

# THE SCHOOL DISTRICT OF LEE COUNTY

FORT MYERS, FLORIDA



PERSONAL | PASSIONATE | PROGRESSIVE



## Comprehensive Annual Financial Report

For the Year Ended June 30, 2019



VISION  
TO BE A WORLD CLASS  
SCHOOL SYSTEM

The School District of Lee County  
Fort Myers, Florida

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR  
FISCAL YEAR ENDED  
JUNE 30, 2019**

Prepared by:  
Financial Accounting Department

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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# INTRODUCTORY SECTION



## THE SCHOOL DISTRICT OF LEE COUNTY

January 7, 2020

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

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

After the close of each fiscal year, State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited by the Florida Auditor General, or a firm of licensed certified public accountants, in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the School District of Lee County (the District) for the fiscal year ended June 30, 2019.

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

The accounting firm MSL, P.A. conducted the audit for the fiscal year ended June 30, 2019. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, 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

**BOARD MEMBERS:** MARY FISCHER, CHAIR, DISTRICT 1 | DEBBIE JORDAN, VICE CHAIR, DISTRICT 4 | MELISA GIOVANNELLI, DISTRICT 2 | CHRIS N. PATRICCA, DISTRICT 3 | GWYNETTA S. GITTENS, DISTRICT 5 | BETSY VAUGHN, DISTRICT 6 | CATHLEEN O'DANIEL MORGAN, DISTRICT 7 | GREGORY K. ADKINS, Ed.D., SUPERINTENDENT | MITCHELL BIERMAN, BOARD ATTORNEY

presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's basic financial statements for the fiscal year ended June 30, 2019. The auditor's report is presented as the first component in the Financial Section of this report.

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

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

## **Profile of the Government**

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

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

E. Lee. The County is located on the Gulf Coast of Florida, encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico, and is bordered by Charlotte County to the north, Hendry County to the east, and Collier County to the south. Lee County's estimated population in 2019 is 754,610 people.

The report includes all funds of the District, the Lee County School Board Leasing Corporation, the Foundation for Lee County Public Schools (the Foundation), and 19 charter schools, all of which comprise the reporting entity. The Lee County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The Foundation is a separate, not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Lee County. Charter schools are public schools operating under performance contracts with the Board. The Foundation and applicable charter schools are included as aggregate discretely presented component units.

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

During the 2018-19 fiscal year, the District operated 96 schools and programs comprised of 49 elementary schools, 16 middle schools, 14 high schools, 17 specialized schools and programs, and reported student enrollment of 94,266. The District does not plan to open any new schools in the 2019-20 fiscal year. In addition, the District sponsored 19 charter schools that are component units of the District and does not plan to sponsor any additional charter schools during the 2019-20 fiscal year. The charter schools are separate not-for-profit corporations organized and operated under Section 1002.33, Florida Statutes. The charter schools are funded by the state based on their weighted full-time equivalent student count and receive this funding through the District.

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

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

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

## **Economic Condition and Outlook**

Lee County is part of the Fort Myers–Cape Coral Metropolitan Statistical Area with an annual growth rate of 2.1 percent. The County's population has increased from 615,124 in 2009 to 754,610 in 2019, an increase of 22.7 percent. This compares to a 13.6 percent increase for Florida overall and a 7.4 percent increase for the nation.

Growth is projected to continue at a slower rate for the next five years, increasing the population in the County to over 824,400 by 2025, and to more than 1,500,000 in the Southwest Florida area in general. Lee County has emerged in recent years as a dynamic destination for businesses. In 2014, Florida was voted the second best state for business by *Chief Executive Magazine*, and Cape Coral ranked as one of the Best Cities for Future Job Growth in 2014 by *Forbes*. Businesses have a ready workforce to draw from as 88% of the population over age 25 has at least a high school diploma with 28% having a bachelor's degree or higher.

Though Lee County continues to feel the effects of the last five years of economic instability, positive indicators in the economy such as a decreasing unemployment rate, increasing home sales and a rising tax roll are bolstering the economy. Our student population also continues to grow. This year marked the tenth straight year of solid student growth for the District (between 0.6 and 2.0 percent) making the District one of the most consistent and fastest growing District's in the state in terms of student growth. State and District projections indicate that approximately 1,000 more students will be served in the next fiscal year. This growth is projected to increase the student population up to 3.3 percent each year bringing the estimated student population to approximately 113,300, 119,300 and 139,000 over the next 5, 10 and 20 years, respectively. The mainstay of the County's economy are tourism and retirement, and their associated services, such as health, trade, and other service-oriented industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial services industries. Currently, over 88 percent of employment is concentrated in the services, wholesale and retail, and government sectors. Industries expected to gain the most new jobs in the near future include local government, health services, business services, food services, and special trade contractors.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County, and that an excellent system of

public education is a significant factor in attracting new business and industry to the County. The District is the area's second largest employer, employing 13,344 full and part-time employees, including 5,770 instructional personnel.

Ranked in the top 10 in student population in the state and in the top 40 in the nation, the District is challenged not only by growth but also the 2002 State Constitutional Amendment legislating reductions in class size. These challenges require the construction of an additional 10 schools in the next 10 years. In order to meet this demand, the District will continue to seek additional revenue sources. There are 86 public schools in Lee County and providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. An ambitious construction program that produced 40 new or additions to schools over the past 10 years is winding down. This program was supported in part by the issuance of several Certificates of Participation. The District will not be able to sustain this building program going forward. In recent years, the Florida Legislature has reduced school districts taxing authority for capital outlay from 2.000 mills to 1.500 mills. With the dramatic reduction in property values, the District's revenue stream for school construction is extremely limited. In addition, with half of the school facilities more than 30 years old, a major construction and renovations program was initiated. Concurrently, the District adopted a 5 year plan to bring schools up to the newly adopted District standard in technology equipment and student accessibility. The District has also adopted a 20 year maintenance and replacement program to ensure school facilities are properly preserved.

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

## **Major Initiatives**

### *Capital Outlay Program*

During the fiscal year 2020, the District is planning to start the construction of one middle school and one high school and to complete the construction of one high school. For fiscal year 2021, the District is planning to start the construction of one elementary school, one middle school and to continue the construction of one middle school and one high school.

## **Awards and Acknowledgements**

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

awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the sixteenth year the District has received these prestigious awards. In order to be awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

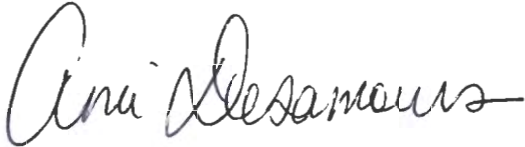
The preparation and completion of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Financial Accounting Department. Each member of the Financial Accounting Department has our sincere appreciation for the contributions made in the completion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

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

Respectfully submitted,



Dr. Gregory K. Adkins  
Superintendent



Dr. Ami Desamours  
Chief Financial Officer



Ms. Susan Malay  
Executive Director of Financial Services



Mr. Michael L. Gatewood  
Director of Financial Accounting & Property Records



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



Gwynetta S. Gittens  
Chairman, District 5



Chris N. Patricca  
Vice Chairman, District 3



Mary Fischer  
District 1



Melisa W. Giovannelli  
District 2



Debbie Jordan  
District 4



Betsy Vaughn  
District 6



Cathleen O'Daniel  
Morgan District 7



Gregory K. Adkins, Ed.D.  
Superintendent

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

Dr. Gregory K. Adkins	Superintendent
TBA	Chief Operating Officer
Dr. Ami Desamours	Chief Financial Officer
Dr. Jeff Spiro	Chief Academic Officer
Mr. Trey Davis	Chief Information Officer
Dr. Angela Pruitt	Chief Human Resources Officer
Ms. Soretta Ralph	Executive Director Student Enrollment
Ms. Leona Herrell	Executive Director Leadership, Professional Development and Recruitment
Dr. Denise Carlin	Executive Director Strategic Planning and Community Engagement
Mr. Dwayne Alton	Executive Director Technology Operations
Ms. Susan Malay	Executive Director Financial Services
Mr. Robert Brown	Director Internal Audit
Ms. Lauren Couchois	Director Food & Nutrition Services & District Warehouse Operations
Mr. Fredrick Ross	Director Procurement Services
Ms. Kimberly Hutchins	Director Payroll
Mr. Michael Gatewood	Director Financial Accounting & Property Records





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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**School District of Lee County**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

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**Tom Wohlleber, CSR**  
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

---

**Siobhán McMahon, CAE**  
Chief Operating Officer



Government Finance Officers Association

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

Presented to

**School District of Lee County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITOR'S REPORT

School Board and Superintendent  
School District of Lee County, Florida

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School District of Lee County, Florida (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

**Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and the contracted programs fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, OPEB Schedule, and Pension Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, combining and individual major and non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
January 7, 2020



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the School District of Lee County's Comprehensive Annual Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

### Financial Highlights

- The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$763,308,878 at fiscal year ending June 30, 2019.
- Net position of the District increased by \$16,081,110 in comparison to the 2017-18 fiscal year.
- The District's Government-wide revenues totaled \$1,077,186,903 comprised of general revenues of \$988,956,066 or 91.8 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$88,230,837 or 8.2 percent of the total revenues.
- Expenses incurred by the District totaled \$1,061,105,793 for governmental related activities. Program specific revenues offset these expenses by \$88,230,837, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$301,293,723 or an increase of \$23,181,176 or 8.3 percent in 2018-19 fiscal year in comparison with the 2017-18 fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$84,037,049, at June 30, 2019, or 10.7 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2019, totaled \$120,480,299, a 4.9 percent decrease in comparison to the 2017-18 fiscal year total of \$126,733,900. The decrease in total fund balance of the General Fund is mainly attributed to the continued implementation of several classroom curriculum initiatives in the current year using prior year resources and the District continuing to strategically decrease its fund balance.

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## Overview of the Financial Statements

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

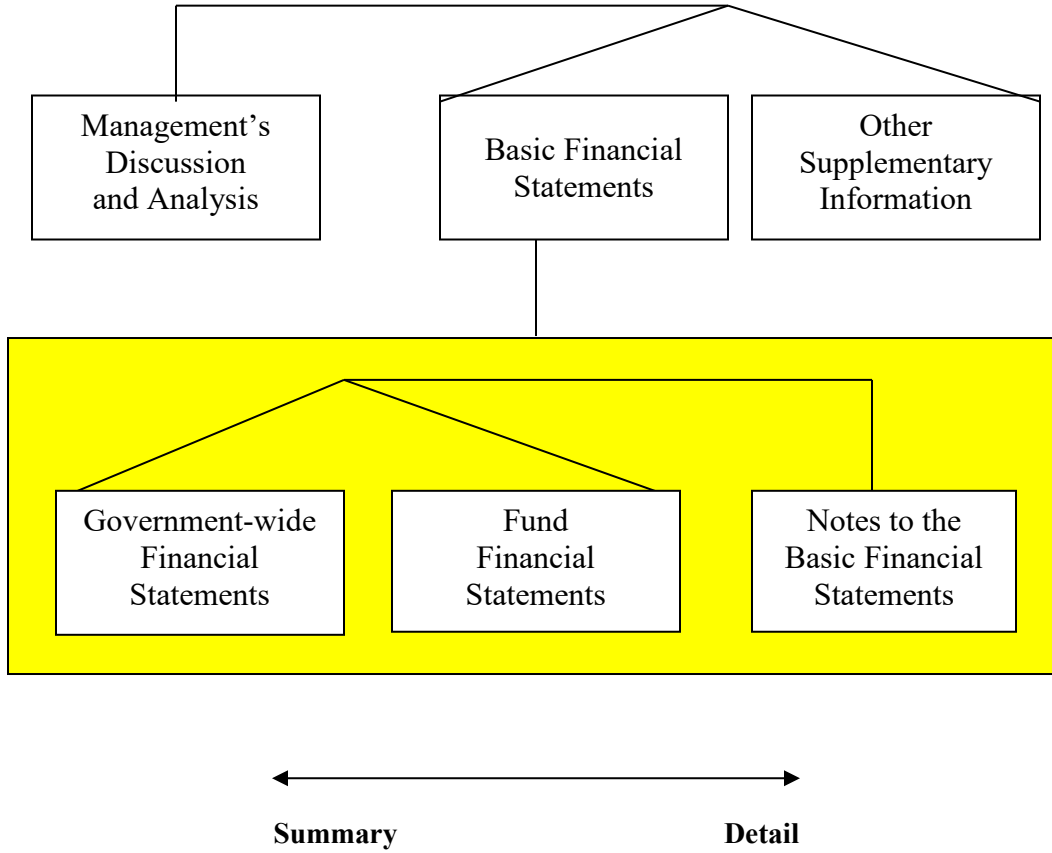
- The first two statements are *Government-wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the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

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

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Figure A-1

**Organization of the District's Comprehensive Annual Financial Report**



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

**Figure A-2**

**Major Features of the Government-wide and Fund Financial Statements**

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

## Government-wide Statements

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

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

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

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

*Component Units:* The District includes 20 other entities in its report – The Foundation for Lee County Public Schools, Inc., Accelerated Educational Services, Inc., Athenian Academy Charter School, Bonita Springs Charter School, Cape Coral Charter School, City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, The Heights Charter School, Heritage Charter School, Island Park Charter High School, Inc., The Island School, Inc., Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., and Six Mile Charter Academy. Although legally separate, these “component units” are important because the District is financially accountable.

## Fund Financial Statements

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

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

The District has three kinds of funds:

### *Governmental Funds*

Most of the District's basic services, such as instruction and facilities services, are included in governmental funds. These funds generally focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statement provides a

detailed, short-term view that assists the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance which explains the relationships and/or differences between the funds.

#### *Proprietary Funds*

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

#### *Fiduciary Funds*

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

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

**Net Position.** The District's *combined* net position was larger on June 30, 2019, than the previous fiscal year; increasing \$16.1 million to \$763.3 million (see Figure A-3) primarily due to the initial collection of local sales tax revenue. By far, the largest portion of the District's net position, \$851.4 million (111.5 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, software and audio visual materials). The District uses these capital assets to house and educate the students of Lee County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position, \$204.7 million (26.8 percent), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, a deficit amount of \$292.8 million ((38.4) percent), was the result of accruing \$451.4 million in net pension liability.

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Figure A-3

**Condensed Statement of Net Position (in millions of dollars)**

	Governmental Activities		Total Percentage Change
	2018	2019	
Current and Other Assets	\$ 443.0	\$ 471.3	6.4%
Capital Assets	1,271.0	1,248.5	(1.8)%
Total Assets	<u>1,714.0</u>	<u>1,719.8</u>	0.3%
Deferred Outflows of Resources	<u>185.8</u>	<u>198.8</u>	7.0%
Long-Term Liabilities	1,006.5	994.0	(1.2)%
Other Liabilities	107.1	106.2	(0.8)%
Total Liabilities	<u>1,113.6</u>	<u>1,100.2</u>	(1.2)%
Deferred Inflows of Resources	<u>39.0</u>	<u>55.1</u>	41.3%
Net Position			
Net Investment in Capital Assets	854.2	851.4	(0.3)%
Restricted	163.1	204.7	25.5%
Unrestricted (Deficit)	<u>(270.1)</u>	<u>(292.8)</u>	8.4%
Total Net Position	<u>\$ 747.2</u>	<u>\$ 763.3</u>	2.2%

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

- Adoption of a local half penny sales tax
- Investment earnings increased \$6.4 million as a result of higher interest rates and higher average invested cash balances.
- Florida Education Finance Program revenue increased \$15.6 million as a result of increase enrollment as well as an increase in the rate per student.

**Changes in Net Position.** The District's total revenue increased 8.5 percent to \$1,077.2 million (see Figure A-4). Property taxes, local sales tax, FEFP funding, and federal and state sources, accounted for most of the District's revenue, contributing about 90 cents of every dollar raised (see Figure A-5). The remainder came from capital grants and contributions, operating grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services increased 3.1 percent to \$1,061.1 million. Approximately 90 percent of the District's expenses are related to student instruction, student services, facilities services, transportation, operation of plant and maintenance of schools (see Figure A-6). The District's administrative activities, including school administration, accounted for 10 percent of total costs. The \$31.3 million increase in facilities costs was derived largely from Hurricane Irma repairs.

Total revenues surpassed expenses, increasing net position \$16.1 million and contributing to the District's improved financial condition.



Figure A-4

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

	Governmental Activities		Total Percentage Change
	2018	2019	
<i>Revenues</i>			
Program Revenues			
Charges for Services	\$ 14.0	\$ 14.8	5.7%
Operating Grants and Contributions	43.5	49.4	13.6%
Capital Grants and Contributions	13.5	24.0	77.8%
General Revenues			
Property Taxes	523.2	528.2	1.0%
Local Sales Tax	0.0	36.5	100.0%
Florida Education Finance Program	173.0	188.6	9.0%
Other Federal Sources	82.2	80.4	(2.2)%
Other State Sources	125.4	130.8	4.3%
Other Local Sources	12.2	12.7	4.1%
Investment Earnings	5.4	11.8	118.5%
Total Revenues	992.4	1,077.2	8.5%
<i>Expenses</i>			
Instruction	538.7	544.6	1.1%
Student Support Services	35.0	35.0	0.0%
Instructional Media Services	3.7	3.7	0.0%
Instruction & Curriculum Development Services	28.0	26.5	(5.4)%
Instructional Staff Training Services	10.6	11.4	7.5%
Instruction Related Technology	8.4	8.4	0.0%
Board	1.4	1.2	(14.3)%
General Administration	7.1	7.6	7.0%
School Administration	52.4	51.1	(2.5)%
Facilities Services	99.8	131.1	31.4%
Fiscal Services	3.9	4.0	2.6%
Food Services	49.2	49.2	0.0%
Central Services	11.5	11.3	(1.7)%
Student Transportation Services	55.3	56.5	2.2%
Operation of Plant	77.6	75.2	(3.1)%
Maintenance of Plant	17.5	16.7	(4.6)%
Administrative Technology Services	6.9	6.9	0.0%
Community Services	6.9	6.6	(4.3)%
Unallocated Interest on Long-Term Debt	15.2	14.1	(7.2)%
Total Expenses	1,029.1	1,061.1	3.1%
Increase (Decrease) in Net Position	(36.7)	16.1	143.9%
Net Position, Beginning	806.0	747.2	(7.3)%
Adjustments to Beginning Net Position <sup>1</sup>	(22.1)		(100.0)%
Net Position, Beginning, Restated	783.9	747.2	(4.7)%
Net Position, Ending	\$ 747.2	\$ 763.3	2.2%

Note: (1)

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

Figure A-5

### Sources of Revenues for Fiscal Year 2019

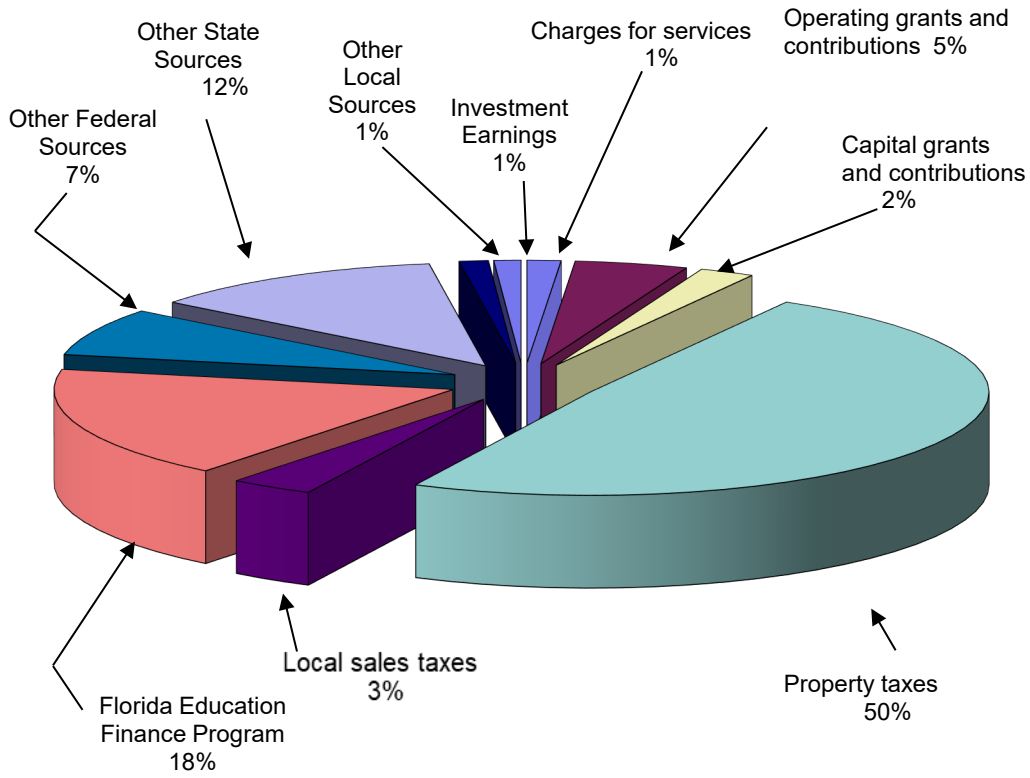
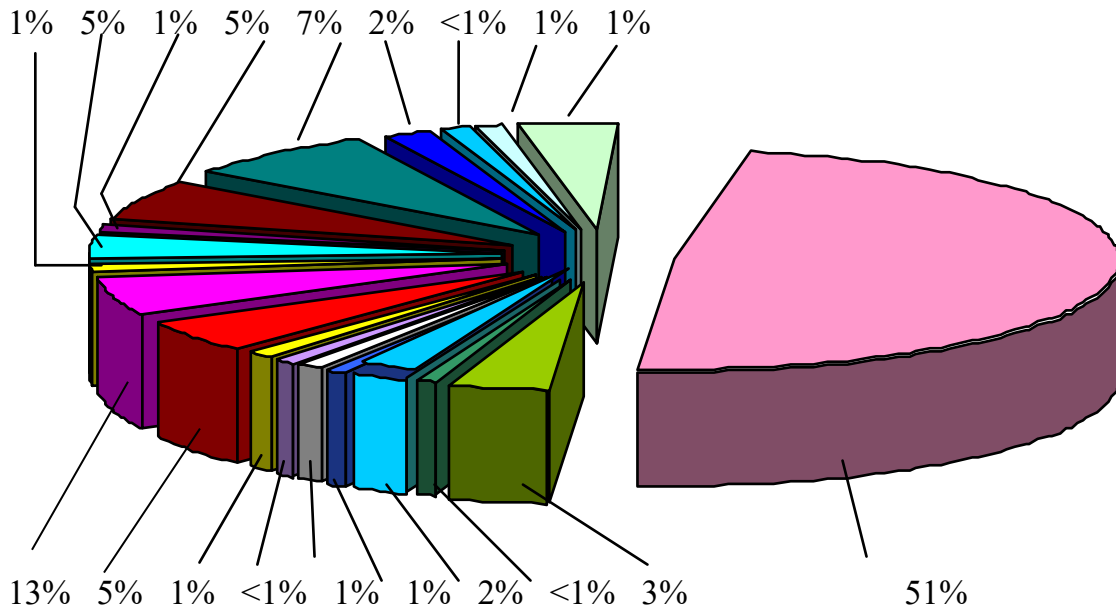


Figure A-6

### Expenses for Fiscal Year 2019



- Instruction - 51%
- Student Support Services - 3%
- Instructional Media Services - <1%
- Instruction and Curriculum Development Services - 2 %
- Instructional Staff Training Services - 1%
- Instruction Related Technology - 1%
- Board <1%
- General Administration - 1%
- School Administration - 5%
- Facilities Services - 13%
- Fiscal Services - 1%
- Food Services - 5%
- Central Services - 1%
- Student Transportation Services - 5%
- Operation of Plant - 7%
- Maintenance of Plant - 2%
- Administrative Technology Services - <1%
- Community Services - 1%
- Unallocated Interest on Long-Term Debt - 1%

## Governmental Activities

Revenues for the District’s governmental activities increased 8.5 percent, while expenses increased 3.1 percent. The increase in net position for governmental activities was \$16.1 million in 2019. The major impact to revenue was the adoption of a half penny local sales tax of \$36.5 million.

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

Figure A-7

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

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2018	2019	Change	2018	2019	Change
Instruction	\$ 538.7	\$ 544.6	1.1%	\$ (527.6)	\$ (532.6)	0.9%
Student Support Services	35.0	35.0	0.0%	(35.0)	(34.9)	(0.3)%
Instructional Media Services	3.7	3.7	0.0%	(3.7)	(3.7)	0.0%
Instruction & Curriculum Development Services	28.0	26.5	(5.4)%	(28.0)	(26.5)	(5.4)%
Instructional Staff Training Services	10.6	11.4	7.5%	(10.6)	(11.4)	7.5%
Instruction Related Technology	8.4	8.4	0.0%	(8.4)	(8.4)	0.0%
Board	1.4	1.2	(14.3)%	(1.4)	(1.2)	(14.3)%
General Administration	7.1	7.6	7.0%	(7.1)	(7.6)	7.0%
School Administration	52.4	51.1	(2.5)%	(52.4)	(51.1)	(2.5)%
Facilities Services	99.8	131.1	31.4%	(88.3)	(107.7)	22.0%
Fiscal Services	3.9	4.0	2.6%	(3.9)	(4.0)	2.6%
Food Services	49.2	49.2	0.0%	(3.5)	2.3	165.7%
Central Services	11.5	11.3	(1.7)%	(11.5)	(11.3)	(1.7)%
Student Transportation Services	55.3	56.5	2.2%	(54.6)	(55.8)	2.2%
Operation of Plant	77.6	75.2	(3.1)%	(77.6)	(75.2)	(3.1)%
Maintenance of Plant	17.5	16.7	(4.6)%	(17.5)	(16.7)	(4.6)%
Administrative Technology Services	6.9	6.9	0.0%	(6.9)	(6.9)	0.0%
Community Services	6.9	6.6	(4.3)%	(6.9)	(6.6)	(4.3)%
Unallocated Interest on Long-Term Debt	15.2	14.1	(7.2)%	(13.2)	(13.6)	3.0%
<b>Total</b>	<b>\$ 1,029.1</b>	<b>\$ 1,061.1</b>	<b>3.1%</b>	<b>\$ (958.1)</b>	<b>\$ (972.9)</b>	<b>1.5%</b>

The cost of all governmental activities this year was \$1,061.1 million.

Part of the cost was financed by the users of the District’s programs (\$14.8 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$73.4 million).

However, most of the District’s costs (\$972.9 million) were financed by District and State taxpayers. This portion of governmental activities was financed with \$528.2 million from property taxes, \$36.5 million of local sales tax and \$412.5 million of unrestricted Florida Education Finance Program funds based on the statewide education aid formula, and other federal, state, and local sources.

## Financial Analysis of the District's Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$301.3 million, which is above last fiscal year's ending fund balances of \$278.1 million. Unassigned fund balance of \$84.0 million represents 27.9 percent of the ending fund balances and is available to meet the District's short-term spending needs. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending, because it is: 1) to liquidate inventory and prepaid items of \$3.9 million; 2) restricted by Federal law, State statute and local ordinance of \$209.7 million; and 3) assigned for State and Local programs of \$3.7 million.

Five of the ten Governmental Funds had more revenues and other financing sources than expenditures and other financing uses in 2019, thereby contributing to the increase in total fund balance. Most significantly, \$41.2 million of the Capital Projects Fund Certificates of Participation/Impact Fees/State Grants fund balance increased due to the adoption of a half penny local sales tax. Some funds reflect decreases (\$25.9 million) in fund balance. Most significantly, \$19.6 million of the Capital Projects Fund Local Capital Improvement Tax fund balance decreased because capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources.

The *General Fund* is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$84.0 million, while total fund balance reached \$120.5 million. During the current fiscal year, the fund balance of the General Fund decreased by \$6.3 million. A key factor in this decrease was the continued implementation of several classroom curriculum initiatives in the current year using prior year resources and the District continuing to strategically decrease its fund balance.

The *Special Revenue Fund Contract Services* is used to account for the resources generated by federal and state grant funds for use in key education areas such as instruction of students with disabilities, and services for low-income students. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The *Debt Service Fund Certificates of Participation* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation. The restricted fund balance at the end of fiscal year 2019 was \$1.7 million, an increase of \$1.3 million from the prior fiscal year. The increase is related to fiscal year 2019 debt service payments the District made with fiscal year 2018 resources.

The *Debt Service Fund ARRA Economic Stimulus* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Qualified School Construction Bond (QSCB). The restricted fund balance at the end of fiscal year 2019 was \$15.7 million, an increase of \$2.8 million from the prior fiscal year due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2028 when the debt will be paid.

The *Capital Projects Fund Local Capital Improvement Tax* is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2019, the total fund balance was \$43.2 million, a decrease of \$19.6 million from the prior fiscal year due to capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources.

The *Capital Projects Fund Certificates of Participation/Impact Fees/State Grants* is used to account for the resources generated by various sources for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract. The total fund balance for this fund at the end of the current fiscal year was \$93.3 million, an increase of \$41.2 million from the prior fiscal year. The primary reason for this change was the adoption of a half penny local sales tax of \$36.5 million.

## **General Fund Budgetary Highlights**

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

### ***Amendments Related to Changes in Revenue Estimates.***

Throughout the school year, the District received revised calculations in the FEFP (Florida Education Finance Program – the funding formula for Florida school districts), based on changes in student counts, State revenue estimates, and local tax roll estimates. With each calculation, the budget is amended to reflect the current revenue estimates provided in the FEFP. The District will also amend revenues in the General Fund for new State grants and changes in local revenue sources, such as interest and indirect cost revenue. The District budgets 96 percent of projected property tax revenues at the onset of each budget year, as required by law, and collections are generally higher. Revenue from property taxes was less than the final amended budget by \$0.4 million due to a large collection rate.

### ***Amendments to Modify Appropriations.***

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

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

Budgeted expenditures were increased \$9.5 million from the original budget to the final amended budget primarily due to the rise in instruction costs due to salary increases.

- Although the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by approximately \$102.6 million, the actual results for the fiscal year show that expenditures and financing uses exceeded revenues and other financing sources by \$6.3 million.
- The actual expenditures were \$92.7 million below budgeted levels. Actual expenditures for instruction were more than \$54.8 million below budgeted levels due to conservative spending at the schools.
- Actual expenditures for operation of plant were \$8.3 million below budgeted levels due to conservative spending.

## Capital Assets and Debt Administration

### Capital Assets

By the end of the 2018-19 fiscal year, the District had an investment of \$1,248.5 million, net of accumulated depreciation, in a broad range of assets, including land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment, motor vehicles, audio visual material and software (see Figure A-8). This amount represents a net decrease of \$22.5 million, or 1.8 percent, from the 2017-18 fiscal year. Additions to construction in progress, buildings, furniture, fixtures and equipment and motor vehicles, amounted to \$84.4 million for the fiscal year. Total depreciation expense for the year was \$46.2 million. (More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.)

Figure A-8

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

	Governmental Activities		Total Percentage Change
	<u>2018</u>	<u>2019</u>	
Land	\$ 180.1	\$ 181.7	0.9%
Construction in Progress	58.5	1.1	(870.0)%
Improvements Other Than Buildings	26.3	26.6	1.1%
Buildings	938.9	967.6	3.1%
Furniture, Fixtures and Equipment	20.3	24.6	21.2%
Motor Vehicles	34.1	35.6	4.4%
Audio Visual Materials and Software	12.8	11.3	(11.7)%
Total	<u>\$ 1,271.0</u>	<u>\$ 1,248.5</u>	(1.8)%

The District's approved five-year Capital Outlay Plan includes the construction of one new high school, two new middle schools, two new elementary schools and the remodel of one high school, one middle school and one elementary school over the next five years. The District's student enrollment has grown over the last several years, 5.5 percent since 2015 for a present enrollment of 94,266 students.

The District's capital projects budget shows spending another \$298.4 million in the 2019-20 fiscal year for capital projects, principally in four areas:

- 1) \$14.6 million to purchase new school buses.
- 2) \$22.9 million to continue the upgrade of technology equipment.
- 3) \$97.7 million to continue the maintenance of existing schools.
- 4) \$90.4 million to renovation one high school and begin the construction of one new high school and two new middle school and one new elementary school and to complete the construction of one new high school.

**Long-Term Debt**

At fiscal year-end, the District had \$400.2 million in SBE bonds, Certificates of Participation and Notes outstanding, a decrease of 8.1 percent from last fiscal year, as shown in Figure A-9. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

**Figure A-9**

**Outstanding Long-Term Debt (in millions of dollars)**

	Total School District		Total Percentage Change
	<u>2018</u>	<u>2019</u>	
Certificates of Participation and Note Payables (financed with property taxes)	\$ 433.4	\$ 398.9	(8.0)%
State School Bonds (financed with specific taxes & fee revenues)	1.9	1.3	(31.6)%
Total	<u>\$ 435.3</u>	<u>\$ 400.2</u>	(8.1)%

The District continues to retire its outstanding debt as it becomes due, retiring \$34.3 million of outstanding certificates of participation, notes, and bonds during the 2018-19 fiscal year.

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## **Factors Bearing on the District's Future**

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

- Due to the community's support and trust, the District was able to pass a half cent sales tax referendum in November, 2018. The sales tax is estimated to raise over \$700 million over ten years to fund capital expenditures such as new school buildings, enhanced safety infrastructure, technology, and maintenance of existing buildings. Active reporting on the use of these funds is critical to maintain the continued trust of the public. The District works with an independent committee that reports to the Board and the public on the use of those funds.
- The District continued the effort to obtain reimbursements from FEMA and insurance for Hurricane Irma related damages. Of the \$31 million in original damages, close to \$4 million has been recovered or approved for recovery. Two years removed from the event, the slow recovery process still has an effect on cash flows.
- One of the main areas of emphasis for the District's budget will continue to be enhancement of salary and benefits. As these categories comprise 70 percent of the budget, any increase represents a substantial investment. The District's goal is to focus on efficiency in order to repurpose funds to these important areas and increase recruitment and retention of the highest quality employees.
- The State's funding mechanism for school districts is our main source of funding in the general fund, comprising over 90 percent of new revenue. The District is highly dependent on the funding mechanism, and any fluctuation in that funding formula has substantial impacts on operations. We strive to plan responsibly by maintaining appropriate reserves that will assist us in mitigating changes to the formula that negatively impact our funding.

## **Contacting the District's Financial Management**

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

# BASIC FINANCIAL STATEMENTS

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**STATEMENT OF NET POSITION**  
June 30, 2019

	<b>Primary Government Governmental Activities</b>	<b>Component Units</b>
<b>ASSETS</b>		
Cash	\$ 47,162,991	\$ 10,703,719
Investments	376,132,720	1,582,734
Accounts Receivable	302,345	2,598,461
Taxes Receivable	182,798	-
Due from Other Agencies	33,154,894	683,591
Inventory	3,890,433	32,150
Prepaid Expenses	-	2,290,748
Capital Credits Receivable	10,079,731	-
Restricted assets:		
Cash with Fiscal Agent	415,371	-
Capital assets:		
Non-depreciable	182,777,237	-
Depreciable, net	1,065,764,003	77,540,048
<b>Total Assets</b>	<b>1,719,862,523</b>	<b>95,551,695</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred amount on refunding	2,641,558	-
Deferred amount on OPEB	5,023,511	-
Deferred amount on pension	191,139,374	-
<b>Total Deferred Outflow of Resources</b>	<b>198,804,443</b>	<b>-</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>LIABILITIES</b>		
Salaries and Wages Payable	22,944,197	1,930,460
Payroll Deductions and Withholdings	5,528,211	-
Accounts Payable	13,372,382	7,344,970
Construction Contracts Payable	2,092,536	-
Construction Contracts Payable - Retainage	1,422,516	-
Matured Principal and Interest Payable	35,821,452	-
Accrued Interest Payable	179,088	-
Deposits Payable	23,621	-
Unearned Revenue	15,032,912	64,204
Due to Other Agencies	9,800,614	909
<b>Noncurrent liabilities:</b>		
<b>Portion due within one year:</b>		
Notes Payable	4,363,124	179,186
Bonds Payable	420,000	280,000
Obligations under Capital Lease	-	2,237,259
Liability for Compensated Absences	6,091,512	126,610
Certificates of Participation Payable	18,680,000	-
Estimated Early Retirement Payable	21,200	-
Estimated Insurance Claims Payable	13,090,334	-
Net Pension Liability	3,791,468	-
<b>Portion due after one year:</b>		
Notes Payable	8,611,535	253,020
Bonds Payable	939,440	19,533,587
Obligations under Capital Lease	-	64,854,989
Liability for Compensated Absences	58,255,831	42,203
Certificates of Participation Payable	367,223,467	-
Estimated Early Retirement Payable	1,175,800	-
Estimated Insurance Claims Payable	12,251,646	-
Postemployment Benefits Payable	51,497,584	-
Net Pension Liability	447,581,416	-
<b>Total Liabilities</b>	<b>1,100,211,886</b>	<b>96,848,787</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred amount on refunding	6,318,371	-
Deferred amount on OPEB	3,437,137	-
Deferred amount on pension	45,390,694	-
<b>Total Deferred Inflow of Resources</b>	<b>55,146,202</b>	<b>-</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	851,439,963	(4,522,224)
<b>Restricted for:</b>		
State Required Carryover Programs	17,678,309	-
Debt Service	17,394,156	1,445,890
Capital Projects	137,066,862	463,776
Food Service: Expendable	19,403,955	-
Food Service: Nonexpendable	869,008	-
Other Purposes	12,311,114	4,585,605
<b>Unrestricted</b>	(292,854,489)	(3,270,139)
<b>Total Net Position</b>	<b>\$ 763,308,878</b>	<b>\$ (1,297,092)</b>

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

THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2019

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Instruction	\$ 544,623,856	\$ 12,069,353	\$ -	\$ -	\$ (532,554,503)	\$ -
Student Support Services	34,949,239	-	-	-	(34,949,239)	-
Instructional Media Services	3,694,853	-	-	-	(3,694,853)	-
Instruction and Curriculum Development Services	26,477,911	-	-	-	(26,477,911)	-
Instructional Staff Training Services	11,377,196	-	-	-	(11,377,196)	-
Instruction Related Technology	8,441,971	-	-	-	(8,441,971)	-
Board	1,223,697	-	-	-	(1,223,697)	-
General Administration	7,649,280	-	-	-	(7,649,280)	-
School Administration	51,090,499	-	-	-	(51,090,499)	-
Facilities Services	131,149,649	-	-	23,451,328	(107,698,321)	-
Fiscal Services	4,017,936	-	-	-	(4,017,936)	-
Food Services	49,157,928	2,079,444	49,374,595	-	2,296,111	-
Central Services	11,320,489	-	-	-	(11,320,489)	-
Student Transportation Services	56,464,391	695,064	-	-	(55,769,327)	-
Operation of Plant	75,203,370	-	-	-	(75,203,370)	-
Maintenance of Plant	16,683,760	-	-	-	(16,683,760)	-
Administrative Technology Services	6,874,439	-	-	-	(6,874,439)	-
Community Services	6,556,045	-	-	-	(6,556,045)	-
Unallocated Interest and Fiscal Charges on Long-term Debt	14,149,284	-	-	561,053	(13,588,231)	-
<b>Total Governmental Activities</b>	<b>1,061,105,793</b>	<b>14,843,861</b>	<b>49,374,595</b>	<b>24,012,381</b>	<b>(972,874,956)</b>	
<b>Total Primary Government</b>	<b>\$ 1,061,105,793</b>	<b>\$ 14,843,861</b>	<b>\$ 49,374,595</b>	<b>\$ 24,012,381</b>	<b>(972,874,956)</b>	
<b>Component Units:</b>						
Charter Schools/Foundation	\$ 68,156,135	\$ 1,561,718	\$ 6,982,125	\$ 3,431,490		(56,180,802)
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for Operational Purposes				404,419,550	-	
Property Taxes, Levied for Capital Projects				123,776,642	-	
Local Sales Taxes				36,453,161	-	
Florida Education Finance Program				188,658,769	-	
Other Federal Sources Not Restricted to Specific Programs				80,389,250	-	
Other State Sources Not Restricted to Specific Programs				130,778,585	51,851,293	
Other Miscellaneous Sources Not Restricted to Specific Programs				12,671,915	2,763,546	
Unrestricted Investment Earnings				11,808,194	292,002	
<b>Total General Revenues</b>				<b>988,956,066</b>	<b>54,906,841</b>	
<b>Change in Net Position</b>				<b>16,081,110</b>	<b>(1,273,961)</b>	
<b>Net Position - July 1, 2018</b>				<b>747,227,768</b>	<b>(188,807)</b>	
Adjustment to Beginning Net Position				-	165,676	
<b>Net Position - July 1, 2018, Restated</b>				<b>747,227,768</b>	<b>(23,131)</b>	
<b>Net Position - June 30, 2019</b>				<b>\$ 763,308,878</b>	<b>\$ (1,297,092)</b>	

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019**

	General Fund	Special Revenue Fund Contracted Programs	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash	\$ 11,500,835	\$ 3,759	\$ -	\$ -	\$ 2,548,155	\$ 14,958,297	\$ 10,107,395	\$ 39,118,441
Investments	156,975,050	-	37,488,530	15,698,045	44,525,064	66,762,324	13,390,309	334,839,322
Accounts Receivable	287,534	184	-	-	-	-	14,627	302,345
Taxes Receivable	139,961	-	-	-	42,837	-	-	182,798
Due from Other Funds	16,486,470	277,754	-	-	5,425,611	4,252,576	2,530,145	28,972,556
Due from Other Agencies	4,313,640	13,668,747	-	-	-	14,690,291	482,216	33,154,894
Restricted Cash with Fiscal Agent	115,371	-	-	-	-	-	-	115,371
Inventory	3,021,425	-	-	-	-	-	869,008	3,890,433
Total Assets	<u>\$ 192,840,286</u>	<u>\$ 13,950,444</u>	<u>\$ 37,488,530</u>	<u>15,698,045</u>	<u>\$ 52,541,667</u>	<u>\$ 100,663,488</u>	<u>\$ 27,393,700</u>	<u>\$ 440,576,160</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Salaries and Wages Payable	\$ 22,944,197	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,944,197
Payroll Deductions and Withholdings	5,528,211	-	-	-	-	-	-	5,528,211
Accounts Payable	6,185,076	415,253	-	-	3,879,677	2,259,439	187,320	12,926,765
Matured Principal Payable	-	-	28,799,000	-	-	-	-	28,799,000
Matured Interest Payable	-	-	7,022,452	-	-	-	-	7,022,452
Construction Contracts Payable	-	-	-	-	1,485,690	337,250	269,596	2,092,536
Construction Contracts Payable - Retainage	-	-	-	-	965,657	426,904	29,955	1,422,516
Deposits Payable	19,585	4,036	-	-	-	-	-	23,621
Due to Other Agencies	9,800,504	-	-	-	-	-	110	9,800,614
Due to Other Funds	25,946,642	13,531,155	-	-	3,000,000	4,308,956	-	46,786,753
Total Liabilities	<u>70,424,215</u>	<u>13,950,444</u>	<u>35,821,452</u>	<u>-</u>	<u>9,331,024</u>	<u>7,332,549</u>	<u>486,981</u>	<u>137,346,665</u>
Deferred Inflows								
Unavailable Revenue	1,935,772	-	-	-	-	-	-	1,935,772
Total Deferred Inflows	<u>1,935,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935,772</u>
Fund Balance								
Nonspendable								
Inventory	3,021,425	-	-	-	-	-	869,008	3,890,433
Restricted for:								
State Required Carryover Programs	17,678,309	-	-	-	-	-	-	17,678,309
Other Purposes	12,011,114	-	-	-	-	-	-	12,011,114
Debt Service	-	-	1,667,078	15,698,045	-	-	29,033	17,394,156
Capital Projects	-	-	-	-	43,210,643	93,330,939	6,604,723	143,146,305
Food Service	-	-	-	-	-	-	19,403,955	19,403,955
Assigned to:								
Purchase Order Obligations for								
School Operations	3,732,402	-	-	-	-	-	-	3,732,402
Unassigned	84,037,049	-	-	-	-	-	-	84,037,049
Total Fund Balances	<u>120,480,299</u>	<u>-</u>	<u>1,667,078</u>	<u>15,698,045</u>	<u>43,210,643</u>	<u>93,330,939</u>	<u>26,906,719</u>	<u>301,293,723</u>
Total Liabilities and Fund Balances	<u>\$ 192,840,286</u>	<u>\$ 13,950,444</u>	<u>\$ 37,488,530</u>	<u>\$ 15,698,045</u>	<u>\$ 52,541,667</u>	<u>\$ 100,663,488</u>	<u>\$ 27,393,700</u>	<u>\$ 440,576,160</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
June 30, 2019**

**Total Fund Balance - Governmental Funds** \$ 301,293,723

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

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

Original cost of capital assets	\$ 2,004,830,865	
Accumulated depreciation	<u>(756,289,625)</u>	
		1,248,541,240

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. 198,804,443

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide financial statements. 10,079,731

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

Accrued Interest payable	(179,088)	
Bonds payable	(1,359,440)	
Certificates of participation payable	(385,903,467)	
Notes payable	(12,974,659)	
Estimated early retirement payable	(1,197,000)	
Net pension liability	(451,372,884)	
Estimated insurance claims payable	(25,341,980)	
Postemployment benefits payable	(51,497,584)	
Liability for compensated absences	<u>(64,347,343)</u>	
Subtotal, long-term liabilities		(994,173,445)

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. (55,146,202)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The assets and liabilities of the internal service funds, which are reported in the proprietary funds rather than the governmental funds, are included in governmental activities in the statement of net position. The internal service funds net position is \$28,538,145. This includes \$4,408 in capital assets, \$33,670 in compensated absences and \$25,341,980 in estimated unpaid claims included above. The net amount is as follows:

53,909,388

**Total net position - governmental activities** \$ 763,308,878

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2019**

	General Fund	Special Revenue Fund Contracted Programs	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Federal Direct Sources	\$ 2,201,863	\$ 13,583,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,785,502
Federal Through State Sources	4,369,599	60,234,149	-	-	-	-	48,760,950	113,364,698
State Sources	314,317,908	-	-	-	-	8,627,091	5,726,313	328,671,312
Local Sources								
Taxes	404,419,550	-	-	-	123,776,642	-	-	528,196,192
Local Sales Taxes	-	-	-	-	-	36,453,161	-	36,453,161
Food Service Sales	-	-	-	-	-	-	2,079,444	2,079,444
Impact Fees	-	-	-	-	-	15,392,068	-	15,392,068
Miscellaneous	32,782,690	70,985	77,537	339,665	733,282	904,521	237,001	35,145,681
<b>Total Revenues</b>	<b>758,091,610</b>	<b>73,888,773</b>	<b>77,537</b>	<b>339,665</b>	<b>124,509,924</b>	<b>61,376,841</b>	<b>56,803,708</b>	<b>1,075,088,058</b>
<b>EXPENDITURES</b>								
Current								
Instruction	492,109,214	37,550,838	-	-	-	-	-	529,660,052
Student Support Services	27,599,811	6,321,313	-	-	-	-	-	33,921,124
Instructional Media Services	3,549,010	49,677	-	-	-	-	-	3,598,687
Instruction and Curriculum Development Services	9,937,791	15,465,231	-	-	-	-	-	25,403,022
Instructional Staff Training Services	5,295,098	5,902,065	-	-	-	-	-	11,197,163
Instruction Related Technology	8,025,378	57,465	-	-	-	-	-	8,082,843
Board	1,210,011	-	-	-	-	-	-	1,210,011
General Administration	4,377,380	3,128,560	-	-	-	-	-	7,505,940
School Administration	48,689,568	396,416	-	-	-	-	-	49,085,984
Facilities Services	11,029,728	260,385	-	-	67,990,865	6,092,212	2,948,629	88,321,819
Fiscal Services	3,864,134	-	-	-	-	-	-	3,864,134
Food Service	-	-	-	-	-	-	47,656,364	47,656,364
Central Services	10,798,089	124,764	-	-	-	-	-	10,922,853
Student Transportation Services	53,965,953	1,116,032	-	-	-	-	-	55,081,985
Operation of Plant	72,531,025	1,833,299	-	-	-	-	-	74,364,324
Maintenance of Plant	15,927,123	-	-	-	-	-	-	15,927,123
Administrative Technology Services	6,507,664	-	-	-	-	-	-	6,507,664
Community Services	5,807,580	559,427	-	-	-	-	-	6,367,007
Capital Outlay								
Facilities Acquisition and Construction	837,455	42,426	-	-	1,730,039	7,052,160	151,869	9,813,949
Other Capital Outlay	1,324,964	1,080,875	-	-	8,927,787	1,468,053	1,681,196	14,482,875
Debt Service								
Principal	-	-	33,771,598	-	-	-	503,000	34,274,598
Interest and Fiscal Charges	404,910	-	14,815,055	211,407	-	-	84,093	15,515,465
<b>Total Expenditures</b>	<b>783,791,886</b>	<b>73,888,773</b>	<b>48,586,653</b>	<b>211,407</b>	<b>78,648,691</b>	<b>14,612,425</b>	<b>53,025,151</b>	<b>1,052,764,986</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(25,700,276)</b>	<b>-</b>	<b>(48,509,116)</b>	<b>128,258</b>	<b>45,861,233</b>	<b>46,764,416</b>	<b>3,778,557</b>	<b>22,323,072</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Loss Recoveries	858,104	-	-	-	-	-	-	858,104
Transfer In	18,588,571	-	49,832,215	2,645,649	-	-	-	71,066,435
Transfer Out	-	-	-	-	(65,477,864)	(5,588,571)	-	(71,066,435)
<b>Total Other Financing Sources (Uses)</b>	<b>19,446,675</b>	<b>-</b>	<b>49,832,215</b>	<b>2,645,649</b>	<b>(65,477,864)</b>	<b>(5,588,571)</b>	<b>-</b>	<b>858,104</b>
<b>Net Change in Fund Balance</b>	<b>(6,253,601)</b>	<b>-</b>	<b>1,323,099</b>	<b>2,773,907</b>	<b>(19,616,631)</b>	<b>41,175,845</b>	<b>3,778,557</b>	<b>23,181,176</b>
Fund Balance, Beginning	126,733,900	-	343,979	12,924,138	62,827,274	52,155,094	23,128,162	278,112,547
Fund Balance, Ending	<b>\$ 120,480,299</b>	<b>\$ -</b>	<b>\$ 1,667,078</b>	<b>\$ 15,698,045</b>	<b>\$ 43,210,643</b>	<b>\$ 93,330,939</b>	<b>\$ 26,906,719</b>	<b>\$ 301,293,723</b>

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2019**

**Net change in fund balances- governmental funds** \$ 23,181,176

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

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

Capital outlays	\$ 24,053,504	
Depreciation expense	<u>(46,187,510)</u>	(22,134,006)

In the governmental funds, the cost of capital assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (390,795)

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

Amortization-net	566,707	
Amortization-net	758,880	
Repayments	<u>34,274,599</u>	35,600,186

The District has recorded vested utility interest revenue in the government-wide statements that does not meet the earned criterion for recognition in the fund financial statements. 1,470,941

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. 37,000

In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the statement of activities, interest is recorded as it accrues. This is the decrease in accrued interest payable. 40,595

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period. 99,501

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

OPEB contribution	2,426,285	
OPEB expense	<u>(1,266,635)</u>	1,159,650

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

FRS Pension contribution	29,449,121	
HIS Pension contribution	7,932,785	
FRS Pension expense	(50,848,381)	
HIS Pension expense	<u>(12,572,627)</u>	(26,039,102)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The change in net position of the internal service funds, of \$3,038,806 is reported with governmental activities. This includes \$801 in depreciation, and \$16,356 in compensated absences included above. The net amount is as follows: 3,055,964

**Change in net position of governmental activities** \$ 16,081,110

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



**THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	General Fund			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Federal Direct Sources	\$ 1,727,000	\$ 1,727,000	\$ 2,201,863	\$ (474,863)
Federal Through State Sources	3,250,000	4,509,805	4,369,599	140,206
State Sources	313,080,081	315,404,139	314,317,908	1,086,231
Local Sources				
Taxes	404,042,823	404,042,823	404,419,550	(376,727)
Miscellaneous	20,083,090	23,892,549	32,782,690	(8,890,141)
<b>Total Revenues</b>	<b>742,182,994</b>	<b>749,576,316</b>	<b>758,091,610</b>	<b>(8,515,294)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	540,626,883	546,915,100	492,109,214	54,805,886
Student Support Services	28,589,438	30,170,047	27,599,811	2,570,236
Instructional Media Services	4,160,601	4,112,377	3,549,010	563,367
Instruction and Curriculum Development Services	10,403,583	10,445,799	9,937,791	508,008
Instructional Staff Training Services	6,520,030	6,980,016	5,295,098	1,684,918
Instruction Related Technology	7,744,484	8,033,692	8,025,378	8,314
Board	1,804,926	1,927,397	1,210,011	717,386
General Administration	4,587,316	4,586,683	4,377,380	209,303
School Administration	51,744,419	51,299,636	48,689,568	2,610,068
Facilities Services	19,202,579	13,777,534	11,029,728	2,747,806
Fiscal Services	4,208,543	4,219,997	3,864,134	355,863
Central Services	12,492,680	12,839,929	10,798,089	2,041,840
Student Transportation Services	58,404,196	58,440,887	53,965,953	4,474,934
Operation of Plant	78,542,340	80,790,517	72,531,025	8,259,492
Maintenance of Plant	17,264,724	17,354,742	15,927,123	1,427,619
Administrative Technology Services	7,268,406	7,057,743	6,507,664	550,079
Community Services	13,411,361	7,320,282	5,807,580	1,512,702
Capital Outlay				
Facilities Acquisition and Construction	-	3,664,954	837,455	2,827,499
Other Capital Outlay	-	6,132,297	1,324,964	4,807,333
Debt Service				
Interest and Fiscal Charges	-	415,111	404,910	10,201
<b>Total Expenditures</b>	<b>866,976,509</b>	<b>876,484,740</b>	<b>783,791,886</b>	<b>92,692,854</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(124,793,515)</b>	<b>(126,908,424)</b>	<b>(25,700,276)</b>	<b>(101,208,148)</b>
<b>OTHER FINANCING SOURCES</b>				
Loss Recoveries	7,645,204	7,773,857	858,104	6,915,753
Transfer In	16,100,000	16,497,669	18,588,571	(2,090,902)
<b>Total Other Financing Sources</b>	<b>23,745,204</b>	<b>24,271,526</b>	<b>19,446,675</b>	<b>4,824,851</b>
<b>Net Change in Fund Balance</b>	<b>(101,048,311)</b>	<b>(102,636,898)</b>	<b>(6,253,601)</b>	<b>(96,383,297)</b>
Fund Balance, Beginning	129,235,821	126,733,899	126,733,900	1
Fund Balance, Ending	<b>\$ 28,187,510</b>	<b>\$ 24,097,001</b>	<b>\$ 120,480,299</b>	<b>\$ (96,383,296)</b>

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FUND - CONTRACTED PROGRAMS (MAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Contracted Programs			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 14,006,313	\$ 16,349,368	\$ 13,583,639	\$ 2,765,729
Total Federal Direct Sources	14,006,313	16,349,368	13,583,639	2,765,729
Federal Through State Sources:				
Other Federal Through State Grants	43,903,021	74,467,075	60,234,149	14,232,926
Total Federal Through State Sources	43,903,021	74,467,075	60,234,149	14,232,926
Local Sources:				
Child Care and Adult Course Fees	-	70,985	70,985	-
Total Local Sources	-	70,985	70,985	-
Total Revenues	57,909,334	90,887,428	73,888,773	16,998,655
<b>EXPENDITURES</b>				
Current				
Instruction	34,337,196	45,720,746	37,550,838	8,169,908
Student Support Services	6,033,376	7,514,784	6,321,313	1,193,471
Instructional Media Services	291,466	56,498	49,677	6,821
Instruction and Curriculum Development Services	7,482,986	16,508,043	15,465,231	1,042,812
Instructional Staff Training Services	5,115,625	8,275,342	5,902,065	2,373,277
Instruction Related Technology	59,702	59,067	57,465	1,602
General Administration	2,410,528	3,810,950	3,128,560	682,390
School Administration	93,619	439,065	396,416	42,649
Facilities Services	195,897	892,107	260,385	631,722
Central Services	49,145	263,715	124,764	138,951
Student Transportation Services	946,274	1,493,823	1,116,032	377,791
Operation of Plant	134,042	3,352,831	1,833,299	1,519,532
Community Services	759,478	1,086,540	559,427	527,113
Capital Outlay				
Facilities Acquisition and Construction	-	50,426	42,426	8,000
Other Capital Outlay	-	1,363,491	1,080,875	282,616
Total Expenditures	57,909,334	90,887,428	73,888,773	16,998,655
<b>Excess of Revenues Over Expenditures</b>				
	-	-	-	-
<b>Net Change in Fund Balance</b>				
	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
 June 30, 2019

	<b>Governmental Activities- Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 8,044,550
Investments	41,293,397
Due from Governmental Funds	17,814,197
Total Current Assets	67,152,144
Noncurrent Assets	
Restricted Cash with Fiscal Agent	300,000
Furniture, Fixtures and Equipment	7,999
Less Accumulated Depreciation	(3,591)
Total Noncurrent Assets	304,408
Total Assets	67,456,552
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	445,617
Unearned Revenue	13,097,140
Estimated Insurance Claims Payable	13,090,334
Liability for Compensated Absences	33,670
Total Current Liabilities	26,666,761
Long-Term Liabilities	
Estimated Insurance Claims Payable	12,251,646
Total Liabilities	38,918,407
<b>NET POSITION</b>	
Invested in Capital Assets	4,408
Restricted for Claims	300,000
Unrestricted	28,233,737
Total Net Position	\$ 28,538,145

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2019**

	<b>Governmental Activities- Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Premium Revenue	\$ 112,124,773
Other Operating Revenues	25,125
	112,149,898
<b>OPERATING EXPENSE</b>	
Salaries	312,797
Employee Benefits	86,649
Purchased Services	13,761,651
Materials and Supplies	527
Insurance Claims	95,465,364
Depreciation	801
	109,627,789
<b>Operating Income</b>	<b>2,522,109</b>
<b>NONOPERATING REVENUES</b>	
Interest Income	516,697
	516,697
<b>Changes in Net Position</b>	<b>3,038,806</b>
Net Position - July 1, 2018	25,499,339
	\$ 28,538,145

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

**THE SCHOOL DISTRICT OF LEE COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2019**

	<b>Governmental Activities- Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers, Users and Participants	\$ 110,709,011
Cash Payments to Suppliers for Goods and Services	(13,815,544)
Cash Payments to Employees for Services	(383,090)
Cash Payments for Insurance Claims	(93,993,716)
Net Cash provided by Operating Activities	2,516,661
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Pooled Investments	4,519,794
Interest on Investments	516,697
Net Cash provided by Investing Activities	5,036,491
Net Increase in Cash	7,553,152
Cash, Beginning	791,398
Cash, Ending	\$ 8,344,550
 <b>Reconciliation of Operating Income to Net Cash provided by Operating Activities</b>	
Operating Income	\$ 2,522,109
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:	
Depreciation	801
Change in Assets and Liabilities:	
Increase in Due from Governmental Funds	(2,109,967)
Decrease in Accounts Payable	(53,366)
Increase in Advanced Revenue	669,079
Increase in Estimated Insurance Claims Payable	1,471,648
Increase in Liability for Compensated Absences	16,357
Total Adjustments	(5,448)
Net Cash provided by Operating Activities	\$ 2,516,661

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

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**June 30, 2019**

	<b>Fiduciary Funds</b>
	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 1,489,670
Investments	7,025,089
Accounts Receivable	600,103
Inventory	427,337
 Total Assets	 \$ 9,542,199
<b>LIABILITIES</b>	
Accounts Payable and Other Current Liabilities	\$ 459,277
Due to Student Organizations and Other Agencies	9,082,922
 Total Liabilities	 \$ 9,542,199

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**

***Reporting Entity***

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

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

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

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

***Blended Component Unit – Leasing Corporation***

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

***Discretely Presented Component Unit – Foundation***

The Foundation for Lee County Public Schools, Inc., (Foundation) was formed for the purpose of improving the quality of education by increasing community involvement with and support for Lee County schools. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources (or

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019

incomes thereon) that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

***Discretely Presented Component Units – Charter Schools***

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

During fiscal year 2019, Accelerated Educational Services, Inc. ceased operations on June 30, 2018. The District recovered all the assets of the charter school at the time of the closure. The charter school has submitted an audit of their operations and that information has been reported.

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

*Accelerated Educational Services, Inc.* - The school's charter was granted March 11, 2014, for a grade 6-8 school. As of June 30, 2019, the school ceased operations. The school was located in Fort Myers, Florida.

*Athenian Academy Charter School* - The school's charter was granted January 9, 2018, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

*Bonita Springs Charter School* – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

*Cape Coral Charter School* – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

*City of Palms Charter High School, Inc.* – The school's charter was granted October 25, 2005, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

*Coronado High School* – The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

*DJB Technical Academy, Inc.* - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.



THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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JUNE 30, 2019

*Gateway Charter School* – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2019, the school was a grade K-4 school. The school is located in Fort Myers, Florida.

*Gateway Intermediate Charter School* – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2019, the school was a grade 5-8 school. The school is located in Fort Myers, Florida.

*Gateway Charter High School* – The school’s charter was granted October 21, 2003, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

*The Heights Charter School* – The school’s charter was granted December 08, 2015, for a grade K-3 school. As of June 30, 2019, the school was a grade K-3 school. The school is located in Fort Myers, Florida.

*Heritage Charter School, Inc.* – The school’s charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

*Island Park Charter High School, Inc.* – The school’s charter was granted April 01, 2014, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

*The Island School, Inc.* - The school’s charter was granted May 2, 2000, for a grade K-8 school. As of June 30, 2019, the school was a grade K-5 school. The school is located in Boca Grande, Florida.

*Northern Palms Charter High School* - The school’s charter was granted April 28, 2015, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in North Fort Myers, Florida.

*North Nicholas High School* - The school’s charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

*Oak Creek Charter School of Bonita Springs, Inc.* – The school’s charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

*Palm Acres Charter High School, Inc.* – The school’s charter was granted March 11, 2014, for a grade 9-12 school. As of June 30, 2019, the school was a grade 9-12 school. The school is located in Lehigh Acres, Florida.

*Six Mile Charter Academy* – The school’s charter was granted August 10, 2004, for a grade K-8 school. As of June 30, 2019, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

***Change in Reporting Entity***

The Component Unit Beginning Net Position has been adjusted due to accounting changes for the following schools: The Heights Charter School and Oak Creek Charter School of Bonita Springs, Inc. As a result of these changes in reporting, the net position of the component units as a whole has been adjusted as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Net Position, Beginning of year, as previously reported:	\$	(188,807)
Adjustment for Effect of Change in Reporting Entity		
The Heights Charter School		14,020
Oak Creek Charter School of Bonita Springs, Inc. .		151,656
Net Position-Beginning of year, adjusted	\$	(23,131)

***Government-Wide and Fund Financial Statements***

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

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

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

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

The District reports the following major governmental funds:

- *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- *Special Revenue – Contract Programs* accounts for certain Federal and State grant program resources.
- *Debt Service Fund – Certificates of Participation* accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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- *Debt Service Fund – ARRA Economic Stimulus* accounts for the accumulation of resources for the payment of debt principal, interest and related costs on the Qualified School Construction Bonds.
- *Capital Projects Fund – Local Capital Improvement Tax* accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.
- *Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants* accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.

Additionally, the District reports the following fund types:

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

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

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

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

Governmental fund financial statements, which include the General, Special Revenue, Debt Service, and Capital Projects funds, are prepared using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) principal and interest on general long-term debt is recognized as expenditures when due; and (b) claims and judgments and compensated absences are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions are further classified into (a) derived tax revenues, (b) imposed nonexchange revenues, (c) government-mandated nonexchange transactions, and (d) voluntary nonexchange

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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transactions. Derived tax revenues (i.e., sales tax) are recorded when the exchange transaction occurs. The District currently does not have any derived tax revenues. Imposed nonexchange transactions (i.e., property taxes) are recorded when use of the resource is required or first permitted by time requirement (for example, for property taxes, the period for which they are levied). Government-mandated and voluntary nonexchange transactions (i.e., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The District considers property taxes to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

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

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

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

### ***Budgetary Basis Accounting***

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the function level (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the Annual Financial Report. This function level is the legal level of budgetary control.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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are honored from the subsequent year's appropriations. During the fiscal year ended June 30, 2019, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, and other events.

***Cash***

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

***Restricted Cash with Fiscal Agent***

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

***Investments***

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

The District's investments in Florida PRIME and FEITF which are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2019, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

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

***Fair Value Measurement***

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

***Inventory***

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost using the average cost method for the central stores, maintenance, transportation, and food service inventories and at last invoice price, which approximates the first-in, first-out basis, for the print shop and media/textbook inventories. United States Department of Agriculture donated foods are recorded at the value

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established by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services using the average cost method. The costs of inventories are recorded as expenditures when used (the consumption method) rather than purchased. The inventories at year-end are reported as non-spendable fund balance.

***Capital Assets***

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

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

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

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

***Pensions***

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

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

***Noncurrent Liabilities and Compensated Absences***

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

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using the straight-line method. Bonds payable and Certificates of Participation are reported net of the applicable premiums or discounts.

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

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

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

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will *not* be recognized as an outflow of resources (expense) until then. The District has three items that qualifies for reporting in this category. The first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 10 years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment

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

***Net Position Flow Assumption***

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

***Fund Balance Flow Assumptions***

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

***Fund Balance/Net Position***

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

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

***Estimates***

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

***Reclassifications***

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



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***State Revenue Sources***

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

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

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

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

***Property Taxes – Revenue Recognition***

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

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

The Board adopted the 2018 tax levy on September 11, 2018. Taxes become an enforceable lien on property as of January 1. Tax bills are mailed in October, and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for

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enforcement of collection of real property taxes by the sale of interest-bearing certificates to satisfy unpaid taxes. These procedures result in the collection of substantially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Lee County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

***Educational Impact Fees***

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

***Federal Revenue Sources***

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal 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.

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**NOTE 2: CASH AND INVESTMENTS**

***2-A. Cash Deposits***

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the “Florida Security for Public Deposits Act.” Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository’s collateral pledging level. The collateral pledging level may range from 50 percent to 125 percent depending upon the depository’s financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories if the same type as the depository in default. All bank balances of the District are fully insured or collateralized. As of June 30, 2019, the carrying amount of the District’s bank deposits was \$47,578,362 and the respective bank balances totaled \$53,215,557. As of June 30, 2019, the carrying amount of the Agency Fund’s bank deposits was \$1,489,671.

***2-B. Investments***

The District’s investment policy permits investments in the Florida PRIME, FL CLASS, FLPALM, FL-FIT, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers’ acceptances, state and/or local government debt, and money market mutual funds. The District’s investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

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

All of the District’s recurring fair value measurements as of June 30, 2019 are valued using a matrix pricing model (Level 2 inputs).

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As of June 30, 2019, the District had the following investments:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
External Investment Pool:				
Florida Fixed Income Trust	\$ 36,072,802	\$ -	\$ 36,072,802	\$ -
Florida Cooperative Liquid Assets Security System	31,587,745	-	31,587,745	-
United States Treasury Securities	75,748,707	-	75,748,707	-
Obligations of United States Government				
Agencies and Instrumentalities	10,805,614	-	10,805,614	-
Bonds and Notes	19,753,629	-	19,753,629	-
Total investments by fair value level	<u>\$ 173,968,497</u>	<u>\$ -</u>	<u>\$ 173,968,497</u>	<u>\$ -</u>
<b>Investments measured at amortized cost</b>				
External Investment Pool:				
Florida PRIME <sup>1</sup>	\$ 139,071,782			
Florida Public Assets for Liquidity Management	25,125,299			
Money Market Funds	<u>37,967,142</u>			
Total investments measured at amortized cost	<u>202,164,223</u>			
<b>Total District Investments, Governmental Activities</b>	<u>\$ 376,132,720</u>			
<b>Agency Fund</b>				
Florida PRIME	<u>\$ 7,025,089</u>			

Note (1) At June 30, 2019, investments totaling \$60,728,294 were held under trust agreements in connection with Certificates of Participation, Series 2010, 2011A-QSCB, 2012B/C, 2013A, 2014A/B, 2016A and 2017A/B financing agreements. (See Note 7).

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

**2-C. Investments – Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit exposure to fair value losses resulting from increases in interest rates, the District’s Investment Policy limits operating funds to maturities of one year or less. Investments of reserves, project funds, debt proceeds and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt

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covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The maturity of Florida PRIME, FLCLASS, FLPALM, and FL-FIT investment pools are based on the weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. As of June 30, 2019, the WAM for Florida PRIME is 29 days, FLCLASS is 74 days, FLPALM is 52 days, FL-FIT Cash Pool is 113 days, and FL-FIT Enhanced Cash is 222 days.

***2-D. Investments – Credit Risk***

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

- a. Florida Local Government Surplus Funds Trust Funds. As of June 30, 2019, the District had investments totaling \$139,071,782 in Florida PRIME which had an AAAM rating by Standard and Poor's and are reported at amortized cost; \$31,587,745 in FLCLASS which had an AAAM rating by Standard and Poor's and are reported at fair value; \$25,125,299 in FLPALM which had an AAAM rating by Standard and Poor's and are reported at amortized cost; and \$36,072,802 in FL-FIT which had an AAAM rating by Standard and Poor's and are reported at fair value.
- b. Direct Obligations of U.S. Treasury which are unconditionally guaranteed by the United States Government. The maximum length to maturity for direct obligations of US Treasuries shall be five (5) years from the date of purchase. As of June 30, 2019, the District held \$75,748,707 of US Treasuries of which had an S&P rating of AA+.
- c. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase. As of June 30, 2019, the District held \$16,782,423 of corporate notes of which had an S&P rating between A and AAA.
- d. Municipal Obligations purchased for investment is a general obligation or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities, that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for municipal obligations shall be five (5) years from the date of purchase. As of June 30, 2019, the District held \$10,805,614 of municipal obligations of which had an S&P rating between AA and AAA.
- e. Commercial Paper purchased for investment must be rated, at the time of purchase, in the highest 308 tier (A-1, P-1 or F-1 or higher) by a minimum of two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be two hundred seventy (270) days from the

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date of purchase. As of June 30, 2019, the District held \$2,971,206 of commercial paper of which had an S&P rating between A1 and A1+.

- f. U.S. Federal Government Agency Securities and U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- g. Repurchase Agreements fully collateralized at 102 percent of market value by U.S. Treasuries, U.S. Government Agencies, U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- h. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2019, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$36,478,408, which were rated AAAM by Standard and Poor's; and Fidelity Institutional Government Class I Money Market Fund with a fair value of \$1,488,734, which were rated AAAM by Standard and Poor's.
- i. Certificates of Deposit, collateralized at 102 percent of market value, by U.S. Treasuries, U.S. Government Agencies, U. S. Government - Sponsored Agencies/Federal Instrumentalities.
- j. Passbook savings accounts and interest bearing time deposits with banks organized under the laws of the State of Florida or in banks doing business in the State of Florida.

***2-E. Investments – Custodial Credit Risk***

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2019, the District's investment portfolio was held with a third-party custodian.

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

***2-F. Investments – Concentration of Credit Risk***

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

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of the portfolio with no more than 5 percent with a single issuer. Commercial Paper is limited to 25 percent of the portfolio with no more than 5 percent with a single issuer.

As of June 30, 2019, all District investments were in compliance with the District’s Investment Policy and did not exceed portfolio allocation or issuer maximums.

**NOTE 3: DUE FROM OTHER AGENCIES**

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded. At June 30, 2019, the District has recorded due from other agencies as follows:

	General Fund	Capital Projects- Certificates of Participation/ Impact Fees/ State Grants Fund	Special Revenue- Contract Programs Fund	Nonmajor Governmental Funds	Total
<b>Federal and State Sources</b>					
Florida Retirement System	\$ 294,095	\$ -	\$ -	\$ -	\$ 294,095
Fuel Tax	-	99,662	-	-	99,662
Grants and Entitlements	424,740	-	13,668,747	-	14,093,487
Medicaid	1,178,622	-	-	-	1,178,622
Motor Vehicle License Tax	-	-	-	64,831	64,831
Public Education Capital Outlay	-	3,063,611	-	-	3,063,611
ROTC	94,445	-	-	-	94,445
State License Tax	76,599	-	-	-	76,599
Meal Claims	-	-	-	417,385	417,385
<b>Local Sources</b>					
Sales Tax	-	7,693,595	-	-	7,693,595
Impact fees	-	3,833,423	-	-	3,833,423
Other	2,245,139	-	-	-	2,245,139
<b>Total</b>	<b>\$ 4,313,640</b>	<b>\$ 14,690,291</b>	<b>\$ 13,668,747</b>	<b>\$ 482,216</b>	<b>\$ 33,154,894</b>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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**NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS**

Construction Commitments

The following is a summary of major construction commitments as of June 30, 2019.

PROJECTS	Original Contract	Completed to date 6/30/2019	Balance Committed 6/30/2019
New HS MMM #7046			
Others	\$ 100,309	\$ 100,309	\$ -
LSHS Addition #7047			
Others	282,740	282,740	-
Land Purchases	3,759,678	533,790	3,225,888
Vet Lab	31,870	31,870	-
Playground	49,994	27,172	22,822
Parking Lot	62,115	46,586	15,529
Sign	37,800	18,900	18,900
Office Cabinets	38,606	23,164	15,442
<b>Total</b>	<b>\$ 4,363,112</b>	<b>\$ 1,064,531</b>	<b>\$ 3,298,581</b>

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 for goods and services. At June 30, 2019, the District has recorded encumbrances as follows:

Funds	Encumbrances
Major Funds:	
General	\$ 3,455,742
Capital Projects:	
Local Capital Improvements Tax	20,891,876
Certificates of Participation/Impact	
Fees/State Grants	9,114,034
Non-major Governmental Funds	<u>3,279,198</u>
<b>Total</b>	<b>\$ <u>36,740,850</u></b>



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**NOTE 5: CAPITAL ASSETS**

Capital asset balances and activities for the fiscal year ended June 30, 2019, were as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Governmental activities:</b>				
<i>Capital Assets not being depreciated</i>				
Land	\$ 180,158,213	\$ 1,554,493	\$ -	\$ 181,712,706
Construction in Progress	58,485,900	6,519,833	(63,941,202)	1,064,531
Total Capital Assets not being depreciated	<u>238,644,113</u>	<u>8,074,326</u>	<u>(63,941,202)</u>	<u>182,777,237</u>
<i>Capital Assets being depreciated</i>				
Improvements other than Buildings	48,441,513	2,001,207	(18,888)	50,423,832
Buildings	1,496,683,411	63,724,616	(513,385)	1,559,894,642
Furniture, Fixtures and Equipment	76,631,076	9,806,080	(6,418,927)	80,018,229
Motor Vehicles	102,378,175	4,364,153	(3,319,594)	103,422,734
Audio Visual Materials	98,101	-	(5,958)	92,143
Software	29,366,326	24,324	(1,188,602)	28,202,048
Total Capital Assets being depreciated	<u>1,753,598,602</u>	<u>79,920,380</u>	<u>(11,465,354)</u>	<u>1,822,053,628</u>
<i>Less accumulated depreciation for:</i>				
Improvements other than Buildings	22,120,821	1,663,980	(7,240)	23,777,561
Buildings	557,844,091	34,882,860	(407,935)	592,319,016
Furniture, Fixtures and Equipment	56,308,285	5,183,484	(6,069,350)	55,422,419
Motor Vehicles	68,229,450	3,011,087	(3,415,595)	67,824,942
Audio Visual Materials	94,911	986	(5,957)	89,940
Software	16,579,116	1,445,113	(1,168,482)	16,855,747
Total accumulated depreciation	<u>721,176,674</u>	<u>46,187,510</u>	<u>(11,074,559)</u>	<u>756,289,625</u>
Capital Assets being depreciated, Net	<u>1,032,421,928</u>	<u>33,732,870</u>	<u>(390,795)</u>	<u>1,065,764,003</u>
<b>Governmental Activities Capital Assets, Net:</b>	<u>\$ 1,271,066,041</u>	<u>\$ 41,807,196</u>	<u>\$ (64,331,997)</u>	<u>\$ 1,248,541,240</u>

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Depreciation expense was charged to governmental functions as follows:

Governmental Function	Amount
Instruction	\$ 1,373,409
Student Support Services	67,232
Instructional Media Services	12,698
Instruction and Curriculum Development Services	6,011
Instructional Staff Training Services	2,565
Instruction Related Technology	2,495
General Administration	7,435
School Administration	69,281
Facilities Services	42,944,567
Fiscal Services	3,437
Food Services	981,910
Central Services	58,130
Student Transportation Services	160,785
Operation of Plant	50,809
Maintenance of Plant	282,986
Administrative Technology Services	132,538
Community Services	31,222
<b>Total Depreciation Expense- Governmental Functions</b>	<b>\$ 46,187,510</b>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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**NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds		
General	\$16,486,470	\$ 25,946,642
Special Revenue:		
Contracted Programs	277,754	13,531,155
Capital Projects:		
Local Capital Improvements Tax	5,425,611	3,000,000
Certificates of Participation/Impact		
Fees/State Grants	4,252,576	4,308,956
Non-major Governmental Funds	2,530,145	-
Proprietary Funds	17,814,197	-
	<u>\$46,786,753</u>	<u>\$ 46,786,753</u>
Total	<u>\$46,786,753</u>	<u>\$ 46,786,753</u>

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

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

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General	\$ 18,588,571	\$ -
Debt Service Fund:		
Certificates of Participation	49,832,215	-
ARRA Economic Stimulus	2,645,649	-
Capital Projects:		
Local Capital Improvement Tax	-	65,477,864
Certificates of Participation/Impact		
Fees/State Grants	-	5,588,571
	<u>\$71,066,435</u>	<u>\$ 71,066,435</u>
Total	<u>\$71,066,435</u>	<u>\$ 71,066,435</u>

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

**NOTE 7: SHORT-TERM DEBT**

*Tax Anticipation Notes*

On October 11, 2018 the District issued Tax Anticipation Notes (“TANS”), Series 2018 for \$25,000,000. Note proceeds were used to pay fiscal year 2019 District operating expenditures prior to the receipt of ad-valorem taxes. The notes were repaid in June 2019.

Short-term debt activity for the year ended June 30, 2019 was as follows:

	Beginning Balance July 1, 2018	Issued	Redeemed	Ending Balance June 30, 2019
Tax anticipation notes	\$ -	\$ 25,000,000	\$ (25,000,000)	\$ -
Total short-term debt	\$ -	\$ 25,000,000	\$ (25,000,000)	\$ -

**NOTE 8: NONCURRENT LIABILITIES**

*8-A. Certificates of Participation Payable*

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

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

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

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

Series 2010

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

Series 2011A-QSCB

One Elementary School  
One Middle School

Series 2012B

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

Series 2012C

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

Series 2013A

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

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Series 2014A

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

Series 2014B

Two Elementary Schools  
Seven Additions to Existing Schools

Series 2016A

One High School

Series 2017A

Six Elementary Schools  
One Middle School  
One High School

Series 2017B

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

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

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<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 32,230,493	\$ 18,680,000	\$ 13,550,493
2021	59,890,276	47,250,000	12,640,276
2022	45,283,200	34,198,000	11,085,200
2023	43,572,248	33,809,000	9,763,248
2024	42,720,158	34,133,000	8,587,158
2025-2029	191,391,332	166,697,000	24,694,332
2030-2034	35,090,750	28,095,000	6,995,750
2035-2036	14,038,400	13,305,000	733,400
Total Minimum Lease Payments	464,216,857	376,167,000	88,049,857
Add: Unamortized Premium/Discount, net	9,736,467	9,736,467	
Total Certificates of Participation Payable	<u>\$ 473,953,324</u>	<u>\$385,903,467</u>	<u>\$ 88,049,857</u>

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2019, there was no arbitrage rebate liability.

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**8-B. Notes Payable**

Notes payable are comprised of the following:

**Note Payables**

Balance at 6/30/19

Capital One Bank Loan

\$6,306,547 borrowed 9-22-08, under provisions of Section 1013.23, Florida statutes. Interest rate of 4.46%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$807,006 during the 2018-19 fiscal year.

\$ 199,911

Bank of America Bank Loan

\$1,447,460 borrowed 9-27-12, under provisions of Section 1013.23, Florida statutes. Interest rate of 1.64%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$158,592 during the 2018-19 fiscal year.

533,748

Bank of America Bank Loan

\$20,000,000 borrowed 9-30-16, under provisions of Section 1013.23, Florida statutes. Interest rate of 1.33%. Proceeds used to purchase 190 school buses. The Board repaid \$3,927,000 during the 2018-19 fiscal year.

12,241,000

Total Notes Payable

\$ 12,974,659

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
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Amounts needed for the planned extended repayment of Section 1013.23, Florida Statutes, bank loans as of June 30, 2019 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
<b>Notes Payable</b>			
2020	\$ 4,534,892	\$ 4,363,124	\$ 171,768
2021	4,360,309	4,245,877	114,432
2022	4,381,033	4,323,585	57,448
2023	42,188	42,073	115
 Total Notes Payable	 <u>\$ 13,318,422</u>	 <u>\$ 12,974,659</u>	 <u>\$ 343,763</u>

**8-C. Bonds Payable**

The following is a description of bonded debt issues:

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

Bonds payable at June 30, 2019, are as follows:

Bond Type	Amount Outstanding	Interest Rate (Percent)	Annual Maturity to
State School Bonds			
Series 2010A	120,000	5.00	2022
Series 2011A	405,000	4.00-5.00	2023
Series 2014A	593,000	5.00	2024
Series 2014B	<u>195,000</u>	2.00-5.00	2020
Sub-total	1,313,000		
Add: Unamortized Premium/Discount, net	<u>46,440</u>		
Total Bonds Payable	<u>\$ 1,359,440</u>		

The annual requirements to amortize all bonded debt outstanding as of June 30, 2019, including interest payments, are as follows:

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Fiscal Year Ending June 30	Total	Principal	Interest
<b>State School Bonds</b>			
2020	\$ 475,500	\$ 420,000	\$ 55,500
2021	288,350	248,000	40,350
2022	294,950	267,000	27,950
2023	255,700	239,000	16,700
2024	145,950	139,000	6,950
Sub-total Bonds Payable	1,460,450	1,313,000	147,450
Add: Unamortized Premium/Discount, net	46,440	46,440	-
Total Bonds Payable	<u>\$ 1,506,890</u>	<u>\$ 1,359,440</u>	<u>\$ 147,450</u>

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***Changes in NonCurrent Liabilities***

Noncurrent liability balances and activity for the year ended June 30, 2019, were as follows:

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019 *	Amounts Due Within One Year
<b>Governmental Activities</b>					
<i>Long-Term Debt</i>					
Bonds Payable	\$ 1,816,000	\$ -	\$ 503,000	\$ 1,313,000	\$ 420,000
Bond Premium	72,985	-	26,545	46,440	-
Certificates of Participation Payable	405,046,000	-	28,879,000	376,167,000	18,680,000
Certificates of Participation Premium	11,193,343	-	987,360	10,205,983	-
Certificates of Participation Discount	(724,541)	-	(255,025)	(469,516)	-
Notes Payable	17,867,258	-	4,892,599	12,974,659	4,363,124
Total Long-Term Debt	435,271,045	-	35,033,479	400,237,566	23,463,124
<i>Other Noncurrent Liabilities</i>					
Estimated Early Retirement Payable	1,234,000	-	37,000	1,197,000	21,200
Net Pension Liability	431,515,548	244,249,935	224,392,599	451,372,884	3,791,468
Estimated Insurance Claims Payable	23,870,332	95,465,364	93,993,716	25,341,980	13,090,334
Postemployment Benefits Payable	50,164,566	4,289,018	2,956,000	51,497,584	-
Liability for Compensated Absences	64,446,844	27,189,975	27,289,476	64,347,343	6,091,512
Total Other Liabilities	571,231,290	371,194,292	348,668,791	593,756,791	22,994,514
Total Noncurrent Liabilities	\$ 1,006,502,335	\$ 371,194,292	\$ 383,702,270	\$ 993,994,357	\$ 46,457,638

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

Internal service funds predominantly serve the governmental funds. Accordingly, noncurrent liabilities are included as part of the above totals for governmental activities. At fiscal year-end, a \$33,670 liability for compensated absences in the Internal Service Fund is included in the above amounts.

**NOTE 9: DEFEASED DEBT**

In prior years, the District defeased a portion of the Certificates of Participation, Series 2012B by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. Government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's long-term debt. As of June 30, 2019, the amount of defeased debt outstanding is \$29,030,000.

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**NOTE 10: FUND BALANCE REPORTING**

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

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

- **Restricted:** Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** Fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** Fund balances that contain self imposed constraints of the government to be used for a particular purpose. Florida Statute 1001.51, Duties and Responsibilities of District School Superintendent, delegates certain financial authority to the Superintendent.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

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

Nonspendable: The District has inventories totaling \$3,890,433 that are classified as nonspendable.

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

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

Federal laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. These funds have been included in the *Restricted* category of fund balance. The restricted fund balances totaled \$209,633,839 and represented \$17,678,309 in State required carryover programs, \$12,011,114 in other externally restricted grants and donations, \$19,403,955 in food service, \$17,394,156 in debt service and \$143,146,305 in capital projects.

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

The assigned fund balances total \$3,732,402. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$3,732,402, that have not been previously reported as restricted or assigned. Encumbrances are supported by outstanding purchase orders issued through the established Board approved budget process.

• **Unassigned:**

The unassigned fund balance in the General Fund is \$84,037,049.

**NOTE 11: SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the District’s State revenue for the 2018-19 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 188,658,769
Categorical Educational Programs:	
Class Size Reduction	102,671,067
Florida School Recognition Funds	3,515,573
Voluntary Prekindergarten Program	2,037,954
Workforce Development Program	10,148,157
Charter School Capital Outlay Funding	5,336,743
Public Education Capital Outlay (PECO)	4,638,473
Motor Vehicle License Tax (Capital Outlay and Debt Service)	3,758,590
Food Service Supplement	643,645
State License Tax	521,604
District Discretionary Lottery Funds	323,010
Sales Tax Distribution	223,250
Miscellaneous	<u>6,194,477</u>
Total	<u>\$ 328,671,312</u>

**NOTE 12: PROPERTY TAXES**

The following is a summary of millages and taxes levied on the 2018 tax roll in fiscal year 2018-2019:

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	Mills	Amount
<u>General Fund:</u>		
Nonvoted School Tax		
Required Local Effort	4.153	\$ 407,137,791
Basic Discretionary Local Effort	0.748	64,235,197
<u>Capital Projects Funds:</u>		
Nonvoted School Tax		
Local Improvements	1.500	128,813,897
 Total	 6.401	 \$ 600,186,885

**NOTE 13: RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS**

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

**General Information about the FRS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple- employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The District’s FRS and HIS pension expense totaled \$63,421,008 for the fiscal year ended June 30, 2019.

**FRS Defined Benefit Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

*Benefits Provided.* Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

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

*Contributions.* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2018-19 fiscal year were as follows:

Class	Employee Contribution (Percent of Gross Salary)	Employer Contribution (Percent of Gross Salary)
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management Service	3.00	24.06
Deferred Retirement Option Program (Applicable to member from all of the above classes)	0.00	14.03
FRS, Re-employed Retiree	(A)	(A)

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

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

The District's contributions to the Plan totaled \$29,449,121 for the fiscal year ended June 30, 2019. This excludes the HIS defined benefit pension plan contributions.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2019, the District reported a net pension liability of \$296,473,184 for its



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proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017- 18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportion was 0.984289781 percent, which was an increase of 0.00036719561 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the Plan pension expense of \$50,848,381. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,115,735	\$ 911,583
Change of assumptions	96,873,019	-
Net difference between projected and actual earnings on pension plan investments	-	22,906,168
Changes in proportion and differences between District contributions and proportionate share of contributions	6,359,336	4,899,551
District contributions subsequent to the measurement date	29,449,121	-
<b>Total</b>	<b>\$ 157,797,211</b>	<b>\$ 28,717,302</b>

The deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date, totaling \$29,449,121, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 37,942,544
2020	25,827,421
2021	3,329,688
2022	17,798,049
2023	12,607,228
Thereafter	<u>2,125,858</u>
<b>Total</b>	<b>\$ 99,630,788</b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As a result of the 2013 actuarial experience study, the inflation rate assumption was unchanged at 2.60 percent, and the overall payroll growth rate assumption was unchanged at 3.25 percent. The long-term expected rate of return decreased from 7.10 percent to 7.00 percent.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation<sup>1</sup></u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real estate (Property)	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investments	6%	6.1%	5.7%	8.6%
<b>Total</b>	<u>100%</u>			
Assumed inflation - Mean			2.6%	1.9%

<sup>1</sup> As outlined in the Plan's investment policy

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00 percent, a decrease from the prior year of 7.10 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

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	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 541,075,997	\$ 296,473,184	\$ 93,316,089

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

*Payables to the Pension Plan.* At June 30, 2019, the District reported a payable of \$4,965,275 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2019.

**HIS Defined Benefit Pension Plan**

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

*Benefits Provided.* For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District’s contributions to the HIS Plan totaled \$7,932,785 for the fiscal year ended June 30, 2019.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2019, the District reported a net pension liability of \$154,899,700 for its proportionate share of the HIS Plan’s net pension liability. The current portion of the net pension liability is the District’s proportionate share of benefit payments expected to be paid within 1 year, net of the District’s proportionate share of the HIS Plan’s fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District’s proportionate share of the net pension

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liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportion was 1.463511500 percent, which was an increase of 0.0049144592 from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized the HIS Plan pension expense of \$12,572,627. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,371,446	\$ 263,169
Change of assumptions	17,226,760	16,377,291
Net difference between projected and actual earnings on HIS pension plan investments	93,501	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	5,717,671	32,932
District contributions subsequent to the measurement date	7,932,785	-
<b>Total</b>	<b>\$ 33,342,163</b>	<b>\$ 16,673,392</b>

The deferred outflows of resources relating to pensions, resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$7,932,785, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 3,178,002
2020	3,170,119
2021	2,546,350
2022	1,242,502
2023	(1,293,319)
Thereafter	(107,668)
<b>Total</b>	<b>\$ 8,735,986</b>

*Actuarial Assumptions.* The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	3.87 percent

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability increased from 3.58 percent from the prior measurement date.

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.87 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net pension liability	<u>\$ 176,421,682</u>	<u>\$ 154,899,700</u>	<u>\$ 136,959,881</u>

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

*Payables to the Pension Plan.* At June 30, 2019, the District reported a payable of \$1,329,697 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2019.

**NOTE 14: RETIREMENT PLANS – DEFINED CONTRIBUTION PENSION PLANS**

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the

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Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member’s accounts during the 2018-19 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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 Investment Plan pension expense totaled \$3,252,156 for the fiscal year ended June 30, 2019.

*Payables to the Investment Plan.* At June 30, 2019, the District reported a payable of \$591,024 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2019.

**NOTE 15: EARLY RETIREMENT INCENTIVE PROGRAM**

As authorized by Section 1012.685, Part VII, Florida Statutes, the Board implemented Early Retirement Plans (Plans) effective July 1, 1995, July 1, 1997, and July 1, 1999. The plans were offered to eligible employees on a one-time basis until May 15, 1995, May 15, 1997, and May 15, 1999, respectively. The purpose of the Plans was

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to provide eligible employees, who elect to retire under the retirement provisions of the FRS described in Note 12, with one of several incentive options which supplement the employee's (participant's) retirement benefits. A summary of the plan eligibility, benefits, and contribution obligations for the 1995 Plan follows. There is no remaining liability reported by the District for the 1997 and 1999 plans as of June 30, 2019.

***Eligibility***

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

***Benefits***

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

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

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

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

***Contributions***

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

The District reported a liability in its Statement of Net Position of \$1,197,000 to recognize the present value of its obligation to pay death benefits to, or on behalf of, those retired employees. The Board has purchased life insurance on the participants, with itself as the beneficiary, to recover costs of the 1995 Plan over time.

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

**NOTE 16: OTHER POSTEMPLOYMENT BENEFITS**

Other Postemployment Benefits Payable. The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other

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postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

*General Information about the OPEB Plan*

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

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

*Employees Covered by Benefit Terms.* At June 30, 2018, the following employees were covered by the benefit terms:

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

*Total OPEB Liability*

The District’s total OPEB liability of \$51,497,584 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



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Inflation	2.5 percent
Salary increases	3.7-7.8 percent, average, including inflation
Discount rate	3.62 percent
Healthcare cost trend rates	6.75 percent for 2019, decreasing .25 percent per year to an ultimate rate of 4.24 percent for 2040 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

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

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

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018, valuation were based on a review of recent plan experience done concurrently with the June 30, 2018, valuation.

*Changes in the Total OPEB Liability*

	<b>Amount</b>
Balance at 6/30/17	\$ 50,164,566
Changes for the year:	
Service Cost	2,461,752
Interest	1,827,266
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(358,774)
Benefit Payments	(2,597,226)
Net Changes	<u>1,333,018</u>
Balance at 6/30/18	<u>\$ 51,497,584</u>

There were no changes of benefit terms during the year.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.56 percent in 2017 to 3.62 percent in 2018.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current rate:

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	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB liability	\$57,940,954	\$51,497,584	\$46,034,480

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.64 percent) or 1 percentage point higher (8.00 percent decreasing 5.64 percent) than the current healthcare cost trend rates:

	1% Decrease (6.00% <u>decreasing</u> to 3.24%)	Healthcare Cost Trend Rates (7.00% <u>decreasing</u> to 4.24%)	1% Increase (8.00% <u>decreasing</u> to 5.24%)
Total OPEB liability	\$45,324,188	\$51,497,584	\$59,321,224

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$3,863,861. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions or other inputs	-	3,437,137
Transactions subsequent to the measurement date	5,023,511	-
<b>Total</b>	<b>\$ 5,023,511</b>	<b>\$ 3,437,137</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$5,023,511 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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<b>Fiscal Year Ending June 30</b>	<b>Amount</b>
2020	\$ (425,157)
2021	(425,157)
2022	(425,157)
2023	(425,157)
2024	(425,157)
Thereafter	(1,311,352)
<b>Total</b>	<b>\$ (3,437,137)</b>

**NOTE 17: VESTED INTERESTS IN UTILITY COOPERATIVES**

The District has purchased electricity since 1969 from the Lee County Electric Cooperative, Inc. The District’s estimated vested interest in this Cooperative is \$10,079,731 at December 31, 2018, which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be payable to the District over a thirty-year period should the District terminate its business relationship with the Cooperative. During the fiscal year, the District recorded the earned capital credits as other local sources revenue in the government-wide statement and recorded general revenues on the governmental fund statements as the District received capital credits. The District would receive capital credits from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc. only in the unlikely event that they were to permanently cease operations. During the fiscal year, the District did not record any general revenue for capital credits earned from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc.

**NOTE 18: RISK MANAGEMENT PROGRAMS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property, workers’ compensation, automobile liability, and general liability coverage are self-insured up to specified limits. The District purchases policies with various insurance companies to provide coverage in excess of claims amounts above the stated self-insured retention deductible on any individual/aggregate claim. The District has contracted with a third-party administrator to administer the property/casualty program, including the processing, investigation, and payment of claims.

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

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

A liability in the amount of \$17,208,982 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Casualty, Liability and Workers’ Compensation Fund, at June 30, 2019. A liability in the amount of \$8,132,998 was actuarially determined to cover

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outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Health Insurance Fund, at June 30, 2019.

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

**Casualty, Liability, Workers' Compensation Self Insurance Fund:**

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2017-2018	\$ 15,707,567	\$ 7,780,941	\$ (7,838,062)	\$ 15,650,446
2018-2019	15,650,446	8,663,958	(7,105,422)	17,208,982

**Health Insurance Self Insurance Fund:**

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2017-2018	\$ 6,929,422	\$ 85,348,825	\$ (84,058,361)	\$ 8,219,886
2018-2019	8,219,886	86,801,406	(86,888,294)	8,132,998

**NOTE 19: LITIGATION**

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

**NOTE 20: SUBSEQUENT EVENTS**

On September 30, 2019, the District issued \$90,375,000 million in Certificates of Participation, Series 2019A, with an interest rates of 5% and final maturity on August 1, 2028. The proceeds will be used for the construction of one new high school and continued remodel of one high school.

On October 24, 2019 the District issued Tax Anticipation Notes ("TANS"), Series 2019 for \$20,000,000. Note proceeds are to be used to pay fiscal year 2020 District operating expenditures prior to the receipt of ad-valorem taxes. The notes will be repaid in March 2020.

REQUIRED SUPPLEMENTARY  
INFORMATION

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SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER  
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS <sup>1</sup>

	<u>2017</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 2,685,667	\$ 2,461,752
Interest	1,586,448	1,827,266
Changes of benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions or other inputs	(3,892,800)	(358,774)
Benefit payments	<u>(3,718,992)</u>	<u>(2,597,226)</u>
Net changes in total OPEB liability	(3,339,677)	1,333,018
Total OPEB Liability-beginning, as restated	<u>53,504,243</u>	<u>\$ 50,164,566</u>
Total OPEB liability- ending	<u>\$ 50,164,566</u>	<u>\$ 51,497,584</u>
Covered employee payroll	\$ 522,477,873	\$ 535,169,541
Total OPEB Liability as a percentage of covered employee payroll	9.60%	9.62%

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

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

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

	2013	2014	2015	2016	2017	2018
District's proportion of the FRS net pension liability (asset)	1.000061253%	1.002008482%	1.010277504%	0.944803387%	0.947570220%	0.984289781%
District's proportionate share of the FRS net pension liability (asset)	\$ 172,155,051	\$ 61,137,253	\$ 130,490,889	\$ 238,563,597	\$ 280,284,913	\$ 296,473,184
District's covered-employee payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered payroll	42.72%	14.85%	30.70%	54.76%	62.16%	62.00%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	88.54%	96.09%	92.00%	84.88%	83.89%	84.26%

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

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

THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF DISTRICT CONTRIBUTIONS -  
FLORIDA RETIREMENT SYSTEM PENSION PLAN <sup>1</sup>

	2014	2015	2016	2017	2018	2019
Contractually required FRS contribution	\$ 21,948,238	\$ 24,631,424	\$ 23,040,537	\$ 24,667,586	\$ 28,051,468	\$ 29,449,121
FRS contributions in relation to the contractually required FRS contribution	21,948,238	24,631,424	23,040,537	24,667,586	28,051,468	29,449,121
FRS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471
FRS contributions as a percentage of covered-employee payroll	5.33%	5.79%	5.29%	5.47%	5.87%	6.16%

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

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



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

	2013	2014	2015	2016	2017	2018
District's proportion of the HIS net pension liability (asset)	1.386820766%	1.385582848%	1.400910797%	1.409500592%	1.414366908%	1.463511500%
District's proportionate share of the HIS net pension liability (asset)	\$ 120,740,982	\$ 129,555,377	\$ 142,870,865	\$ 164,271,455	\$ 151,230,635	\$ 154,899,700
District's covered-employee payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered payroll	29.96%	31.47%	33.61%	37.71%	33.54%	32.40%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.78%	0.99%	0.50%	0.97%	1.64%	2.15%

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

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

THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF DISTRICT CONTRIBUTIONS-  
HEALTH INSURANCE SUBSIDY PENSION PLAN <sup>1</sup>

	2014	2015	2016	2017	2018	2019
Contractually required HIS contribution	\$ 4,746,541	\$ 5,355,153	\$ 7,224,589	\$ 7,485,238	\$ 7,936,660	\$ 7,932,785
HIS contributions in relation to the contractually required HIS contribution	4,746,541	5,355,153	7,224,589	7,485,238	7,936,660	7,932,785
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471
HIS contributions as a percentage of covered-employee payroll	1.15%	1.26%	1.66%	1.66%	1.66%	1.66%

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

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2019, total OPEB liability increased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below:

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

*Changes of Assumptions.* The discount rate was changes from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of June 30, 2018 (based on the Long-term Municipal Bond rate). This change increased the Total OPEB Liability.

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

*Changes of Assumptions.* The long-term expected rate of return was decreased from 7.1 percent to 7.0 percent, and the active member mortality assumption was updated.

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

*Changes of Assumptions.* The municipal bond rate used to determine total pension liability increased from 3.58 percent to 3.87 percent.

OTHER SUPPLEMENTARY  
INFORMATION

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

### Debt Service Funds

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

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

(continued)

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## NONMAJOR GOVERNMENTAL FUNDS (continued)

### Capital Projects Funds

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

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

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



THE SCHOOL DISTRICT OF LEE COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2019

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	
	<b>Total</b>			<b>Public</b>	<b>Capital Outlay</b>
	<b>Nonmajor</b>	<b>Food</b>	<b>SBE/COBI</b>	<b>Education</b>	<b>and</b>
<b>Governmental</b>	<b>Service</b>	<b>Bonds</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	
<b>Funds</b>					
<b>ASSETS</b>					
Cash	\$ 10,107,395	\$ 3,567,503	\$ -	\$ -	\$ 6,539,892
Investments	13,390,309	13,361,276	29,033	-	-
Accounts Receivable	14,627	14,627	-	-	-
Due from Other Funds	2,530,145	2,530,145	-	-	-
Due from Other Agencies	482,216	417,385	-	-	64,831
Inventory	869,008	869,008	-	-	-
<b>Total Assets</b>	<b>\$ 27,393,700</b>	<b>\$ 20,759,944</b>	<b>\$ 29,033</b>	<b>\$ -</b>	<b>\$ 6,604,723</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 187,320	\$ 187,320	\$ -	\$ -	\$ -
Construction Contracts Payable	269,596	269,596	-	-	-
Construction Contracts Payable - Retainage	29,955	29,955	-	-	-
Due to other Agencies	110	110	-	-	-
<b>Total Liabilities</b>	<b>486,981</b>	<b>486,981</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>					
<b>Nonspendable</b>					
Inventory	869,008	869,008	-	-	-
<b>Restricted for:</b>					
Debt Service	29,033	-	29,033	-	-
Capital Projects	6,604,723	-	-	-	6,604,723
Food Service	19,403,955	19,403,955	-	-	-
<b>Total Fund Balances</b>	<b>26,906,719</b>	<b>20,272,963</b>	<b>29,033</b>	<b>-</b>	<b>6,604,723</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 27,393,700</b>	<b>\$ 20,759,944</b>	<b>\$ 29,033</b>	<b>\$ -</b>	<b>\$ 6,604,723</b>

**THE SCHOOL DISTRICT OF LEE COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2019**

	Total Nonmajor Governmental Funds	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	
		Food Service	SBE/COBI Bonds	Public Education Capital Outlay	Capital Outlay and Debt Service
<b>Revenues</b>					
Federal Through State Sources	\$ 48,760,950	\$ 48,760,950	\$ -	\$ -	\$ -
State Sources	5,726,313	643,645	561,053	1,379,413	3,142,202
Local Sources					
Food Service Sales	2,079,444	2,079,444	-	-	-
Miscellaneous	237,001	219,621	-	-	17,380
Total Revenues	<u>56,803,708</u>	<u>51,703,660</u>	<u>561,053</u>	<u>1,379,413</u>	<u>3,159,582</u>
<b>EXPENDITURES</b>					
Current					
Facilities Services	2,948,629	-	-	1,379,413	1,569,216
Food Service	47,656,364	47,656,364	-	-	-
Capital Outlay					
Facilities Acquisition and Construction	151,869	151,869	-	-	-
Other Capital Outlay	1,681,196	1,194,521	-	-	486,675
Debt Service					
Principal	503,000	-	503,000	-	-
Interest and Fiscal Charges	84,093	-	80,554	-	3,539
Total Expenditures	<u>53,025,151</u>	<u>49,002,754</u>	<u>583,554</u>	<u>1,379,413</u>	<u>2,059,430</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,778,557</u>	<u>2,700,906</u>	<u>(22,501)</u>	<u>-</u>	<u>1,100,152</u>
<b>Net Change in Fund Balance</b>	3,778,557	2,700,906	(22,501)	-	1,100,152
Fund Balance, Beginning	<u>23,128,162</u>	<u>17,572,057</u>	<u>51,534</u>	<u>-</u>	<u>5,504,571</u>
Fund Balance, Ending	<u>\$ 26,906,719</u>	<u>\$ 20,272,963</u>	<u>\$ 29,033</u>	<u>\$ -</u>	<u>\$ 6,604,723</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
DEBT SERVICE FUND - CERTIFICATES OF PARTICIPATION (MAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Certificates of Participation			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Local Sources				
Interest Income	\$ -	\$ -	\$ 77,537	\$ (77,537)
Total Local Sources	<u>-</u>	<u>-</u>	<u>77,537</u>	<u>(77,537)</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>77,537</u>	<u>(77,537)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	35,096,599	35,096,599	33,771,598	1,325,001
Interest and Fiscal Charges	<u>14,822,230</u>	<u>14,822,230</u>	<u>14,815,055</u>	<u>7,175</u>
Total Expenditures	<u>49,918,829</u>	<u>49,918,829</u>	<u>48,586,653</u>	<u>1,332,176</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(49,918,829)</u>	<u>(49,918,829)</u>	<u>(48,509,116)</u>	<u>(1,409,713)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer In	<u>49,918,829</u>	<u>49,918,829</u>	<u>49,832,215</u>	<u>86,614</u>
Total Other Financing Sources	<u>49,918,829</u>	<u>49,918,829</u>	<u>49,832,215</u>	<u>86,614</u>
<b>Net Change in Fund Balance</b>	-	-	1,323,099	(1,323,099)
Fund Balance, Beginning	<u>343,979</u>	<u>343,979</u>	<u>343,979</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 343,979</u>	<u>\$ 343,979</u>	<u>\$ 1,667,078</u>	<u>\$ (1,323,099)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
DEBT SERVICE FUND - ARRA ECONOMIC STIMULUS (MAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ARRA Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Local Sources				
Interest Income	\$ -	\$ -	\$ 339,665	\$ (339,665)
Total Local Sources	-	-	339,665	(339,665)
Total Revenues	-	-	339,665	(339,665)
<b>EXPENDITURES</b>				
Debt Service				
Principal	1,800,600	1,800,600	-	1,800,600
Interest and Fiscal Charges	227,219	227,219	211,407	15,812
Total Expenditures	2,027,819	2,027,819	211,407	1,816,412
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,027,819)</b>	<b>(2,027,819)</b>	<b>128,258</b>	<b>(2,156,077)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfer In	2,027,819	2,027,819	2,645,649	(617,830)
Total Other Financing Sources	2,027,819	2,027,819	2,645,649	(617,830)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>2,773,907</b>	<b>(2,773,907)</b>
Fund Balance, Beginning	12,924,138	12,924,138	12,924,138	-
Fund Balance, Ending	\$ 12,924,138	\$ 12,924,138	\$ 15,698,045	\$ (2,773,907)

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT TAX (MAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Local Capital Improvement Tax			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Local Sources				
Ad Valorem Taxes	\$ 123,661,341	\$ 123,661,341	\$ 123,776,642	\$ (115,301)
Interest Income	465,000	466,873	733,282	(266,409)
Total Local Sources	<u>124,126,341</u>	<u>124,128,214</u>	<u>124,509,924</u>	<u>(381,710)</u>
 Total Revenues	 <u>124,126,341</u>	 <u>124,128,214</u>	 <u>124,509,924</u>	 <u>(381,710)</u>
<b>EXPENDITURES</b>				
Current				
Facilities Services	-	95,977,608	67,990,865	27,986,743
Capital Outlay				
Facilities Acquisition and Construction	101,419,960	1,921,137	1,730,039	191,098
Other Capital Outlay	-	16,537,467	8,927,787	7,609,680
Total Expenditures	<u>101,419,960</u>	<u>114,436,212</u>	<u>78,648,691</u>	<u>35,787,521</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>22,706,381</u>	<u>9,692,002</u>	<u>45,861,233</u>	<u>(36,169,231)</u>
<b>OTHER FINANCING USES</b>				
Transfer Out	(61,946,648)	(64,946,648)	(65,477,864)	531,216
Total Other Financing Uses	<u>(61,946,648)</u>	<u>(64,946,648)</u>	<u>(65,477,864)</u>	<u>531,216</u>
<b>Net Change in Fund Balance</b>	<u>(39,240,267)</u>	<u>(55,254,646)</u>	<u>(19,616,631)</u>	<u>(35,638,015)</u>
Fund Balance, Beginning	<u>62,827,274</u>	<u>62,827,274</u>	<u>62,827,274</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 23,587,007</u>	<u>\$ 7,572,628</u>	<u>\$ 43,210,643</u>	<u>\$ (35,638,015)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND - CERTIFICATES OF PARTICIPATION/IMPACT FEES/STATE GRANTS  
(MAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Certificates of Participation/Impact Fees/State Grants</u>			<b>Variance with Final Budget - Under (Over)</b>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State Sources:				
Charter School Capital Outlay	\$ 6,100,000	\$ 6,100,000	\$ 5,336,743	\$ 763,257
Public Education Capital Outlay	-	-	3,259,060	(3,259,060)
State Grants and Other State Sources	378,000	3,637,060	31,288	3,605,772
Total State Sources	<u>6,478,000</u>	<u>9,737,060</u>	<u>8,627,091</u>	<u>1,109,969</u>
Local Sources				
Local Sales Taxes	-	39,548,385	36,453,161	3,095,224
Impact Fees	6,946,000	6,946,000	15,392,068	(8,446,068)
Interest Income	218,000	634,667	809,408	(174,741)
Local Grants and Other Local Sources	-	-	95,113	(95,113)
Total Local Sources	<u>7,164,000</u>	<u>47,129,052</u>	<u>52,749,750</u>	<u>(5,620,698)</u>
Total Revenues	<u>13,642,000</u>	<u>56,866,112</u>	<u>61,376,841</u>	<u>(4,510,729)</u>
<b>EXPENDITURES</b>				
Current				
Facilities Services	-	30,320,727	6,092,212	24,228,515
Capital Outlay				
Facilities Acquisition and Construction	11,142,348	18,432,412	7,052,160	11,380,252
Other Capital Outlay	-	2,122,862	1,468,053	654,809
Total Expenditures	<u>11,142,348</u>	<u>50,876,001</u>	<u>14,612,425</u>	<u>36,263,576</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>2,499,652</u>	<u>5,990,111</u>	<u>46,764,416</u>	<u>(40,774,305)</u>
<b>OTHER FINANCING USES</b>				
Transfer Out	(6,100,000)	(6,497,669)	(5,588,571)	(909,098)
Total Other Financing Uses	<u>(6,100,000)</u>	<u>(6,497,669)</u>	<u>(5,588,571)</u>	<u>(909,098)</u>
<b>Net Change in Fund Balance</b>	<u>(3,600,348)</u>	<u>(507,558)</u>	<u>41,175,845</u>	<u>(41,683,403)</u>
Fund Balance, Beginning	<u>52,155,094</u>	<u>52,155,094</u>	<u>52,155,094</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 48,554,746</u>	<u>\$ 51,647,536</u>	<u>\$ 93,330,939</u>	<u>\$ (41,683,403)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE FUND - FOOD SERVICE (NONMAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Food Service			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Federal Through State Sources:				
Food Service	\$ 51,364,336	\$ 52,558,005	\$ 48,659,396	\$ 3,898,609
Donated Foods and Cash in Lieu of	350,000	442,461	101,554	340,907
Total Federal Through State Sources	<u>51,714,336</u>	<u>53,000,466</u>	<u>48,760,950</u>	<u>4,239,516</u>
State Sources:				
Food Services	658,179	668,179	643,645	24,534
Total State Sources	<u>658,179</u>	<u>668,179</u>	<u>643,645</u>	<u>24,534</u>
Local Sources				
Food Service Sales	2,478,921	2,478,921	2,079,444	399,477
Interest Income	30,000	30,000	151,098	(121,098)
Gifts, Grants and Bequests	-	-	5	(5)
Local Grants and Other Local Sources	-	-	68,518	(68,518)
Total Local Sources	<u>2,508,921</u>	<u>2,508,921</u>	<u>2,299,065</u>	<u>209,856</u>
Total Revenues	<u>54,881,436</u>	<u>56,177,566</u>	<u>51,703,660</u>	<u>4,473,906</u>
<b>EXPENDITURES</b>				
Current				
Food Service	61,923,550	64,559,175	47,656,364	16,902,811
Capital Outlay				
Facilities Acquisition and Construction	-	230,250	151,869	78,381
Other Capital Outlay	-	2,202,919	1,194,521	1,008,398
Total Expenditures	<u>61,923,550</u>	<u>66,992,344</u>	<u>49,002,754</u>	<u>17,989,590</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,042,114)</u>	<u>(10,814,778)</u>	<u>2,700,906</u>	<u>(13,515,684)</u>
<b>Net Change in Fund Balance</b>	(7,042,114)	(10,814,778)	2,700,906	(13,515,684)
Fund Balance, Beginning	<u>17,094,277</u>	<u>17,572,057</u>	<u>17,572,057</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 10,052,163</u>	<u>\$ 6,757,279</u>	<u>\$ 20,272,963</u>	<u>\$ (13,515,684)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
DEBT SERVICE FUND - SBE/COBI BONDS (NONMAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	SBE/COBI Bonds			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
State Sources:				
CO & DS withheld for SBE/COBI Bonds	\$ 583,300	\$ 583,300	\$ 559,847	\$ 23,453
SBE/COBI Bond Interest	1,000	1,000	1,206	(206)
Total State Sources	<u>584,300</u>	<u>584,300</u>	<u>561,053</u>	<u>23,247</u>
 Total Revenues	 <u>584,300</u>	 <u>584,300</u>	 <u>561,053</u>	 <u>23,247</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	503,000	503,000	503,000	-
Interest and Fiscal Charges	<u>81,300</u>	<u>81,300</u>	<u>80,554</u>	<u>746</u>
Total Expenditures	<u>584,300</u>	<u>584,300</u>	<u>583,554</u>	<u>746</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(22,501)</u>	<u>22,501</u>
<b>Net Change in Fund Balance</b>	-	-	(22,501)	22,501
Fund Balance, Beginning	<u>51,534</u>	<u>51,534</u>	<u>51,534</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 51,534</u>	<u>\$ 51,534</u>	<u>\$ 29,033</u>	<u>\$ 22,501</u>



**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY (NONMAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Public Education Capital Outlay			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
State Sources:				
Public Education Capital Outlay	\$ 1,293,490	\$ 1,379,413	\$ 1,379,413	\$ -
Total State Sources	<u>1,293,490</u>	<u>1,379,413</u>	<u>1,379,413</u>	<u>-</u>
 Total Revenues	 <u>1,293,490</u>	 <u>1,379,413</u>	 <u>1,379,413</u>	 <u>-</u>
 <b>EXPENDITURES</b>				
Current				
Facilities Services	-	1,379,413	1,379,413	-
Total Expenditures	<u>-</u>	<u>1,379,413</u>	<u>1,379,413</u>	<u>-</u>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	 <u>1,293,490</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <b>Net Change in Fund Balance</b>	 <u>1,293,490</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, Beginning	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, Ending	 <u>\$ 1,293,490</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**THE SCHOOL DISTRICT OF LEE COUNTY  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE (NONMAJOR GOVERNMENTAL FUND)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Capital Outlay & Debt Service (CO and DS)			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
State Sources:				
CO and DS Distributed to Districts	\$ 1,564,000	\$ 1,564,000	\$ 3,073,832	\$ (1,509,832)
Interest on Undistributed CO and DS	-	-	68,370	(68,370)
Total State Sources	<u>1,564,000</u>	<u>1,564,000</u>	<u>3,142,202</u>	<u>(1,578,202)</u>
Local Sources				
Interest Income	3,000	3,000	17,380	(14,380)
Total Local Sources	<u>3,000</u>	<u>3,000</u>	<u>17,380</u>	<u>(14,380)</u>
Total Revenues	<u>1,567,000</u>	<u>1,567,000</u>	<u>3,159,582</u>	<u>(1,592,582)</u>
<b>EXPENDITURES</b>				
Current				
Facilities Services	-	2,055,891	1,569,216	486,675
Debt Service				
Interest and Fiscal Charges	-	3,539	3,539	-
Total Expenditures	<u>-</u>	<u>2,059,430</u>	<u>2,059,430</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,567,000</u>	<u>(492,430)</u>	<u>1,100,152</u>	<u>(1,592,582)</u>
<b>Net Change in Fund Balance</b>	1,567,000	(492,430)	1,100,152	(1,592,582)
Fund Balance, Beginning	<u>5,504,571</u>	<u>5,504,571</u>	<u>5,504,571</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,071,571</u>	<u>\$ 5,012,141</u>	<u>\$ 6,604,723</u>	<u>\$ (1,592,582)</u>

## **Internal Service Funds**

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

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

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

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2019**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
<b>ASSETS</b>			
Current Assets			
Cash	\$ 8,044,550	\$ 8,044,550	\$ -
Investments	41,293,397	41,293,397	-
Due from Governmental Funds	17,814,197	605,215	17,208,982
Total Current Assets	<u>67,152,144</u>	<u>49,943,162</u>	<u>17,208,982</u>
Noncurrent Assets			
Restricted Cash With Fiscal Agent	300,000	-	300,000
Furniture, Fixtures and Equipment	7,999	7,999	-
Less Accumulated Depreciation	(3,591)	(3,591)	-
Total Noncurrent Assets	<u>304,408</u>	<u>4,408</u>	<u>300,000</u>
 Total Assets	 <u>67,456,552</u>	 <u>49,947,570</u>	 <u>17,508,982</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	445,617	445,617	-
Unearned Revenue	13,097,140	13,097,140	-
Estimated Insurance Claims Payable	13,090,334	8,064,948	5,025,386
Liability for Compensated Absences	33,670	33,670	-
Total Current Liabilities	<u>26,666,761</u>	<u>21,641,375</u>	<u>5,025,386</u>
Long-Term Liabilities			
Estimated Insurance Claims Payable	12,251,646	68,050	12,183,596
Total Liabilities	<u>38,918,407</u>	<u>21,709,425</u>	<u>17,208,982</u>
<b>NET POSITION</b>			
Investment in Capital Assets	4,408	4,408	-
Restricted for Claims	300,000	-	300,000
Unrestricted	28,233,737	28,233,737	-
Total Net Position	<u>\$ 28,538,145</u>	<u>\$ 28,238,145</u>	<u>\$ 300,000</u>

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Internal Service Funds</b>		
	<b>Total</b>	<b>Self Insurance</b>	
		<b>Health</b>	<b>Other</b>
<b>OPERATING REVENUES</b>			
Premium Revenue	\$ 112,124,773	\$ 95,469,277	\$ 16,655,496
Other Operating Revenues	25,125	25,125	-
<b>Total Operating Revenues</b>	<b>112,149,898</b>	<b>95,494,402</b>	<b>16,655,496</b>
<b>OPERATING EXPENSE</b>			
Salaries	312,797	267,617	45,180
Employee Benefits	86,649	69,541	17,108
Purchased Services	13,761,651	5,832,401	7,929,250
Materials and Supplies	527	527	-
Insurance Claims	95,465,364	86,801,406	8,663,958
Depreciation	801	801	-
<b>Total Operating Expenses</b>	<b>109,627,789</b>	<b>92,972,293</b>	<b>16,655,496</b>
<b>Operating Income (Loss)</b>	<b>2,522,109</b>	<b>2,522,109</b>	<b>-</b>
<b>NONOPERATING REVENUES</b>			
Interest Income	516,697	516,697	-
<b>Total Nonoperating Revenues</b>	<b>516,697</b>	<b>516,697</b>	<b>-</b>
<b>Changes in Net Position</b>	<b>3,038,806</b>	<b>3,038,806</b>	<b>-</b>
Net Position - July 1, 2018	25,499,339	25,199,339	300,000
Net Position - June 30, 2019	<b>\$ 28,538,145</b>	<b>\$ 28,238,145</b>	<b>\$ 300,000</b>

**THE SCHOOL DISTRICT OF LEE COUNTY  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2019**

	<b>Internal Service Funds</b>		
	<b>Total</b>	<b>Self Insurance</b>	
		<b>Health</b>	<b>Other</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers, Users and Participants	\$ 110,709,011	\$ 95,558,267	\$ 15,150,744
Cash Payments to Suppliers for Goods and Services	(13,815,544)	(5,832,510)	(7,983,034)
Cash Payments to Employees for Services	(383,090)	(320,802)	(62,288)
Cash Payments for Insurance Claims	(93,993,716)	(86,888,294)	(7,105,422)
Net Cash provided (used) by Operating Activities	<u>2,516,661</u>	<u>2,516,661</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Pooled Investments	4,519,794	4,519,794	-
Interest on Investments	516,697	516,697	-
Net Cash provided by Investing Activities	<u>5,036,491</u>	<u>5,036,491</u>	<u>-</u>
Net increase (decrease) in Cash	7,553,152	7,553,152	-
Cash, Beginning	791,398	491,398	300,000
Cash, Ending	<u>\$ 8,344,550</u>	<u>\$ 8,044,550</u>	<u>\$ 300,000</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities</b>			
Operating Income (loss)	\$ 2,522,109	\$ 2,522,109	\$ -
Adjustments to Reconcile Operating Income to Net Cash provided (used) by Operating Activities:			
Depreciation	801	801	-
Change in Assets and Liabilities:			
Increase in Due from Governmental Funds	(2,109,967)	(605,215)	(1,504,752)
Increase (decrease) in Accounts Payable	(53,366)	418	(53,784)
Increase in Advanced Revenue	669,079	669,079	-
Increase (decrease) in Estimated Insurance Claims Payable	1,471,648	(86,888)	1,558,536
Increase in Liability for Compensated Absences	16,357	16,357	-
Total Adjustments	<u>(5,448)</u>	<u>(5,448)</u>	<u>-</u>
Net Cash provided (used) by Operating Activities	<u>\$ 2,516,661</u>	<u>\$ 2,516,661</u>	<u>\$ -</u>

## **Fiduciary Funds**

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

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	Internal Accounts			June 30, 2019
	July 1, 2018	Additions	Deletions	
<b>ASSETS</b>				
Cash	\$ 1,268,504	\$ 29,742,463	\$ 29,521,297	\$ 1,489,670
Investments	6,669,535	1,241,154	885,600	7,025,089
Accounts Receivable	459,556	140,547	-	600,103
Inventory	409,100	892,403	874,166	427,337
	<u>8,806,695</u>	<u>32,016,567</u>	<u>31,281,063</u>	<u>9,542,199</u>
Total Assets	<u>\$ 8,806,695</u>	<u>\$ 32,016,567</u>	<u>\$ 31,281,063</u>	<u>\$ 9,542,199</u>
<b>LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	\$ 380,463	\$ 27,359,385	\$ 27,280,571	\$ 459,277
Due to Student Organizations and Other Agencies	8,426,232	1,739,707	1,083,017	9,082,922
	<u>8,806,695</u>	<u>29,099,092</u>	<u>28,363,588</u>	<u>9,542,199</u>
Total Liabilities	<u>\$ 8,806,695</u>	<u>\$ 29,099,092</u>	<u>\$ 28,363,588</u>	<u>\$ 9,542,199</u>



## **Discretely Presented Component Units**

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

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

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

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
June 30, 2019

	<b>Charter Schools</b>			
	<b>Accelerated Educational Services, Inc.</b>	<b>The Athenian Academy</b>	<b>Bonita Springs Charter School</b>	<b>Cape Coral Charter School</b>
<b>ASSETS</b>				
Cash	\$ 35,900	\$ 6,113	\$ 880,697	\$ 330,412
Investments	-	-	1,582,734	-
Accounts Receivable	-	-	7,337	208,805
Deposits Receivable	-	-	32,766	2,339
Due from Other Agencies	-	-	75,154	110,843
Due from Fiduciary Funds	-	-	399	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	13,250	13,410
Capital assets:				
Improvements other than Buildings	-	-	722,544	308,643
Less Accumulated Depreciation	-	-	(261,705)	(92,402)
Buildings	-	-	18,237,000	17,721,743
Less Accumulated Depreciation	-	-	(979,394)	(5,427,284)
Furniture, Fixtures and Equipment	-	10,899	2,978,933	1,203,400
Less Accumulated Depreciation	-	(2,180)	(2,526,781)	(1,035,893)
Software	-	-	-	-
Less Accumulated Amortization	-	-	-	-
<b>Total Assets</b>	<b>35,900</b>	<b>14,832</b>	<b>20,762,934</b>	<b>13,344,016</b>
<b>LIABILITIES</b>				
Salaries and Wages Payable	-	5,440	424,782	158,718
Accounts Payable	-	-	433,219	517,585
Unearned Revenue	-	-	17,042	11,072
Due to Fiduciary Funds	-	-	-	-
Due to Other Agencies	-	-	-	-
<b>Noncurrent liabilities:</b>				
<b>Portion due within one year:</b>				
Bonds Payable	-	-	280,000	-
Notes Payable	-	-	-	-
Obligations under Capital Lease	-	-	-	517,670
Liability for Compensated Absences	-	-	38,903	10,944
<b>Portion due after one year:</b>				
Bonds Payable	-	-	19,533,587	-
Notes Payable	-	-	-	-
Obligations under Capital Lease	-	-	-	15,108,807
Liability for Compensated Absences	-	-	12,968	3,648
<b>Total Liabilities</b>	<b>-</b>	<b>5,440</b>	<b>20,740,501</b>	<b>16,328,444</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	8,719	(1,642,990)	(1,505,509)
<b>Restricted for:</b>				
Debt Service	-	-	1,445,890	-
Capital Projects	-	-	-	-
Other Purposes	-	-	64,674	-
<b>Unrestricted</b>	<b>35,900</b>	<b>673</b>	<b>154,859</b>	<b>(1,478,919)</b>
<b>Total Net Position - Component Units</b>	<b>\$ 35,900</b>	<b>\$ 9,392</b>	<b>\$ 22,433</b>	<b>\$ (2,984,428)</b>

**Charter Schools**

<b>City of Palms Charter High School, Inc.</b>	<b>Coronado High School</b>	<b>DJB Technical Academy, Inc.</b>	<b>Gateway Charter School</b>	<b>Gateway Intermediate Charter School</b>	<b>Gateway Charter High School</b>
\$ 240,772	\$ 252,470	\$ 85,770	\$ 1,598,579	\$ 1,703,337	\$ 57,513
-	-	-	-	-	-
12,495	-	-	746,638	935,953	219,743
-	-	-	35,062	-	36,444
-	10,513	9,755	161,498	46,114	110,891
-	-	-	-	-	-
-	-	-	-	-	-
23,491	-	29,538	4,714	52,356	11,911
-	-	-	333,229	4,625	918,456
-	-	-	(155,761)	(4,317)	(465,213)
-	-	38,534	27,869,053	-	13,338,119
-	-	(36,015)	(7,671,878)	-	(4,084,799)
77,207	400,465	46,848	1,961,744	953,298	1,931,073
(69,730)	(353,610)	(22,139)	(1,719,514)	(827,154)	(1,655,439)
25,000	-	-	-	-	-
(25,000)	-	-	-	-	-
<u>284,235</u>	<u>309,838</u>	<u>152,291</u>	<u>23,163,364</u>	<u>2,864,212</u>	<u>10,418,699</u>
-	-	48,015	375,081	226,968	173,407
107,324	157,274	14,677	1,881,652	1,199,303	587,702
-	-	-	18,628	-	-
-	-	-	1,390	-	-
-	-	-	909	-	-
-	-	-	-	-	-
-	-	27,375	-	-	-
-	-	-	723,251	-	470,627
-	-	-	26,104	16,081	11,025
-	-	-	-	-	-
-	-	70,719	-	-	-
-	-	-	23,437,180	-	11,193,245
-	-	-	8,702	5,360	3,674
<u>107,324</u>	<u>157,274</u>	<u>160,786</u>	<u>26,472,897</u>	<u>1,447,712</u>	<u>12,439,680</u>
7,477	46,855	(70,866)	(2,079,146)	126,452	(692,803)
-	-	-	-	-	-
90,617	-	17,749	-	-	-
-	-	-	-	-	-
<u>78,817</u>	<u>105,709</u>	<u>44,622</u>	<u>(1,230,387)</u>	<u>1,290,048</u>	<u>(1,328,178)</u>
<u>\$ 176,911</u>	<u>\$ 152,564</u>	<u>\$ (8,495)</u>	<u>\$ (3,309,533)</u>	<u>\$ 1,416,500</u>	<u>\$ (2,020,981)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2019**

	<b>Charter Schools</b>			
	<b>The Heights</b>	<b>Heritage Charter</b>	<b>Island Park</b>	<b>The Island</b>
	<b>Charter School</b>	<b>School, Inc.</b>	<b>Charter High School, Inc.</b>	<b>School, Inc.</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 40,811	\$ 58,239	\$ 372,420	\$ 1,257,687
Investments	-	-	-	-
Accounts Receivable	2,479	-	-	-
Deposits Receivable	-	-	-	-
Due from Other Agencies	-	-	19,121	-
Due from Fiduciary Funds	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	20,605	-	1,659
<b>Capital assets:</b>				
Improvements other than Buildings	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Buildings	-	-	-	2,945,969
Less Accumulated Depreciation	-	-	-	(804,617)
Furniture, Fixtures and Equipment	74,875	20,920	275,391	218,846
Less Accumulated Depreciation	(24,524)	(4,184)	(228,792)	(218,846)
Software	-	-	-	-
Less Accumulated Amortization	-	-	-	-
<b>Total Assets</b>	<b>93,641</b>	<b>95,580</b>	<b>438,140</b>	<b>3,400,698</b>
<b>LIABILITIES</b>				
Salaries and Wages Payable	-	-	-	11,034
Accounts Payable	27,239	302,253	191,198	-
Unearned Revenue	-	-	-	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Agencies	-	-	-	-
<b>Noncurrent liabilities:</b>				
<b>Portion due within one year:</b>				
Bonds Payable	-	-	-	-
Notes Payable	-	-	-	7,140
Obligations under Capital Lease	-	-	-	-
Liability for Compensated Absences	-	-	-	-
<b>Portion due after one year:</b>				
Bonds Payable	-	-	-	-
Notes Payable	-	-	-	-
Obligations under Capital Lease	-	-	-	-
Liability for Compensated Absences	-	-	-	-
<b>Total Liabilities</b>	<b>27,239</b>	<b>302,253</b>	<b>191,198</b>	<b>18,174</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	50,351	16,736	46,599	2,141,352
<b>Restricted for:</b>				
Debt Service	-	-	-	-
Capital Projects	-	-	114,228	-
Other Purposes	-	-	-	921,367
<b>Unrestricted</b>	<b>16,051</b>	<b>(223,409)</b>	<b>86,115</b>	<b>319,805</b>
<b>Total Net Position - Component Units</b>	<b>\$ 66,402</b>	<b>\$ (206,673)</b>	<b>\$ 246,942</b>	<b>\$ 3,382,524</b>

**Charter Schools**

<b>Northern Palms Charter High School</b>	<b>North Nicholas High School</b>	<b>Oak Creek Charter School of Bonita Springs, Inc.</b>	<b>Palm Acres Charter High School, Inc</b>	<b>Six Mile Charter Academy</b>
\$ 251,200	\$ 309,272	\$ 158,075	\$ 769,713	\$ 641,175
-	-	-	-	-
6,066	-	-	79,645	325,998
-	-	-	-	13,234
-	14,746	26,800	-	98,156
-	-	-	-	-
-	-	-	-	-
21,275	-	-	35,453	31,776
-	-	268,796	-	491,440
-	-	(20,306)	-	(151,165)
-	-	222,053	-	17,929,083
-	-	(45,841)	-	(5,490,783)
149,633	140,957	230,000	278,514	1,385,116
(96,424)	(140,957)	(77,850)	(234,252)	(1,222,396)
8,862	-	-	21,805	-
(5,908)	-	-	(18,171)	-
<u>334,704</u>	<u>324,018</u>	<u>761,727</u>	<u>932,707</u>	<u>14,051,634</u>
-	-	219,070	-	293,385
57,286	222,120	116,450	80,607	1,424,874
-	-	-	-	17,462
-	-	-	-	-
-	-	-	-	-
-	-	144,671	-	-
-	-	-	-	525,711
-	-	-	-	23,553
-	-	-	-	-
-	-	182,301	-	-
-	-	-	-	15,115,757
-	-	-	-	7,851
<u>57,286</u>	<u>222,120</u>	<u>662,492</u>	<u>80,607</u>	<u>17,408,593</u>
56,163	-	339,934	47,896	(1,417,643)
-	-	-	-	-
63,731	-	-	177,451	-
-	-	-	-	-
<u>157,524</u>	<u>101,898</u>	<u>(240,699)</u>	<u>626,753</u>	<u>(1,939,316)</u>
<u>\$ 277,418</u>	<u>\$ 101,898</u>	<u>\$ 99,235</u>	<u>\$ 852,100</u>	<u>\$ (3,356,959)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
June 30, 2019

	<u>Total Charter Schools</u>	<u>The Foundation for Lee County Public Schools, Inc.</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
Cash	\$ 9,050,155	\$ 1,659,677	\$ 10,709,832
Investments	1,582,734	-	1,582,734
Accounts receivable	2,545,159	53,302	2,598,461
Deposits Receivable	119,845	-	119,845
Due from other Agencies	683,591	-	683,591
Due from Fiduciary Funds	399	-	399
Inventory	-	32,150	32,150
Prepaid Expenses	259,438	2,031,310	2,290,748
<b>Capital assets:</b>			
Improvements other than Buildings	3,047,733	-	3,047,733
Less Accumulated Depreciation	(1,150,869)	-	(1,150,869)
Buildings	98,301,554	-	98,301,554
Less Accumulated Depreciation	(24,540,611)	-	(24,540,611)
Furniture, Fixtures and Equipment	12,338,119	102,412	12,440,531
Less Accumulated Depreciation	(10,460,665)	(95,494)	(10,556,159)
Software	55,667	-	55,667
Less Accumulated Amortization	(49,079)	-	(49,079)
	<u>91,783,170</u>	<u>3,783,357</u>	<u>95,566,527</u>
<b>LIABILITIES</b>			
Salaries and Wages Payable	1,935,900	-	1,935,900
Accounts Payable	7,320,763	24,207	7,344,970
Unearned Revenue	64,204	-	64,204
Due to Fiduciary Funds	1,390	-	1,390
Due to other Agencies	909	-	909
<b>Noncurrent liabilities:</b>			
<b>Portion due within one year:</b>			
Bonds Payable	280,000	-	280,000
Notes Payable	179,186	-	179,186
Obligations under Capital Lease	2,237,259	-	2,237,259
Liability for Compensated Absences	126,610	-	126,610
<b>Portion due after one year:</b>			
Bonds Payable	19,533,587	-	19,533,587
Notes Payable	253,020	-	253,020
Obligations under Capital Lease	64,854,989	-	64,854,989
Liability for Compensated Absences	42,203	-	42,203
	<u>96,830,020</u>	<u>24,207</u>	<u>96,854,227</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(4,520,423)	6,918	(4,513,505)
<b>Restricted for:</b>			
Debt Service	1,445,890	-	1,445,890
Capital Projects	463,776	-	463,776
Other Purposes	986,041	3,599,564	4,585,605
<b>Unrestricted</b>	<u>(3,422,134)</u>	<u>152,668</u>	<u>(3,269,466)</u>
<b>Total net position - Component Units</b>	<u>\$ (5,046,850)</u>	<u>\$ 3,759,150</u>	<u>\$ (1,287,700)</u>

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**THE SCHOOL DISTRICT OF LEE COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Charter Schools		
	Accelerated Educational Services, Inc.	The Athenian Academy	Bonita Springs Charter School
<b>Governmental activities</b>			
<b>Expenses</b>			
Instruction	\$ 218,837	\$ 129,530	\$ 4,945,557
Student Support Services	-	4,339	269,862
Instructional Media Services	-	-	1,947
Instruction and Curriculum Development Services	-	-	24,436
Instructional Staff Training Services	-	-	49,874
Instruction Related Technology	12,492	1,000	152,168
Board	12,416	-	38,813
General Administration	90,185	-	-
School Administration	22,230	64,839	711,462
Facilities Services	-	-	-
Fiscal Services	17,254	2,068	590,373
Food Services	29,719	2,325	396,400
Central Services	-	-	62,184
Student Transportation Services	88,947	2,300	773,551
Operation of Plant	150,436	134,135	1,426,879
Maintenance of Plant	-	-	249,657
Community Services	4,885	-	93,097
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	1,191,179
Unallocated Depreciation Expense *	-	2,180	-
<b>Total Expenses</b>	<b>\$ 647,401</b>	<b>\$ 342,716</b>	<b>\$ 10,977,439</b>
<b>Program Revenues</b>			
Charges for Services	\$ -	\$ 359	\$ 330,165
Operating Grants and Contributions	72,945	-	908,996
Capital Grants and Contributions	-	-	632,001
<b>Total Program Revenues</b>	<b>72,945</b>	<b>359</b>	<b>1,871,162</b>
<b>Net Program Revenues</b>	<b>(574,456)</b>	<b>(342,357)</b>	<b>(9,106,277)</b>
<b>General Revenues</b>			
Other State Sources not restricted to specific programs	443,580	-	8,899,902
Other Miscellaneous Sources Not Restricted to Specific Programs	-	86,232	1,751
Unrestricted Investment Earnings	-	265,465	35,432
<b>Total General Revenues</b>	<b>443,580</b>	<b>351,697</b>	<b>8,937,085</b>
<b>Changes in Net Position</b>	<b>(130,876)</b>	<b>9,340</b>	<b>(169,192)</b>
Net Position - July 1, 2018	166,776	-	191,625
Adjustment to Beginning Net Position	-	-	-
Net Position - July 1, 2018, Restated	166,776	-	191,625
Net Position-June 30, 2019	<b>\$ 35,900</b>	<b>\$ 9,340</b>	<b>\$ 22,433</b>

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



**Charter Schools**

<b>Cape Coral Charter School</b>	<b>City of Palms Charter High School, Inc.</b>	<b>Coronado High School</b>	<b>DJB Technical Academy, Inc.</b>	<b>Gateway Charter School</b>	<b>Gateway Intermediate Charter School</b>	<b>Gateway Charter High School</b>
\$ 2,223,500	\$ 360,723	\$ 357,916	\$ 377,190	\$ 3,869,896	\$ 2,590,026	\$ 2,211,301
169,804	-	111,374	56,172	426,152	227,109	182,835
-	-	-	-	4,011	-	-
4,317	62,613	-	-	50,366	3,439	4,704
25,595	-	-	2,555	27,014	18,138	38,742
79,944	-	-	53,529	150,568	98,494	70,100
30,486	18,170	51,492	176,290	28,130	22,914	25,887
-	-	-	-	-	-	-
391,178	393,802	524,620	198,753	529,061	283,039	328,589
-	-	-	84,200	-	-	-
150,766	-	303,376	35,668	1,628,311	982,319	7,997
227,250	-	777	-	468,957	-	322,228
105,080	34,128	-	-	127,196	100,518	99,115
357,088	3,386	-	56,331	542,841	472,526	536,014
1,040,304	201,854	389,041	96,616	1,298,332	514,409	971,245
254,821	314	-	3,226	255,278	73,593	300,042
51,679	-	-	100	62,400	-	2,835
902,074	-	-	475	1,453,552	-	703,260
-	-	-	12,531	-	-	-
<u>\$ 6,013,886</u>	<u>\$ 1,074,990</u>	<u>\$ 1,738,596</u>	<u>\$ 1,153,636</u>	<u>\$ 10,922,065</u>	<u>\$ 5,386,524</u>	<u>\$ 5,804,894</u>
\$ 320,917	\$ -	\$ -	\$ -	\$ 508,239	\$ -	\$ 52,611
480,120	-	47,361	-	1,437,306	302,447	643,007
282,817	69,655	105,388	77,769	512,952	427,508	252,485
<u>1,083,854</u>	<u>69,655</u>	<u>152,749</u>	<u>77,769</u>	<u>2,458,497</u>	<u>729,955</u>	<u>948,103</u>
<u>(4,930,032)</u>	<u>(1,005,335)</u>	<u>(1,585,847)</u>	<u>(1,075,867)</u>	<u>(8,463,568)</u>	<u>(4,656,569)</u>	<u>(4,856,791)</u>
4,663,887	682,749	1,427,602	1,072,080	8,030,551	4,262,552	3,497,999
700	56,587	131,526	10,768	16	4,630	1,542,917
23,352	-	-	-	73,773	67,290	26,312
<u>4,687,939</u>	<u>739,336</u>	<u>1,559,128</u>	<u>1,082,848</u>	<u>8,104,340</u>	<u>4,334,472</u>	<u>5,067,228</u>
<u>(242,093)</u>	<u>(265,999)</u>	<u>(26,719)</u>	<u>6,981</u>	<u>(359,228)</u>	<u>(322,097)</u>	<u>210,437</u>
(2,742,335)	442,910	179,283	(15,476)	(2,950,305)	1,738,597	(2,231,418)
-	-	-	-	-	-	-
<u>(2,742,335)</u>	<u>442,910</u>	<u>179,283</u>	<u>(15,476)</u>	<u>(2,950,305)</u>	<u>1,738,597</u>	<u>(2,231,418)</u>
<u>\$ (2,984,428)</u>	<u>\$ 176,911</u>	<u>\$ 152,564</u>	<u>\$ (8,495)</u>	<u>\$ (3,309,533)</u>	<u>\$ 1,416,500</u>	<u>\$ (2,020,981)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Charter Schools		
	The Heights	Heritage Charter	Island Park
	Charter School	School, Inc.	Charter High School, Inc.
<b>Governmental activities</b>			
<b>Expenses</b>			
Instruction	\$ 414,751	\$ 492,562	\$ 477,707
Student Support Services	-	184,660	141,481
Instructional Media Services	-	-	-
Instruction and Curriculum Development Services	-	-	-
Instructional Staff Training Services	-	-	-
Instruction Related Technology	26,262	-	-
Board	20,767	6,352	54,870
General Administration	-	51,005	-
School Administration	123,675	220,996	507,602
Facilities Services	-	-	1,084
Fiscal Services	-	-	810,747
Food Services	79,903	11,439	647
Central Services	-	-	-
Student Transportation Services	-	28,944	-
Operation of Plant	147,492	34,897	393,414
Maintenance of Plant	-	-	-
Community Services	-	-	-
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	-
Unallocated Depreciation Expense *	-	-	-
<b>Total Expenses</b>	<b>\$ 812,850</b>	<b>\$ 1,030,855</b>	<b>\$ 2,387,552</b>
<b>Program Revenues</b>			
Charges for Services	\$ 139	\$ -	\$ -
Operating Grants and Contributions	-	-	43,120
Capital Grants and Contributions	-	-	190,034
<b>Total Program Revenues</b>	<b>139</b>	<b>-</b>	<b>233,154</b>
<b>Net Program Revenues</b>	<b>(812,711)</b>	<b>(1,030,855)</b>	<b>(2,154,398)</b>
<b>General Revenues</b>			
Other State Sources not restricted to specific programs	791,727	1,030,984	2,170,928
Other Miscellaneous Sources Not Restricted to Specific Programs	8,736	20,946	-
Unrestricted Investment Earnings	-	-	-
<b>Total General Revenues</b>	<b>800,463</b>	<b>1,051,930</b>	<b>2,170,928</b>
<b>Changes in Net Position</b>	<b>(12,248)</b>	<b>21,075</b>	<b>16,530</b>
Net Position - July 1, 2018	64,630	(227,748)	230,412
Adjustment to Beginning Net Position	14,020	-	-
Net Position - July 1, 2018, Restated	78,650	(227,748)	230,412
Net Position-June 30, 2019	<b>\$ 66,402</b>	<b>\$ (206,673)</b>	<b>\$ 246,942</b>

**Charter Schools**

<b>The Island School, Inc.</b>	<b>Northern Palms Charter High School</b>	<b>North Nicholas High School</b>	<b>Oak Creek Charter School of Bonita Springs, Inc.</b>	<b>Palm Acres Charter High School, Inc</b>	<b>Six Mile Charter Academy</b>
\$ 659,326	\$ 462,616	\$ 456,243	\$ 2,009,551	\$ 699,220	\$ 3,280,838
-	-	141,054	-	-	237,416
-	-	-	-	-	870
8,119	58,021	-	-	77,674	1,492
-	-	-	-	-	16,925
-	-	-	23,041	-	141,369
-	13,888	62,974	15,897	37,700	27,054
256,810	-	-	714,546	-	-
-	410,161	505,461	189,572	678,990	478,946
-	-	-	-	-	-
94,214	-	346,465	30,564	-	174,525
-	-	75	267,785	-	268,205
-	44,332	-	14,469	81,602	117,386
-	3,237	-	112,933	4,475	644,438
151,933	175,597	386,246	1,023,060	249,607	1,183,613
-	4,914	-	13,356	3,024	202,533
65,580	-	-	15,904	-	110,310
-	-	-	15,549	-	954,302
-	-	-	-	-	-
<u>\$ 1,235,982</u>	<u>\$ 1,172,766</u>	<u>\$ 1,898,518</u>	<u>\$ 4,446,227</u>	<u>\$ 1,832,292</u>	<u>\$ 7,840,222</u>
\$ 25,506	\$ -	\$ -	\$ 80,443	\$ -	\$ 243,698
-	69,903	34,466	242,181	146,948	635,592
-	-	130,294	299,741	-	450,846
<u>25,506</u>	<u>69,903</u>	<u>164,760</u>	<u>622,365</u>	<u>146,948</u>	<u>1,330,136</u>
<u>(1,210,476)</u>	<u>(1,102,863)</u>	<u>(1,733,758)</u>	<u>(3,823,862)</u>	<u>(1,685,344)</u>	<u>(6,510,086)</u>
475,304	888,817	1,690,928	3,586,810	1,821,483	6,413,410
813,948	5,102	34,024	124,779	7,000	116
19,127	-	-	-	-	41,211
<u>1,308,379</u>	<u>893,919</u>	<u>1,724,952</u>	<u>3,711,589</u>	<u>1,828,483</u>	<u>6,454,737</u>
97,903	(208,944)	(8,806)	(112,273)	143,139	(55,349)
3,284,621	486,362	110,704	59,852	708,961	(3,301,610)
-	-	-	151,656	-	-
<u>3,284,621</u>	<u>486,362</u>	<u>110,704</u>	<u>211,508</u>	<u>708,961</u>	<u>(3,301,610)</u>
<u>\$ 3,382,524</u>	<u>\$ 277,418</u>	<u>\$ 101,898</u>	<u>\$ 99,235</u>	<u>\$ 852,100</u>	<u>\$ (3,356,959)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Charter Schools</u>	<u>The Foundation for Lee County Public Schools, Inc.</u>	<u>Total Component Units</u>
	Total Charter Schools	The Foundation for Lee County Public Schools, Inc.	Total Component Units
<b>Governmental activities</b>			
<b>Expenses</b>			
Instruction	\$ 26,237,290	\$ -	\$ 26,237,290
Student Support Services	2,152,258	-	2,152,258
Instructional Media Services	6,828	-	6,828
Instruction and Curriculum Development Services	295,181	-	295,181
Instructional Staff Training Services	178,843	-	178,843
Instruction Related Technology	808,967	-	808,967
Board	644,100	-	644,100
General Administration	1,112,546	-	1,112,546
School Administration	6,562,976	-	6,562,976
Facilities Services	85,284	-	85,284
Fiscal Services	5,174,647	-	5,174,647
Food Services	2,075,710	-	2,075,710
Central Services	786,010	-	786,010
Pupil Transportation Services	3,627,011	-	3,627,011
Operation of Plant	9,969,110	-	9,969,110
Maintenance of Plant	1,360,758	-	1,360,758
Community Services	406,790	1,779,440	2,186,230
Unallocated Interest and Fiscal Charges on Long-term Debt	5,220,391	-	5,220,391
Unallocated Depreciation Expense *	14,711	-	14,711
<b>Total Expenses</b>	<b>\$ 66,719,411</b>	<b>\$ 1,779,440</b>	<b>\$ 68,498,851</b>
<b>Program Revenues</b>			
Charges for Services	\$ 1,562,077	\$ -	\$ 1,562,077
Operating Grants and Contributions	5,064,392	1,917,733	6,982,125
Capital Grants and Contributions	3,431,490	-	3,431,490
<b>Total Program Revenues</b>	<b>10,057,959</b>	<b>1,917,733</b>	<b>11,975,692</b>
<b>Net Program Revenues</b>	<b>(56,661,452)</b>	<b>138,293</b>	<b>(56,523,159)</b>
<b>General Revenues</b>			
Other State Sources not restricted to specific programs	51,851,293	-	51,851,293
Other Miscellaneous Sources Not Restricted to Specific Programs	2,849,778	-	2,849,778
Unrestricted Investment Earnings	551,962	5,505	557,467
<b>Total General Revenues</b>	<b>55,253,033</b>	<b>5,505</b>	<b>55,258,538</b>
<b>Changes in Net Position</b>	<b>(1,408,419)</b>	<b>143,798</b>	<b>(1,264,621)</b>
Net Position - July 1, 2018	(3,804,159)	3,615,352	(188,807)
Adjustment to Beginning Net Position	165,676	-	165,676
Net Position - July 1, 2018, Restated	(3,638,483)	3,615,352	(23,131)
Net Position-June 30, 2019	<b>\$ (5,046,902)</b>	<b>\$ 3,759,150</b>	<b>\$ (1,287,752)</b>

# STATISTICAL SECTION

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

## **Contents**

### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

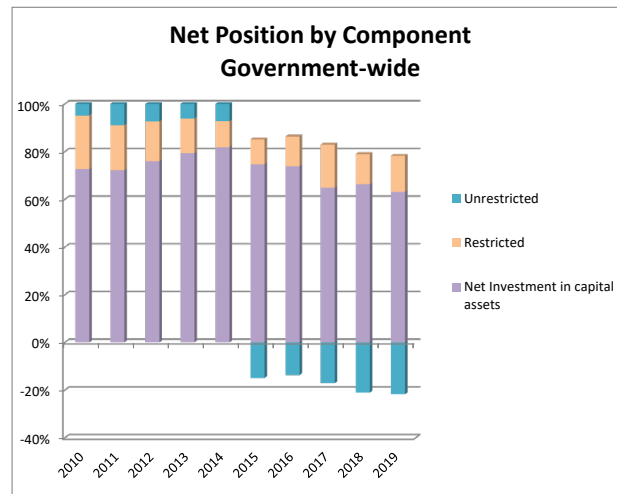
### Operating Information

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

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

	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
<b>Primary Government:</b>										
Net Investment in capital assets	\$ 903,539,567	\$ 896,693,252	\$ 903,860,005	\$ 887,783,551	\$ 892,757,501	\$ 866,637,441	\$ 851,527,173	\$ 793,900,590	\$ 854,209,907	\$ 851,439,963
Restricted	278,364,305	233,649,374	197,520,171	162,026,667	118,642,826	120,085,063	143,874,783	220,817,390	163,129,824	204,723,404
Unrestricted	59,858,412	110,911,102	86,954,265	69,149,197	78,560,813	(172,351,864)	(157,404,251)	(208,685,715)	(270,111,963)	(292,854,489)
<b>Total Primary Government net position</b>	<b>\$ 1,241,762,284</b>	<b>\$ 1,241,253,728</b>	<b>\$ 1,188,334,441</b>	<b>\$ 1,118,959,415</b>	<b>\$ 1,089,961,140</b>	<b>\$ 814,370,640</b>	<b>\$ 837,997,705</b>	<b>\$ 806,032,265</b>	<b>\$ 747,227,768</b>	<b>\$ 763,308,878</b>

Source: District Records



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

	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
<b>Expenses</b>										
Primary Government Activities										
Instruction	\$ 417,050,879	\$ 433,180,316	\$ 417,291,563	\$ 441,261,156	\$ 452,139,428	\$ 463,560,816	\$ 477,957,931	\$ 508,830,499	\$ 538,744,228	\$ 544,623,856
Student Support Services	26,709,653	27,024,831	26,014,869	27,552,396	27,234,115	27,780,981	29,628,657	32,730,160	34,960,215	34,949,239
Instructional Media Services	4,827,097	4,318,165	5,077,074	4,284,720	4,101,178	3,938,948	4,170,590	4,229,828	3,719,122	3,694,853
Instruction and Curriculum Development Services	13,444,598	12,894,502	11,750,555	11,989,193	15,671,169	16,966,982	20,256,522	24,935,745	28,000,315	26,477,911
Instructional Staff Training Services	11,214,029	11,204,173	10,421,863	11,579,277	10,992,855	10,936,643	10,877,081	10,571,419	10,643,654	11,377,196
Instruction Related Technology	4,619,892	4,658,335	5,687,487	6,217,478	6,635,241	6,473,494	7,361,597	8,159,250	8,425,222	8,441,971
Board	790,180	787,388	831,526	790,767	895,721	881,699	927,293	1,133,922	1,353,424	1,223,697
General Administration	4,216,080	4,763,156	4,836,325	4,946,220	5,266,987	5,254,912	5,868,836	6,658,948	7,069,119	7,649,280
School Administration	41,351,915	42,405,924	40,490,378	42,187,249	43,152,176	43,733,268	44,847,942	50,889,724	52,382,426	51,090,499
Facilities Services	106,859,204	90,701,253	96,214,772	109,543,317	104,076,826	105,714,698	90,933,729	108,581,681	99,796,725	131,149,649
Fiscal Services	3,741,286	3,580,452	3,179,971	3,435,563	3,375,399	3,499,445	3,738,706	4,121,395	3,887,675	4,017,936
Food Services	27,578,058	29,423,128	31,281,911	33,937,724	37,849,286	36,079,447	39,628,416	44,410,500	49,193,898	49,157,928
Central Services	9,077,173	8,087,084	8,466,790	8,017,845	8,215,908	9,169,918	8,807,231	10,630,643	11,457,838	11,320,489
Student Transportation Services	46,101,766	47,477,640	47,107,688	49,342,732	51,962,891	51,464,810	51,487,889	57,211,045	55,303,442	56,464,391
Operation of Plant	64,865,149	63,872,675	63,592,099	65,138,670	63,425,409	65,998,561	64,678,201	68,390,472	77,601,080	75,203,370
Maintenance of Plant	15,418,759	14,989,305	14,223,106	14,556,120	14,992,123	15,054,885	15,577,105	17,083,172	17,488,441	16,683,760
Administrative Technology Services	4,751,386	5,378,856	5,410,542	5,443,779	5,951,380	5,813,682	5,537,292	6,047,231	6,938,292	6,874,439
Community Services	4,249,023	4,139,953	4,098,516	3,982,902	4,177,873	4,387,938	5,089,352	6,098,631	6,939,725	6,556,045
Unallocated Interest and Fiscal Charges on Long-term Debt	23,191,205	21,910,292	20,057,378	18,583,298	14,923,957	13,560,901	13,580,969	16,384,698	15,196,488	14,149,284
Total Primary Government Expenses	<u>830,057,332</u>	<u>830,797,428</u>	<u>816,034,413</u>	<u>862,790,406</u>	<u>875,039,922</u>	<u>890,272,028</u>	<u>900,955,339</u>	<u>987,098,963</u>	<u>1,029,101,329</u>	<u>1,061,105,793</u>
<b>Program Revenues</b>										
Primary Government Activities										
Charges for Services										
Student Fees	7,419,332	8,229,276	7,999,884	8,734,131	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248	12,069,353
Food Service	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694	2,079,444
Bus Trips	511,233	446,533	432,515	463,553	614,533	452,662	517,086	583,876	716,391	695,064
Operating Grants & Contributions	24,381,950	26,990,829	28,624,862	29,944,986	31,100,325	32,719,648	38,758,768	42,282,889	43,501,187	49,374,595
Capital Grants & Contributions	7,283,648	9,461,466	7,425,368	7,434,727	5,476,977	8,151,917	11,335,181	12,471,936	13,510,779	24,012,381
Total Primary Government Program Revenues	<u>47,035,417</u>	<u>51,907,186</u>	<u>51,158,392</u>	<u>53,053,251</u>	<u>52,591,740</u>	<u>56,628,212</u>	<u>63,317,013</u>	<u>68,689,426</u>	<u>71,008,299</u>	<u>88,230,837</u>
<b>Net Expense</b>										
Total Primary Government Net Expense	<u>(783,021,915)</u>	<u>(778,890,242)</u>	<u>(764,876,021)</u>	<u>(809,737,155)</u>	<u>(822,448,182)</u>	<u>(833,643,816)</u>	<u>(837,638,326)</u>	<u>(918,409,537)</u>	<u>(958,093,030)</u>	<u>(972,874,956)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Primary Government Activities										
Taxes										
Property Taxes:										
Levied for Operational Purposes	395,734,805	383,037,327	348,605,113	334,067,478	349,879,204	366,770,645	385,303,457	399,499,006	405,722,410	404,419,550
Levied for Capital Projects	99,477,337	70,064,384	82,284,982	82,363,776	86,208,685	92,989,838	99,905,824	110,255,520	117,509,870	123,776,642
Local Sales Taxes	-	-	-	-	-	-	-	-	-	36,453,161
Florida Education Finance Program	55,848,837	80,355,668	89,072,529	130,152,064	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376	188,658,769
Other Federal Sources	92,253,295	117,412,700	65,032,017	63,855,649	71,540,533	73,829,346	74,666,159	76,935,631	82,171,199	80,389,250
Other State Sources	110,419,837	115,357,177	116,012,704	117,511,539	120,560,479	121,137,837	120,690,788	122,024,361	125,430,747	130,778,585
Other Miscellaneous Sources	15,859,537	8,762,613	8,832,209	9,616,539	7,784,746	10,833,883	11,582,589	10,815,979	12,192,287	12,671,915
Unrestricted Investment Earnings	5,512,349	3,391,817	2,117,178	2,795,084	1,158,238	1,584,339	3,349,036	3,065,164	5,384,868	11,808,194
Total Primary Government	<u>775,105,997</u>	<u>778,381,686</u>	<u>711,956,732</u>	<u>740,362,129</u>	<u>793,449,907</u>	<u>824,254,570</u>	<u>861,265,391</u>	<u>886,444,097</u>	<u>921,349,757</u>	<u>988,956,066</u>
<b>Changes in Net Position</b>										
Total Primary Government	<u>\$ (7,915,918)</u>	<u>\$ (508,556)</u>	<u>\$ (52,919,289)</u>	<u>\$ (69,375,026)</u>	<u>\$ (28,998,275)</u>	<u>\$ (9,389,246)</u>	<u>\$ 23,627,065</u>	<u>\$ (31,965,440)</u>	<u>\$ (36,743,273)</u>	<u>\$ 16,081,110</u>

Source: District Records

Table 3

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

	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>General Fund</b>									
Nonspendable	\$ 1,689,456	\$ 2,187,723	\$ 2,256,156	\$ 2,349,033	\$ 2,472,299	\$ 2,528,087	\$ 2,088,384	\$ 2,281,672	\$ 3,021,425
Restricted	6,379,538	14,139,594	11,662,553	12,775,113	15,167,227	19,736,496	32,206,280	32,410,350	29,689,423
Assigned	69,938,055	11,022,864	17,117,748	1,553,091	2,193,111	1,685,017	4,748,142	4,899,053	3,732,402
Unassigned	87,579,373	116,160,720	93,861,720	111,046,656	109,451,484	116,229,361	97,908,901	87,142,825	84,037,049
Total General Fund	<u>\$ 165,586,422</u>	<u>\$ 143,510,901</u>	<u>\$ 124,898,177</u>	<u>\$ 127,723,893</u>	<u>\$ 129,284,121</u>	<u>\$ 140,178,961</u>	<u>\$ 136,951,707</u>	<u>\$ 126,733,900</u>	<u>\$ 120,480,299</u>
All Other Governmental Funds									
Nonspendable	\$ 274,957	\$ 344,491	\$ 314,978	\$ 306,965	\$ 546,974	\$ 691,172	\$ 922,314	\$ 757,515	\$ 869,008
Restricted	259,742,244	190,494,828	149,993,931	105,260,748	104,070,862	123,147,115	187,388,796	150,621,132	179,944,416
Assigned	2,067,004	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 262,084,205</u>	<u>\$ 190,839,319</u>	<u>\$ 150,308,909</u>	<u>\$ 105,567,713</u>	<u>\$ 104,617,836</u>	<u>\$ 123,838,287</u>	<u>\$ 188,311,110</u>	<u>\$ 151,378,647</u>	<u>\$ 180,813,424</u>
	<b>Pre-GASB 54</b>								
	<u>June 30, 2010</u>								
<b>General Fund</b>									
Reserved	\$ 20,137,618								
Unreserved	113,530,351								
Total General Fund	<u>\$ 133,667,969</u>								
All Other Governmental Funds									
Reserved	\$ 11,456,547								
Unreserved, reported in:									
Special Revenue Funds	10,427,742								
Capital Projects Funds	247,955,414								
Total All Other Governmental Funds	<u>\$ 269,839,703</u>								

Source: District Records



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

	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	June 30, 2019
<b>Federal Direct Sources:</b>										
Reserve Officers Training Corps (ROTC)	\$ 979,958	\$ 1,089,726	\$ 1,260,711	\$ 1,436,160	\$ 1,487,186	\$ 1,550,039	\$ 1,693,731	\$ 1,678,367	\$ 1,873,725	\$ 2,162,154
Impact Aid	2,355	20,234	20,178	35,179	33,670	35,649	33,010	23,965	26,332	39,709
Miscellaneous Federal Direct	8,974,884	9,946,147	9,821,818	11,552,855	15,205,945	19,506,514	19,619,329	19,272,370	21,233,227	13,583,639
<b>Total Federal Direct</b>	<b>9,957,197</b>	<b>11,056,107</b>	<b>11,102,707</b>	<b>13,024,194</b>	<b>18,814,328</b>	<b>21,092,202</b>	<b>21,346,070</b>	<b>20,974,702</b>	<b>23,133,284</b>	<b>15,785,502</b>
<b>Federal Through State Sources:</b>										
Medicaid	2,420,605	2,057,558	2,196,690	2,078,730	2,771,182	2,559,473	2,408,004	2,247,950	2,515,308	2,566,775
Food Service	23,858,206	26,464,668	27,986,673	29,379,199	30,251,849	31,694,451	37,899,971	41,517,823	42,761,243	48,659,396
Donated Foods and Cash in Lieu of	-	-	-	-	278,967	460,867	295,922	201,443	168,449	101,554
Other Federal Through State Grants	79,887,323	104,305,269	51,800,689	48,752,725	49,955,023	50,177,671	50,912,085	53,712,979	56,482,107	62,036,973
<b>Total Federal Through State Sources</b>	<b>106,166,134</b>	<b>132,827,495</b>	<b>81,984,052</b>	<b>80,210,654</b>	<b>83,257,021</b>	<b>84,892,462</b>	<b>91,515,982</b>	<b>97,680,195</b>	<b>101,927,107</b>	<b>113,364,698</b>
<b>State Sources:</b>										
Florida Education Finance Program (FEFP)	65,517,716	80,355,668	89,072,529	130,152,064	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376	188,658,769
Workforce Development Program	-	9,473,074	10,159,251	10,064,375	9,890,385	9,889,670	10,026,007	10,064,226	9,697,421	10,148,157
Categorical Education Programs	5,911,240	-	-	-	-	-	-	-	-	-
Discretionary Lottery Funds	227,084	312,199	275,950	-	876,119	323,400	-	1,544,033	165,672	323,010
CO & DS Distributed to Districts	916,066	965,172	1,032,414	1,108,525	1,141,731	1,167,484	1,629,782	1,540,677	1,612,677	3,073,832
Interest on Undistributed CO & DS	35,937	37,441	35,202	32,007	16,436	32,007	10,635	59,174	44,958	68,370
CO & DS withheld for SBE/COBI Bonds	2,336,563	2,253,026	2,251,424	2,284,729	2,288,003	2,253,621	2,031,334	2,067,209	2,067,577	615,182
State License Tax	496,031	500,399	472,464	486,672	487,284	505,704	493,900	532,402	473,064	521,604
Food Services	511,914	528,273	582,536	565,787	569,509	564,330	562,875	563,623	621,995	643,645
SBE/COBI Bond Interest	1,333	326	(256)	9,760	97	1,851	376	549	12,060	1,206
Sales Tax Distribution	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Public Education Capital Outlay	1,088,067	3,152,602	-	-	-	1,527,590	1,277,972	1,926,462	1,293,490	4,638,473
Class Size Reduction Program	88,741,650	92,645,707	94,203,723	96,629,891	97,026,663	98,655,320	99,525,290	100,383,530	100,819,469	102,671,067
Charter School Capital Outlay	4,891,005	4,540,302	4,167,303	3,554,080	5,551,748	4,157,950	2,477,285	3,489,966	2,106,665	5,336,743
State Grants and Other State Sources	483,948	7,926,158	6,771,605	6,776,521	6,728,280	7,605,793	8,168,306	6,010,204	12,158,456	11,748,004
<b>Total State Sources</b>	<b>171,381,804</b>	<b>202,913,597</b>	<b>209,247,395</b>	<b>251,887,661</b>	<b>281,117,527</b>	<b>284,007,581</b>	<b>292,194,550</b>	<b>292,253,741</b>	<b>304,235,130</b>	<b>328,671,312</b>
<b>Taxes and Miscellaneous Sources:</b>										
Ad Valorem Taxes	495,212,142	453,101,711	430,890,095	416,431,254	436,087,889	459,760,483	485,209,281	509,754,526	523,232,280	528,196,192
Local Sales Taxes	-	-	-	-	-	-	-	-	-	36,453,161
Food Service Sales	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694	2,079,444
Impact Fees	4,682,432	2,780,641	3,833,326	3,776,456	1,807,460	2,767,510	6,137,978	6,654,615	8,256,767	15,392,068
Rent	719,824	670,210	611,901	543,515	519,193	504,692	563,164	563,078	559,349	547,088
Child Care and Adult Course Fees	7,419,332	8,229,276	7,999,884	8,734,131	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248	12,069,353
Interest Income	5,417,498	3,299,367	2,009,650	2,687,846	1,075,646	1,516,346	3,168,228	2,640,876	4,819,811	11,291,497
Gifts, Grants and Bequests	1,481,048	367,002	530,916	566,264	890,387	944,180	987,130	1,313,789	503,297	994,217
Local Grants and Other Local Sources	13,044,107	7,447,942	7,574,976	8,506,497	6,474,001	9,229,924	10,209,424	9,104,887	11,265,366	10,243,526
<b>Total Taxes and Miscellaneous Sources</b>	<b>535,415,637</b>	<b>482,675,231</b>	<b>460,126,511</b>	<b>447,721,817</b>	<b>462,254,481</b>	<b>490,027,120</b>	<b>518,981,183</b>	<b>543,382,496</b>	<b>561,916,812</b>	<b>617,266,546</b>
<b>Total Revenues</b>	<b>822,920,772</b>	<b>829,472,430</b>	<b>762,460,665</b>	<b>792,844,326</b>	<b>845,443,357</b>	<b>880,019,365</b>	<b>924,037,785</b>	<b>954,291,134</b>	<b>991,212,333</b>	<b>1,075,088,058</b>

**Expenditures**

Instruction	414,895,169	436,605,401	418,281,865	438,716,531	455,149,280	471,369,228	478,381,855	488,006,506	519,559,871	529,660,052
Student Support Services	26,407,874	27,247,673	25,036,041	25,876,049	27,269,545	28,489,369	29,975,388	31,253,938	33,329,072	33,921,124
Instructional Media Services	4,684,420	4,287,385	5,073,542	4,293,740	4,076,432	3,979,897	4,112,761	3,976,544	3,560,456	3,598,687
Instruction & Curriculum Development Services	13,218,730	13,173,766	11,693,445	12,042,091	15,812,284	17,545,476	20,384,407	23,742,954	26,810,786	25,403,022
Instructional Staff Training Services	11,235,522	11,311,146	10,415,053	11,633,055	11,075,716	11,095,452	10,880,377	10,285,951	10,308,963	11,197,163
Instruction Related Technology	4,547,890	4,663,130	5,694,277	6,181,095	6,634,614	6,570,043	7,295,095	7,791,033	7,937,786	8,082,843
Board	781,919	793,839	832,635	859,492	899,374	929,472	954,337	1,048,033	1,234,220	1,210,011
General Administration	4,233,091	4,869,615	4,846,909	4,954,413	5,303,008	5,288,097	5,804,461	6,462,157	6,828,492	7,505,940
School Administration	41,321,862	42,700,204	40,590,505	41,995,343	43,276,063	44,813,725	45,148,863	47,934,075	49,440,261	49,085,984
Facilities Services	8,817,426	43,208,252	47,008,796	58,086,153	56,932,333	36,550,257	45,450,241	61,930,947	53,678,568	88,321,819
Fiscal Services	3,776,784	3,662,302	3,291,652	3,384,349	3,377,986	3,539,350	3,783,553	3,951,176	3,708,277	3,864,134
Food Service	26,979,027	29,239,256	31,095,080	33,419,140	37,477,013	35,900,193	38,726,448	42,253,373	47,500,974	47,656,364
Central Services	8,978,113	8,072,928	8,353,079	7,876,731	8,217,089	9,273,731	8,718,831	10,098,243	10,873,976	10,922,853
Student Transportation Services	44,890,196	47,435,530	47,114,585	48,546,573	51,612,381	51,883,896	51,134,340	54,860,905	53,462,444	55,081,985
Operation of Plant	64,305,699	64,057,630	63,523,851	64,779,091	63,491,054	66,354,947	64,170,207	67,051,631	76,048,846	74,364,324
Maintenance of Plant	15,192,197	14,998,770	14,260,930	14,340,708	15,017,778	15,117,700	15,401,562	16,192,001	16,580,188	15,927,123
Administrative Technology Services	4,623,126	5,294,441	5,318,278	5,400,395	5,966,705	5,811,533	5,493,704	5,690,703	6,526,645	6,507,664
Community Services	4,186,572	4,080,235	4,039,122	3,924,482	4,126,238	4,454,444	5,125,124	5,923,833	6,716,042	6,367,007
Capital Outlay										
Facilities Acquisition & Construction	87,643,545	4,534,128	57,570,549	12,354,082	20,295,567	4,506,531	1,116,341	21,100,943	51,417,463	9,813,949
Other Capital Outlay	3,302,752	12,034,365	8,394,998	13,097,011	8,594,674	13,465,816	9,961,398	29,600,365	18,171,760	14,482,875
Debt Service										
Principal	26,944,446	28,046,604	22,778,439	23,640,078	25,656,399	26,291,709	26,823,872	28,342,021	34,668,643	34,274,598
Interest and Fiscal Charges	23,406,338	22,549,742	20,467,619	19,167,501	17,756,347	16,113,573	15,343,234	17,689,077	16,775,044	15,515,465
<b>Total Expenditures</b>	<b>844,372,698</b>	<b>832,866,342</b>	<b>855,681,250</b>	<b>854,568,103</b>	<b>888,017,880</b>	<b>879,344,439</b>	<b>894,186,399</b>	<b>985,186,409</b>	<b>1,055,138,777</b>	<b>1,052,764,986</b>
Excess of Revenues										
Over (under) Expenditures	(21,451,926)	(3,393,912)	(93,220,585)	(61,723,777)	(42,574,523)	674,926	29,851,386	(30,895,275)	(63,926,444)	22,323,072
<b>Other Financing Sources (Uses)</b>										
Issuance of Refunding Bonds	1,285,000	310,000	795,000	-	998,000	4,893,000	-	60,177,000	32,085,000	-
Premium on Refunding Bonds	1,926,424	50,206	122,041	-	161,543	465,287	-	-	-	-
Certificates of Participation Issued	26,950,000	50,307,000	165,255,000	-	25,287,000	132,560,000	-	61,080,000	14,070,000	-
Premium on Certificates of Participation Issued	-	-	14,774,075	-	-	19,921,890	-	10,557,060	-	-
Issuance of Loans	-	-	-	1,447,460	-	-	-	20,000,000	-	-
Loss Recoveries	330,126	454,093	747,891	188,710	572,687	222,938	263,905	326,784	1,825,743	858,104
Sale of Capital Assets	-	-	-	944,473	-	-	-	-	700,000	-
Transfer In	75,685,066	93,557,964	71,440,656	65,531,189	70,288,506	66,008,781	54,315,049	56,064,515	78,004,697	71,066,435
Payments to Refunded COPS/Bond Escrow Agent	(30,130,886)	(23,564,432)	(181,793,829)	-	(26,360,187)	(158,127,690)	-	(60,000,000)	(31,904,569)	-
Transfer Out	(75,685,066)	(93,557,964)	(71,440,656)	(65,531,189)	(70,288,506)	(66,008,781)	(54,315,049)	(56,064,515)	(78,004,697)	(71,066,435)
<b>Total Other Financing Sources (Uses)</b>	<b>360,664</b>	<b>27,556,867</b>	<b>(99,822)</b>	<b>2,580,643</b>	<b>659,043</b>	<b>(64,575)</b>	<b>263,905</b>	<b>92,140,844</b>	<b>16,776,174</b>	<b>858,104</b>
<b>Net Change in Fund Balances</b>	<b>\$ (21,091,262)</b>	<b>\$ 24,162,955</b>	<b>\$ (93,320,407)</b>	<b>\$ (59,143,134)</b>	<b>\$ (41,915,480)</b>	<b>\$ 610,351</b>	<b>\$ 30,115,291</b>	<b>\$ 61,245,569</b>	<b>\$ (47,150,270)</b>	<b>\$ 23,181,176</b>

Debt Service as a percentage of noncapital expenditures

6.2%	6.2%	5.5%	5.2%	5.0%	4.9%	4.8%	4.9%	5.2%	4.8%
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Source: District Records

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

Fiscal Year	Real Property			Personal Property	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a percentage of Actual Value <sup>1</sup>
	Residential	Commercial	Other						
2010	\$ 50,045,073	\$10,106,431	\$ 750,756	\$ 4,022,513	\$16,818,192	\$ 48,106,581	4.22	\$ 82,498,303	78.70%
2011	42,678,718	8,659,204	545,540	3,844,518	13,841,212	41,886,768	4.22	70,351,061	79.21%
2012	41,682,602	7,543,635	588,772	3,450,443	14,089,660	39,175,792	4.22	68,116,399	78.20%
2013	41,893,822	7,314,284	545,034	3,147,143	14,947,716	37,952,567	3.72	68,644,339	77.06%
2014	43,666,928	7,270,867	534,598	3,147,804	17,060,361	37,559,836	3.72	72,497,286	75.34%
2015	46,907,208	7,663,877	642,067	3,103,287	20,663,672	37,652,767	4.22	79,782,598	73.09%
2016	50,840,606	7,999,476	679,028	3,125,423	23,821,441	38,823,092	4.22	87,278,538	71.78%
2017	55,237,868	8,633,141	662,497	3,353,903	28,254,650	39,632,759	4.22	96,920,144	70.04%
2018	60,444,365	8,946,505	911,374	3,736,874	30,507,410	43,531,708	4.12	105,312,246	70.30%
2019	64,184,558	9,586,367	739,366	3,961,568	30,240,763	48,231,096	4.12	109,528,126	71.65%

Source: Lee County Tax Collector

<sup>1</sup> Includes tax-exempt property

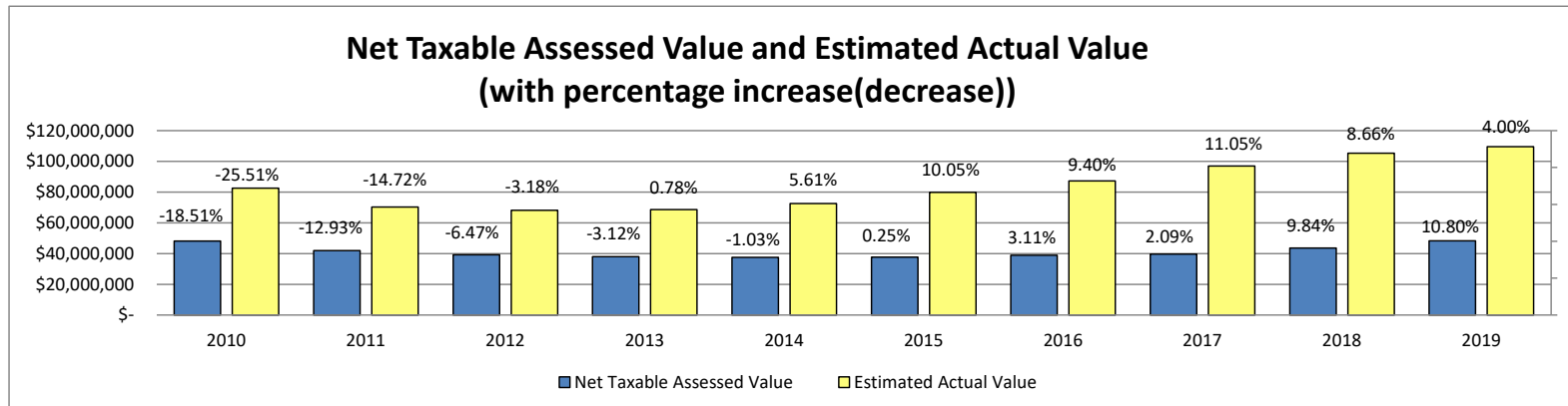


Table 6

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Lee County</b>											
General Revenue	3.720	3.720	3.720	3.720	3.720	4.220	4.220	4.220	4.120	4.120	4.120
Capital Improvements	0.500	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Lee County Millage	4.220	4.220	4.220	3.720	3.720	4.220	4.220	4.220	4.120	4.120	4.120
School District	6.868	7.508	8.015	7.854	7.584	7.598	7.416	7.285	6.989	6.679	6.401
<b>Municipalities</b>											
Cape Coral	4.833	7.970	7.970	7.957	7.957	7.707	7.707	6.957	6.750	6.750	6.750
Sanibel	2.611	2.615	2.591	2.526	2.557	2.531	2.415	2.311	2.301	2.280	2.219
Fort Myers	7.163	7.400	8.400	8.400	8.776	8.776	8.776	8.776	8.750	8.650	8.450
Fort Myers Beach	0.709	0.819	0.914	0.814	0.769	0.753	0.753	0.800	0.800	0.870	0.870
Bonita Springs	0.827	0.827	0.827	0.827	0.817	0.817	0.817	0.817	0.817	0.817	0.817
Total Municipalities Millage	16.143	19.631	20.702	20.524	20.876	20.584	20.468	19.661	19.418	19.367	19.106
<b>Lee County Special Districts</b>											
Lee County Hyacinth Control	0.021	0.028	0.310	0.310	0.030	0.029	0.028	0.026	0.026	0.025	0.024
Lee County Mosquito Control	0.164	0.213	0.239	0.239	0.230	0.252	0.240	0.240	0.240	0.280	0.264
South Fl. Water Management Dist.	0.624	0.624	0.624	0.436	0.429	0.411	0.384	0.355	0.331	0.310	0.294
West Coast Inland Waterway	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039
MSTU (Unincorporated)	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840
Lee County Library	1.179	1.258	1.312	1.229	1.229	1.428	1.404	1.318	1.318	1.355	1.266
Total Special Districts Millage	2.867	3.002	3.364	3.093	2.797	2.999	2.935	2.818	2.794	2.849	2.727
Other Special Districts <sup>1</sup>	.025-3.000	.015-3.500	.041-4.000	.010-4.000	.066-4.700	.0076-4.500	.0585-4.500	.0549-4.000	.0650-4.000	.0572-3.900	.0575-3.750
Total Direct and Overlapping Rates <sup>2</sup>	30.098	34.361	36.301	35.191	34.977	35.401	35.039	33.984	33.321	33.015	32.354

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

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

Source: Lee County Property Appraiser

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

Name	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
FL Power & Light	\$ 1,405,691,992	1	1.899%	\$ 981,958,870	1	1.437%
Lee County Electric Coop	403,368,781	2	0.545%	384,693,990	3	0.563%
Christian & Missionary Alliance Inc.	515,287,265	3	0.696%	215,864,640	4	0.316%
Embarq Florida Inc	154,128,335	4	0.208%	399,293,090	2	0.584%
Miromar Outlet West LLC	141,460,267	6	0.191%			
Coconut Point Developers LLC	116,768,514	5	0.158%	134,309,790	6	0.197%
Edison Mall LLC	105,581,560	7	0.143%	81,212,580	10	0.119%
Gulf Coast Town Center Holdings	97,883,253	8	0.132%	98,535,640	7	0.144%
Comcast of CO FL	72,246,232	9	0.098%	95,409,000	8	0.140%
Bell Tower Shops LLC	68,561,524	10	0.093%			
TRG Oasis LTD				186,403,990	5	0.273%
AT&T Communications				81,885,660	9	0.120%
	<u>\$ 3,080,977,723</u>		<u>4.161%</u>	<u>\$ 2,659,567,250</u>		<u>3.893%</u>

Source: Lee County Property Appraiser

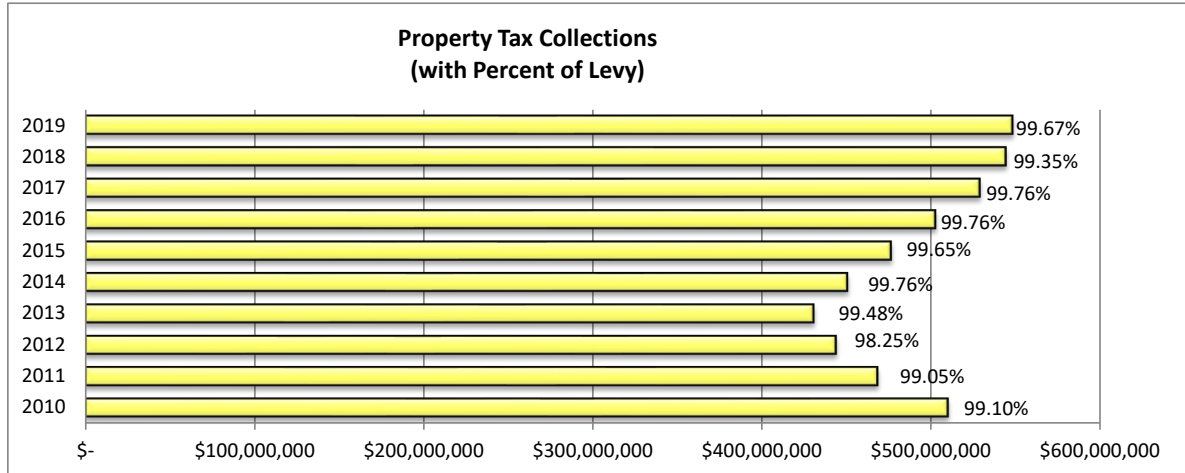
Table 8

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 514,468,676	\$ 506,573,323	98.47%	\$ 3,256,283	\$ 509,829,606	99.10%
2011	472,729,944	465,862,569	98.55%	2,367,128	468,229,697	99.05%
2012	451,523,332	442,322,541	97.96%	1,294,426	443,616,967	98.25%
2013	432,674,296	429,593,960	99.29%	813,900	430,407,860	99.48%
2014	451,539,308	449,874,457	99.63%	600,518	450,474,975	99.76%
2015	477,812,166	475,572,585	99.53%	579,799	476,152,384	99.65%
2016	503,609,120	501,939,146	99.67%	452,762	502,391,908	99.76%
2017	529,936,514	528,409,682	99.71%	271,799	528,681,481	99.76%
2018	547,501,768	543,773,247	99.32%	153,750	543,926,997	99.35%
2019	549,691,837	547,876,237	99.67%	-	547,876,237	99.67%

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

Source: Lee County Tax Collector



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

<b>Other Governmental Activities Debt</b>							
<b>Fiscal Year</b>	<b>State Board of Education Bonds <sup>1</sup></b>	<b>Certificates of Participation <sup>1</sup></b>	<b>Section 1013.23 Loans <sup>1</sup></b>	<b>Total Primary Government</b>	<b>Percentage of Net Taxable Assessed Value of Property <sup>2</sup></b>	<b>Percentage of Personal Income <sup>3</sup></b>	<b>Per Capita <sup>3</sup></b>
2010	\$ 16,635,256	\$ 508,946,484	\$ 8,567,563	\$ 534,149,303	1.11%	2.32%	\$ 857.52
2011	15,063,679	509,959,310	7,766,959	532,789,948	1.27%	2.20%	852.04
2012	13,424,854	488,321,129	6,908,520	508,654,503	1.30%	1.99%	805.69
2013	11,714,048	466,668,088	7,445,903	485,828,039	1.28%	1.79%	752.88
2014	9,793,078	441,584,903	6,335,504	457,713,485	1.22%	1.64%	692.34
2015	7,522,931	405,938,966	5,165,795	418,627,692	1.11%	1.48%	616.07
2016	5,782,782	381,212,806	3,933,922	390,929,510	1.01%	1.36%	556.89
2017	3,800,530	427,136,137	22,636,901	453,573,568	1.14%	1.45%	627.93
2018	1,888,985	415,514,802	17,867,258	435,271,045	1.00%	1.32%	588.82
2019	1,359,440	385,903,467	12,974,659	400,237,566	0.83%	1.09%	530.39

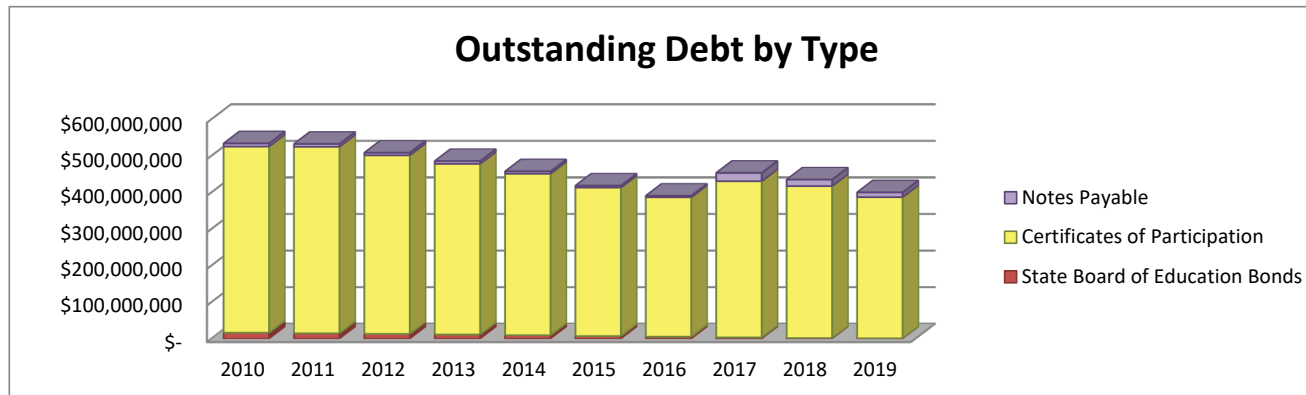
Note: Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

<sup>1</sup> The district did not issue any new debt during 2019

<sup>2</sup> See Table 5 for property value data.

<sup>3</sup> Population and personal income data can be found in Table 13.

Source: District Records



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

	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$ 4,810,658,100	\$ 4,188,676,800	\$ 3,917,579,200	\$ 3,795,256,700	\$ 3,755,983,600	\$ 3,765,276,700	\$ 3,882,309,200	\$ 3,963,275,900	\$ 4,353,170,800	\$ 4,823,109,600
Total bonded debt	16,120,000	14,560,000	12,885,000	11,235,000	9,373,000	7,169,000	5,495,000	3,701,000	1,816,000	1,313,000
Less amount available in Debt Service Funds	438,473	401,473	363,704	306,223	233,871	194,248	132,577	88,102	51,534	29,033
Total amount applicable to debt limit	<u>15,681,527</u>	<u>14,158,527</u>	<u>12,521,296</u>	<u>10,928,777</u>	<u>9,139,129</u>	<u>6,974,752</u>	<u>5,362,423</u>	<u>3,612,898</u>	<u>1,764,466</u>	<u>1,283,967</u>
Legal debt margin on bonded debt	<u>\$ 4,794,976,573</u>	<u>\$ 4,174,518,273</u>	<u>\$ 3,905,057,904</u>	<u>\$ 3,784,327,923</u>	<u>\$ 3,746,844,471</u>	<u>\$ 3,758,301,948</u>	<u>\$ 3,876,946,777</u>	<u>\$ 3,959,663,002</u>	<u>\$ 4,351,406,334</u>	<u>\$ 4,821,825,633</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.67%</u>	<u>99.66%</u>	<u>99.68%</u>	<u>99.71%</u>	<u>99.76%</u>	<u>99.81%</u>	<u>99.86%</u>	<u>99.91%</u>	<u>99.96%</u>	<u>99.97%</u>

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

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of June 30, 2019**  
**(UNAUDITED)**

**FINANCIAL PARAMETERS**

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<b>Direct debt:</b>	
State Board of Education Bonds <sup>(1)</sup>	\$ 1,359,440
Section 1013.23 Loans	12,974,659
Certificates of Participation	<u>385,903,467</u>
<b>Total Direct Debt</b>	400,237,566
<b>Overlapping debt <sup>(2)</sup></b>	
Lee County <sup>(3)</sup>	<u>190,053,000</u>
<b>Total Direct and Overlapping debt</b>	<u><u>\$ 590,290,566</u></u>
Population	754,610
Assessed property valuation (in thousands)	\$ 109,528,126
Net Assessed taxable property valuation (in thousands)	\$ 48,231,096

**DEBT RATIOS**

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<b>Percent of assessed property valuation</b>	
Direct debt	0.37%
Overlapping debt	0.17%
Direct and overlapping debt	0.54%
<b>Percent of net assessed taxable property valuation</b>	
Direct debt	0.83%
Overlapping debt	0.39%
Direct and overlapping debt	1.22%
<b>Per Capita</b>	
Direct debt	\$ 530
Overlapping debt	\$ 252
Direct and overlapping debt	\$ 782

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

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of June 30, 2019.

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

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

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

<b>Fiscal Year</b>	<b>State Board of Education Bonds</b>				<b>Coverage</b>
	<b>Motor Vehicle Tax <sup>1</sup></b>	<b>Principal</b>	<b>Interest</b>		
2010	\$ 2,287,774	\$ 1,485,000	\$ 837,160	0.99	
2011	2,253,026	1,515,000	769,621	0.99	
2012	2,251,424	1,585,000	702,626	0.98	
2013	2,233,830	1,650,000	627,328	0.98	
2014	2,236,557	1,730,000	548,498	0.98	
2015	2,201,187	1,822,000	309,730	1.03	
2016	1,977,534	1,674,000	364,967	0.97	
2017	2,013,091	1,794,000	263,480	0.98	
2018	2,012,373	1,885,000	174,550	0.98	
2019	559,847	503,000	80,300	0.96	

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

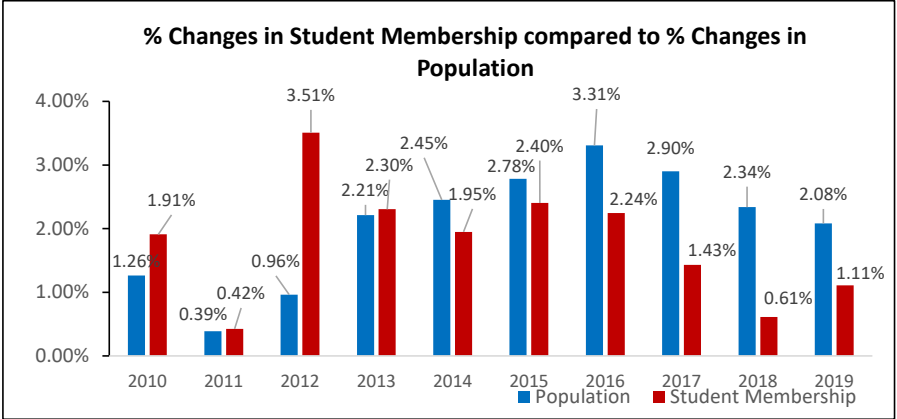
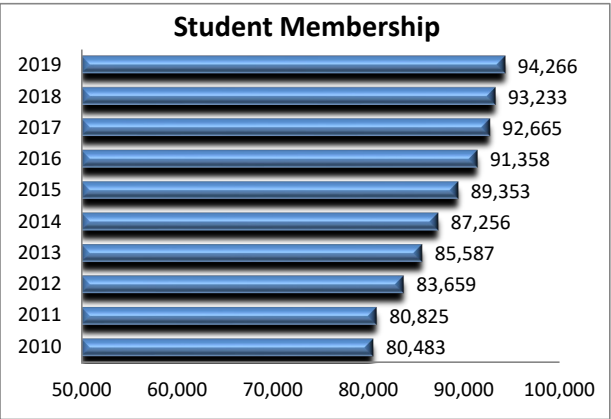
Note 2: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Source: District Records

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

<b>Fiscal Year</b>	<b>Estimated Population <sup>4</sup></b>	<b>Personal Income (thousands of dollars) <sup>1</sup></b>	<b>Per Capita Personal Income <sup>1</sup></b>	<b>Median Age <sup>4</sup></b>	<b>Average Daily School Membership (K through Grade 12) <sup>3</sup></b>	<b>Unemployment Rate % <sup>2</sup></b>
2010	622,900	\$ 22,983,593	\$ 39,160	42.7	80,483	13.0%
2011	625,310	24,271,330	30,363	44.0	80,825	11.7%
2012	631,330	25,496,678	29,445	45.7	83,659	9.3%
2013	645,293	27,161,256	43,022	45.6	85,587	7.4%
2014	661,115	27,856,374	43,169	45.5	87,256	6.1%
2015	679,513	28,292,424	42,795	46.0	89,353	5.2%
2016	701,982	28,704,773	42,243	46.4	91,358	4.6%
2017	722,336	31,296,442	44,583	46.9	92,665	4.2%
2018	739,224	33,060,033	45,768	47.3	93,233	3.8%
2019	754,610	36,786,500	49,764	47.8	94,266	3.5%

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



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

Name	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	13,595	1	4.04%	9,434	1	3.37%
Lee County School Board	12,936	2	3.84%	9,270	2	3.31%
Lee County Government	9,038	3	2.68%	2,364	4	0.85%
Publix Super Markets	4,624	4	1.37%	3,071	3	1.10%
Florida Gulf Coast University	3,430	5	1.02%	993	10	0.35%
Wal-Mart Stores, Inc.	3,067	6	0.91%	1,967	5	0.70%
City of Cape Coral	2,253	7	0.67%	1,409	7	0.50%
Hope Hospice	1,630	8	0.48%	-		0.00%
McDonalds	1,482	9	0.44%	-		0.00%
Florida Southwestern State College	1,441	10	0.43%	-		0.00%
Lee County Sheriff's Office			0.00%	1,585	6	0.57%
Chico's FAS, Inc			0.00%	1,388	8	0.50%
Target	-		0.00%	1,100	9	0.39%
<b>Total</b>	<b>53,496</b>		<b>15.88%</b>	<b>32,581</b>		<b>11.65%</b>

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

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

<b>Fiscal Year</b>	<b>(A) Full-time Instructional</b>	<b>(B) Full-time Administrative</b>	<b>(C) Full-time Support Services</b>	<b>Total</b>
2010	4,908	316	3,415	8,639
2011	4,965	322	3,419	8,706
2012	5,108	325	3,447	8,880
2013	5,281	328	3,525	9,134
2014	5,169	341	3,597	9,107
2015	5,385	345	3,777	9,507
2016	5,476	343	3,525	9,344
2017	5,604	360	3,757	9,721
2018	5,278	370	3,784	9,432
2019	5,770	371	3,762	9,903

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

Source: District Records

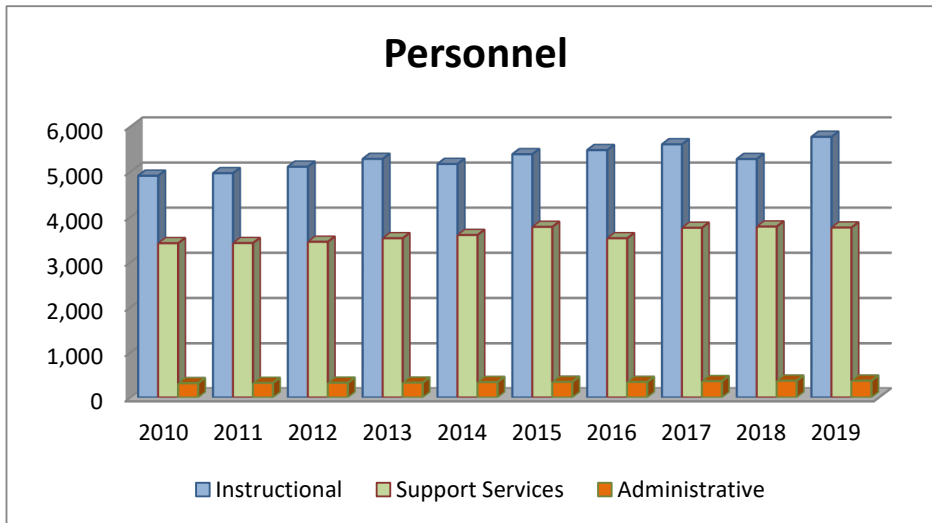
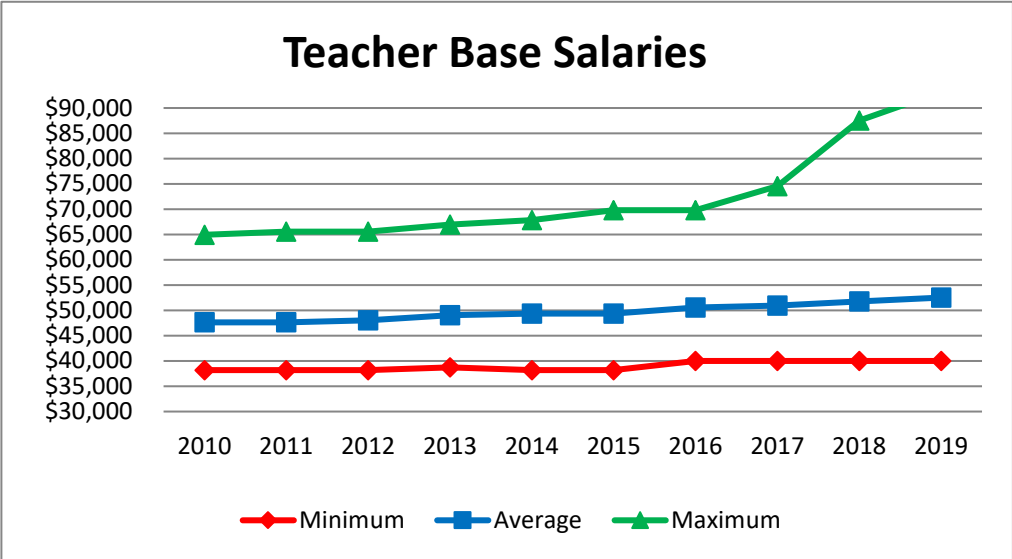


Table 16

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

<b>Fiscal Year</b>	<b>Minimum Salary</b>	<b>Maximum Salary</b>	<b>Average Salary</b>
2010	\$ 38,192	\$ 64,941	\$ 47,628
2011	38,192	65,563	47,628
2012	38,192	65,563	48,056
2013	38,701	66,984	49,028
2014	38,192	67,869	49,377
2015	38,192	69,819	49,392
2016	40,000	69,819	50,568
2017	40,000	74,565	50,960
2018	40,000	87,500	51,744
2019	40,000	93,200	52,528

Source: District Records



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

<b>Fiscal Year</b>	<b>Expenditures</b>	<b>Enrollment</b>	<b>Cost per Student</b>	<b>Percentage Change</b>	<b>Instructional Personnel</b>	<b>Ratio of Students to Instructional Personnel</b>	<b>School Attendance Percentage</b>
2010	\$ 844,372,698	80,483	\$ 10,491	-0.38%	4,908	16.40	93.68%
2011	832,866,342	80,825	10,305	-1.78%	4,965	16.28	93.62%
2012	855,681,250	83,659	10,228	-0.74%	5,108	16.38	93.92%
2013	854,568,103	85,587	9,985	-2.38%	5,281	16.21	93.82%
2014	888,017,880	87,256	10,177	1.93%	5,169	16.88	93.84%
2015	879,344,439	89,353	9,841	-3.30%	5,385	16.59	93.54%
2016	894,186,399	91,358	9,788	-0.54%	5,476	16.68	93.30%
2017	985,186,409	92,665	10,632	8.62%	5,604	16.54	93.19%
2018	1,055,138,777	93,233	11,317	6.45%	5,278	17.66	93.15%
2019	1,052,764,986	94,266	11,168	-1.32%	5,770	16.34	93.16%

Source: District Records

Table 18

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

	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>6/30/2016<sup>1</sup></u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Days Meals were Served	180	180	180	180	180	180	180	180	173	180
Average Number of Free and Reduced Meals Served Daily	51,626	57,503	59,417	59,771	60,856	62,437	53,491	50,075	55,243	47,493
Number of Free and Reduced Meals Served	9,292,739	10,350,523	10,695,067	10,758,865	10,954,113	11,238,624	9,628,290	9,013,571	9,556,954	8,548,683
Average Daily Subsidy Received	\$ 132,221	\$ 148,255	\$ 156,203	\$ 164,343	\$ 172,780	\$ 179,215	\$ 213,502	\$ 232,066	\$ 244,258	\$ 265,793
Total Subsidy Received	\$ 23,799,702	\$ 26,685,835	\$ 28,116,617	\$ 29,581,719	\$ 31,100,325	\$ 32,258,781	\$ 38,430,442	\$ 41,771,877	\$ 42,256,618	\$ 47,842,651
Average Number of Meals Served Daily	62,589	70,205	71,237	70,972	72,297	73,307	78,247	80,444	81,772	84,896
Number of Total Meals Served	11,266,094	12,636,817	12,822,688	12,774,916	13,013,375	13,195,345	14,084,411	14,479,868	14,146,641	15,281,336
Average Daily Revenues	\$ 176,881	\$ 187,805	\$ 196,119	\$ 202,706	\$ 208,263	\$ 214,686	\$ 231,282	\$ 248,950	\$ 264,170	\$ 286,022
Total Revenues	\$ 31,838,517	\$ 33,804,923	\$ 35,301,408	\$ 36,487,013	\$ 37,487,371	\$ 38,643,497	\$ 41,630,724	\$ 44,811,030	\$ 45,701,381	\$ 51,484,039
Average Daily Costs	\$ 150,316	\$ 162,882	\$ 180,511	\$ 192,739	\$ 225,410	\$ 205,006	\$ 221,638	\$ 234,741	\$ 274,572	\$ 264,758
Total Costs	\$ 27,056,893	\$ 29,318,801	\$ 32,491,974	\$ 34,693,021	\$ 40,573,818	\$ 36,901,006	\$ 39,894,897	\$ 42,253,373	\$ 47,500,974	\$ 47,656,364

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

Source: District Records



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

	June 30, 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	June 30, 2019
<b>Elementary Schools</b>										
Allen Park ES (1957)										
Square Feet	112,662	123,105	129,052	129,052	129,052	129,052	129,052	129,052	129,052	129,052
Capacity (students)	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,010	1,010
Enrollment	932	940	954	935	920	953	959	970	997	1,019
Alva School (K-8) (1886) <sup>g</sup>										
Square Feet	47,774	53,572	56,092	56,092	56,791	144,444	144,444	144,444	144,444	144,444
Capacity (students)	391	391	391	391	441	1,089	1,089	1,089	1,089	1,104
Enrollment	394	381	382	401	383	961	985	1,014	1,042	1,064
Bayshore ES (1966)										
Square Feet	85,873	86,380	87,182	87,182	91,368	91,368	91,368	91,368	91,368	91,368
Capacity (students)	693	693	693	693	693	693	693	693	656	656
Enrollment	583	590	620	621	639	613	602	630	640	638
Bonita Springs ES (1916)										
Square Feet	53,595	50,352	50,352	50,352	50,352	50,352	50,352	50,352	50,352	50,352
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	470	436	448	422	464	478	499	517	513	528
Caloosa ES (2000)										
Square Feet	141,632	143,029	133,604	133,604	133,604	133,604	133,604	133,604	133,604	133,557
Capacity (students)	1,085	1,085	1,085	1,085	1,085	1,085	1,085	1,085	992	992
Enrollment	981	939	940	920	912	914	913	938	947	961
Cape Coral ES (1963)										
Square Feet	114,054	113,774	112,871	112,871	112,871	112,871	112,871	112,871	112,871	112,871
Capacity (students)	898	898	898	898	898	898	898	898	838	838
Enrollment	769	739	713	739	735	763	742	736	694	692
Colonial ES (1978)										
Square Feet	109,524	114,769	114,769	114,769	114,983	114,983	114,983	114,983	114,983	114,983
Capacity (students)	922	922	922	922	922	922	922	922	882	882
Enrollment	774	799	743	761	799	789	796	787	847	887
Diplomat ES (1991)										
Square Feet	117,267	119,233	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533
Capacity (students)	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	982	982
Enrollment	906	902	913	915	923	934	932	938	974	992
Edgewood Renaissance (1924)										
Square Feet	105,524	110,849	113,208	113,208	113,208	113,208	113,208	113,208	113,208	113,208
Capacity (students)	741	741	741	741	741	741	741	741	736	736
Enrollment	432	481	553	464	561	553	527	565	599	599
Edison Park ES (1926)										
Square Feet	70,956	74,381	72,843	72,843	72,843	72,843	72,843	72,843	72,843	72,843
Capacity (students)	457	455	455	455	455	455	455	455	455	455
Enrollment	383	365	360	371	374	365	352	355	349	356
Franklin Park ES (1954)										
Square Feet	94,148	93,245	89,228	89,228	89,228	89,228	89,228	89,228	89,228	89,228
Capacity (students)	579	579	579	579	579	579	579	579	579	579
Enrollment	499	479	505	435	442	427	454	474	482	455
Ft Myers Beach ES (1938)										
Square Feet	27,723	30,278	30,634	30,634	30,634	30,634	30,634	30,634	30,634	30,634
Capacity (students)	221	220	220	220	220	220	220	220	204	204
Enrollment	143	134	148	126	134	116	120	121	108	102

(Continued)

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

	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	June 30, 2019
<b>Elementary Schools</b>										
G. Weaver Hipps ES (2009)										
Square Feet	106,076	106,711	106,693	106,693	106,693	106,693	106,693	106,693	106,813	106,813
Capacity (students)	758	758	758	758	758	758	758	758	730	730
Enrollment	561	619	717	749	768	778	779	798	794	831
Gateway ES (1991)										
Square Feet	111,466	113,567	114,113	114,113	114,113	114,113	114,113	114,113	114,273	114,273
Capacity (students)	758	758	736	736	736	736	736	736	713	713
Enrollment	694	679	675	691	712	736	719	736	750	750
Gulf Elementary (1982)										
Square Feet	156,012	162,360	158,586	158,586	158,586	158,586	158,586	158,586	158,586	158,586
Capacity (students)	1,347	1,293	1,275	1,275	1,275	1,275	1,275	1,275	1,230	1,230
Enrollment	1,159	1,175	1,104	1,059	996	1,019	1,044	1,044	1,075	1,116
Hancock Creek ES (1992)										
Square Feet	145,890	146,342	145,802	145,802	145,802	145,802	145,802	145,802	145,802	145,802
Capacity (students)	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	964	964
Enrollment	874	883	878	837	804	821	845	871	883	891
Harns Marsh Elementary (2005)										
Square Feet	120,419	122,700	124,793	124,793	124,793	124,793	124,793	124,793	124,831	124,831
Capacity (students)	912	912	912	912	912	912	912	912	912	912
Enrollment	932	925	927	945	995	985	1,011	1,021	1,048	1,025
Hector Caferata Jr. Elementary (2006)										
Square Feet	71,199	74,726	74,927	74,927	74,927	74,927	74,927	74,927	75,711	75,937
Capacity (students)	883	883	883	883	883	883	883	883	862	862
Enrollment	717	757	752	757	744	689	695	677	674	687
Heights ES (1963)										
Square Feet	154,099	158,152	158,152	158,152	158,152	158,152	158,152	158,152	158,152	158,152
Capacity (students)	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,295	1,295
Enrollment	889	961	988	1,083	1,136	1,181	1,197	1,199	1,196	1,170
J. Colin English ES (1929)										
Square Feet	96,778	98,734	98,193	98,193	98,193	98,193	98,193	98,193	98,193	98,193
Capacity (students)	601	601	601	601	601	601	601	601	584	584
Enrollment	310	364	393	397	427	454	513	461	445	461
James Stephens Int'l Academy (1958) b										
Square Feet	168,406	171,775	175,579	175,579	175,579	175,579	175,579	175,579	175,579	175,579
Capacity (students)	1,077	1,073	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095
Enrollment	664	870	777	756	697	527	730	358	424	515
Lehigh ES (1958)										
Square Feet	149,735	149,855	146,199	146,199	146,199	146,199	146,199	146,199	146,199	146,199
Capacity (students)	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,038	1,038
Enrollment	834	875	1,021	1,048	1,104	1,196	1,179	1,195	1,237	1,198
Littleton ES (1991)										
Square Feet	118,279	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545
Capacity (students)	738	738	738	738	738	738	738	738	736	736
Enrollment	593	538	531	523	535	545	549	530	537	564
Manatee ES (2008)										
Square Feet	127,358	128,642	128,557	128,557	128,557	128,557	128,557	128,557	128,557	128,557
Capacity (students)	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	940	940
Enrollment	781	952	922	877	880	850	937	900	888	883

(Continued)

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

	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	June 30, 2019
<b>Elementary Schools</b>										
Michigan Montessori (K-8) (1964) <sup>b</sup>										
Square Feet	83,627	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Mirror Lakes ES (1998)										
Square Feet	133,702	141,301	143,470	143,470	143,470	143,470	143,470	143,470	143,470	143,470
Capacity (students)	1,061	1,061	1,061	1,061	1,071	1,071	1,071	1,071	960	960
Enrollment	983	1,059	1,123	1,079	1,093	1,115	1,110	1,203	1,125	1,116
North Ft Myers Academy (K-8) (1973)										
Square Feet	205,425	232,632	200,855	200,855	200,855	200,855	200,855	200,855	200,855	200,855
Capacity (students)	1,417	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,367	1,367
Enrollment	1,005	1,012	992	976	1,054	1,115	1,120	1,117	1,104	1,126
Orange River ES (1957)										
Square Feet	97,883	98,124	100,794	100,794	100,799	100,799	100,799	100,799	99,095	99,095
Capacity (students)	817	817	817	817	817	817	817	817	762	762
Enrollment	795	807	830	827	804	817	817	854	856	853
Orangewood ES (1954)										
Square Feet	87,104	90,199	91,612	91,612	91,612	91,612	91,612	91,612	91,612	91,612
Capacity (students)	614	614	614	614	614	614	614	614	606	606
Enrollment	704	608	597	593	583	609	581	579	578	586
Patriot ES (2008)										
Square Feet	125,295	126,217	125,887	125,887	125,887	125,887	125,887	125,887	125,887	125,887
Capacity (students)	1,046	1,046	1,042	1,046	1,046	1,046	1,046	1,046	984	984
Enrollment	744	743	695	675	673	633	687	721	733	747
Pelican ES (1978)										
Square Feet	154,885	151,841	151,740	151,740	151,740	151,740	151,740	151,740	151,740	151,740
Capacity (students)	1,362	1,362	1,388	1,388	1,388	1,388	1,388	1,388	1,287	1,287
Enrollment	1,063	1,017	975	934	925	902	950	938	976	993
Pine Island ES (1955)										
Square Feet	54,391	54,635	54,153	54,153	54,153	54,153	54,153	54,153	54,153	54,153
Capacity (students)	391	391	391	391	391	391	391	391	355	355
Enrollment	294	284	246	242	236	247	217	235	237	234
Pinewoods ES (1992)										
Square Feet	127,328	145,979	145,752	145,752	145,752	145,752	145,752	145,752	145,752	145,752
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	980	980
Enrollment	904	898	931	950	967	1,013	1,080	1,114	1,123	1,139
Ray V. Pottorf Elementary (2005)										
Square Feet	121,453	122,936	124,900	124,900	124,900	124,900	124,900	124,900	124,900	124,900
Capacity (students)	864	864	864	864	864	864	864	864	864	864
Enrollment	616	642	643	649	702	730	727	704	718	759
Rayma Page Elementary (2004)										
Square Feet	117,936	119,637	119,637	119,637	119,637	119,637	119,637	119,637	119,637	119,637
Capacity (students)	846	846	846	846	846	846	846	846	846	846
Enrollment	720	736	777	798	831	856	849	845	826	866
River Hall Elementary (2006)										
Square Feet	124,040	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525
Capacity (students)	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	966	966
Enrollment	915	942	915	934	975	913	960	1,017	1,014	1,049

(Continued)

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

	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	June 30, 2019
<b>Elementary Schools</b>										
San Carlos Park ES (1978)										
Square Feet	120,186	118,053	120,672	120,672	120,672	120,672	120,665	120,665	120,825	120,825
Capacity (students)	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	982	982
Enrollment	827	845	859	898	876	942	996	999	971	942
Skyline ES (1987)										
Square Feet	142,322	145,678	145,961	145,961	145,961	145,961	145,961	145,961	145,961	145,961
Capacity (students)	1,380	1,380	1,412	1,412	1,412	1,412	1,412	1,412	1,282	1,282
Enrollment	966	881	838	859	882	868	908	957	1,048	1,039
Spring Creek ES (1981)										
Square Feet	98,328	99,049	95,575	95,575	95,575	95,575	95,575	95,575	95,575	95,575
Capacity (students)	753	753	735	735	735	735	735	735	709	709
Enrollment	706	713	710	672	721	760	770	757	769	781
Sunshine ES (1986)										
Square Feet	126,484	128,990	129,061	129,061	129,061	129,061	129,061	129,061	129,061	129,061
Capacity (students)	1,191	1,191	1,108	1,108	1,108	1,108	1,108	1,108	1,036	1,036
Enrollment	1,118	1,133	1,143	1,124	1,168	1,218	1,185	1,201	1,185	1,150
Tanglewood Riverside ES (1970)										
Square Feet	98,639	107,392	108,195	108,195	108,195	108,195	108,195	108,195	108,195	108,195
Capacity (students)	786	786	786	786	786	786	786	786	764	764
Enrollment	751	712	714	725	749	774	766	781	753	731
The Sanibel School (K-8) (1962)										
Square Feet	73,577	70,792	80,981	80,981	80,981	80,981	80,981	80,981	80,981	80,981
Capacity (students)	439	439	423	423	423	423	423	423	423	423
Enrollment	368	337	342	337	338	338	315	314	290	266
Three Oaks ES (1987)										
Square Feet	91,616	92,483	93,886	93,886	93,886	93,886	93,886	93,886	93,886	93,886
Capacity (students)	731	731	731	731	731	731	731	731	694	694
Enrollment	745	808	798	810	845	894	900	933	915	942
Tice ES (1927)										
Square Feet	70,443	70,247	69,451	114,593	106,028	106,028	106,028	106,028	106,028	106,028
Capacity (students)	587	587	587	679	616	616	616	616	616	616
Enrollment	495	480	451	485	475	509	567	614	606	597
Tortuga Preserve ES (2012)										
Square Feet	-	-	129,114	129,936	129,936	129,936	129,936	129,936	129,936	129,936
Capacity (students)	-	-	1,050	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Enrollment	-	-	-	723	911	952	941	1,014	1,000	1,008
Trafalgar ES (2004)										
Square Feet	91,577	92,367	92,377	92,377	92,377	92,377	92,377	92,377	92,377	92,377
Capacity (students)	1,036	998	998	998	998	998	998	998	936	936
Enrollment	817	844	844	833	834	815	805	795	797	802
Treeline ES (2008)										
Square Feet	125,155	128,983	129,597	129,597	129,597	129,597	129,597	129,597	129,597	129,597
Capacity (students)	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	994	994
Enrollment	872	914	952	1,014	999	1,027	1,041	1,088	1,076	1,089
Tropic Isles ES (1959)										
Square Feet	110,590	109,921	117,098	117,098	117,098	117,098	117,098	117,098	117,098	117,098
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	968	968
Enrollment	931	933	972	973	925	980	972	975	970	937

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	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
<b>Elementary Schools</b>										
Veterans Park Academy K-8 (2004)										
Square Feet	196,821	202,802	247,972	247,972	247,972	247,972	247,972	247,972	250,055	250,055
Capacity (students)	1,964	1,967	1,945	1,945	1,945	1,945	1,945	1,945	1,898	1,898
Enrollment	1,392	1,448	1,482	1,428	1,497	1,555	1,580	1,608	1,651	1,721
Villas ES (1961)										
Square Feet	112,453	114,894	115,515	115,515	115,515	115,515	115,515	115,515	115,515	115,515
Capacity (students)	881	881	881	881	881	881	881	881	842	842
Enrollment	784	785	788	809	811	808	843	867	860	879

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**THE SCHOOL DISTRICT OF LEE COUNTY  
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	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	June 30, 2019
<b>Middle Schools</b>										
Alva MS (1927) <sup>9</sup>										
Square Feet	83,208	83,882	87,563	87,563	87,563	-	-	-	-	-
Capacity (students)	571	556	556	556	648	-	-	-	-	-
Enrollment	562	506	534	549	549	-	-	-	-	-
Bonita Springs MS (1976)										
Square Feet	126,497	123,971	129,498	129,498	129,498	129,498	129,498	129,498	128,766	128,766
Capacity (students)	988	982	990	990	990	990	990	990	1,012	1,012
Enrollment	625	641	696	779	779	817	866	903	914	927
Caloosa MS (2000)										
Square Feet	132,111	136,609	166,253	166,253	166,253	166,253	166,253	166,253	173,040	173,040
Capacity (students)	1,126	1,137	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159
Enrollment	876	886	895	901	901	896	885	883	831	884
Challenger MS (2008)										
Square Feet	162,113	161,941	161,808	161,808	161,808	161,808	161,808	161,808	161,808	161,808
Capacity (students)	1,367	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366
Enrollment	1,024	1,088	1,083	1,079	1,079	1,089	1,047	1,046	1,035	1,078
Cypress Lake MS (1961)										
Square Feet	137,175	139,611	137,523	137,523	137,523	137,523	137,523	137,523	137,523	137,523
Capacity (students)	896	941	941	941	941	941	941	941	978	978
Enrollment	715	713	731	774	774	829	814	829	865	918
Diplomat MS (1999)										
Square Feet	139,855	146,584	171,107	171,107	171,107	171,107	171,107	171,107	171,107	171,107
Capacity (students)	1,082	1,072	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094
Enrollment	842	841	841	849	849	857	840	823	835	857
Ft Myers Middle Academy (1951)										
Square Feet	125,675	125,676	128,511	128,511	128,511	128,511	128,511	128,511	128,511	128,511
Capacity (students)	954	952	952	952	952	952	952	952	952	952
Enrollment	536	617	522	488	488	469	570	520	501	572
Gulf Middle (1981)										
Square Feet	129,821	131,988	131,834	131,834	131,834	131,834	131,834	131,834	131,834	131,834
Capacity (students)	1,048	1,046	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024
Enrollment	798	826	778	789	789	813	793	787	786	810
Harnes Marsh MS (2012)										
Square Feet	-	-	163,814	164,662	164,662	164,662	164,662	164,662	164,664	164,664
Capacity (students)	-	-	1,345	1,325	1,325	1,325	1,325	1,325	1,357	1,357
Enrollment	-	-	-	1,066	1,066	1,114	1,040	1,145	1,225	1,334
Lehigh Acres MS (1982)										
Square Feet	127,054	130,421	130,421	130,421	130,421	130,421	130,421	130,421	130,421	130,421
Capacity (students)	1,175	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
Enrollment	988	1,034	1,134	1,064	1,045	1,069	1,157	1,223	1,302	1,346
Lexington Middle School (2005)										
Square Feet	175,499	169,591	172,672	172,672	172,672	172,672	172,672	172,672	172,672	172,672
Capacity (students)	1,147	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146
Enrollment	909	899	896	914	933	990	1,036	1,084	1,113	1,132

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<b>Middle Schools</b>										
Mariner MS (2004)										
Square Feet	135,183	149,247	151,198	151,198	151,198	151,198	151,198	151,198	151,244	151,244
Capacity (students)	1,268	1,270	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294
Enrollment	942	866	849	911	919	881	883	890	875	1,011
Oak Hammock MS (2009)										
Square Feet	153,490	160,262	160,246	160,246	160,246	160,246	160,246	160,246	160,246	160,246
Capacity (students)	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,405
Enrollment	1,165	1,224	1,260	1,071	1,088	1,164	1,163	1,324	1,410	1,513
Paul Laurence Dunbar MS (1962)										
Square Feet	163,548	161,250	157,828	157,828	157,828	157,828	157,828	157,828	157,828	157,828
Capacity (students)	1,126	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
Enrollment	879	806	848	933	969	904	855	943	985	1,022
Three Oaks MS (1991)										
Square Feet	144,127	145,838	152,119	152,119	152,119	152,119	152,119	152,119	152,119	152,119
Capacity (students)	1,097	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Enrollment	795	817	851	900	938	974	969	991	1,035	1,056
Trafalgar MS (1989)										
Square Feet	143,159	141,307	145,346	145,346	145,346	145,346	145,346	145,346	145,346	145,346
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	819	855	832	847	843	874	908	906	895	907
Varsity Lakes MS (2004)										
Square Feet	160,890	160,998	160,998	160,998	160,998	160,998	160,998	160,998	160,998	160,998
Capacity (students)	1,162	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
Enrollment	912	1,000	1,097	956	998	1,053	1,055	1,146	1,227	1,315

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	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	June 30, 2019
<b>High Schools</b>										
Bonita Springs HS (2019)										
Square Feet	-	-	-	-	-	-	-	-	-	205,112
Capacity (students)	-	-	-	-	-	-	-	-	-	1,596
Enrollment	-	-	-	-	-	-	-	-	-	680
Cape Coral Sr HS (1978)										
Square Feet	263,353	270,155	272,847	272,847	272,847	272,847	272,847	272,847	272,908	272,908
Capacity (students)	1,855	1,853	1,843	1,843	1,843	1,843	1,843	1,843	1,830	1,830
Enrollment	1,556	1,493	1,444	1,519	1,577	1,591	1,549	1,566	1,539	1,563
Cypress Lake Sr HS (1967)										
Square Feet	276,380	270,449	269,521	269,521	269,521	269,521	269,378	269,378	270,647	270,647
Capacity (students)	1,706	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,690	1,690
Enrollment	1,532	1,442	1,447	1,481	1,369	1,466	1,532	1,564	1,576	1,503
Dunbar HS (2000)										
Square Feet	210,097	210,611	234,470	121,018	121,018	255,430	255,430	255,430	255,430	255,430
Capacity (students)	1,249	1,254	1,225	697	712	1,912	1,912	1,912	1,866	1,866
Enrollment	716	737	861	875	1,058	1,277	1,718	1,773	1,904	1,959
East HS (2006)										
Square Feet	313,853	318,740	312,333	312,333	312,333	312,333	312,333	312,333	316,893	316,893
Capacity (students)	2,049	2,057	2,057	2,057	2,057	2,057	2,057	2,057	2,035	2,035
Enrollment	1,499	1,530	1,597	1,593	1,644	1,726	1,822	1,996	1,788	1,697
Estero Sr HS (1985)										
Square Feet	267,550	270,953	272,710	272,710	272,710	272,710	272,710	272,710	272,710	272,710
Capacity (students)	1,710	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,719	1,719
Enrollment	1,424	1,434	1,480	1,573	1,667	1,657	1,708	1,773	1,727	1,583
Ft Myers Sr HS (1921)										
Square Feet	276,928	274,864	264,335	264,335	264,335	264,335	264,335	264,335	264,048	264,048
Capacity (students)	1,960	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963
Enrollment	1,728	1,802	1,790	1,853	1,857	1,866	1,814	1,889	1,938	1,929
Ida S. Baker HS (2005)										
Square Feet	313,559	314,162	309,507	309,507	309,507	309,507	309,507	309,507	309,507	309,507
Capacity (students)	1,995	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,993	1,993
Enrollment	1,832	1,704	1,710	1,659	1,683	1,746	1,718	1,764	1,758	1,712
Island Coast HS (2008)										
Square Feet	266,259	264,356	269,599	269,599	269,599	269,599	268,866	268,866	268,866	268,866
Capacity (students)	2,060	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,059
Enrollment	1,444	1,517	1,522	1,480	1,386	1,429	1,545	1,536	1,529	1,530
Lehigh Sr HS (1994)										
Square Feet	286,602	308,610	289,278	289,278	289,278	289,278	289,278	289,278	289,278	325,696
Capacity (students)	1,825	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	2,546
Enrollment	1,321	1,414	1,575	1,775	1,689	1,774	1,718	1,954	2,119	2,264
Mariner Sr HS (1986)										
Square Feet	253,905	256,523	258,181	258,181	258,181	258,181	258,181	258,181	258,181	258,872
Capacity (students)	1,724	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,715	1,715
Enrollment	1,402	1,361	1,436	1,437	1,485	1,507	1,481	1,486	1,495	1,514
North Ft Myers Sr HS (1960)										
Square Feet	254,877	257,992	258,399	258,399	258,399	258,399	258,399	258,399	258,399	258,399
Capacity (students)	1,859	1,858	1,804	1,804	1,804	1,804	1,804	1,804	1,794	1,794
Enrollment	1,512	1,517	1,578	1,585	1,572	1,624	1,612	1,695	1,827	1,839

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<b>High Schools</b>										
Riverdale High 6-12 (1972)										
Square Feet	250,474	246,290	250,303	250,303	250,303	250,303	250,303	250,303	257,634	257,634
Capacity (students)	2,028	2,029	2,040	2,040	2,040	2,040	2,040	2,040	2,024	2,024
Enrollment	1,541	1,594	1,758	1,901	1,830	1,943	1,975	2,058	2,256	2,268
South HS (2006)										
Square Feet	312,519	313,589	309,136	309,136	309,136	309,136	309,096	309,096	310,208	310,208
Capacity (students)	2,054	2,057	2,077	2,077	2,077	2,077	2,127	2,127	2,107	2,107
Enrollment	1,473	1,651	1,676	1,758	1,711	1,796	1,912	1,904	1,889	1,821

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	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	June 30, 2019
<b>Special Schools</b>										
ALC West (2008) <sup>h</sup>										
Square Feet	22,566	22,566	22,566	22,566	22,566	22,566	22,566	-	-	-
Capacity (students)	265	265	265	265	265	265	265	-	-	-
Enrollment	163	177	141	97	110	85	61	-	-	-
Buckingham Exceptional Ctr (1984)										
Square Feet	27,880	28,551	32,552	32,552	32,552	32,552	32,552	32,552	32,552	32,552
Capacity (students)	100	100	100	100	100	100	100	100	100	100
Enrollment	109	105	99	98	87	88	90	87	81	88
Cape Coral Technical College (1991) <sup>e</sup>										
Square Feet	61,927	64,842	64,798	64,798	64,798	64,798	64,798	64,798	64,410	64,410
Capacity (students)	324	324	324	324	324	324	324	324	342	342
Enrollment <sup>d</sup>	28	28	27	-	-	-	-	-	-	-
Ft. Myers Technical College (1966) <sup>e</sup>										
Square Feet	182,684	184,153	184,255	184,255	184,255	184,255	184,255	184,255	184,255	184,255
Capacity (students)	648	649	654	654	654	654	654	654	654	654
Enrollment <sup>d</sup>	55	62	53	-	-	-	-	-	-	-
Lee County Public Service Academy (1964) <sup>c</sup>										
Square Feet	83,627	85,846	106,068	106,068	106,068	106,068	106,068	106,068	106,068	106,068
Capacity (students)	737	741	270	270	270	270	270	270	270	270
Enrollment	-	-	-	-	-	-	-	-	-	-
New Directions School (1993)										
Square Feet	141,483	147,758	145,027	145,027	145,027	145,027	145,027	145,027	145,018	145,018
Capacity (students)	615	614	636	636	636	636	636	636	678	678
Enrollment	490	462	360	374	353	283	227	320	335	405
Royal Palm Exceptional (1994)										
Square Feet	59,332	59,484	60,347	60,347	60,347	60,347	60,347	60,347	60,347	60,347
Capacity (students)	230	230	230	230	230	230	230	230	230	230
Enrollment	165	173	161	170	152	128	155	168	171	170

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	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	June 30, 2019
<b>Ancillary Facilities</b>										
Adams Building (1974) <sup>f</sup>										
Square Feet	64,320	64,320	64,320	64,320	-	-	-	-	-	-
Dunbar Community (1910)										
Square Feet	22,301	21,465	21,153	21,153	21,153	21,153	21,153	21,153	21,153	21,153
Food Service Warehouse (1960)										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Gwynne Building (1911)										
Square Feet	19,692	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395
Hipps Building (1955) <sup>f</sup>										
Square Feet	40,222	39,184	39,184	39,184	-	-	-	-	-	-
Maintenance (1972)										
Square Feet	63,801	62,762	62,762	62,762	62,762	62,762	62,762	62,762	62,762	62,762
New Administrative Complex (1986) <sup>a</sup>										
Square Feet	298,859	288,475	309,577	309,577	309,577	309,577	310,001	310,001	310,253	310,253
R&R Building (1975)										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	9,984	9,984	9,984	9,984
Supply (1960)										
Square Feet	18,308	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417
Transportation Central (1960)										
Square Feet	28,307	28,852	28,909	28,909	28,909	28,909	28,909	28,909	28,909	28,909
Transportation East (2004)										
Square Feet	6,568	6,351	9,361	9,361	9,361	9,361	9,361	9,361	9,361	9,361
Transportation Leonard (2009)										
Square Feet	25,124	25,125	24,699	24,699	24,699	24,699	24,699	24,699	24,699	24,699
Transportation West (1995)										
Square Feet	20,492	22,602	28,685	28,685	28,685	28,685	28,685	28,685	28,685	28,685
Transportation 6 Mile Cypress (2004)										
Square Feet	26,965	25,540	39,729	39,729	39,729	39,729	39,729	39,729	39,729	39,729

Source: District Facilities Office

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

<sup>a</sup> New administrative complex was purchased in 2005 but was originally built in 1986.

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

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

<sup>d</sup> Students reported under home high school beginning 2013.

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

<sup>f</sup> Building was sold July 2013.

<sup>g</sup> Alva Middle was combined with Alva Elementary and renamed Alva School K-8 beginning 2015.

<sup>h</sup> ALC West was closed at the end of 2016.

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



Certified Public Accountants

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

School Board and Superintendent  
School District of Lee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School District of Lee County, Florida (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 7, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated January 7, 2020.

### **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.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
January 7, 2020



Certified Public Accountants

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

School Board and Superintendent  
School District of Lee County, Florida

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

We have audited the compliance of the School District of Lee County, Florida (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.



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

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

*A significant deficiency in internal control over compliance* is a *deficiency*, or a combination of deficiencies, in *internal control over compliance* with a type of compliance requirement of a federal program that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in *internal control over compliance* described in the accompanying Schedule of Findings and Questioned Costs as Finding 2019-001 to be a *significant deficiency*.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 7, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

School Board and Superintendent  
School District of Lee County, Florida

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

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
January 7, 2020

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Pass Through Grantor Number	Total Expenditures
<b>Clustered</b>			
<b>Child Nutrition Cluster</b>			
United States Department Of Agriculture:			
Florida Department Agriculture & Consumer Services:			
School Breakfast Program	10.553	17002	\$ 10,270,667
National School Lunch Program	10.555	17001, 17003	35,847,379
Summer Food Service Program for Children	10.559	17006, 17007	761,851
<b>Total Child Nutrition Cluster</b>			<b>46,879,896</b>
<b>United States Environmental Protection Agency</b>			
United States Department Of Education:			
National Clean Diesel Emissions Reduction Program	66.039	N/A	200,000
<b>Student Financial Assistance Cluster</b>			
United States Department Of Education:			
Federal Pell Grant Program	84.063	N/A	2,237,267
<b>Special Education Cluster:</b>			
United States Department Of Education:			
Florida Department of Education:			
Special Education-Grants To States	84.027	262, 263	19,539,773
Special Education-Preschool Grants	84.173	266, 267	615,767
<b>Total Special Education Cluster</b>			<b>20,155,540</b>
<b>Not Clustered</b>			
<b>United States Department Of Agriculture:</b>			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4895	1,507,851
Florida Department Agriculture & Consumer Services:			
Fresh Fruit and Vegetable Program	10.582	17004	373,202
Team Nutrition Grants	10.574		-
<b>Total United States Department of Agriculture</b>			<b>1,881,053</b>
<b>United States Department Of Defense:</b>			
Army Junior Reserve Officers Training Corps		N/A	2,162,154
<b>United States Department Of Education:</b>			
Impact Aid (Title VIII of ESEA)	84.041	N/A	39,709
Magnet Schools Assistance	84.165	N/A	2,189,429
Teacher Incentive Fund	84.374	N/A	1,014,270
Florida Department of Education:			
Adult Ed -Basic Grants to States	84.002	191, 193	1,303,389
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	27,479,036
Migrant Education - State Grant Program	84.011	217	377,104
Career and Technical Education - Basic Grants to States	84.048	161	1,336,630
Education for Homeless Children and Youth	84.196	127	86,471
Charter Schools	84.282	298	-
21st Century Community Learning Centers	84.287	244	206,449
English Language Acquisition Grants	84.365	102	1,596,460
Supporting Effective Instruction State Grant	84.367	224	3,869,191
Title I Grants to Local Educational Agencies	84.377	126	779,526
Student Support and Academic Enrichment Program	84.424	241	996,196
Hurricane Education Recovery	84.938	105	3,343,696
<b>Total United States Department of Education</b>			<b>44,617,557</b>
<b>United States Department Of Health &amp; Human Services:</b>			
Mental Health Awareness Training	93.243	N/A	50,832
Head Start	93.600	N/A	7,891,842
<b>Total United States Department of Health &amp; Human Services</b>			<b>7,942,674</b>
<b>United States Department Of Homeland Security</b>			
Disaster Grants - Public Assistance	97.036	N/A	546,361
<b>Total Expenditures of Federal Awards</b>			<b>\$ 126,622,501</b>

- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lee County District School Board under programs of the Federal government for the fiscal year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance:
  - a. National School Lunch Program – includes \$24,093 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
  - b. Child Care Food Program – includes \$77,461 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Impact Aid. Expenditures are related to grant number/program 19-FL-2018-2902.
- (6) Head Start. Expenditures include \$73,760 for grant number/program year 04CH4749/04, \$117,503 for grant number/program year



# SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended June 30, 2019

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

### **2019-001 – Fort Myers Technical College – Pell Grant CFDA #84.063**

#### **Type of Finding – Significant Deficiency**

##### **Condition:**

During our audit, we noted that as part of its monitoring the District's internal audit department issued an internal audit report that identified a weakness in the management and disbursement of the Title IV Pell Grant funds at the Fort Myers Technical College ("College"). Those findings are as follows:

- Disbursements were not being consistently posted to student accounts in the College's accounting software.
- There was no monthly reconciliation process to assure disbursement of various funding sources.
- 1098t forms issued to students were potentially inaccurate due to student accounts not being posted correctly in the College's accounting software.
- Financial aid codes to the state were often inaccurate.
- Official high school transcripts were not always available.

Due to the issues noted above, the District assigned three accounting staff from the District to the College to examine all student ledgers for the fiscal year 2018-2019. This examination disclosed that the College owed students a total of \$18,815 in Pell Grant funds. In addition, it was disclosed that students owed the College a total of \$49,763, some of which were Pell Grant Funds. The District's management has foregone the collection of the monies owed to the College.

##### **Effect:**

Approximately \$18,815 in Pell Grant funds received by the College were not paid timely to the students.

##### **Cause:**

The College did not have appropriate policies and procedures to ensure the proper management and oversight of Pell Grant funds.

##### **Criteria:**

34 CFR Part 668.164 requires that payment be made within the appropriate payment period.

##### **Recommendation:**

We recommend that the District implement the recommendations made by the District's internal auditor and to perform additional monitoring procedures during the next fiscal year.

**SCHOOL DISTRICT OF LEE COUNTY, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***

**For the Year Ended June 30, 2019**

**Section IV - Prior Year Audit Findings**

No matters were reported.



## MANAGEMENT'S RESPONSE

### Management Response to Independent Auditor's Report on Major Federal Programs

The School District of Lee County accepts the significant deficiency detailed in the Report on Major Federal Programs. As noted in the finding, after the Internal Audit Department discovered potential problems, the District assigned three accounting staff to examine every ledger for fiscal year 2019, and correct issues where found. That examination led to an understanding of the types of errors commonly made, and the development of a plan of action to prevent further issues.

The addition of two new positions (a business process analyst and a bursar) was implemented immediately to supply necessary manpower to document and train new processes and procedures. The new staff is in the process of fully documenting financial aid procedures, to include:

- Development of billing calendars for an Accounting Specialist to follow to ensure students are billed timely and accurately.
- Utilization of alerts in FOCUS to notify staff when students have not been billed, but are enrolled
- Financial Aid Handbook updated to include the order in which financial aid should be applied, specifically useful when a student has multiple financial aid types.
- Establishment of a daily "cash out" process to reconcile outside disbursements in FOCUS to financial aid deposited in internal fund account.
- Consolidation of financial aid records into one file (currently in multiple) to improve communication and accuracy of student financial aid profile.

In addition, monthly reconciliations (as suggested in the internal audit report) will be established, and District accounting staff from the Business Services Division will independently examine selected samples of ledgers on a periodic and ongoing basis to ensure compliance with the new processes and procedures.

We believe implementation of these steps will prevent future issues, and take seriously our responsibility to correct this significant deficiency.

Sincerely,  
Dr. Ami Desamours  
Chief Financial Officer



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

School Board and Superintendent  
School District of Lee County, Florida

### Report on Financial Statements

We have audited the financial statements of the School District of Lee County, Florida (the "District") as of and for the year ended June 30, 2019, and have issued our report thereon dated January 7, 2020.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report 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 January 7, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. In connection with our audit, there were no findings or recommendations.

### Financial Condition

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



School Board and Superintendent  
School District of Lee County, Florida

### **Financial Condition (Cont.)**

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

### **Transparency**

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

### **Additional Matters**

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In conjunction with our audit, we noted matters discussed in Section III of the Schedule of Findings and Questioned Costs.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the School District Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
January 7, 2020



## INDEPENDENT ACCOUNTANT'S REPORT

School Board and Superintendent  
School District of Lee County, Florida

We have examined the School District of Lee County, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended June 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2019.

*MSL, P.A.*

Certified Public Accountants

Tampa, Florida  
January 7, 2020



## **THE SCHOOL DISTRICT OF LEE COUNTY**

**Gwynetta S. Gittens, District 5 (Chair)**  
**Chris N. Patricca, District 3 (Vice Chair)**

**Mary Fischer, District 1**  
**Melisa W. Giovannelli, District 2**  
**Debbie Jordan, District 4**  
**Betsy Vaughn, District 6**  
**Cathleen O'Daniel Morgan, District 7**

**Dr. Gregory K. Adkins, Superintendent**

**[www.leeschools.net](http://www.leeschools.net)**

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

**2855 Colonial Boulevard**  
**Fort Myers, FL 33966-1012**  
**(239) 334-1102**