13,345,000</u>	<u>8,551,645</u>	<u>4,793,355</u>
Excess of Revenues Over Expenditures	<u>29,793,425</u>	<u>26,306,877</u>	<u>31,724,573</u>	<u>5,417,696</u>
Proceeds on Refunding Bonds				
Transfers In	2,623,453	2,865,145	2,765,139	(100,006)
Transfers Out	(36,625,393)	(36,567,509)	(31,319,696)	5,247,813
Total Other Financing Sources (Uses)	<u>(34,001,940)</u>	<u>(33,702,364)</u>	<u>(28,554,557)</u>	<u>5,147,807</u>
Net Change in Fund Balance	(4,208,515)	(7,395,487)	3,170,016	10,565,503
Fund Balances, Beginning	<u>16,587,384</u>	<u>16,587,384</u>	<u>16,587,384</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 12,378,869</u>	<u>\$ 9,191,897</u>	<u>\$ 19,757,400</u>	<u>\$ 10,565,503</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Other Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Local Sales Tax	\$ 27,367,500	\$ 27,367,500	\$ 28,398,773	\$ 1,031,273
Impact Fees	9,646,875	9,646,875	16,091,090	6,444,215
Other Local	-	353,078	694,544	341,466
Investment Earnings	343,000	408,016	1,112,919	704,903
Total Revenues	37,357,375	37,775,469	46,297,326	8,521,857
Expenditures:				
Current-Education:				
Facilities Services	7,014	2,297,592	3,075,870	(778,278)
Capital Outlay:				
Facilities Acquisition and Construction	54,229,970	106,414,614	52,800,985	53,613,629
Total Expenditures	54,236,984	108,712,206	55,876,855	52,835,351
Excess (Deficiency) of Revenues Over Expenditures	(16,879,609)	(70,936,737)	(9,579,529)	61,357,208
Other Financing Sources (Uses):				
Proceeds of Certificates of Participation Issued	-	34,925,000	34,925,000	-
Sale of Land	-	-	704,001	704,001
Capital Leases	13,214,118	13,178,710	12,699,947	(478,763)
Transfer In	-	16,246	16,246	-
Transfer Out	(16,956,520)	(17,116,401)	(17,122,906)	6,505
Total Other Financing Sources (Uses)	(3,742,402)	31,003,555	31,222,288	231,743
Net Change in Fund Balance	(20,622,011)	(39,933,182)	21,642,759	61,588,951
Fund Balances, Beginning	92,966,598	92,966,598	92,966,598	-
Fund Balances, Ending	\$ 72,344,587	\$ 53,033,416	\$ 114,609,357	\$ 61,588,951

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Combining Statements of Internal Service Funds

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

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

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

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

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

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

District School Board of Pasco County
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2018

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Assets			
Current Assets:			
Cash	\$ 109,478	\$ 179,386	\$ 60,018
Investments	1,500,000	35,178,533	30,414,572
Accounts Receivable	203	99,967	482,921
Accrued Interest Receivable	35	3,773	3,269
Total Current Assets	<u>1,609,716</u>	<u>35,461,659</u>	<u>30,960,780</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,609,716</u>	<u>35,461,659</u>	<u>30,960,780</u>
Deferred Outflows of Resources:			
Pension	590,893	329,554	-
Other Postemployment Benefits	9,227	4,671	-
Total Deferred Outflows of Resources	<u>600,120</u>	<u>334,225</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 2,209,836</u>	<u>\$ 35,795,884</u>	<u>\$ 30,960,780</u>
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	\$ -	\$ 24	\$ 2,902
Payroll Deductions and Withholdings Payable	-	-	76,588
Accounts Payable	4,716	107,776	15,547,102
Advanced Revenue	-	5,918	238,954
Current portion of long-term liabilities:			
Compensated Absences Payable	-	11,945	-
Estimated Insurance Claims Payable	-	2,612,000	-
Total Current Liabilities	<u>4,716</u>	<u>2,737,663</u>	<u>15,865,546</u>
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	-	-	-
Compensated Absences Payable	144,423	34,793	-
Estimated Liability for Long-Term Claims	-	4,598,000	-
Other Post-Employment Benefits Obligation	206,746	129,239	-
Net Pension Liability - FRS / HIS	454,616	448,763	-
Total Noncurrent Liabilities	<u>805,785</u>	<u>5,210,795</u>	<u>-</u>
Total Liabilities	<u>810,501</u>	<u>7,948,458</u>	<u>15,865,546</u>
Deferred Inflows of Resources:			
Pension	1,351,648	106,499	-
Other Post Employment Benefits	12,058	6,104	-
Total Deferred Inflows of Resources	<u>1,363,706</u>	<u>112,603</u>	<u>-</u>
Net Position			
Investment in Capital Assets	-	-	-
Unrestricted	35,629	27,734,823	15,095,234
Total Net Position	<u>35,629</u>	<u>27,734,823</u>	<u>15,095,234</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 2,209,836</u>	<u>\$ 35,795,884</u>	<u>\$ 30,960,780</u>

Energy Management Programs	Exclusive Agreement	Totals
\$ 254,368	\$ 20,614	\$ 623,864
2,532,293	1,419,094	71,044,492
-	-	583,091
146	151	7,374
<u>2,786,807</u>	<u>1,439,859</u>	<u>72,258,821</u>
-	26,543	26,543
-	(23,888)	(23,888)
-	2,655	2,655
<u>2,786,807</u>	<u>1,442,514</u>	<u>72,261,476</u>
129,444	-	1,049,891
2,488	-	16,386
131,932	-	1,066,277
<u>\$ 2,918,739</u>	<u>\$ 1,442,514</u>	<u>\$ 73,327,753</u>
\$ -	\$ -	\$ 2,926
-	-	76,588
865,646	19	16,525,259
-	-	244,872
-	-	11,945
-	-	2,612,000
<u>865,646</u>	<u>19</u>	<u>19,473,590</u>
-	-	-
131,659	-	310,875
-	-	4,598,000
59,808	-	395,793
229,796	-	1,133,175
<u>421,263</u>	<u>-</u>	<u>6,437,843</u>
<u>1,286,909</u>	<u>19</u>	<u>25,911,433</u>
65,496	-	1,523,643
3,252	-	21,414
<u>68,748</u>	<u>-</u>	<u>1,545,057</u>
-	2,655	2,655
<u>1,563,082</u>	<u>1,439,840</u>	<u>45,868,608</u>
<u>1,563,082</u>	<u>1,442,495</u>	<u>45,871,263</u>
<u>\$ 2,918,739</u>	<u>\$ 1,442,514</u>	<u>\$ 73,327,753</u>

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
June 30, 2018

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ -	\$ 10,250,777	\$ 66,393,096
Employees	-	-	7,180,830
Retirees	-	-	4,552,286
Charges for Services Provided	-	-	-
Other Operating Revenues	-	543,087	2,051,862
Total Operating Revenues	<u>-</u>	<u>10,793,864</u>	<u>80,178,074</u>
Operating Expense			
Salaries	504,541	423,433	-
Employee Benefits	469,390	161,506	116,470
Purchased Services	52,943	5,789,785	14,222,396
Insurance Premiums	-	-	2,486,127
Energy Services	-	-	-
Materials and Supplies	19,207	2,950	4,177
Insurance Claims	-	4,647,580	59,795,180
Capital Outlay	1,103	163	-
Other	7,234	50,861	47,033
Total Operating Expenses	<u>1,054,418</u>	<u>11,076,278</u>	<u>76,671,383</u>
Operating Income (Loss)	<u>(1,054,418)</u>	<u>(282,414)</u>	<u>3,506,691</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	3,731	345,975	291,220
Gifts, Grants and Bequests	3,800	-	100,000
Insurance Loss Recoveries	-	283,715	-
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	<u>7,531</u>	<u>629,690</u>	<u>391,220</u>
Income (Loss) Before Transfers	<u>(1,046,887)</u>	<u>347,276</u>	<u>3,897,911</u>
Transfers In	1,903,677	-	-
Transfers Out	-	(294,200)	(1,903,677)
Change in Net Position	<u>856,790</u>	<u>53,076</u>	<u>1,994,234</u>
Total Net Position, July 1, 2017	(750,721)	27,717,403	13,101,000
Adjustment to Net Position	<u>(70,440)</u>	<u>(35,656)</u>	<u>-</u>
Total Net Position, June 30, 2018	<u>\$ 35,629</u>	<u>\$ 27,734,823</u>	<u>\$ 15,095,234</u>

Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 76,643,873
-	-	7,180,830
-	-	4,552,286
13,926,207	-	13,926,207
24,030	272,077	2,891,056
<u>13,950,237</u>	<u>272,077</u>	<u>105,194,252</u>
214,795	-	1,142,769
103,299	-	850,665
2,678,147	130,429	22,873,700
-	-	2,486,127
10,541,260	-	10,541,260
7,458	98,564	132,356
-	-	64,442,760
-	16,862	18,128
725	200	106,053
<u>13,545,684</u>	<u>246,055</u>	<u>102,593,818</u>
<u>404,553</u>	<u>26,022</u>	<u>2,600,434</u>
15,862	16,335	673,123
-	-	103,800
-	-	283,715
-	(1,907)	(1,907)
<u>15,862</u>	<u>14,428</u>	<u>1,058,731</u>
420,415	40,450	3,659,165
-	-	1,903,677
-	-	(2,197,877)
<u>420,415</u>	<u>40,450</u>	<u>3,364,965</u>
1,161,665	1,402,045	42,631,392
(18,998)	-	(125,094)
<u>\$ 1,563,082</u>	<u>\$ 1,442,495</u>	<u>\$ 45,871,263</u>

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2018

	Employee Benefits Program	Property, Casualty and Liability Self-Insurance Plan	Self-Insured Benefit Plans
Cash Flows from Operating Activities:			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	255	10,233,325	77,734,400
Cash Received from Other Operating Revenues	-	543,087	2,051,862
Cash Payments to Suppliers for Goods and Services	(79,799)	(5,809,195)	(15,333,079)
Cash Payments to Employees for Services	(645,293)	(557,156)	(109,414)
Cash Payments to Insurance Claims	-	(4,189,580)	(59,795,180)
Net Cash Provided (Used) by Operating Activities	<u>(724,837)</u>	<u>220,481</u>	<u>4,548,589</u>
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	283,715	-
Gifts, Grants and Bequests	3,800	-	100,000
Transfers From Other Funds	1,903,677	-	-
Transfers To Other Funds	-	(294,200)	(1,903,677)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,907,477</u>	<u>(10,485)</u>	<u>(1,803,677)</u>
Cash Flows from Investing Activities:			
Investment Earnings	3,877	359,202	302,259
Purchase and Sale of Investments	(1,213,802)	(8,645,976)	(8,081,150)
Net Cash Provided (Used) by Investing Activities	<u>(1,209,925)</u>	<u>(8,286,774)</u>	<u>(7,778,891)</u>
Net Change in Cash	(27,285)	(8,076,778)	(5,033,979)
Cash, Beginning	136,763	8,256,164	5,093,997
Cash, Ending	<u>\$ 109,478</u>	<u>\$ 179,386</u>	<u>\$ 60,018</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,054,418)	\$ (282,414)	\$ 3,506,691
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Accounts Receivable	255	(17,452)	(389,858)
Accounts Payable	688	34,564	1,426,654
Salaries and Benefits Payable	(14)	24	2,902
Payroll Deductions and Withholdings Payable	-	-	4,154
Advanced Revenues	-	-	(1,954)
Compensated Absences Payable	12,563	(9,821)	-
Other Post-Employment Benefits Obligation	5,750	2,911	-
Pension Amounts	310,339	34,669	-
Estimated Insurance Claims Payable	-	458,000	-
Total Adjustments	<u>329,581</u>	<u>502,895</u>	<u>1,041,898</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (724,837)</u>	<u>\$ 220,481</u>	<u>\$ 4,548,589</u>

Energy Management Program	Exclusive Agreement	Totals
\$ 13,926,207	\$ -	\$ 13,926,207
-	-	87,967,980
24,030	272,077	2,891,056
(13,491,558)	(260,505)	(34,974,136)
(279,337)		(1,591,200)
		(63,984,760)
<u>179,342</u>	<u>11,572</u>	<u>4,235,147</u>
-	-	283,715
-	-	103,800
-	-	1,903,677
-	-	(2,197,877)
<u>-</u>	<u>-</u>	<u>93,315</u>
16,497	16,987	698,822
(1,315,861)	(166,336)	(19,423,125)
(1,299,364)	(149,349)	(18,724,303)
(1,120,022)	(137,777)	(14,395,841)
1,374,390	158,391	15,019,705
<u>\$ 254,368</u>	<u>\$ 20,614</u>	<u>\$ 623,864</u>
\$ 404,553	\$ 26,022	\$ 2,600,434
-	-	(407,055)
(263,968)	(14,450)	1,183,488
-	-	2,912
-	-	4,154
-	-	(1,954)
4,563	-	7,305
1,453	-	10,114
32,741	-	377,749
-	-	458,000
<u>(225,211)</u>	<u>(14,450)</u>	<u>1,634,713</u>
<u>\$ 179,342</u>	<u>\$ 11,572</u>	<u>\$ 4,235,147</u>

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Combining Statements of Agency Funds

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

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

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

District School Board of Pasco County
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2018

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 9,285,725	\$ 10,292	\$ 9,296,017
Investments	-	74,162	74,162
Accounts Receivable	9,815	-	9,815
Interest Receivable on Investments	-	8	8
Inventories	5,078	-	5,078
	<u>5,078</u>	<u>-</u>	<u>5,078</u>
Total Assets	<u>\$ 9,300,618</u>	<u>\$ 84,462</u>	<u>\$ 9,385,080</u>
Liabilities:			
Accounts Payable	\$ 580,625	\$ -	\$ 580,625
Internal Accounts Payable	8,719,993	-	8,719,993
ABC Program Payable	-	84,462	84,462
	<u>-</u>	<u>84,462</u>	<u>84,462</u>
Total Liabilities	<u>\$ 9,300,618</u>	<u>\$ 84,462</u>	<u>\$ 9,385,080</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2018

	School Internal Accounts			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 8,744,524	\$ 15,423,451	\$ 14,882,250	\$ 9,285,725
Accounts Receivable	8,986	19,577	18,748	9,815
Inventories	5,908	62,966	63,796	5,078
Total Assets	<u>\$ 8,759,418</u>	<u>\$ 15,505,994</u>	<u>\$ 14,964,794</u>	<u>\$ 9,300,618</u>
Liabilities:				
Accounts Payable	\$ 808,763	\$ 16,084,200	\$ 16,312,338	\$ 580,625
Internal Accounts Payable	7,950,655	30,092,410	29,323,072	8,719,993
Total Liabilities	<u>\$ 8,759,418</u>	<u>\$ 46,176,610</u>	<u>\$ 45,635,410</u>	<u>\$ 9,300,618</u>
ABC Program				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 10,402	\$ 52,357	\$ 52,467	\$ 10,292
Investments	73,207	1,234	279	74,162
Interest Receivable on Investments	45	8	45	8
Total Assets	<u>\$ 83,654</u>	<u>\$ 53,599</u>	<u>\$ 52,791</u>	<u>\$ 84,462</u>
Liabilities:				
ABC Program Payable	<u>\$ 83,654</u>	<u>\$ 155,726</u>	<u>\$ 154,918</u>	<u>\$ 84,462</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 8,754,926	\$ 15,475,808	\$ 14,934,717	\$ 9,296,017
Investments	73,207	1,234	279	74,162
Accounts Receivable	8,986	19,577	18,748	9,815
Interest Receivable on Investments	45	8	45	8
Inventories	5,908	62,966	63,796	5,078
Total Assets	<u>\$ 8,843,072</u>	<u>\$ 15,559,593</u>	<u>\$ 15,017,585</u>	<u>\$ 9,385,080</u>
Liabilities:				
Accounts Payable	\$ 808,763	\$ 16,084,200	\$ 16,312,338	\$ 580,625
Internal Accounts Payable	7,950,655	30,092,410	29,323,072	8,719,993
ABC Program Payable	83,654	155,726	154,918	84,462
Total Liabilities	<u>\$ 8,843,072</u>	<u>\$ 46,332,336</u>	<u>\$ 45,790,328</u>	<u>\$ 9,385,080</u>

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Combining Statements of Component Units

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

Academy at the Farm, Inc. – A K through 8th grade school focused on creatively integrating equestrian, horticultural and farm animal components into an interactive, inclusive learning environment.

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

Classical Preparatory School – A K through 11th grade school providing a classical style education.

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

Dayspring Academy for Education and the Arts – A K through 12th grade school emphasizing the fine arts, offering students specialized instruction in dance, music, and art.

Florida Virtual Academy at Pasco - A K through 12th grade school providing curriculum in an on-line educational environment.

Imagine School at Land O' Lakes – A kindergarten through 8th grade school providing an alternative education program.

Learning Lodge Academy, Inc. – A K through 5th grade school providing an alternative elementary education program.

Pasco MYcroSchool – A 9th through 12th alternative school providing a high school program for students who need to get back on-track to graduation.

Pepin Academies of Pasco County, Inc. – A 3rd through 12th grade school providing an alternative education program for special needs students.

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

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

District School Board of Pasco County
Combining Statement of Net Position
Component Units
June 30, 2018

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Classical Preparatory School	Countryside Montessori Charter School, Inc.	Creation Foundation, Inc.	Florida Virtual Academy at Pasco
Assets:						
Cash	\$ 230,888	\$ 323,135	\$ 238,828	\$ 176,582	\$ 259,383	\$ 51,854
Investments	-	-	3,932,178	-	-	-
Accounts Receivable	10,952	6,221	-	-	2,098	-
Deposits Receivable	29,622	-	2,000	10,000	-	-
Due From Other Agencies	16,257	100,202	22,516	8,696	21,532	1,082,191
Prepaid Items	-	67,585	-	481	51,915	-
Capital Assets (net of accumulated depreciation)						
Land	788,979	-	500,000	105,872	544,683	-
Construction in Process	-	-	1,022,736	-	-	-
Improvements Other Than Buildings	-	-	-	-	250,691	-
Leasehold Property and Improvements	-	-	-	81,007	26,732	-
Buildings and Fixed Equipment	3,327,386	183,608	8,093,618	131,761	3,323,406	-
Furniture, Fixtures, and Equipment	95,893	105,445	72,171	10,215	3,290	-
Motor Vehicles	-	-	19,285	-	3,112	-
Computer Software	-	-	-	-	-	-
Total Assets	<u>4,499,977</u>	<u>786,196</u>	<u>13,903,332</u>	<u>524,614</u>	<u>4,486,842</u>	<u>1,134,045</u>
Deferred Outflows of Resources:						
Pension	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 4,499,977</u>	<u>\$ 786,196</u>	<u>\$ 13,903,332</u>	<u>\$ 524,614</u>	<u>\$ 4,486,842</u>	<u>\$ 1,134,045</u>
Liabilities:						
Salaries and Benefits Payable	\$ -	\$ 155,673	\$ 173,491	-	\$ 159,579	\$ -
Accounts Payable	22,537	14,290	1,035	-	44,951	1,134,045
Due To Other Agencies	-	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-	-
Other Post-Employment Benefits	-	-	-	-	-	-
Advanced Revenue	-	-	-	-	-	-
Construction Contracts Payable- Retainage	-	-	-	-	-	-
Total Current Liabilities	<u>22,537</u>	<u>169,963</u>	<u>174,526</u>	<u>-</u>	<u>204,530</u>	<u>1,134,045</u>
Non-Current Liabilities Due Within One Year:						
Notes Payable	91,712	-	15,884	15,992	147,858	-
Obligations Under Capital Leases	-	27,775	-	-	-	-
Compensated Absences Payable	-	-	-	-	136,538	-
Bonds Payable	-	-	210,000	-	-	-
Total Due within one year	<u>91,712</u>	<u>27,775</u>	<u>225,884</u>	<u>15,992</u>	<u>284,396</u>	<u>-</u>
Long-Term Debt and Liabilities:						
Notes Payable	3,802,749	-	59,116	80,377	3,132,971	-
Obligations Under Capital Leases	-	8,566	-	-	-	-
Bonds Payable	-	-	14,373,520	-	-	-
Net Pension Liability	-	-	-	-	-	-
Total Due in more than one year	<u>3,802,749</u>	<u>8,566</u>	<u>14,432,636</u>	<u>80,377</u>	<u>3,132,971</u>	<u>-</u>
Total Liabilities	<u>3,916,998</u>	<u>206,304</u>	<u>14,833,046</u>	<u>96,369</u>	<u>3,621,897</u>	<u>1,134,045</u>
Deferred Inflows of Resources:						
Pension	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Net Investment in Capital Assets	317,797	252,712	(2,291,257)	232,486	941,763	-
Restricted for Other Purposes	-	-	1,175,247	-	-	-
Non-expendable-Permanent Endowment	-	-	-	-	-	-
Unrestricted	265,182	327,180	186,296	195,759	(76,818)	-
Total Net Position	<u>\$ 582,979</u>	<u>\$ 579,892</u>	<u>\$ (929,714)</u>	<u>\$ 428,245</u>	<u>\$ 864,945</u>	<u>\$ -</u>

Imagine School at Land O' Lakes	Learning Lodge Academy, Inc.	Pasco MYcroSchool	Pepin Academies of Pasco County, Inc.	Plato Academy Trinity Charter School	Pasco Education Foundation, Inc.	Total Component Units
\$ 613,684	\$ 221,970	\$ 71,463	\$ 604,436	\$ 31,572	\$ 227,006	\$ 3,050,801
-	-	-	-	-	2,689,745	6,621,923
3,852	-	-	22,488	-	26,017	71,628
-	-	-	-	4,668	-	46,290
20,741	151,078	-	-	233,863	-	1,657,076
74,093	-	19,250	32,618	-	1,646,943	1,892,885
-	-	-	-	-	-	1,939,534
69,591	-	-	-	-	-	1,092,327
-	-	-	-	-	-	250,691
164,982	61,967	-	141,533	20,332	-	496,553
-	-	-	-	-	-	15,059,779
128,010	99,348	53,545	65,661	88,613	-	722,191
240,443	-	-	-	-	-	262,840
-	-	-	-	-	29,090	29,090
1,315,396	534,363	144,258	866,736	379,048	4,618,801	33,193,608
-	713,615	-	-	-	-	713,615
-	713,615	-	-	-	-	713,615
\$ 1,315,396	\$ 1,247,978	\$ 144,258	\$ 866,736	\$ 379,048	\$ 4,618,801	\$ 33,907,223
\$ 246,585	\$ -	\$ -	\$ 226,706	\$ -	\$ 308	\$ 962,342
26,374	4,269	4,844	1,205	70,037	11,061	1,334,648
-	-	-	-	111,819	-	111,819
-	-	-	38,446	-	-	38,446
-	-	-	14,170	-	-	14,170
8,070	-	-	-	-	-	8,070
-	-	-	-	-	-	-
281,029	4,269	4,844	280,527	181,856	11,369	2,469,495
59,469	-	-	250,000	-	-	580,915
-	-	-	-	-	-	27,775
-	-	-	-	-	-	136,538
-	-	-	-	-	-	210,000
59,469	-	-	250,000	-	-	955,228
122,701	-	446,000	-	315,000	-	7,958,914
-	-	-	-	-	-	8,566
-	-	-	-	-	-	14,373,520
-	802,023	-	-	-	-	802,023
122,701	802,023	446,000	-	315,000	-	23,143,023
463,199	806,292	450,844	530,527	496,856	11,369	26,567,746
-	40,444	-	-	-	-	40,444
-	40,444	-	-	-	-	40,444
420,856	161,315	53,546	(42,806)	108,945	-	155,357
-	-	-	-	-	4,163,026	5,338,273
-	-	-	-	-	-	-
431,341	239,927	(360,132)	379,015	(226,753)	444,406	1,805,403
\$ 852,197	\$ 401,242	\$ (306,586)	\$ 336,209	\$ (117,808)	\$ 4,607,432	\$ 7,299,033

**District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2018**

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Academy at the Farm, Inc., Activities:					
Instruction	\$ 2,986,556	\$ -	\$ -	\$ -	\$ (2,986,556)
Student Support Services	17,722	-	-	-	(17,722)
Instructional Media Services	29	-	-	-	(29)
Instruction-Related Technology	237,475	-	-	-	(237,475)
Board	7,000	-	-	-	(7,000)
General Administration	32,875	-	-	-	(32,875)
School Administration	327,423	-	-	-	(327,423)
Facilities Acquisition and Construction	1,280	-	-	-	(1,280)
Fiscal Services	71,551	-	-	-	(71,551)
Operation of Plant	248,897	-	-	-	(248,897)
Maintenance of Plant	141,731	-	-	-	(141,731)
Community Service	475,432	510,639	-	-	35,207
Debt Service - Interest	219,826	-	-	103,726	(116,100)
Depreciation-Unallocated	247,385	-	-	-	(247,385)
Total Academy at the Farm, Inc., Activities	\$ 5,015,182	\$ 510,639	\$ -	\$ 103,726	(4,400,817)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	3,836,583
Miscellaneous	499,264
Total General Revenues	4,335,847
Change in Net Position	(64,970)
Net Position, Beginning	647,949
Net Position, Ending	\$ 582,979

	Expenses	Program Revenues			Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Athenian Academy of Pasco County, Inc., Activities:					
Instruction	\$ 1,234,173	\$ -	\$ 83,501	\$ -	\$ (1,150,672)
Student Support Services	28,263	-	6,240	-	(22,023)
Instructional Staff Training	34,403	-	34,403	-	-
Board	19,584	-	-	-	(19,584)
General Administration	194,889	-	-	-	(194,889)
School Administration	261,944	-	183	-	(261,761)
Fiscal Services	92,964	-	-	-	(92,964)
Food Services	14,205	-	-	-	(14,205)
Central Services	38,488	-	-	-	(38,488)
Student Transportation Services	56,912	-	-	-	(56,912)
Operation of Plant	401,556	-	-	73,612	(327,944)
Administrative Technology	3,387	-	-	-	(3,387)
Community Services	67,854	63,195	-	-	(4,659)
Debt Service-Interest	4,875	-	-	-	(4,875)
Depreciation-Unallocated	63,963	-	-	-	(63,963)
Total Athenian Academy of Pasco County, Inc., Activities	\$ 2,517,460	\$ 63,195	\$ 124,327	\$ 73,612	(2,256,326)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	2,242,815
Miscellaneous	117,695
Total General Revenues	2,360,510
Change in Net Position	104,184
Net Position, Beginning	475,708
Net Position, Ending	\$ 579,892

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Classical Preparatory School</u>					
Instruction	\$ 2,864,597	\$ -	\$ -	\$ -	\$ (2,864,597)
Instructional Media Services	-	-	-	-	-
Instructional Curriculum Development Services	-	-	-	-	-
Instructional Staff Training	26,986	-	-	-	(26,986)
Board	107,869	-	-	-	(107,869)
School Administration	886,423	-	-	-	(886,423)
Facilities Acquisition and Construction	75,143	-	-	-	(75,143)
Fiscal Services	95,428	-	-	-	(95,428)
Food Services	10,561	-	-	-	(10,561)
Student Transportation Services	46,933	-	-	-	(46,933)
Operation of Plant	377,099	-	-	-	(377,099)
Community Service	116,231	-	-	-	(116,231)
Debt Service - Interest	967,239	-	-	121,319	(845,920)
Depreciation-Unallocated	189,077	-	-	-	(189,077)
Total Academy at the Farm, Inc., Activities	<u>\$ 5,763,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,319</u>	<u>(5,642,267)</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	4,649,218
Miscellaneous	277,705
Total General Revenues	<u>4,926,923</u>
Change in Net Position	(715,344)
Net Position, Beginning	<u>(214,370)</u>
Net Position, Ending	<u>\$ (929,714)</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Countryside Montessori Charter School, Inc., Activities:</u>					
Instruction	\$ 1,694,548	\$ -	\$ -	\$ -	\$ (1,694,548)
Instructional Staff Training	9,141	-	-	-	(9,141)
School Administration	341,961	-	-	-	(341,961)
Facilities Acquisition and Construction	188,699	-	-	58,924	(129,775)
Fiscal Services	41,821	-	-	-	(41,821)
Food Services	2,944	-	-	-	(2,944)
Operation of Plant	112,286	-	-	-	(112,286)
Maintenance of Plant	5,327	-	-	-	(5,327)
Community Service	237,875	13,003	-	-	(224,872)
Debt Service-Interest	10,552	-	-	-	(10,552)
Depreciation-Unallocated	65,306	-	-	-	(65,306)
Total Countryside Montessori Charter School, Inc., Activities	<u>\$ 2,710,460</u>	<u>\$ 13,003</u>	<u>\$ -</u>	<u>\$ 58,924</u>	<u>(2,638,533)</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	2,137,542
Miscellaneous	494,812
Total General Revenues	<u>2,632,354</u>
Change in Net Position	(6,179)
Net Position, Beginning	<u>434,424</u>
Net Position, Ending	<u>\$ 428,245</u>

**District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2018**

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Creation Foundation, Inc.</u>					
Instruction	\$ 3,060,555	\$ -	\$ 9,985	\$ -	\$ (3,050,570)
Student Support Services	48,080	-	-	-	(48,080)
Instructional Media Services	-	-	-	-	-
Instructional Staff Training	4,750	-	-	-	(4,750)
School Administration	907,176	-	-	-	(907,176)
Facilities Acquisition & Construction	95,983	-	-	-	(95,983)
Fiscal Services	47,356	-	-	-	(47,356)
Student Transportation Services	109,898	-	-	-	(109,898)
Operation of Plant	538,620	-	-	132,798	(405,822)
Maintenance of Plant	42,326	-	-	-	(42,326)
Administrative Technology Services	111,383	-	-	-	(111,383)
Community Service	868,092	-	-	-	(868,092)
Debt Service-Interest	136,251	-	-	-	(136,251)
Depreciation-Unallocated	183,762	-	-	-	(183,762)
Total Dayspring Academy for Education and the Arts, Activities	<u>\$ 6,154,232</u>	<u>\$ -</u>	<u>\$ 9,985</u>	<u>\$ 132,798</u>	<u>(6,011,449)</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	5,172,103
Miscellaneous	850,925
Total General Revenues	<u>6,023,028</u>
Change in Net Position	11,579
Net Position, Beginning	880,566
Adjustment to Net Position	\$ (27,200)
Net Position, Ending	<u>\$ 864,945</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Florida Virtual Academy at Pasco, Activities:</u>					
Instruction	\$ 574,560	\$ -	\$ -	\$ -	\$ (574,560)
Student Support Services	123,090	-	-	-	(123,090)
Instructional and Curriculum Development	1,102,554	-	-	-	(1,102,554)
Instructional Staff Training	13,984	-	-	-	(13,984)
Instruction-Related Technology	245,039	-	-	-	(245,039)
Board	33,922	-	-	-	(33,922)
General Administration	74,156	-	-	-	(74,156)
School Administration	369,498	-	-	-	(369,498)
Fiscal Services	274	-	-	-	(274)
Operation of Plant	49,442	-	-	-	(49,442)
Maintenance of Plant	341	-	-	-	(341)
Total Florida Virtual Academy at Pasco, Activities	<u>\$ 2,586,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,586,860)</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	1,506,264
Miscellaneous	1,080,596
Total General Revenues	<u>2,586,860</u>
Change in Net Position	-
Net Position, Beginning	-
Net Position, Ending	<u>\$ -</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Imagine School at Land O'Lakes, Activities:</u>					
Instruction	\$ 2,632,793	\$ -	\$ -	\$ -	\$ (2,632,793)
Student Support Services	893	-	-	-	(893)
Instructional Media	54,458	-	-	-	(54,458)
Instructional and Curriculum Development	99,778	-	-	-	(99,778)
Instructional Staff Training Services	-	-	-	-	-
Instruction-Related Technology	28,493	-	-	-	(28,493)
Board	7,000	-	-	-	(7,000)
General Administration	642,128	-	-	-	(642,128)
School Administration	461,181	-	-	-	(461,181)
Facilities Acquisition and Construction	-	-	-	-	-
Fiscal Services	105,697	-	-	-	(105,697)
Food Services	32,318	-	-	-	(32,318)
Central Services	1,363	-	-	-	(1,363)
Student Transportation Services	207,804	-	-	-	(207,804)
Operation of Plant	1,162,914	-	-	137,543	(1,025,371)
Maintenance of Plant	87,756	-	-	-	(87,756)
Community Service	78,214	-	-	-	(78,214)
Debt Service - Interest	10,812	-	-	-	(10,812)
Depreciation-Unallocated	130,378	-	-	-	(130,378)
Total Imagine School at Land O'Lakes, Activities	\$ 5,743,980	\$ -	\$ -	\$ 137,543	(5,606,437)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	5,128,928
Miscellaneous	383,450
Total General Revenues	5,512,378
Change in Net Position	(94,059)
Net Position, Beginning	946,256
Net Position, Ending	\$ 852,197

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Learning Lodge Academy, Inc.</u>					
Instruction	\$ 1,017,526	\$ 30,924	\$ 21,715	\$ -	\$ (964,887)
Student Support Services	7,373	-	-	-	(7,373)
Instructional Media Services	33,629	-	-	-	(33,629)
Instructional Staff Training	1,020	-	-	-	(1,020)
Board	7,530	-	-	-	(7,530)
General Administration	83,262	-	-	-	(83,262)
School Administration	345,963	-	-	-	(345,963)
Facilities Acquisition & Construction	174,691	-	-	30,799	(143,892)
Fiscal Services	5,422	-	-	-	(5,422)
Food Services	1,245	-	-	-	(1,245)
Operation of Plant	114,895	-	-	-	(114,895)
Community Service	17,561	-	-	-	(17,561)
Depreciation-Unallocated	58,457	-	-	-	(58,457)
Total Learning Lodge Academy, Inc., Activities	\$ 1,868,574	\$ 30,924	\$ 21,715	\$ 30,799	(1,785,136)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	1,688,791
Miscellaneous	45,734
Total General Revenues	1,734,525
Change in Net Position	(50,611)
Net Position, Beginning	451,853
Net Position, Ending	\$ 401,242

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2018

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pasco MYcroSchool</u>					
Instruction	\$ 328,045	\$ -	\$ 101,135	\$ -	\$ (226,910)
Student Support Services	-	-	-	-	-
Instructional Staff Training Services	520	-	-	-	(520)
Board	1,806	-	-	-	(1,806)
General Administration	9,746	-	-	-	(9,746)
School Administration	174,034	-	-	-	(174,034)
Facilities Acquisition and Construction	111,279	-	-	-	(111,279)
Fiscal Services	2,042	-	-	-	(2,042)
Central Services	1,728	-	-	-	(1,728)
Student Transportation Services	758	-	-	-	(758)
Operation of Plant	85,101	-	-	-	(85,101)
Maintenance of Plant	644	-	-	-	(644)
Total Pepin Academies of Pasco County, Inc., Activities	\$ 715,703	\$ -	\$ 101,135	\$ -	(614,568)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	305,571
Miscellaneous	2,411
Total General Revenues	<u>307,982</u>
Change in Net Position	(306,586)
Net Position, Beginning	-
Net Position, Ending	<u>\$ (306,586)</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pepin Academies of Pasco County, Inc.</u>					
Instruction	\$ 2,372,111	\$ -	\$ -	\$ -	\$ (2,372,111)
Student Support Services	511,942	-	125,056	-	(386,886)
Instructional Staff Training Services	597	-	-	-	(597)
Instruction-Related Technology	-	-	-	-	-
General Administration	94,027	-	-	-	(94,027)
School Administration	533,964	-	-	-	(533,964)
Fiscal Services	30,385	-	-	-	(30,385)
Food Services	181,817	18,558	87,313	-	(75,946)
Central Services	-	-	-	-	-
Operation of Plant	697,962	-	-	-	(697,962)
Maintenance of Plant	10,818	-	-	-	(10,818)
Community Service	13,904	11,842	-	-	(2,062)
Debt Service - Interest	11,908	-	-	-	(11,908)
Total Pepin Academies of Pasco County, Inc., Activities	\$ 4,459,435	\$ 30,400	\$ 212,369	\$ -	(4,216,666)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	4,146,405
Miscellaneous	25,713
Total General Revenues	<u>4,172,118</u>
Change in Net Position	(44,548)
Net Position, Beginning	380,757
Net Position, Ending	<u>\$ 336,209</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Plato Academy Trinity Charter School</u>					
Instruction	\$ 474,936	\$ -	\$ 160,244	\$ -	\$ (314,692)
Student Support Services	-	-	-	-	-
Instruction Related Technology	15,777	-	-	-	(15,777)
Board	7,699	-	-	-	(7,699)
General Administration	25,109	-	-	-	(25,109)
School Administration	147,777	-	4,100	-	(143,677)
Fiscal Services	-	-	-	-	-
Central Services	75,923	-	-	-	(75,923)
Operation of Plant	126,324	-	-	13,064	(113,260)
Maintenance of Plant	-	-	-	-	-
Debt Service - Interest	6,750	-	-	-	(6,750)
Depreciation-Unallocated	10,188	-	-	-	(10,188)
Total Pepin Academies of Pasco County, Inc., Activities	\$ 890,483	\$ -	\$ 164,344	\$ 13,064	(713,075)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	573,944
Miscellaneous	87,676
Total General Revenues	661,620
Change in Net Position	(51,455)
Net Position, Beginning	(66,353)
Net Position, Ending	\$ (117,808)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pasco Education Foundation, Inc., Activities:</u>					
Community Service	\$ 1,335,755	\$ -	\$ -	\$ -	(1,335,755)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	1,177,039
Unrestricted Investment Earnings	171,166
Total General Revenues	1,348,205
Change in Net Position	12,450
Net Position, Beginning	4,594,982
Net Position, Ending	\$ 4,607,432

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2018

Schedule J

<u>Total Component Units Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 19,240,400	\$ 30,924	\$ 376,580	\$ -	\$ (18,832,896)
Student Support Services	737,363	-	131,296	-	(606,067)
Instructional Media Services	88,116	-	-	-	(88,116)
Instructional and Curriculum Development	1,202,332	-	-	-	(1,202,332)
Instructional Staff Training Services	91,401	-	34,403	-	(56,998)
Instruction-Related Technology	526,784	-	-	-	(526,784)
Board	192,410	-	-	-	(192,410)
General Administration	1,156,192	-	-	-	(1,156,192)
School Administration	4,757,344	-	4,283	-	(4,753,061)
Facilities Acquisition and Construction	647,075	-	-	89,723	(557,352)
Fiscal Services	492,940	-	-	-	(492,940)
Food Services	243,090	18,558	87,313	-	(137,219)
Central Services	117,502	-	-	-	(117,502)
Student Transportation Services	422,305	-	-	-	(422,305)
Operation of Plant	3,915,096	-	-	357,017	(3,558,079)
Maintenance of Plant	288,943	-	-	-	(288,943)
Administrative Technology Services	114,770	-	-	-	(114,770)
Community Service	3,210,918	598,679	-	-	(2,612,239)
Debt Service - Interest	1,368,213	-	-	225,045	(1,143,168)
Depreciation-Unallocated	948,516	-	-	-	(948,516)
		-	-	-	-
Total Component Units Activities	\$ 39,761,710	\$ 648,161	\$ 633,875	\$ 671,785	(37,807,889)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	32,565,203
Miscellaneous	3,865,981
Unrestricted Investment Earnings	171,166
Total General Revenues	36,602,350
Change in Net Position	(1,205,539)
Net Position, Beginning	8,531,772
Adjustment to Beginning Net Position	(27,200)
Net Position, Ending	\$ 7,299,033

STATISTICAL SECTION

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Statistical Section

Introduction

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Economic and Demographic Information

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

Table 14	Demographic and Economic Statistics
Table 15	Principal Employers in Pasco County

Operating Information

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

Table 16	Number of Personnel
Table 17	Teacher Base Salaries
Table 18	Operating Statistics
Table 19	School Building Information

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

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

	For the Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Governmental Activities:				
Net Investment in Capital Assets	\$ 532,146,394	\$ 609,215,910	\$ 610,511,400	\$ 587,895,355
Restricted	199,546,968	150,219,796	156,915,364	177,850,787
Unrestricted	35,460,415	29,950,233	42,414,994	29,533,195
Total Governmental Activities Net Position	<u>767,153,777</u>	<u>789,385,939</u>	<u>809,841,758</u>	<u>795,279,337</u>
Business-Type Activities:				
Net Investment in Capital Assets	184,707	146,867	155,131	137,748
Unrestricted	2,766,947	3,678,225	4,609,491	5,387,604
Total Business-Type Activities Net Position	<u>2,951,654</u>	<u>3,825,092</u>	<u>4,764,622</u>	<u>5,525,352</u>
Primary Government:				
Net Investment in Capital Assets	532,331,101	609,362,777	610,666,531	588,033,103
Restricted	199,546,968	150,219,796	156,915,364	177,850,787
Unrestricted	38,227,362	33,628,458	47,024,485	34,920,799
Total Primary Government Net Position	<u>\$ 770,105,431</u>	<u>\$ 793,211,031</u>	<u>\$ 814,606,380</u>	<u>\$ 800,804,689</u>

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

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

Source: District records
 CAFR - Exhibit A

Table 1

For the Fiscal Year Ending					
June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
\$ 590,932,554	\$ 599,058,815	\$ 623,953,695	\$ 631,191,690	\$ 680,286,796	\$ 675,505,097
172,069,772	164,220,978	141,051,030	140,732,338	102,033,724	126,907,839
28,365,685	15,313,862	(183,605,569)	(183,118,232)	(199,267,302)	(260,385,768)
<u>791,368,011</u>	<u>778,593,655</u>	<u>581,399,156</u>	<u>588,805,796</u>	<u>583,053,218</u>	<u>542,027,168</u>
166,337	176,128	206,739	166,042	133,420	112,367
3,013,904	2,209,578	(751,298)	(131,406)	148,528	(602,458)
<u>3,180,241</u>	<u>2,385,706</u>	<u>(544,559)</u>	<u>34,636</u>	<u>281,948</u>	<u>(490,091)</u>
591,098,891	599,234,943	624,160,434	631,357,732	680,420,216	675,617,464
172,069,772	164,220,978	141,051,030	140,732,338	102,033,724	126,907,839
31,379,589	17,523,440	(184,356,867)	(183,249,638)	(199,118,774)	(260,988,226)
<u>\$ 794,548,252</u>	<u>\$ 780,979,361</u>	<u>\$ 580,854,597</u>	<u>\$ 588,840,432</u>	<u>\$ 583,335,166</u>	<u>\$ 541,537,077</u>

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

	For the Fiscal Year Ending									
	June 30, 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
Expenses										
Governmental Activities										
Instruction	\$ 351,559,669	\$ 343,287,586	\$ 363,757,272	\$ 334,933,329	\$ 343,554,241	\$ 358,768,503	\$ 362,962,619	\$ 386,321,690	\$ 408,448,107	\$ 422,570,775
Student Support Services	29,943,982	28,127,494	27,818,587	25,200,500	25,331,587	25,618,232	26,801,838	27,878,254	30,820,513	33,010,405
Instructional Media Services	8,979,508	10,116,970	9,838,612	7,354,703	6,917,067	1,906,905	2,343,060	2,395,795	2,271,748	2,018,167
Instructional and Curriculum Development Services	11,411,106	15,766,876	15,384,400	13,400,395	11,764,667	14,558,446	15,800,130	16,807,274	19,238,370	19,647,149
Instructional Staff Training	8,281,128	14,462,129	13,936,346	10,971,329	11,073,276	9,426,682	7,324,613	7,168,371	9,608,442	9,237,951
Instruction-Related Technology	6,531,075	6,335,019	6,147,471	4,847,994	4,892,506	8,425,406	6,888,825	7,181,975	7,983,137	7,900,006
Board	2,717,695	3,230,392	3,121,338	668,918	610,730	620,416	530,109	593,665	932,028	799,596
General Administration	1,805,179	3,323,964	3,351,534	1,259,433	1,632,018	2,556,141	2,407,270	3,366,050	3,709,541	4,012,766
School Administration	34,476,174	36,740,305	36,616,082	34,008,721	34,289,049	36,456,573	37,661,405	39,320,749	43,055,596	44,770,488
Facilities Acquisition and Construction	17,033,887	15,095,278	14,981,752	12,736,731	14,195,220	14,491,329	17,381,716	22,312,816	25,737,667	27,557,051
Fiscal Services	2,419,295	2,394,604	2,495,234	2,199,577	2,281,430	2,708,890	2,792,302	2,789,717	3,092,802	3,293,417
Food Services	29,605,467	31,228,131	30,842,650	30,476,104	31,884,356	32,787,091	35,477,047	39,016,954	40,699,866	39,594,503
Central Services	6,455,741	7,856,068	848,370	1,734,199	4,024,807	6,030,792	8,227,505	12,010,763	2,817,157	5,183,668
Student Transportation Services	28,153,490	27,870,375	28,495,921	27,912,093	27,623,111	29,162,574	29,695,863	29,927,606	32,940,721	34,350,249
Operation of Plant	43,875,230	46,244,124	46,454,690	46,432,259	42,208,748	45,192,330	42,537,525	45,765,410	44,284,504	45,156,061
Maintenance of Plant	13,258,894	13,349,962	12,712,872	11,012,852	10,903,885	11,583,005	10,565,620	11,374,941	12,375,243	12,300,170
Administrative Technology Services	3,229,763	3,299,616	3,173,777	3,084,540	3,146,509	3,692,101	6,047,282	9,929,967	9,795,116	10,156,901
Community Services	816,613	711,668	582,837	618,337	688,852	510,674	867,512	475,657	410,564	2,314,173
Interest on Long-term Liabilities	20,698,823	19,193,742	18,650,661	17,827,097	16,680,024	24,315,270	15,059,988	15,510,778	16,115,585	15,572,907
Total Government Activities Expenses	621,252,719	628,634,303	639,210,406	586,679,111	593,702,083	628,811,360	631,372,229	680,148,432	714,336,707	739,446,403
Business-Type Activities:										
PLACE Program	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,363,111	9,850,333	9,853,988	9,943,439
Vending Program							552,755	506,375	591,061	588,319
Total Business-Type Activities Expenses	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,915,866	10,356,708	10,445,049	10,531,758
Total Primary Government Expenses	\$ 630,197,239	\$ 636,937,394	\$ 647,250,398	\$ 594,432,675	\$ 601,643,593	\$ 637,967,219	\$ 641,288,095	\$ 690,505,140	\$ 724,781,756	\$ 749,978,161
Program Revenues										
Governmental Activities:										
Charges for services	\$ 1,645,400	\$ 3,486,329	\$ 254,868	\$ 1,511,101	\$ 522,095	\$ 586,263	\$ 407,780	\$ 524,903	\$ 508,294	\$ 641,551
Instruction	12,998,964	12,249,850	11,824,461	11,697,038	11,441,922	11,086,807	11,033,632	11,312,259	11,419,572	10,385,274
Food Services	859,519	820,661	1,031,745	1,148,279	992,215	1,060,679	1,209,902	1,142,417	1,210,992	1,193,069
Student Transportation	32,957,214	34,949,693	35,241,557	21,417,728	37,633,087	38,821,862	40,056,713	42,499,928	44,065,787	44,743,319
Operating grants and contributions	27,380,354	10,997,212	8,129,586	8,198,949	9,128,908	12,852,412	12,852,412	14,539,299	21,752,287	21,082,658
Capital grants and contributions										
Total Government Activities Program Revenue	75,841,451	62,503,745	56,482,217	43,973,095	59,718,227	63,974,136	65,560,439	70,018,806	78,956,932	78,045,871

Table 2
(continued)

For the Fiscal Year Ending

	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
Business-Type Activities:										
Charge for Services Provided	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,435,575	10,454,332	10,510,012	9,699,751
Charge for Sales	-	-	-	-	-	-	554,602	527,256	567,712	592,853
Total Business-Type Activities Revenues	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,990,177	10,981,588	11,077,724	10,292,604
Total Primary Government Program Revenues	\$ 84,986,160	\$ 71,678,011	\$ 65,457,998	\$ 52,468,259	\$ 68,280,949	\$ 73,334,950	\$ 75,550,616	\$ 81,000,394	\$ 90,034,656	\$ 88,338,475
Net (Expense) Revenues										
Government Activities	\$ (545,411,268)	\$ (566,130,558)	\$ (582,728,189)	\$ (542,706,016)	\$ (533,983,856)	\$ (564,837,224)	\$ (565,811,790)	\$ (610,129,626)	\$ (635,379,775)	\$ (661,400,532)
Business-Type Activities	200,189	871,175	935,789	741,600	621,212	204,955	74,311	624,880	632,675	(239,154)
Total Primary Government Net (Expenses) Revenues	\$ (545,211,079)	\$ (565,259,383)	\$ (581,792,400)	\$ (541,964,416)	\$ (533,362,644)	\$ (564,632,269)	\$ (565,737,479)	\$ (609,504,746)	\$ (634,747,100)	\$ (661,639,686)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes:										
Levied for general purposes	\$ 163,132,311	\$ 143,328,208	\$ 137,589,229	\$ 133,136,587	\$ 120,318,952	\$ 121,552,684	\$ 123,010,141	\$ 128,319,631	\$ 129,369,699	\$ 133,771,102
Levied for debt services	-	484	-	-	-	-	-	-	-	-
Levied for capital purposes	42,857,117	36,814,096	32,903,497	32,505,792	30,896,444	31,131,186	32,660,786	34,313,082	36,291,600	39,599,116
Sales taxes	26,452,520	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307	25,738,211	26,942,544	28,398,773
Grants and contributions not restricted to Specific Programs	322,280,550	359,835,520	390,434,709	326,929,740	338,910,337	369,957,624	386,425,843	404,584,134	420,677,690	434,081,243
Transfers	-	-	-	-	3,000,000	1,000,000	-	56,634	405,273	610
Miscellaneous	9,890,216	17,536,819	14,463,706	9,702,528	8,129,246	12,125,787	14,454,399	22,699,580	14,408,081	16,385,561
Unrestricted investment earnings	379,403	5,176,446	2,385,946	547,374	1,326,648	580,012	816,253	1,824,994	1,532,310	2,486,903
Total Governmental Activities	564,992,117	588,362,720	603,184,008	528,143,595	530,072,530	565,131,652	584,047,729	617,536,266	629,627,197	654,723,308
Business-Type Activities										
Interest	37,709	2,263	3,741	13,223	33,677	121	20,578	10,665	19,651	40,525
Miscellaneous	746	-	-	5,907	-	389	309	284	259	1,298
Transfers	-	-	-	-	(3,000,000)	(1,000,000)	-	(56,634)	(405,273)	(610)
Total Business-Type Activities	38,455	2,263	3,741	19,130	(2,966,323)	(999,490)	20,887	(45,685)	(385,363)	41,213
Total Primary Government	\$ 565,030,572	\$ 588,364,983	\$ 603,187,749	\$ 528,162,725	\$ 527,106,207	\$ 564,132,162	\$ 584,068,616	\$ 617,490,581	\$ 629,241,834	\$ 654,764,521
Changes in Net Position										
Governmental activities	\$ 19,580,849	\$ 22,232,162	\$ 20,455,819	\$ (14,562,421)	\$ (3,911,326)	\$ 294,428	\$ 18,235,939	\$ 7,406,640	\$ (5,752,578)	\$ (6,677,224)
Business-Type activities	238,644	873,438	939,530	760,730	(2,345,111)	(794,535)	95,198	579,195	247,312	(197,941)
Total Primary Government	\$ 19,819,493	\$ 23,105,600	\$ 21,395,349	\$ (13,801,691)	\$ (6,256,437)	\$ (500,107)	\$ 18,331,137	\$ 7,985,835	\$ (5,505,266)	\$ (6,875,165)

Source: District records - CAFR Exhibit B

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

	For the Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
General Fund:				
Fund Balance:				
Nonspendable	\$ -	\$ -	\$ 3,893,982	\$ 4,568,706
Restricted	-	-	7,563,258	5,326,016
Assigned	-	-	26,466,857	15,673,843
Unassigned	-	-	22,964,288	22,714,296
Reserved	14,467,726	12,185,376	-	-
Unreserved	32,803,154	37,788,339	-	-
Total General Fund	\$ 47,270,880	\$ 49,973,715	\$ 60,888,385	\$ 48,282,861
All Other Governmental Funds				
Fund Balance:				
Nonspendable				
Special Revenue-Food Service	\$ -	\$ -	\$ 1,695,810	\$ 1,380,195
Capital Projects Other	-	-	-	-
Restricted				
Special Revenue -Food Service	-	-	4,383,403	7,183,864
Debt Service	-	-	18,525,444	21,389,660
Capital Projects	-	-	135,332,919	110,020,160
Assigned				
Capital Projects	-	-	27,091,944	31,775,584
Reserved	87,804,190	32,442,711	-	-
Unreserved, reported in:				
Capital Projects funds	159,097,171	144,692,524	-	-
Debt Service funds	-	13,921,942	-	-
Special Revenue funds	1,700,634	3,665,452	-	-
Total all other government funds	\$ 248,601,995	\$ 194,722,629	\$ 187,029,520	\$ 171,749,463

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

Source: District records - CAFR Exhibit C

Table 3

For the Fiscal Year Ending					
<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>
\$ 3,612,982	\$ 3,444,488	\$ 3,706,116	\$ 3,870,506	\$ 3,437,955	\$ 3,628,214
3,124,608	6,903,768	4,793,446	1,393,683	4,089,246	5,297,161
17,407,505	11,451,799	21,418,729	25,344,899	25,728,404	26,716,791
23,499,528	32,983,587	26,101,381	26,132,916	26,708,735	27,711,359
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 47,644,623</u>	<u>\$ 54,783,642</u>	<u>\$ 56,019,672</u>	<u>\$ 56,742,004</u>	<u>\$ 59,964,340</u>	<u>\$ 63,353,525</u>
\$ 1,223,200	\$ 1,153,542	\$ 1,238,056	\$ 1,168,050	\$ 1,050,871	\$ 1,323,178
-	-	-	11,882,999	3,831,027	553,306
7,100,164	8,774,328	9,000,902	7,892,363	6,492,995	6,135,162
17,001,808	14,026,067	11,958,237	13,252,861	18,885,182	14,102,339
147,001,633	241,878,569	211,168,847	180,189,182	114,240,095	143,163,912
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 172,326,805</u>	<u>\$ 265,832,506</u>	<u>\$ 233,366,042</u>	<u>\$ 214,385,455</u>	<u>\$ 144,500,170</u>	<u>\$ 165,277,897</u>

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

	June 30, 2009	For the Fiscal Year Ending		June 30, 2012
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Revenues:				
Federal Sources:				
Federal Grants	\$ 39,525,911	\$ 79,516,781	\$ 96,950,923	\$ 42,340,203
Food Services	17,236,057	19,688,152	20,815,526	20,980,131
Total Federal Sources	<u>56,761,968</u>	<u>99,204,933</u>	<u>117,766,449</u>	<u>63,320,334</u>
State Sources:				
Florida Education Finance Program	195,130,222	213,428,570	222,031,695	204,656,075
Public Education Capital Outlay	19,148,129	1,622,195	3,524,056	703,197
Food Services	382,031	493,454	426,031	437,597
State Grants and Other	105,937,551	84,614,338	85,811,367	82,611,163
Total State Sources	<u>320,597,933</u>	<u>300,158,557</u>	<u>311,793,149</u>	<u>288,408,032</u>
Local Sources:				
Property Taxes	211,284,811	180,142,788	170,492,726	165,642,379
Local Sales Taxes	26,452,520	25,671,147	25,406,921	25,321,574
Food Services	12,998,964	12,249,850	11,778,792	11,650,985
Investment Earnings	379,403	5,176,446	2,388,287	590,385
Local grants and other	11,409,494	20,931,370	19,274,584	16,094,030
Total local sources	<u>262,525,192</u>	<u>244,171,601</u>	<u>229,341,310</u>	<u>219,299,353</u>
Total Revenues	<u>639,885,093</u>	<u>643,535,091</u>	<u>658,900,908</u>	<u>571,027,719</u>
Expenditures:				
Current-Education:				
Instruction	324,672,253	313,051,706	325,557,314	296,241,293
Student Support Services	29,528,612	28,028,160	27,470,406	24,952,342
Instructional Media Services	9,889,155	9,787,927	9,468,350	7,142,745
Instruction and Curriculum Development Services	10,715,100	15,211,665	15,299,116	13,293,905
Instructional Staff Training	8,283,841	14,045,255	13,976,906	10,844,460
Instruction-Related Technology	6,535,854	6,270,107	6,126,500	4,799,806
Board	2,630,591	3,085,096	2,980,400	487,161
General Administration	2,325,305	3,355,050	3,317,673	1,226,250
School Administration	34,093,343	36,185,408	36,404,238	33,210,176
Facilities Services	6,192,119	6,532,646	6,424,831	4,028,151
Fiscal Services	2,422,560	2,316,906	2,404,739	2,114,358
Food Services	29,274,591	31,001,571	30,565,745	30,189,633
Central Services	6,900,844	6,326,380	6,675,392	5,903,365
Student Transportation Services	26,931,416	26,787,809	27,697,245	27,217,617
Operation of Plant	43,075,688	45,838,612	46,183,311	46,025,891
Maintenance of Plant	12,846,399	13,167,442	12,518,437	10,877,222
Administrative Technology Services	3,118,180	3,178,804	3,196,306	3,030,764
Community Services	805,803	698,604	648,347	622,397
Capital Outlay:				
Facilities Acquisition and Construction	106,068,134	97,667,371	37,632,689	35,571,766
Other Capital Outlay	2,176,402	2,212,318	1,930,515	907,144
Debt Service:				
Principal	20,115,000	20,987,001	21,812,001	22,527,001
Interest	19,679,686	18,099,076	17,440,390	17,133,664
Fiscal Charges	1,174,013	1,751,549	1,361,160	721,224
Total Expenditures	<u>709,454,889</u>	<u>705,586,463</u>	<u>657,092,011</u>	<u>599,068,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(69,569,796)</u>	<u>(62,051,372)</u>	<u>1,808,897</u>	<u>(28,040,616)</u>
Other Financing Sources (Uses):				
Face Value of Bonds Issued	-	1,300,000	1,450,000	1,710,000
Face Value of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Premiums on Bonds Issued	-	130,248	117,416	226,415
Face Value of Certificates of Participation Issued	1,170,010	11,000,000	-	-
Premiums on Certificates of Participation Issued	-	-	-	-
Face Value of Refunding Certificates of Participation	-	-	-	-
Capital Leases	-	-	-	-
Proceeds from the Sale of Capital Assets	133,327	63,037	45,248	154,466
Discounts on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	(1,418,444)	-	(1,931,399)
Transfers In	42,595,724	36,990,185	45,089,857	58,144,210
Transfers Out	<u>(42,795,724)</u>	<u>(37,190,185)</u>	<u>(45,289,857)</u>	<u>(58,148,657)</u>
Total Other Financing Sources (Uses)	<u>1,103,337</u>	<u>10,874,841</u>	<u>1,412,664</u>	<u>155,035</u>
Net Change in Fund Balances	<u>\$ (68,466,459)</u>	<u>\$ (51,176,531)</u>	<u>\$ 3,221,561</u>	<u>\$ (27,885,581)</u>
Debt service as a percentage of noncapital expenditures	6.62%	6.45%	6.36%	7.05%

Source: District records - CAFR Exhibit E

Table 4

June 30, 2013	June 30, 2014	For the Fiscal Year Ending		June 30, 2017	June 30, 2018
		June 30, 2015	June 30, 2016		
\$ 42,541,633	\$ 46,178,627	\$ 48,913,244	\$ 48,742,547	\$ 49,107,569	\$ 47,555,770
22,141,725	23,319,438	24,565,522	26,319,045	27,798,916	28,355,077
64,683,358	69,498,065	73,478,766	75,061,592	76,906,485	75,910,847
229,215,516	256,270,767	268,469,393	284,094,218	298,842,427	308,188,941
666,291	1,002,216	796,597	2,445,259	3,384,042	1,996,243
419,874	424,778	414,356	395,520	377,682	364,856
84,676,064	85,291,068	86,841,606	90,418,539	91,562,941	97,355,243
314,977,745	342,988,829	356,521,952	377,353,536	394,167,092	407,905,283
151,215,396	152,683,870	155,670,927	162,632,713	165,661,299	173,370,218
27,490,903	28,784,359	26,680,307	25,738,211	26,942,544	28,398,773
11,441,922	11,028,315	10,532,753	10,571,030	10,477,201	9,709,510
1,267,749	580,012	816,254	1,824,994	625,270	2,486,903
15,445,937	21,704,165	24,544,524	33,517,381	32,254,391	33,706,373
206,861,907	214,780,721	218,244,765	234,284,329	235,960,705	247,671,777
586,523,010	627,267,615	648,245,483	686,699,457	707,034,282	731,487,907
299,761,436	314,892,649	333,028,297	348,822,641	355,842,835	366,197,365
25,031,281	25,231,533	26,612,973	28,063,110	29,598,411	31,509,727
6,763,983	2,314,127	2,621,203	2,666,744	2,479,436	2,181,593
11,701,933	14,274,568	15,640,068	16,304,718	18,098,354	18,581,077
10,981,833	9,767,487	7,396,496	7,890,300	9,637,889	9,190,185
4,864,701	8,298,947	6,742,355	7,202,055	7,454,425	7,310,989
468,772	469,656	500,228	501,973	659,516	617,585
1,512,137	2,535,795	2,357,187	3,173,955	3,718,363	3,735,356
33,759,267	35,391,965	36,925,142	38,335,496	39,484,674	41,144,285
4,833,626	4,550,999	5,708,614	7,779,022	4,654,495	7,335,045
2,228,720	2,563,383	2,774,726	2,782,547	2,994,927	3,161,218
31,598,711	32,469,486	35,249,881	38,602,742	39,648,115	38,563,695
5,643,763	6,490,365	7,760,284	7,710,236	7,630,842	7,415,607
27,052,856	28,396,338	29,405,350	29,452,611	31,296,318	32,755,198
41,856,266	44,337,010	42,452,205	45,519,558	42,785,163	44,263,036
10,586,881	11,342,028	10,536,743	11,004,569	11,563,187	11,604,479
3,118,929	3,601,933	5,988,463	9,330,449	9,099,520	9,457,166
667,873	533,017	856,821	434,922	416,265	2,320,791
28,043,055	42,671,034	78,196,590	131,094,037	124,023,320	62,217,169
1,334,131	1,692,110	3,611,166	1,388,704	1,338,599	1,197,772
23,557,001	24,607,001	21,324,001	24,451,976	29,452,032	34,130,499
16,110,854	25,426,070	15,980,740	16,400,738	18,002,773	17,233,274
660,328	2,251,649	706,254	643,131	334,264	233,877
592,138,337	644,109,150	692,375,787	\$779,556,234	\$790,213,723	\$752,356,988
(5,615,327)	(16,841,535)	(44,130,304)	(92,856,777)	(83,179,441)	(20,869,081)
-	96,715,000	-	30,075,000	-	35,000,000
-	1,724,000	2,411,000	-	3,288,000	-
-	272,637	174,776	-	501,636	-
-	16,459,978	7,814,270	-	-	-
-	-	13,655,000	25,995,000	-	-
-	-	-	4,398,965	-	-
-	151,696,458	44,145,000	-	-	-
-	-	-	13,771,923	10,410,158	12,761,538
8,346	6,651	100,000	116,000	1,726,425	810,301
-	(186,756)	-	-	-	-
-	(150,186,713)	(55,585,176)	-	-	(3,830,656)
42,070,126	51,152,626	38,549,554	41,839,953	50,421,041	52,282,147
(36,524,041)	(50,167,626)	(38,364,554)	(41,598,319)	(49,830,768)	(51,987,337)
5,554,431	117,486,255	12,899,870	74,598,522	16,516,492	45,035,993
\$ (60,896)	\$ 100,644,720	\$ (31,230,434)	\$ (18,258,255)	\$ (66,662,949)	\$ 24,166,912
7.05%	8.34%	6.11%	6.31%	7.14%	7.46%

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

Fiscal Year	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2018	\$ 31,279,822	\$ 3,031,909	\$ 5,817,434	\$ 1,211,526	\$ 25,462,388	\$ 1,820,383	\$ 16,239	\$ 27,299,010	79.52%	6.57
2017	29,067,345	3,032,422	5,641,534	1,205,663	23,425,811	1,826,759	16,520	25,269,090	78.68%	6.78
2016	27,320,145	2,914,474	5,409,988	1,206,661	21,910,157	1,707,813	15,499	23,633,469	78.13%	7.11
2015	26,247,234	2,846,669	5,377,106	1,209,922	20,870,128	1,636,747	15,296	22,522,171	77.37%	7.34
2014	25,234,228	2,819,116	5,392,933	1,215,988	19,841,295	1,603,128	14,769	21,459,192	76.45%	7.34
2013	24,978,580	2,876,461	5,389,039	1,203,332	19,589,541	1,673,129	14,013	21,276,683	76.35%	6.86
2012	28,013,760	3,039,322	7,278,503	1,322,493	20,735,257	1,716,829	14,073	22,466,159	72.31%	6.37
2011	29,126,608	3,111,656	7,962,504	1,342,488	21,164,104	1,769,168	12,413	22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.37
2009	39,790,826	3,474,265	12,525,774	1,324,268	27,265,052	2,149,997	12,816	29,427,865	68.00%	5.43

(1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property. . .". Consequently, estimated actual value, above, is assessed value before exemptions. Pasco County Property Appraiser's Office.

(2) Chapter 196, Florida Statutes, grants various exemptions for qualifying historic, economic development, governmental, and institutional property, the latter including charitable, religious, scientific, literary and educational property. Exemptions are also granted for residential property for widows/widowers, disabled/blind, homestead exemption (\$25,000), additional homestead exemption (age 65 or older, \$25,000), and homestead differential (just value minus a capped value).

(3) Property, such as railroad property, for which valuation is provided to the Property Appraiser by the Florida Department of Revenue [see Section 193.085(4), Florida Statutes].

(4) Centrally Assessed Property has been added to the total estimated actual value of Real and Personal Property when computing this percentage.

(5) Total Tax Levy (Pasco County CAFR) to Total Taxable Assessed Value (above). Tax rates are per \$1,000 of assessed value.

Source: Pasco County Property Appraiser

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

Fiscal Year	Property Tax			Sales Tax	Total
	General Purposes	Debt Service (1)	Capital Projects		
2018	\$ 133,771,102	\$ -	\$ 39,599,116	\$ 28,398,773	201,768,991
2017	129,368,717	-	36,199,530	26,942,544	192,510,791
2016	128,319,631	-	34,313,082	25,738,211	188,370,924
2015	123,010,141	-	32,660,786	26,680,307	182,351,234
2014	121,552,684	-	31,131,186	28,784,359	181,468,229
2013	120,318,952	-	30,896,444	27,490,903	178,706,299
2012	133,136,587	-	32,505,792	25,321,574	190,963,953
2011	137,589,229	-	32,903,497	25,406,921	195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935
2009	163,132,311	-	42,857,117	26,452,520	232,441,948

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

Source: District records - CAFR Exhibit E

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2018	\$ 179,218,000	\$ 173,280,469	96.7%	\$ -	173,280,469	96.7%
2017	171,248,625	165,568,248	96.7%	89,749	165,657,997	96.7%
2016	168,011,731	162,533,528	96.7%	93,052	162,626,580	96.8%
2015	160,986,519	155,605,008	96.7%	159,639	155,764,647	96.8%
2014	157,875,272	152,490,829	96.6%	161,858	152,652,687	96.7%
2013	156,192,206	151,072,442	96.7%	142,954	151,215,396	96.8%
2012	171,750,509	165,642,379	96.4%	554,161	166,196,540	96.8%
2011	178,353,964	170,468,487	95.6%	24,239	170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%
2009	212,147,737	205,271,904	96.8%	717,524	205,989,428	97.1%

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

(A) Net of allowable discounts

Sources: District records

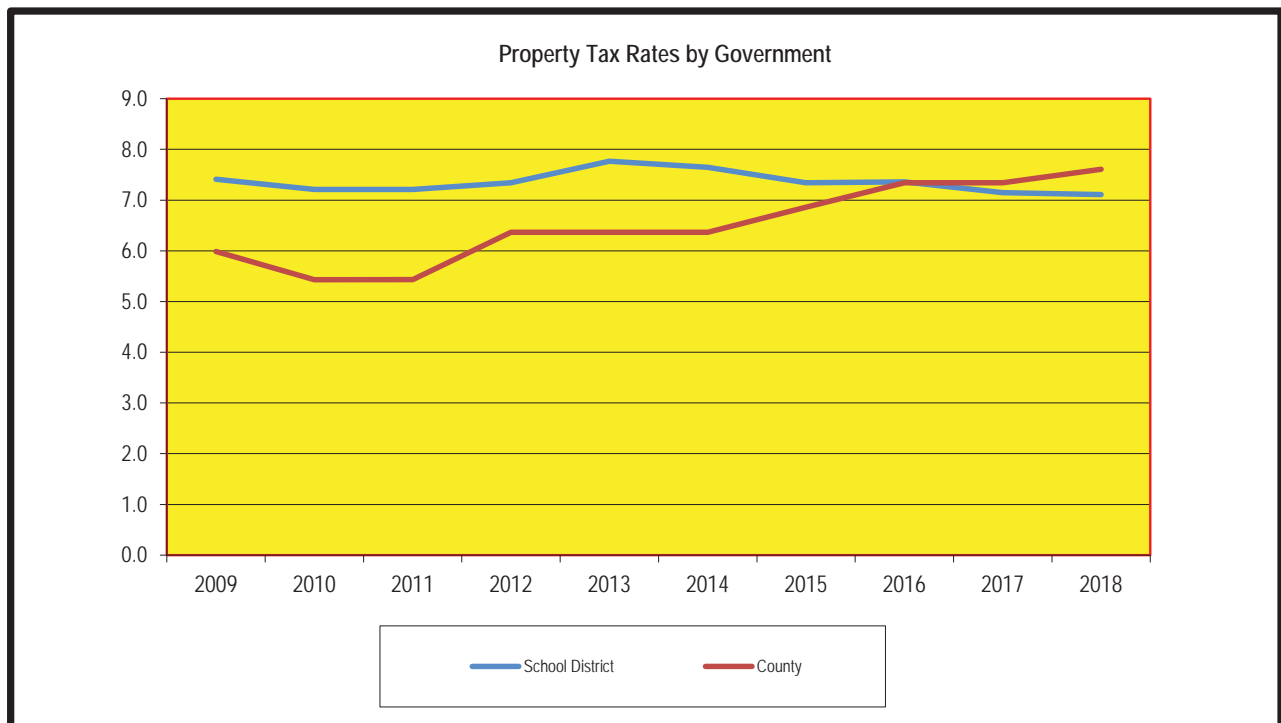
**District School Board of Pasco County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(per \$1,000 assessed valuation)
(Unaudited)**

Fiscal Year	Local Required Effort Millage (2)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Total Pasco Schools	Pasco County
2018	4.317	0.748	0.000	1.500	6.565	7.608
2017	4.529	0.748	0.000	1.500	6.777	7.608
2016	4.861	0.748	0.000	1.500	7.109	7.608
2015	4.901	0.748	0.000	1.500	7.149	7.344
2014	5.109	0.748	0.000	1.500	7.357	7.344
2013	5.093	0.748	0.000	1.500	7.341	6.862
2012	5.396	0.748	0.000	1.500	7.644	6.367
2011	5.519	0.748	0.000	1.500	7.767	6.367
2010	5.092	0.748	0.000	1.500	7.340	6.367
2009	4.969	0.498	0.241	1.500	7.208	5.433

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

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

Source: Pasco County website - www.pascocountyfl.net/menu/oindex.htm



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

Table 9

Taxpayer	2018			2009		
	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Duke Energy Center (Florida Power Corporation)	1	\$ 447,019,148	1.65%			
Withlacoochee River Electric Cooperative	2	263,825,395	0.97%	2	212,120,995	0.69%
HCA Health Services of Florida	3	175,944,196	0.65%	9	71,368,941	0.23%
Frontier Communications Inc. (1)	4	111,875,395	0.41%	3	201,819,479	0.66%
Tampa Premium Outlets	5	101,585,309	0.37%			
Brighthouse Networks	6	85,679,610	0.31%	5	102,058,899	0.33%
Florida Gas Transmission Co Company	7	81,278,712	0.30%			
Wal-Mart Stores	8	78,344,758	0.29%	7	85,275,302	0.28%
Goodforest LLC	9	76,403,049	0.28%	6	95,058,856	0.31%
Tampa Electric Company	10	72,012,815	0.26%			
Zephyrhills Bottle Water America, Inc.				8	76,241,080	0.25%
Florida Power Corp.				1	308,219,901	1.01%
Shady Hills Power Company LLC				4	146,904,260	0.48%
Oakley Grove Development LLC				10	44,898,817	0.14%
Total		\$ 1,493,968,387	5.49%		\$ 1,343,966,530	4.38%

(1) Formerly Verizon Communications Inc.

Source: Pasco County Property Appraiser

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

Fiscal Year	Governmental Activities										Ratio of Outstanding Debt To Personal Income (1)
	State Board of Education Bonds	District Revenue Bonds	Sales		Certificates of Participation	Capital Leases	Total Primary Government	Estimated Population	Per Capita	Personal Income (thousands of dollars)	
			Tax Revenue	Bonds							
2018	\$ 7,409,605	\$ 2,334,829	\$ 137,035,217	\$ 340,183,148	\$ 22,406,644	\$ 509,369,443	525,643	\$ 969	N/A	N/A	
2017	8,497,480	2,442,819	115,368,138	354,936,552	17,316,666	498,561,655	512,368	973	19,000,369	26	
2016	9,887,266	2,545,807	127,361,057	369,048,086	11,487,471	520,329,687	497,909	1,045	18,017,635	29	
2015	12,068,756	2,643,796	106,873,977	351,603,807	-	473,190,336	485,331	975	16,478,279	29	
2014	13,770,270	2,736,785	122,299,509	340,136,322	-	478,942,886	475,502	1,007	15,679,803	31	
2013	15,498,519	2,829,773	27,254,033	342,845,923	-	388,428,248	470,391	826	15,735,511	25	
2012	18,633,288	2,917,763	40,030,452	352,547,848	-	414,129,351	466,457	888	14,974,427	28	
2011	18,748,406	3,005,751	52,221,872	361,874,773	-	435,850,802	464,697	938	13,790,695	32	
2010	18,687,776	3,088,157	63,858,291	371,141,698	-	456,775,922	471,709	968	13,635,875	33	
2009	20,078,502	3,170,563	75,064,711	369,093,623	-	467,407,399	439,702	1,063	12,750,465	37	

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

N/A = Data not currently available

(1) Ratio per thousand dollars of personal income

Source: District records

Pasco County Government

US Census Bureau: <http://quickfacts.census.gov/qfd/states/12/12101.html>

Table 10

District School Board of Pasco County
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2018
 (Unaudited)

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	\$ 94,174,000	0%	\$ -
District School Board of Pasco County Direct Debt	509,369,443	100%	509,369,443
Totals	<u>\$ 603,543,443</u>		<u>\$ 509,369,443</u>

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

Source : District records
 Pasco County CAFR, September 30, 2017

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

Table 12

	For the Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Assessed Valuation	\$ 29,432,260,894	\$ 25,445,098,119	\$ 22,963,002,249	\$ 22,466,159,275
Debt Limit	\$ 2,943,226,089	\$ 2,544,509,812	\$ 2,296,300,225	\$ 2,246,615,928
Less: Net Debt applicable to the limit	467,407,399	456,775,922	435,850,802	414,129,351
Legal debt margin	<u>\$ 2,475,818,690</u>	<u>\$ 2,087,733,890</u>	<u>\$ 1,860,449,423</u>	<u>\$ 1,832,486,577</u>
Total net debt applicable to the limit as a percentage of debt	15.88%	17.95%	18.98%	18.43%

Note:

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

Source: District Records
 Pasco Property Appraisers Office

Table 12

June 30, 2013	June 30, 2014	For the Fiscal Year Ending		June 30, 2017	June 30, 2018
		June 30, 2015	June 30, 2016		
\$ 21,276,683,168	\$ 21,459,191,534	\$ 22,522,171,880	\$ 23,633,468,723	\$ 25,269,090,310	\$ 27,299,009,995
\$ 2,127,668,317	\$ 2,145,919,153	\$ 2,252,217,188	\$ 2,363,346,872	\$ 2,526,909,031	\$ 2,729,901,000
388,428,248	478,942,886	473,190,336	520,329,687	498,561,655	509,369,443
<u>\$ 1,739,240,069</u>	<u>\$ 1,666,976,267</u>	<u>\$ 1,779,026,852</u>	<u>\$ 1,843,017,185</u>	<u>\$ 2,028,347,376</u>	<u>\$ 2,220,531,557</u>
18.26%	22.32%	21.01%	22.02%	19.73%	18.66%

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

Fiscal Year	Local Sales Tax Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2018	\$ 28,398,773	\$ 11,770,000	\$ 4,239,590	\$ 16,009,590	1.77
2017	26,942,544	10,430,000	4,587,820	15,017,820	1.79
2016	25,738,211	8,025,000	4,358,318	12,383,318	2.08
2015	26,680,307	13,525,000	5,051,869	18,576,869	1.44
2014	28,784,359	12,885,000	2,140,898	15,025,898	1.92
2013	27,490,903	12,270,000	1,627,250	13,897,250	1.98
2012	25,321,574	11,685,000	2,226,125	13,911,125	1.82
2011	25,406,921	11,130,000	6,003,289	17,133,289	1.48
2010	25,671,147	10,700,000	3,288,750	13,988,750	1.84
2009	26,452,520	10,290,000	3,914,350	14,204,350	1.86

Sources: District records

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

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income (thousands of dollars) (5)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (2)</u>	<u>Student Membership (3)</u>
2018	525,643	N/A	N/A	4.2%	73,682
2017	512,368	\$ 19,000,369	\$ 37,083	6.5%	72,493
2016	497,909	18,017,635	36,187	5.3%	70,521
2015	485,331	16,478,279	33,953	6.1%	69,302
2014	475,502	15,679,803	32,975	8.1%	67,230
2013	470,391	15,735,511	33,452	9.9%	66,417
2012	466,457	14,974,427	32,102	9.0%	65,976
2011	464,697	13,790,695	29,236	11.7%	66,162
2010	437,500	13,635,875	29,113	13.2%	66,207
2009	439,702	12,750,465	27,628	12.5%	66,190

N/A = Data not currently available

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

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

Table 15

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
District School Board of Pasco County	1	10,215	4.69%	1	9,783	5.63%
Pasco County Government	2	3,851	1.77%	2	2,290	1.32%
HCA Health Services of Florida	3	2,675	1.23%	6	1,000	0.58%
State of Florida Government	4	1,985	0.91%	3	1,297	0.75%
Florida Medical Clinic	5	1,762	0.81%			
Medical Center of Trinity	6	1,372	0.63%			
Pasco County Sheriff	7	1,300	0.60%	4	1,261	0.73%
Florida Hospital Wesley Chapel	8	1,152	0.53%			
Morton Plant North Bay Hospital	9	1,052	0.48%			
Florida Hospital Zephyrhills	10	966	0.44%	8	944	0.54%
Pasco Hernando Community College				10	622	0.36%
Community Hospital of New Port Richey				5	1,050	0.60%
Saddlebrook Resort				9	720	0.41%
Regional Medical Center Bayonet Point				7	977	0.56%
Total		<u>26,330</u>	<u>12.09%</u>		<u>19,944</u>	<u>11.48%</u>

Source: Pasco Economic Development Council
District School Board of Pasco County 2009 CAFR

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

Table 16

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Students
2018	5,777	391	4,478	10,646	12.17
2017	5,427	332	4,315	10,074	12.77
2016	5,275	318	4,315	9,908	12.81
2015	5,205	307	4,201	9,713	12.57
2014	5,094	297	3,971	9,362	12.47
2013	5,179	294	3,597	9,070	12.14
2012	5,268	287	3,841	9,396	11.88
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,783	12.10
2009	6,261	329	4,310	9,210	10.04

Source: FL DOE EIAS Publications
 District records

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

Table 17

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2018	\$ 38,790	\$ 63,230	\$ 43,288	\$ 48,168
2017	38,650	63,090	42,317	47,858
2016	38,120	62,560	43,117	48,179
2015	37,560	62,000	43,555	47,950
2014	37,000	64,440	41,824	46,583
2013	36,420	63,870	42,595	46,479
2012	36,420	63,870	42,710	45,723
2011	36,420	63,870	42,710	46,089
2010	36,420	63,870	42,850	46,938
2009	36,420	63,870	43,901	46,655

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

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

Table 18

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures (1)</u>	<u>Cost per Student</u>	<u>Percentage Change</u>	<u>Instructional Staff</u>	<u>Student Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2018	75,054	\$ 552,629,099	7,363	1.71%	5,777	12.99	58.04%
2017	73,570	532,588,202	7,239	-0.16%	5,427	13.56	55.22%
2016	71,658	519,575,424	7,251	1.37%	5,275	13.58	56.13%
2015	69,302	495,701,633	7,153	2.34%	5,205	13.31	56.36%
2014	67,230	469,876,446	6,989	3.23%	5,094	13.20	55.53%
2013	66,417	449,649,188	6,770	-1.03%	5,179	12.82	55.00%
2012	65,976	451,316,247	6,841	0.43%	5,268	12.52	57.28%
2011	66,162	450,668,927	6,812	-0.93%	5,412	12.23	52.14%
2010	66,207	455,202,664	6,875	-7.53%	5,133	12.90	48.78%
2009	66,190	492,124,221	7,435	-0.34%	6,261	10.57	44.85%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.36%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2008-2009	2009-2010	2010-2011
Elementary Schools							
Anclote	1973	64,909	4	481	568.08	574.60	539.34
Bexley	2017	102,202	-	906	-	-	-
Calusa	1979	75,551	4	657	632.04	581.83	597.29
Centennial	1986	87,837	4	687	697.81	653.01	670.28
Chasco	2000	104,734	7	624	652.34	662.78	653.15
Chester W. Taylor	1996	96,454	12	536	599.12	611.35	532.22
Connerton	2010	118,741	-	762	-	-	809.50
Cotee River	1993	122,295	1	751	657.12	619.73	603.90
Cypress	1973	70,663	12	708	889.03	831.56	810.75
Deer Park	1988	78,637	7	615	648.37	677.73	671.86
Denham Oaks	1994	130,212	4	870	872.12	846.44	803.96
Double Branch	2008	105,122	6	762	763.21	798.68	808.39
Fox Hollow	1990	113,120	4	774	615.47	609.34	560.06
Gulf Highlands	2006	124,261	-	762	589.40	592.77	552.29
Gulf Trace	2008	96,625	-	762	563.17	588.38	590.27
Gulfside	1977	75,658	3	649	548.29	554.88	541.33
Hudson	1966	77,623	15	561	675.36	699.77	711.44
James M. Marlowe	1999	102,826	1	616	530.62	508.46	498.20
Lacoochee	1971	82,667	3	579	399.06	410.84	420.72
Lake Myrtle	1984	98,634	9	754	782.83	832.77	782.25
Longleaf	2005	104,502	15	674	943.09	990.02	651.78
Dr. Mary Giella	1989	89,354	3	634	631.46	649.01	647.39
Mitty P. Locke	1966	85,466	6	746	585.38	589.00	555.85
Moon Lake	1982	74,370	11	602	611.51	665.65	726.45
New River	2008	109,787	-	762	449.63	510.51	582.75
Northwest	1973	82,160	6	720	707.31	656.62	642.88
Oakstead	2006	126,143	24	762	1,096.17	1,064.34	974.99
Odessa	2010	97,687	-	762	-	-	637.67
Pasco	1954	92,802	4	715	650.22	631.16	638.28
Pine View	2003	99,191	9	624	721.16	737.84	733.38
Quail Hollow	1975	66,565	2	494	390.03	380.95	399.04
Richey	1958	77,103	10	558	600.02	620.77	581.41
Rodney B. Cox	1925	67,685	8	510	460.75	413.01	378.46
San Antonio	1981	89,860	2	776	724.58	646.69	660.75
Sand Pine	1998	82,033	16	517	707.03	701.02	672.20
Sanders Memorial	1944	33,670	1	280	745.26	725.74	-
Schrader	1972	90,253	1	749	625.07	587.90	552.92
Seven Oaks	2005	101,322	22	674	887.82	928.79	932.35
Seven Springs	1987	92,004	-	636	579.26	571.16	549.23
Shady Hills	1973	74,506	2	437	536.06	505.15	459.60
Sunray	2000	98,044	-	629	533.01	523.23	541.80
Trinity	2001	101,287	9	621	663.27	699.92	531.68
Trinity Oaks	2006	116,975	-	762	685.86	729.63	721.54
Veterans	2008	95,730	-	762	726.44	765.82	815.70
Watergrass	2009	97,974	-	762	-	472.38	487.05
Wesley Chapel	2002	99,856	18	618	1,071.34	589.01	579.82
West Zephyrhills	1958	83,003	9	758	813.51	750.10	767.94
Wiregrass	2016	79,071	-	882	-	-	-
Woodland	1977	78,211	25	670	917.58	924.14	866.69
Total Elementary Schools					29,746.26	29,684.48	29,446.80

Table 19

Full-Time Equivalent Enrollment Data						
2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
512.51	531.84	597.97	576.02	415.40	504.35	540.88
-	-	-	-	-	-	699.62
591.85	552.24	614.90	582.90	611.85	518.60	488.86
644.00	581.24	641.11	519.58	481.20	460.97	437.77
663.37	694.27	790.01	674.91	702.24	733.12	717.54
577.48	541.19	567.85	519.93	504.38	537.68	550.16
847.35	870.13	1,044.52	963.61	801.13	860.63	892.25
540.11	586.82	732.95	622.38	669.98	679.39	680.90
797.54	766.01	826.41	785.44	804.90	801.05	760.92
642.78	604.63	581.30	581.85	579.13	580.39	534.63
744.33	699.39	792.01	685.62	623.62	692.54	730.76
810.32	837.35	965.60	862.23	894.83	781.59	842.67
524.90	537.03	610.18	514.62	498.41	490.98	479.60
532.72	541.09	620.71	535.74	590.86	624.29	657.93
592.26	626.18	677.12	668.68	671.11	586.53	578.63
542.97	527.87	591.28	516.90	465.27	418.69	414.21
717.82	674.55	698.64	595.89	572.61	568.67	525.88
501.41	443.23	453.08	403.20	438.07	482.94	485.34
384.53	375.27	382.82	364.31	347.78	314.46	287.38
730.81	669.57	750.06	647.89	611.50	628.28	625.89
674.12	647.99	721.05	641.33	664.09	685.60	680.49
621.79	614.45	711.56	643.90	657.65	645.64	676.75
526.58	523.80	603.91	567.80	543.45	607.61	544.41
656.84	671.33	726.69	571.53	568.85	604.08	558.75
571.90	594.40	762.82	653.65	683.97	774.97	759.93
624.11	625.89	776.65	665.23	630.06	595.93	577.06
1,017.56	1,076.36	1,260.66	1,142.92	1,041.70	1,117.95	808.11
691.79	710.82	812.15	836.06	918.61	1,025.37	806.40
621.12	666.33	716.92	640.24	650.14	620.23	570.55
704.31	735.28	764.97	623.24	550.51	584.79	583.10
370.77	345.23	-	-	385.16	430.11	445.94
580.95	591.52	666.87	605.66	621.79	628.41	616.37
360.75	369.23	411.66	393.74	378.06	379.24	406.71
682.60	636.18	709.08	610.35	625.66	645.49	640.80
661.58	633.56	663.64	573.99	610.31	545.08	561.68
-	-	-	-	708.28	741.92	750.53
543.04	536.14	587.85	594.09	622.25	640.08	691.03
933.80	950.81	1,088.11	1,083.04	1,112.34	843.08	807.09
530.81	529.89	547.25	514.23	479.25	482.95	477.55
424.80	415.72	-	-	487.26	501.88	542.20
539.64	524.65	538.71	513.55	549.92	533.20	467.11
497.99	524.47	623.14	581.61	607.43	614.05	616.07
707.72	690.95	755.83	713.37	725.04	715.98	664.97
805.46	802.90	884.72	794.85	802.79	847.98	826.59
504.21	563.65	804.81	782.34	615.24	651.72	614.09
591.37	621.56	868.26	812.39	632.85	625.56	627.06
764.74	789.28	864.26	799.37	825.24	865.56	835.55
-	-	-	-	-	528.62	618.55
853.97	850.97	958.35	904.12	946.57	907.80	862.66
28,963.38	28,903.26	31,768.44	28,884.30	29,928.74	30,656.03	30,569.92

(continued)

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2008-2009	2009-2010	2010-2011
Middle Schools							
Bayonet Point	1973	133,360	5	1,000	1,005.52	947.24	822.68
Centennial	2001	115,614	6	686	659.14	664.91	668.89
Charles S. Rushe	2007	192,785	11	1,494	1,279.33	1,317.04	1,329.22
Chasco	2001	134,642	4	944	869.92	791.23	764.44
Crews Lake	2008	192,206	-	1,493	666.70	683.16	819.51
Dr. John Long	2006	187,602	23	1,475	1,653.75	1,705.56	1,778.26
Gulf	1964	167,643	3	1,546	919.45	878.77	874.74
Hudson	1984	148,691	5	1,168	892.03	864.90	869.61
Pasco	1946	136,864	10	1,124	720.33	717.11	725.71
Paul R. Smith	2006	187,602	-	1,430	917.81	937.36	1,017.48
Pine View	1977	138,136	6	1,280	885.29	877.43	823.42
Raymond B. Stewart	1926	186,071	5	1,195	1,014.75	970.64	950.57
River Ridge (c)	1990	-	12	1,380	1,149.35	1,131.99	1,060.62
Seven Springs	1995	224,939	5	1,500	1,381.79	1,358.92	1,288.22
Thomas E. Weightman	1990	162,472	10	1,083	1,073.09	1,048.49	1,075.54
Total Middle Schools					15,088.25	14,894.75	14,868.91
Education Centers							
Energy & Marine	1964	13,287	-	75	82.27	-	-
F. K. Marchman Tech	1984	177,967	5	749	397.77	392.28	335.39
Harry Schwettman	1923	28,351	4	155	158.17	86.28	106.80
James Irvin	1995	22,214	20	500	110.00	71.09	107.02
Moore Mickens	1952	73,442	4	513	200.73	184.90	163.51
Other Programs	N/A	N/A	-	N/A	893.76	813.09	1,082.05
Total Education Centers					1,842.70	1,547.64	1,794.77
High Schools							
Anclote	2009	222,463	-	1,766	-	913.35	1,155.12
Cypress Creek (d)	2017	232,173	3	1,860	-	-	-
Fivay	2010	278,342	-	1,922	-	-	1,206.52
Gulf	1971	240,232	7	1,617	1,654.55	1,382.12	1,286.34
Hudson	1973	185,238	5	1,694	1,542.26	1,505.06	1,126.44
J. W. Mitchell	2000	220,930	26	1,951	2,388.46	1,832.02	1,660.55
Land O' Lakes	1973	207,212	16	1,596	1,465.35	1,486.85	1,518.99
Pasco	1964	241,858	18	1,554	1,230.23	1,233.96	1,228.31
Ridgewood	1977	195,139	12	1,542	1,752.22	1,765.37	1,188.49
River Ridge (d)	1990	446,228	7	1,970	1,881.95	1,823.88	1,508.65
Sunlake	2007	218,643	-	1,787	1,433.25	1,507.19	1,529.25
Wesley Chapel	1999	217,180	3	1,547	1,290.21	1,305.37	1,277.51
Wiregrass Ranch	2006	218,690	18	1,764	1,813.07	1,960.21	2,035.56
Zephyrhills	1973	217,998	15	1,444	1,524.86	1,509.82	1,457.96
Total High Schools					17,976.41	18,225.20	18,179.69

Table 19

Full-Time Equivalent Enrollment Data						
2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
781.17	769.27	736.24	700.15	515.28	744.46	779.02
675.20	643.13	629.92	559.65	552.78	583.08	637.93
1,283.69	1,302.23	1,284.12	1,306.24	1,365.71	1,400.11	1,210.02
740.46	741.89	730.59	683.57	819.86	699.26	718.78
792.16	755.10	1,226.87	1,191.32	628.80	695.89	753.43
1,538.44	1,609.63	1,617.68	1,675.59	1,725.23	1,874.01	1,530.93
845.93	823.45	827.18	706.80	780.30	865.77	890.16
850.69	802.90	783.49	733.96	735.64	687.85	733.97
866.67	851.18	922.49	909.30	901.40	906.23	914.87
1,050.05	1,054.24	1,080.12	999.58	979.31	932.09	1,002.05
847.56	903.37	925.71	916.54	895.56	922.75	980.74
1,027.45	1,063.36	992.98	965.99	920.33	908.07	922.92
1,064.96	1,056.95	1,168.70	1,099.45	1,069.18	1,047.57	1,125.70
1,302.63	1,362.97	1,383.08	1,415.36	1,523.27	1,634.22	1,614.22
1,137.23	1,211.74	1,249.98	1,129.51	1,121.96	1,160.36	991.21
14,804.29	14,951.41	15,559.15	14,993.01	14,534.61	15,061.72	14,805.95
-	-	-	-	-	-	-
275.55	224.17	258.55	209.59	131.48	77.31	67.42
128.08	126.03	125.15	129.67	131.42	113.98	67.44
103.04	99.24	121.85	90.24	137.96	141.33	86.49
148.80	143.78	150.56	101.94	-	-	-
1,381.08	1,541.93	2,241.33	2,077.25	2,207.33	2,180.14	2,397.84
2,036.55	2,135.15	2,897.44	2,608.69	2,608.19	2,512.76	2,619.19
1,140.05	1,202.70	1,290.68	1,284.84	1,272.23	1,234.65	1,133.73
-	-	-	-	-	-	1,615.45
1,496.63	1,479.13	1,454.15	1,186.25	1,230.19	1,230.54	1,199.49
1,224.47	1,188.19	1,226.20	1,108.02	1,154.81	1,208.99	1,219.02
1,086.02	1,088.98	1,278.34	1,165.70	1,110.44	1,092.41	1,112.56
1,657.86	1,631.13	1,677.98	1,698.09	1,798.21	1,891.01	1,920.61
1,558.24	1,551.39	1,604.11	1,597.88	1,640.06	1,660.31	1,739.41
1,293.52	1,348.07	1,349.65	1,486.56	1,636.45	1,647.96	1,690.91
1,037.44	1,038.30	1,079.88	1,023.36	1,011.42	992.89	964.86
1,452.96	1,422.63	1,415.17	1,386.23	1,464.42	1,483.37	1,552.99
1,485.55	1,507.45	1,708.11	1,617.98	1,682.89	1,790.10	1,787.72
1,325.06	1,414.52	1,524.22	1,451.59	1,505.49	1,555.85	1,361.35
1,952.62	1,922.33	2,078.44	2,130.73	2,146.44	2,303.85	2,063.93
1,466.19	1,433.50	1,531.69	1,420.58	1,435.16	1,373.49	1,330.78
18,176.61	18,228.32	19,218.62	18,557.81	19,088.21	19,465.42	20,692.81

(continued)

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2008-2009	2009-2010	2010-2011
Charter Schools							
Academy at the Farm	N/A	N/A	N/A	N/A	284.00	378.00	379.34
Athenian Academy	N/A	N/A	N/A	N/A	258.50	276.64	318.00
Classical Preparatory	N/A	N/A	N/A	N/A	-	-	-
Countryside Monetsiori	N/A	N/A	N/A	N/A	180.02	203.50	209.00
Dayspring Academy	N/A	N/A	N/A	N/A	416.06	458.03	490.00
Florida Virtual Academy	N/A	N/A	N/A	N/A	-	-	-
Imagine School	N/A	N/A	N/A	N/A	397.50	538.50	475.56
Learning Lodge	N/A	N/A	N/A	N/A	-	-	-
Pasco MYcroSchool	N/A	N/A	N/A	N/A	-	-	-
Pepin Academies	N/A	N/A	N/A	N/A	-	-	-
Plato Academy	N/A	N/A	N/A	N/A	-	-	-
Total Charter Schools					1,536.08	1,854.67	1,871.90
East Bus Garage	1966	9,061	-	N/A	-	-	-
West Bus Garage	1960	21,292	-	N/A	-	-	-
Central Bus Garage	1980	11,484	1	N/A	-	-	-
Administration Building	1972	214,881	15	N/A	-	-	-
District Maintenance	1984	37,354	-	N/A	-	-	-
Northwest Bus Garage	1989	11,941	1	N/A	-	-	-
Southeast Bus Garage	1980	8,251	-	N/A	-	-	-
Total District					66,189.70	66,206.74	66,162.07

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

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

(c) Cypress Creek was built as a combination Middle School and High School.

Source: District Records

Table 19

Full-Time Equivalent Enrollment Data						
2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
381.50	389.84	501.16	440.63	550.61	570.81	571.04
328.99	391.46	439.89	366.75	354.60	324.37	329.51
-	-	-	310.37	410.38	470.95	671.77
213.50	232.00	286.78	270.58	292.23	313.26	322.57
524.33	552.28	695.23	606.57	641.73	690.15	733.01
-	-	-	-	-	114.62	308.36
546.92	633.60	772.19	704.69	721.72	763.83	761.87
-	-	-	170.03	210.29	246.76	235.16
-	-	-	-	-	-	50.76
-	-	-	202.68	269.80	309.18	319.77
-	-	-	-	-	54.00	71.52
<u>1,995.24</u>	<u>2,199.18</u>	<u>2,695.25</u>	<u>3,072.30</u>	<u>3,451.36</u>	<u>3,857.93</u>	<u>4,375.34</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>65,976.07</u>	<u>66,417.32</u>	<u>72,138.90</u>	<u>68,116.11</u>	<u>69,611.11</u>	<u>71,553.86</u>	<u>73,063.21</u>

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SINGLE AUDIT REPORT

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County, Florida ("the District") as of and for the fiscal 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 have audited the financial statements of charter schools included as discretely presented component units as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

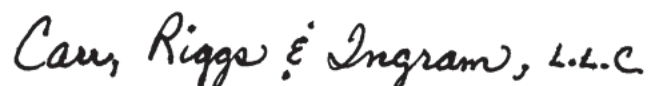
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



CARR, RIGGS, & INGRAM, LLC

Clearwater, Florida
December 19, 2018

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

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

Report on Compliance for Each Major Federal Program

We have audited the District School Board of Pasco County, Florida's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 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.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Purpose of this Report

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida

December 19, 2018

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 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	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services: School Breakfast Program	10.553	17002, 18002 17001, 17003,	\$ 6,165,196	\$ -
National School Lunch Program	10.555	18001, 18003	19,976,723	-
Summer Food Service Program for Children	10.559	17006, 17007, 18006, 18007	<u>794,422</u>	<u>-</u>
Total Child Nutrition Cluster			<u>26,936,341</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	17004, 18004	<u>40,899</u>	<u>-</u>
Florida Department of Health Child and Adult Care Food Program	10.558	A-4501	<u>1,377,837</u>	<u>-</u>
Total United States Department of Agriculture			<u>28,355,077</u>	<u>-</u>
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster: Federal Pell Grant Program	84.063	N/A	<u>801,343</u>	<u>-</u>
Total Direct			<u>801,343</u>	<u>-</u>
Indirect:				
Special Education Cluster:				
Special Education - Grants to States				
Florida Department of Education	84.027	262, 263	13,960,067	-
University of South Florida	84.027	none	500	-
Total Special Education - Grants to States			<u>13,960,567</u>	<u>-</u>
Special Education - Preschool Grants				
Florida Department of Education	84.173	267	<u>350,386</u>	<u>-</u>
Total Special Education Cluster			<u>14,310,953</u>	<u>-</u>
Florida Department of Education:				
Adult Education - Basic Grants to States Program	84.002	191, 193	590,895	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	14,468,434	-
Migrant Education - State Grant Program	84.011	217	106,439	-
Career and Technical Education - Basic Grants to States	84.048	161	702,324	-
Education for Homeless Children and Youth	84.196	127	117,600	-
Charter Schools	84.282	298	470,030	470,030
Twenty-First Century Community Learning Centers	84.287	244	1,012,608	-
English Language Acquisition State Grants	84.365	102	379,688	-
Supporting Effective Instruction State Grants	84.367	224	2,354,994	-
School Improvement Fund State Grants	84.377	126	518,282	-
Student Support and Academic Enrichment State Grants	84.424	241	<u>189,064</u>	<u>-</u>
Total Indirect			<u>35,221,311</u>	<u>470,030</u>
Total United States Department of Education			<u>36,022,654</u>	<u>470,030</u>

(continued)

DISTRICT SCHOOL BOARD OF PASCO COUNTY
 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	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600	N/A	\$ 7,150,607	-
Total United States Department of Health and Human Services			<u>7,150,607</u>	<u>-</u>
United States Department of Defense:				
Direct:				
Junior Reserve Officers Training Corps - Air Force	None	N/A	60,910	-
Junior Reserve Officers Training Corps - Army	None	N/A	215,630	-
Junior Reserve Officers Training Corps - Navy	None	N/A	<u>298,105</u>	<u>-</u>
Total United States Department of Defense			<u>574,645</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 72,102,983</u>	<u>\$ 470,030</u>

The accompanying notes are an integral part of this schedule.

- Notes:
- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) included the Federal award activity of the Pasco County District School Board under programs of the Federal government for the year ended June 30, 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 Account Policies. Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 - (3) Indirect Cost Rate. The District's cognizant agency is Florida Department of Education ("FLDOE"). For the fiscal year 2017-2018, FLDOE approved a restricted indirect cost rate of 6.47%. As a result of the approved indirect cost rate, the District does not have the option to elect the 10 percent de minimis rate in accordance with Uniform Guidance.
 - (4) Noncash Assistance.
 - (A) National School Lunch Program - Includes \$2,215,123 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
 - (5) Head Start. Expenditures include \$612,860 for grant number/program year 04CH01018302 and \$6,537,747 for grant number/program year 04CH01018303.

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

Summary of Audit Results

As required by United States Office of Management and Budget and Uniform Guidance, the following is a summary of the results of the audit of the District School Board of Pasco County for the fiscal year ended June 30, 2018:

- The auditors' report expresses an unmodified opinion on the basic financial statements of the District School Board of Pasco County ("the District").
- No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- No instances of noncompliance material to the basic financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- No significant deficiency relating to the audit of the major Federal programs is reported in the Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
- The auditor's report on compliance with requirements that could have a direct and material effect on each major federal program for the District expresses an unmodified opinion.
- There was no audit finding relative to the major federal award programs for District School Board of Pasco County.
- The programs tested as major programs included:
 - Child Nutrition Cluster (CFDA 10.553, 10.555 & 10.559)
 - Child and Adult Food Care Program (CFDA 10.558)
 - Special Education Cluster (CFDA 84.027 & 84.173).
- The threshold for distinguishing between Types A and B programs was \$2,163,089.
- The District qualified as a low-risk auditee, as defined in the Uniform Guidance.

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

Finding – Single Audit Award Year: 2017-2018

- None

Finding – Single Audit Award Year: 2016-2017

Finding 2017-001: Inadequate Documentation for CACFP

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

Criteria

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

Finding

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

Condition

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

Cause

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

Effect

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

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

Recommendation

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

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

Finding #	Management Letter Comments	Finding continues to be relevant	Finding has been addressed by management
2017-001	Inadequate Documentation for CACFP		X



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

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

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs, and our Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with 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 audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Financial Condition and Management

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

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the District School Board of Pasco County, Florida. It is management's responsibility to monitor the District School Board of Pasco County, Florida'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 same.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we recommend the District (1) ensure self-insurance claim accruals represent the most reasonable estimation of ultimate future claim expense, (2) record revenue in the governmental funds that meets the availability criteria in accordance with generally accepted accounting principles and (3) perform and document reconciliation of census data provided to actuaries and participants reported in actuarial reports.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we report the results of our determination as to whether the District School Board of Pasco County, Florida maintains on its Web site the information specified in Section 1011.035, Florida Statutes. (Section 1011.035, Florida Statutes, provides that district school boards include a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public.) In connection with our audit, we determined that the District School Board of Pasco County, Florida maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires 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 connection with our audit, we did not have any such findings.

District School Board of Pasco County's Response to Recommendations to Improve Financial Management

The District agrees with the above recommendations and will revise its procedures appropriately.

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

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

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida
December 19, 2018