

PASCO TOGETHER



Comprehensive Annual Financial Report (CAFR)

Fiscal Year Ended June 30, 2019



TOGETHER WE LEAD



TOGETHER WE STAND

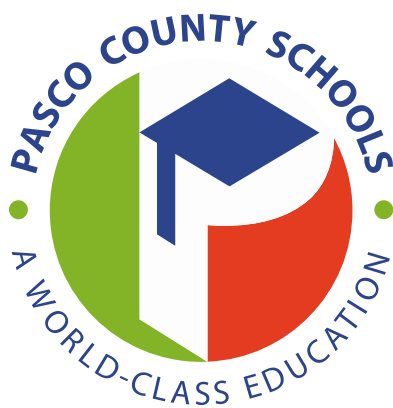


TOGETHER WE LEARN



Pasco County Schools

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



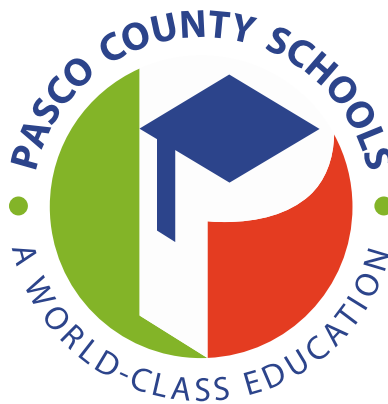
Comprehensive Annual Financial Report

of the

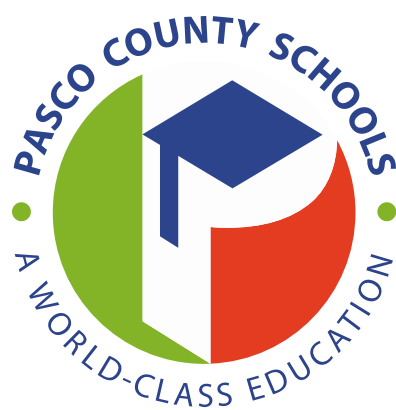
District School Board of Pasco County
Land O' Lakes, Florida

for the

Fiscal Year Ended June 30, 2019



Issued by:
Finance Services Department



District School Board of Pasco County Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019

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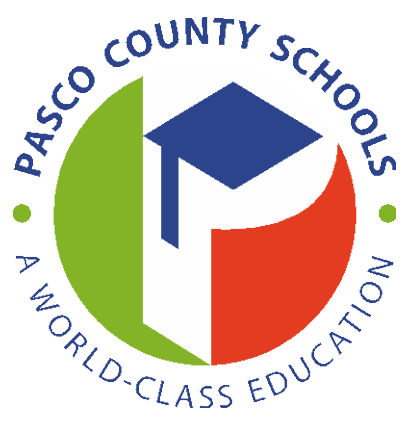
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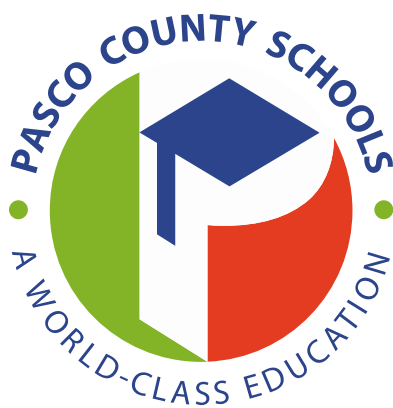
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INTRODUCTORY SECTION





Pasco County Schools

Kurt S. Browning, Superintendent of Schools

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

January 30, 2020

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

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

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

The Florida Auditor General has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 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 presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the School District

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

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

The geographic boundaries of the District are those of Pasco County. During the 2018-2019 fiscal year, the District operated 83 schools, including 49 elementary schools, 15 middle schools, 14 high schools, Pasco eSchool and 4 specialized schools; and sponsored 11 charter schools. The District reported serving 74,324 full-time equivalent students for the 2018-2019 fiscal year and projects it will enroll 75,725 students for the 2019-2020 school year.

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

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population is predominately white (61 percent). Other ethnicities include: Hispanic (23 percent), black (8 percent), and Asian/American Indian/Pacific Islander/Alaskan Native/Other (8 percent).

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

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

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

Economic Condition and Outlook

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

Since calendar year 2010, the population of Pasco County increased 23.3 percent to an estimated 539,630 in calendar year 2019. For the calendar year 2018, the Florida Price Level Index for School Personnel, which is prepared by the Florida Polytechnic University under the direction of the Florida Department of Education, ranked Pasco County 27th of 67 counties in the State with a value of 97.76.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 97.76 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (100.38) and Pinellas (99.61), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 10,353 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Financial Information

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

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

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

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance (assigned and unassigned fund balance) at June 30, 2019, in the general fund is \$57,320,934 or 10.07 percent of total general fund expenditures. The District has appropriated \$1,958,645 of this amount for spending in the 2019-2020 fiscal year.

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

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

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

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

Accomplishments

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

We currently offer the International Baccalaureate (IB) Program at Gulf and Land O' Lakes High Schools, the IB middle years program at Pine View Middle School and the primary years program at Pine View Elementary School. We are expanding this implementation to include Gulf Middle School and Richey Elementary School in the next three years. We offer the esteemed Cambridge Assessment International Education and AICE Diploma program at Anclote and Pasco High Schools, Pasco and Paul R. Smith Middle Schools, and San Antonio Elementary School. This program will also be offered at Northwest Elementary School, Hudson Middle School and Hudson High School next year, and we plan to include this opportunity at additional

elementary schools over the next few years. We continue to expand our career and technical programs, and students can take honors, Advanced Placement, and Dual Enrollment classes at the middle and high school levels. We also offer the nationally-recognized college readiness program, AVID, at multiple schools at every level. Our Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program. In 2015, we re-opened Sanders Memorial Elementary School as the District's first magnet school with a focus on STEAM (Science, Technology, Engineering, Arts, and Math) education, and in the 2016-2017 school year we added STEM magnet programs at Bayonet Point and Centennial Middle Schools. Finally, we continue to expand charter school options.

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

Our Pasco eSchool is one of Florida's premier online education programs, boasting some of the highest completion rates and assessment scores in the state and the second highest enrollment of any Florida school district virtual education program. In 2019, several members of the program's staff have garnered statewide and national recognition for excellence in online teaching, and the program has been ranked favorably in national rankings published by US News and World Report and Niche.

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

On measures of student achievement, such as the District's graduation and drop-out rates, Pasco continues to exceed the state average. Graduation rates are released by the State in late Fall each year. Last year, under the Florida calculation rate, Pasco had an 86.7 percent graduation rate (79.2% for Students with Disabilities), almost 5.3 percentage points higher than the previous year. The District monitors various academic measures including state assessments used as graduation requirements. In Pasco, 53 percent of 10th grade students scored a Level 3 or higher on the FSA ELA (same as the state), and 60 percent of students scored a Level 3 or higher on the Algebra 1 EOC (compared to 62% at the state). This increased graduation rate and steady performance is a reflection of Pasco's key priorities: high impact instruction, data-driven decisions, and collaborative culture.

Studies clearly indicate that student success is linked to teacher quality. The District has continued its commitment to recruiting and retaining highly qualified individuals to educate Pasco County students. In the 2018-19 school year, 37% percent of instructional staff in Pasco County Schools had earned a Master's Degree. This percentage is consistent with prior years. The percentage of voluntary departures for the 2018-19 school year was 11.97%, which is below the national educational standard. The number of first day vacancies was slightly higher for the 2018-19 school year, with a total of 118 positions going unfilled on the first day, compared to 104 vacancies starting the 2017-18 school year. As such, the district is refining its strategic recruitment plan including development of a New Teacher Academy in two high schools, revamped Teacher Prep program for current employees and use of online learning platforms. It is the districts goal to

staff all schools with elite educators in order to provide Pasco County students with unlimited opportunities to achieve a world class education that will prepare them to be lifelong learners.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the "ASBO") awarded its Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the eighteenth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Acknowledgements

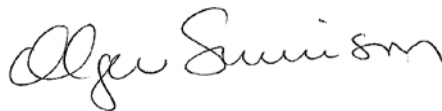
The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Finance Services Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

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

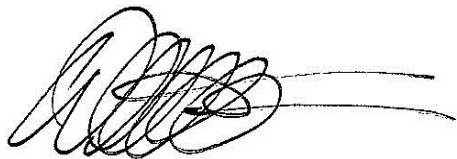
Respectfully submitted,



Mr. Kurt S. Browning
Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer



Mr. Dominick Cristofaro
Director of Finance Services



Government Finance Officers Association

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

Presented to

**District School Board of Pasco County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

District School Board of Pasco County

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

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

List of Principal Officials As of June 30, 2019

Principal Officials – Elected

Mr. Kurt S. Browning , Superintendent of Schools Present Term Expires	November 2020
Ms. Colleen Beaudoin , Chairman, Member from District 2 Present Term Expires	November 2020
Mr. Allen Altman , Vice-Chairman, Member from District 1 Present Term Expires	November 2022
Ms. Cynthia Armstrong , Member from District 3 Present Term Expires	November 2022
Ms. Alison Crumbley , Member from District 4 Present Term Expires	November 2020
Ms. Megan Harding , Member from District 5 Present Term Expires	November 2022

Principal Officials – Appointed

ADMINISTRATORS

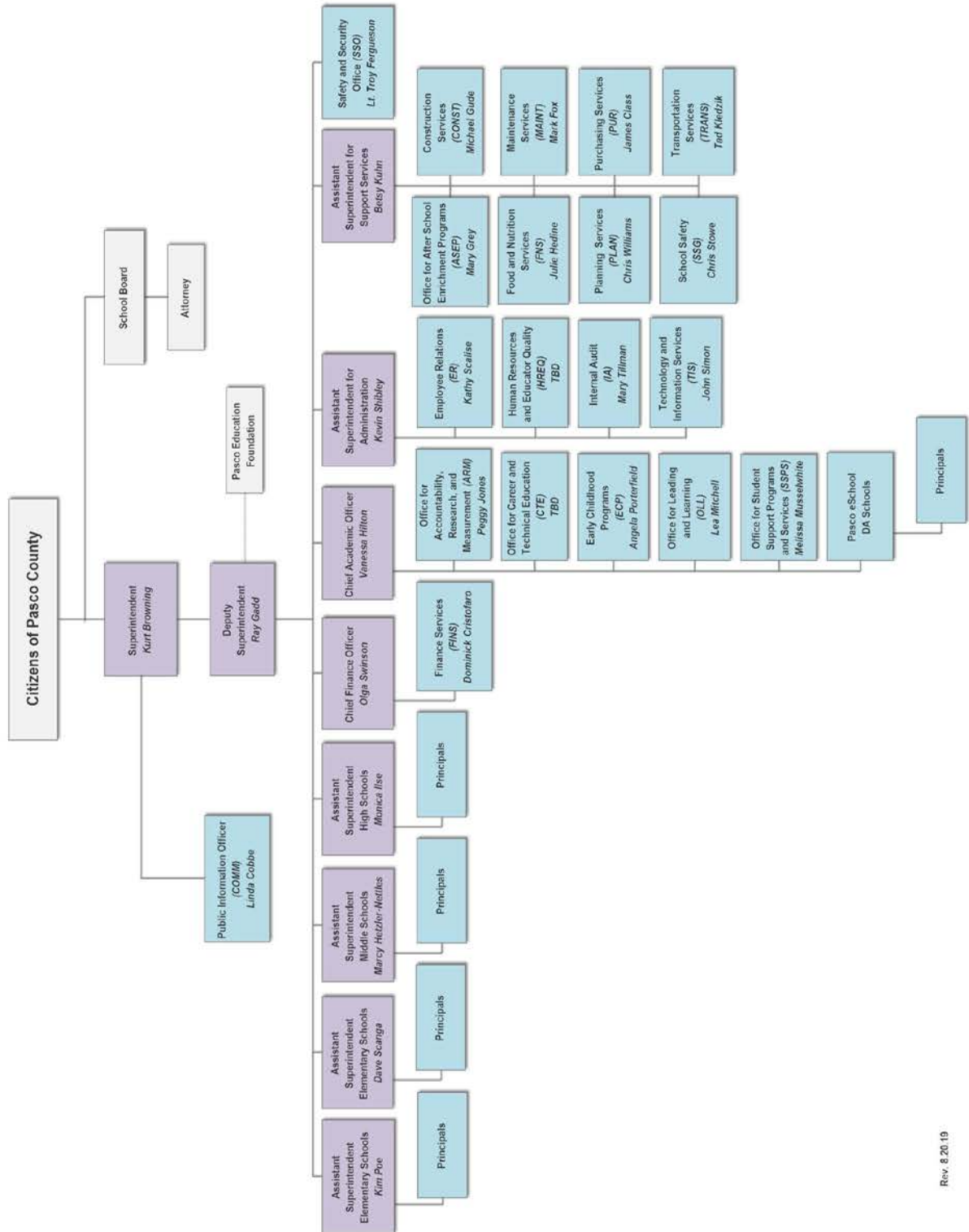
Ray Gadd, Deputy Superintendent

Olga Swinson, CPA, CGFM, Chief Finance Officer

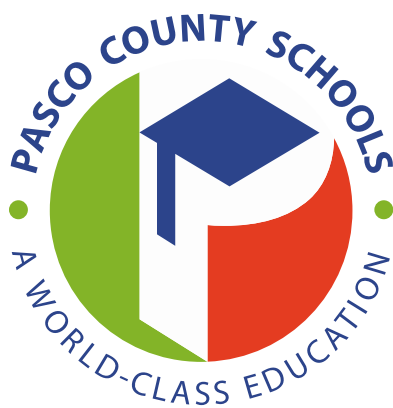
Vanessa Hilton, Chief Academic Officer

Kevin Shibley, Esq., Assistant Superintendent for Administration
Elizabeth Kuhn, Esq., Assistant Superintendent for Support Services
Marcy Hetzler-Nettles, Assistant Superintendent for Middle Schools
Dr. Dave Scanga, Assistant Superintendent for Elementary Schools
Dr. Monica Ilse, Assistant Superintendent for High Schools
Kimberly Poe, Assistant Superintendent for Elementary Schools

ORGANIZATIONAL CHART District School Board of Pasco County

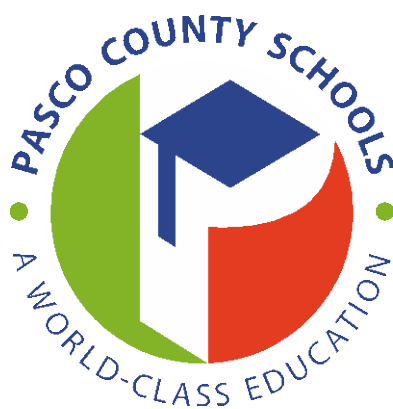


FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS





Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of and for the fiscal 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 aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and major special revenue funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis**, the **Schedule of Changes in the District School Board's Net Pension Liability and Related Ratios – Early Retirement Plan**, **Schedule of Contributions – Early Retirement Plan**, **Schedule of Investment Returns – Early Retirement Plan**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios – Other Postemployment Benefits**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of the District's Contributions – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**, and **Schedule of the District's Contributions – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 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, rules, regulations, contracts, and grant agreements and other matters included under the heading **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**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or

on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a small initial between them.

Sherrill F. Norman, CPA
Tallahassee, Florida
January 23, 2020
Audit Report No. 2020-108

MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2019**

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

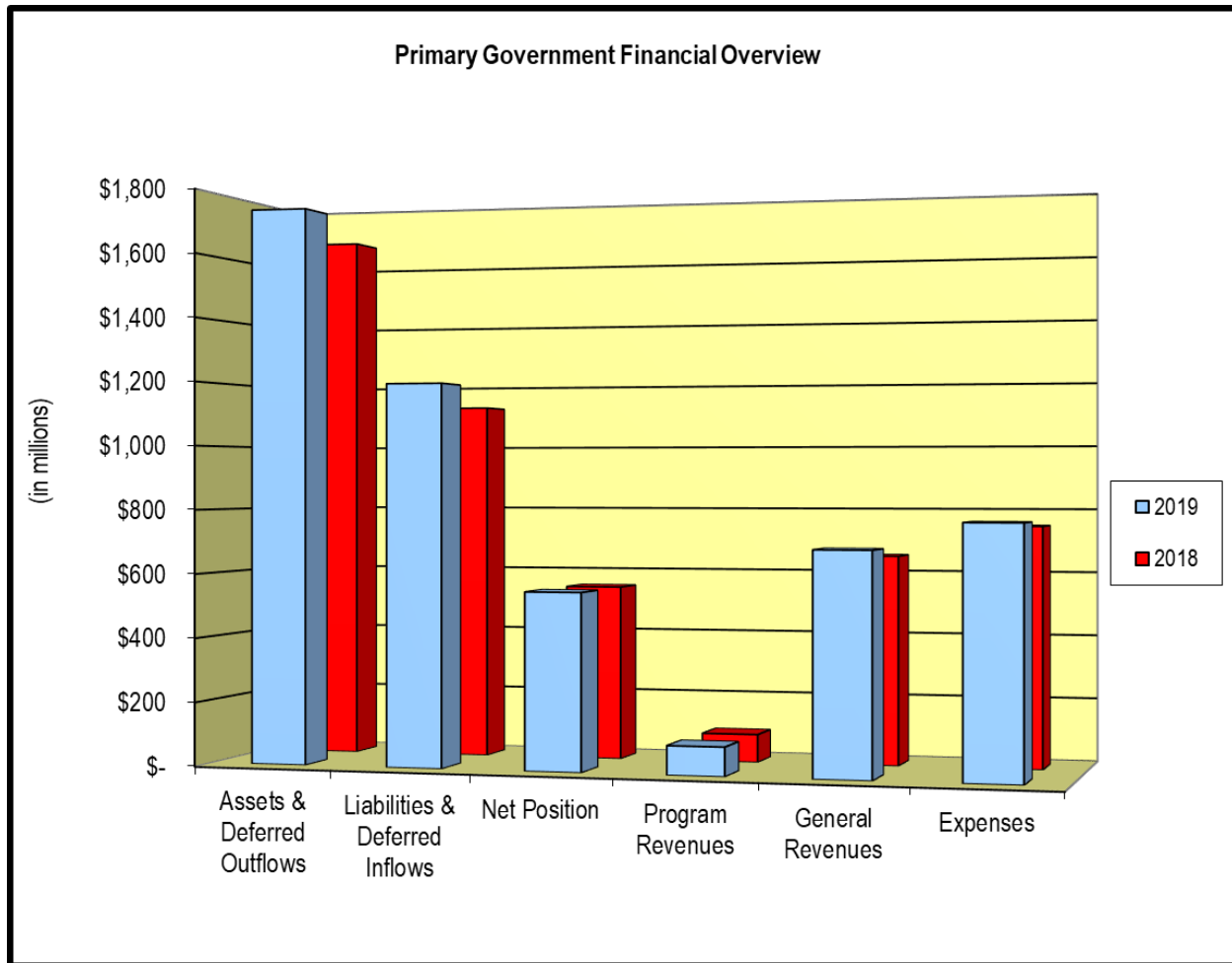
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2018-2019 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2019, by \$550,295,301.
- The District's total net position increased by \$8,758,224.
- Total revenues of \$787,080,635 were comprised of general revenues in the amount of \$685,708,625 or 87.12 percent, and program specific revenues from charges for services and grants and contributions in the amount of \$101,372,010 or 12.88 percent.
- For the year ended June 30, 2019, the District had \$778,322,411 in expenses related to governmental and business-type activities; \$101,372,010 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$685,708,625 were sufficient to provide the District's programs.
- The business-type activities had total revenues and transfers of \$11,158,720 which exceeded total expenses by \$705,153.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$299,237,777 an increase of \$70,606,355 in comparison with the prior fiscal year. Approximately 19.16 percent of this total amount, or \$57,320,934, is available for spending at the District's discretion for the purposes defined for each governmental fund (*assigned and unassigned fund balance*).
- At the end of the 2018-2019 fiscal year, unassigned fund balance for the General Fund was \$28,549,110 or 5.01 percent of total General Fund expenditures.
- The District's total long-term debt for bonds, COP's and capital leases increased by \$38,738,541 or 7.61 percent, during the current fiscal year.

The primary government financial overview for the 2017-2018 and 2018-2019 fiscal years is shown below:

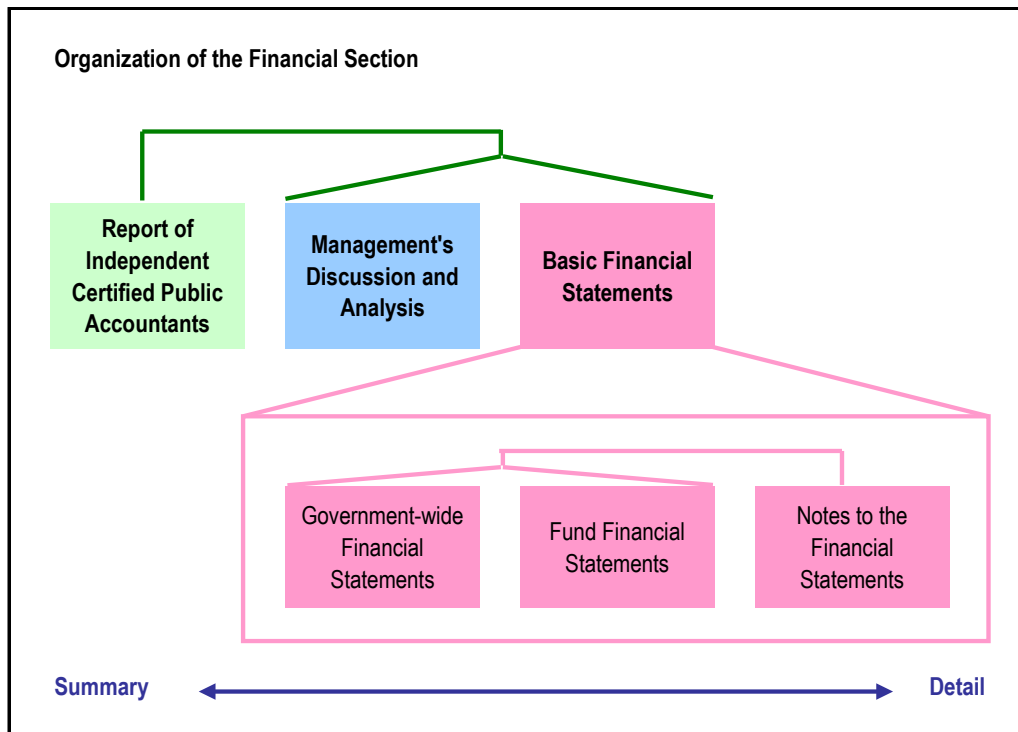


Overview of the Financial Statements

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

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

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



The basic financial statements consist of three components:

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

- **Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide

information on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year.

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

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

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

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

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

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

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$550,295,301 at June 30, 2019. The following is a summary of the District's net position as of June 30, 2019, compared to net position as of June 30, 2018:

Net Position, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	
Current and Other Assets	\$ 416,883,308	\$ 333,789,688	\$ 6,400,374	\$ 5,392,455	\$ 423,283,682	\$ 339,182,143	
Capital Assets	1,146,671,199	1,146,596,381	95,726	112,367	1,146,766,925	1,146,708,748	
Total Assets	1,563,554,507	1,480,386,069	6,496,100	5,504,822	1,570,050,607	1,485,890,891	5.66%
Deferred Outflows of Resources	178,385,101	187,542,106	2,209,321	2,312,808	180,594,422	189,854,914	
Long-Term Liabilities	1,078,623,728	1,042,641,120	7,367,332	7,418,039	1,085,991,060	1,050,059,159	
Other Liabilities	60,387,553	48,164,217	127,667	104,958	60,515,220	48,269,175	
Total Liabilities	1,139,011,281	1,090,805,337	7,494,999	7,522,997	1,146,506,280	1,098,328,334	4.39%
Deferred Inflows of Resources	52,848,088	35,095,670	995,360	784,724	53,843,448	35,880,394	
Net Position:							
Net Investment in							
Capital Assets	643,476,509	675,505,097	95,726	112,367	643,572,235	675,617,464	
Restricted	187,360,577	126,907,839	-	-	187,360,577	126,907,839	
Unrestricted	(280,756,847)	(260,385,768)	119,336	(602,458)	(280,637,511)	(260,988,226)	
Total Net Position	\$ 550,080,239	\$ 542,027,168	\$ 215,062	\$ (490,091)	\$ 550,295,301	\$ 541,537,077	1.62%

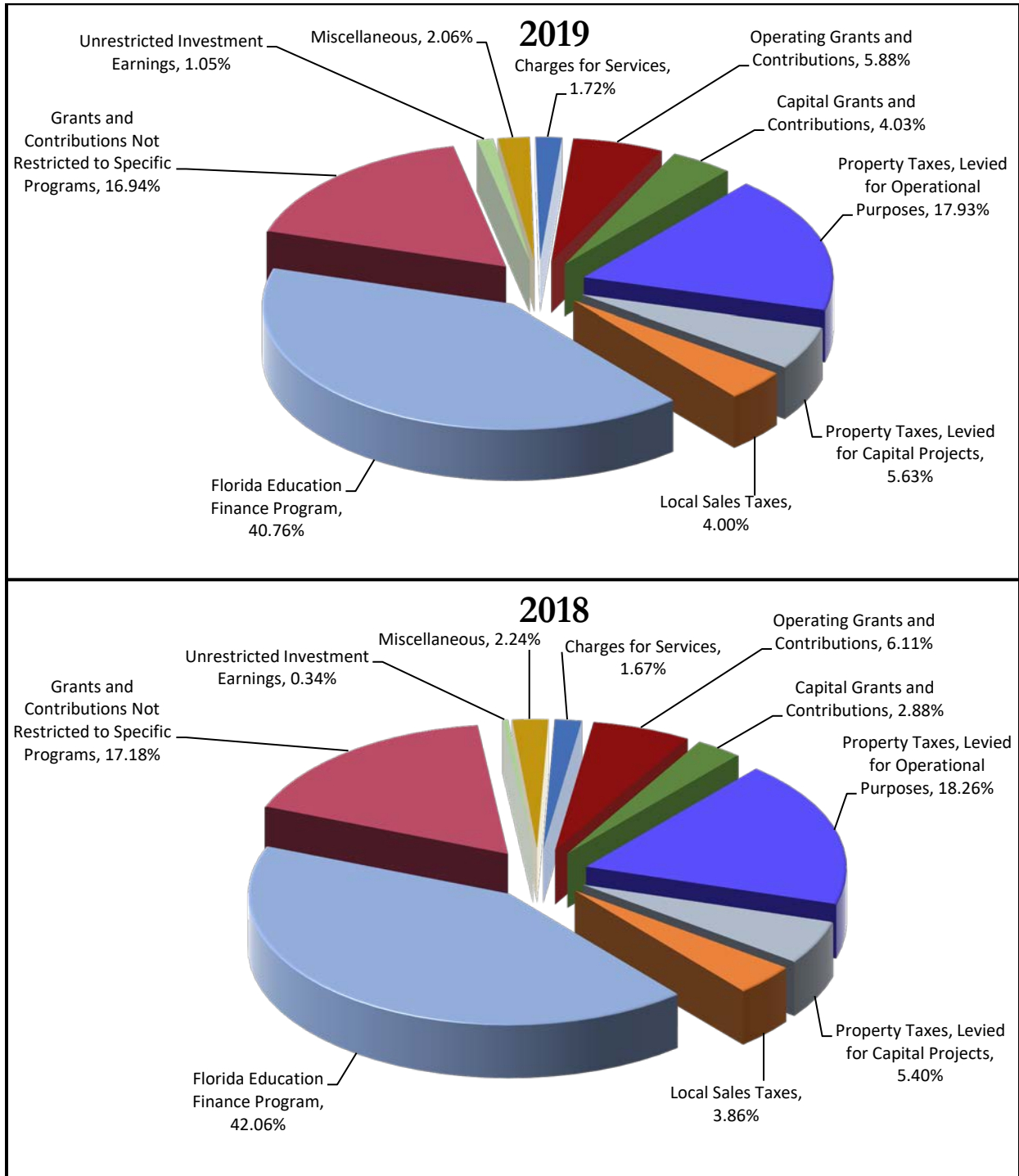
The largest portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position represents resources which are subject to external restrictions on how they may be used. The deficit unrestricted net position was the result, in part, of accruing liabilities related to the FRS and HIS pension amounts.

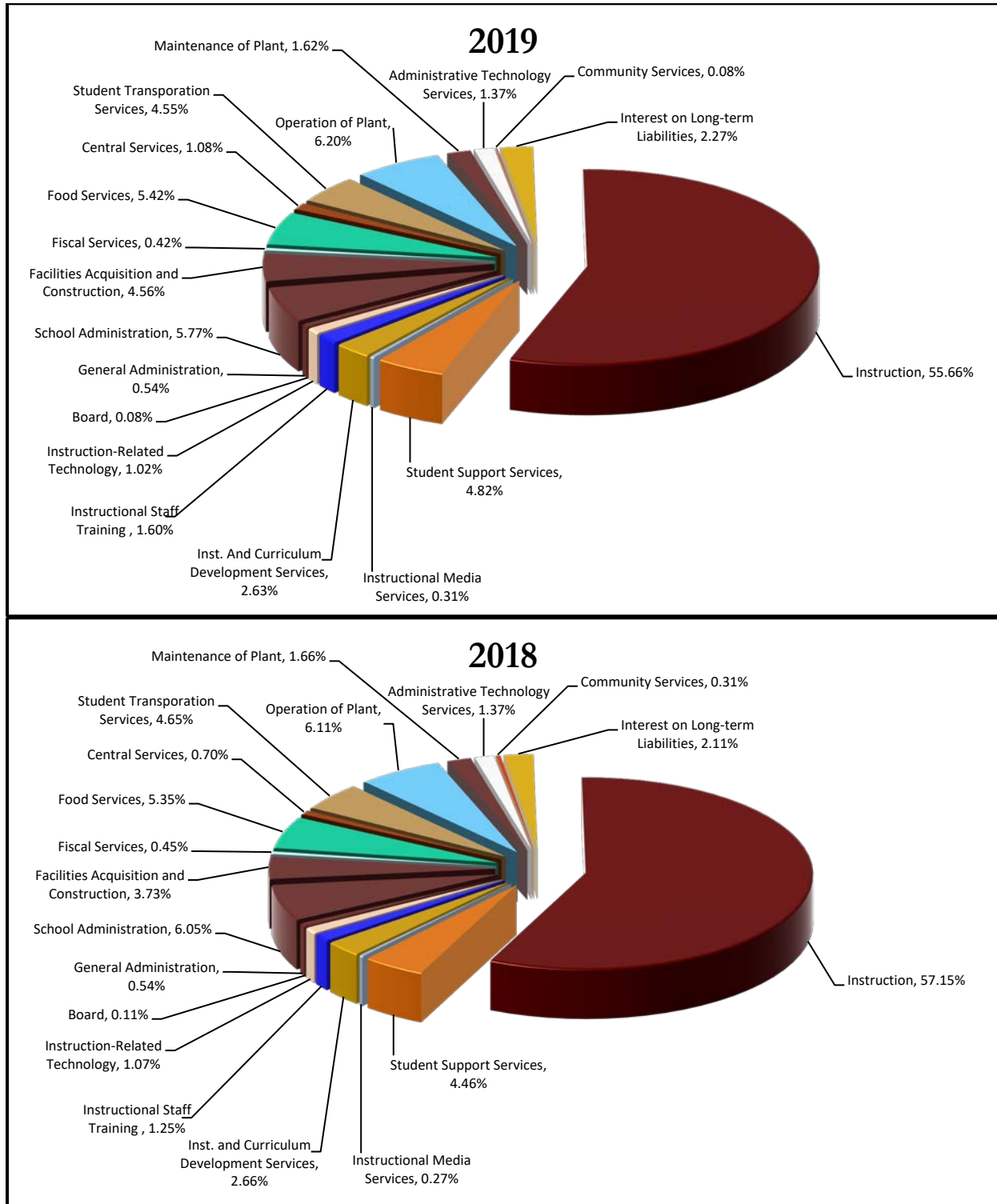
The key elements of the changes in the District's net position for the fiscal year ended June 30, 2019, and June 30, 2018 are as follows:

<u>Operating Results for the Year</u>							
	Governmental Activities		Business-type Activities		Total School District		% Change
	2019	2018	2019	2018	2019	2018	
Revenues:							
Program Revenues:							
Charges for Services	\$ 13,375,677	\$ 12,219,894	\$ 11,106,236	\$ 10,292,604	\$ 24,481,913	\$ 22,512,498	8.75%
Operating Grants and Contributions	45,657,187	44,743,319	-	-	45,657,187	44,743,319	2.04%
Capital Grants and Contributions	31,232,910	21,082,658	-	-	31,232,910	21,082,658	48.15%
General Revenues:							
Property Taxes, Levied for Operational Purposes	139,108,018	133,771,102	-	-	139,108,018	133,771,102	3.99%
Property Taxes, Levied for Capital Projects	43,655,059	39,599,116	-	-	43,655,059	39,599,116	10.24%
Local Sales Taxes	31,013,628	28,398,773	-	-	31,013,628	28,398,773	9.21%
Florida Education Finance Program	316,279,681	308,188,941	-	-	316,279,681	308,188,941	2.63%
Grants and Contributions not Restricted to Specific Programs	131,398,012	125,892,302	-	-	131,398,012	125,892,302	4.37%
Unrestricted Investment Earnings	8,151,676	2,486,903	109,370	40,525	8,261,046	2,527,428	226.86%
Miscellaneous	15,994,974	16,385,561	(1,793)	1,298	15,993,181	16,386,859	-2.40%
Total Revenues	775,866,822	732,768,569	11,213,813	10,334,427	787,080,635	743,102,996	5.92%
Program Expenses:							
Instruction	427,482,164	422,570,775	-	-	427,482,164	422,570,775	1.16%
Student Support Services	37,041,624	33,010,405	-	-	37,041,624	33,010,405	12.21%
Instructional Media Services	2,352,551	2,018,167	-	-	2,352,551	2,018,167	16.57%
Inst. and Curriculum Development Services	20,216,195	19,647,149	-	-	20,216,195	19,647,149	2.90%
Instructional Staff Training	12,289,500	9,237,951	-	-	12,289,500	9,237,951	33.03%
Instruction-Related Technology	7,842,257	7,900,006	-	-	7,842,257	7,900,006	-0.73%
Board	613,403	799,596	-	-	613,403	799,596	-23.29%
General Administration	4,159,251	4,012,766	-	-	4,159,251	4,012,766	3.65%
School Administration	44,305,575	44,770,488	-	-	44,305,575	44,770,488	-1.04%
Facilities Acquisition and Construction	35,004,632	27,557,051	-	-	35,004,632	27,557,051	27.03%
Fiscal Services	3,195,621	3,293,417	-	-	3,195,621	3,293,417	-2.97%
Food Services	41,600,111	39,594,503	-	-	41,600,111	39,594,503	5.07%
Central Services	8,291,206	5,183,668	-	-	8,291,206	5,183,668	59.95%
Student Transportation Services	34,943,605	34,350,249	-	-	34,943,605	34,350,249	1.73%
Operation of Plant	47,571,171	45,156,061	-	-	47,571,171	45,156,061	5.35%
Maintenance of Plant	12,465,228	12,300,170	-	-	12,465,228	12,300,170	1.34%
Administrative Technology Services	10,490,704	10,156,901	-	-	10,490,704	10,156,901	3.29%
Community Services	595,641	2,314,173	10,453,567	10,531,758	11,049,208	12,845,931	-13.99%
Interest on Long-term Liabilities	17,408,405	15,572,907	-	-	17,408,405	15,572,907	11.79%
Total Expenses	767,868,844	739,446,403	10,453,567	10,531,758	778,322,411	749,978,161	3.78%
Excess (Deficiency) of Revenues Over Expenditures	7,997,978	(6,677,834)	760,246	(197,331)	8,758,224	(6,875,165)	-227.39%
Transfers	55,093	610	(55,093)	(610)	-	-	0.00%
Change in Net Position	8,053,071	(6,677,224)	705,153	(197,941)	8,758,224	(6,875,165)	-227.39%
Net Position, Beginning	542,027,168	583,053,218	(490,091)	281,948	541,537,077	583,335,166	-7.17%
Adjustment to Beginning Net Position	-	(34,348,826)	-	(574,098)	-	(34,922,924)	
Net Position, Ending	\$ 550,080,239	\$ 542,027,168	\$ 215,062	\$ (490,091)	\$ 550,295,301	\$ 541,537,077	1.62%

Governmental Activities Revenue by Source – Statement of Activities



Governmental Activities Expenses by Function – Statement of Activities



Total revenues increased by \$43,977,639 primarily due to the state funding per student, enrollment growth, Impact Fee collections, and Property Tax revenue collections received during the fiscal year.

Total expenses increased by \$28,344,250 primarily due to a rise in instructional costs, salary and benefit increases, and the addition of school security guards.

Financial Analysis of the Government Funds

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

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

As of the close of the 2018-2019 fiscal year, the District's governmental funds reported combined ending fund balances of \$299,237,777 an increase of \$70,606,355 in comparison with the prior fiscal year. Approximately 19.16 percent of this total amount, or \$57,320,934, constitutes total assigned and unassigned fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2019, and June 30, 2018.

<u>Fund Balance</u>	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Major Governmental Funds:				
General Fund	\$ 66,781,040	\$ 63,353,525	\$ 3,427,515	5.41%
Capital Projects - Other Funds	183,460,452	114,609,357	68,851,095	60.07%
Other Governmental Funds (nonmajor)	48,996,285	50,668,540	(1,672,255)	-3.30%
Total Fund Balances	<u>\$ 299,237,777</u>	<u>\$ 228,631,422</u>	<u>\$ 70,606,355</u>	<u>30.88%</u>

The General Fund is the chief operating fund of the District. At the end of the 2018-2019 fiscal year, the unassigned fund balance of the General Fund was \$28,549,110, while total fund balance reached \$66,781,040. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.01 percent of total General Fund expenditures, while total fund balance represents 11.73 percent. Fund balance of the District's General Fund increased by \$3,427,515 during the 2018-2019 fiscal year.

The following schedule shows the changes in General Fund revenues and other financing sources (uses) for the fiscal years ended June 30, 2019 and June 30, 2018:

General Fund Revenues and Other Financing Sources (Uses)	2019	2018	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 579,251	\$ 583,983	\$ (4,732)	-0.81%
Federal Through State Sources:				
Other Federal Through State Sources	2,073,136	3,237,360	(1,164,224)	-35.96%
State Sources				
Florida Education Finance Program (FEFP)	316,279,681	308,188,941	8,090,740	2.63%
Other Restricted State Sources	96,671,330	94,180,945	2,490,385	2.64%
Local Sources:				
Ad Valorem Taxes	139,108,018	133,771,102	5,336,916	3.99%
Interest Income	2,390,207	1,108,611	1,281,596	115.60%
Other Local Sources	13,924,279	15,736,656	(1,812,377)	-11.52%
Other Financing Sources (Uses)	1,852,367	(789,314)	2,641,681	-334.68%
Total General Fund Revenues and Other Financing Sources (Uses)	\$ 572,878,269	\$ 556,018,284	\$ 16,859,985	3.03%

During the 2018-2019 fiscal year, Revenues and Other Financing Sources (Uses) increased by \$16,859,985 or 3.03 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students as well as an increase in State-provided funds for Best & Brightest and School Recognition.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2019 and June 30, 2018:

General Fund - Expenditures by Object	2019	2018	Increase (Decrease)	Percentage Change
Salaries	\$ 342,906,514	\$ 341,924,714	\$ 981,800	0.29%
Employee Benefits	119,660,978	115,210,740	4,450,238	3.86%
Purchased Services	67,925,998	61,110,014	6,815,984	11.15%
Energy Services	14,573,570	12,711,633	1,861,937	14.65%
Materials and Supplies	14,961,289	13,431,475	1,529,814	11.39%
Capital Outlay	1,341,904	1,037,664	304,240	29.32%
Other Expenditures	8,080,501	7,202,859	877,642	12.18%
Total General Fund Expenditures	\$ 569,450,754	\$ 552,629,099	\$ 16,821,655	3.04%

General Fund expenditures increased by \$16,821,655 or 3.04 percent. The following are some of the highlights:

- Salaries increased by \$981,800 which reflects salary increases and additional allocations
- Employee Benefits increased by \$4,450,238 due to an increase in insurance and retirement costs
- Purchased Services increased by \$6,815,984 primarily due to an increase in Charter School enrollment
- Materials and Supplies increased by \$1,529,814 due to new textbook adoptions

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2019 and June 30, 2018:

General Fund Expenditures by Function	2019	2018	Increase (Decrease)	Percentage Change
Instruction	\$ 352,789,271	\$ 342,622,384	\$ 10,166,887	2.97%
Student Support Services	31,605,118	28,028,490	3,576,628	12.76%
Instructional Media Services	2,142,851	2,152,227	(9,376)	-0.44%
Inst. and Curriculum Development Services	13,886,816	13,761,979	124,837	0.91%
Instructional Staff Training Services	2,532,555	2,709,612	(177,057)	-6.53%
Instruction-Related Technology	6,753,751	6,913,315	(159,564)	-2.31%
Board	536,659	617,585	(80,926)	-13.10%
General Administration	1,782,109	1,343,273	438,836	32.67%
School Administration	40,962,226	41,013,352	(51,126)	-0.12%
Facilities Acquisition and Construction	4,565,091	2,857,509	1,707,582	59.76%
Fiscal Services	2,880,569	3,053,310	(172,741)	-5.66%
Food Services	188,296	263,653	(75,357)	-28.58%
Central Services	7,139,567	7,090,736	48,831	0.69%
Student Transportation Services	33,090,843	32,534,571	556,272	1.71%
Operation of Plant	45,969,571	44,110,460	1,859,111	4.21%
Maintenance of Plant	11,579,092	11,514,450	64,642	0.56%
Administrative Technology Services	9,793,463	9,344,788	448,675	4.80%
Community Services	553,632	2,320,791	(1,767,159)	-76.14%
Capital Outlay	699,274	376,614	322,660	85.67%
Total General Fund Expenditures	\$ 569,450,754	\$ 552,629,099	\$ 16,821,655	3.04%

The *Capital Projects Other Fund*, which is used to account for capital project activity funded by sources such as Certificates of Participation, Sales Tax, Impact Fees and capital leases, has a total fund balance of \$183,460,452, which is restricted for specific capital projects. The net increase in fund balance in the Capital Projects Other Fund was \$68,851,095 and resulted primarily from a Certificates of Participation bond issue. Of the total fund balance, \$57,683,960 has been encumbered for various projects.

General Fund Budgetary Highlights

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

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Actual 2019	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 607,685	\$ 610,910	\$ 579,251	\$ 3,225	\$ (31,659)
Federal Through State Sources:					
Other Federal Through State Sources	3,850,000	4,094,147	2,073,136	244,147	(2,021,011)
State Sources					
Florida Education Finance Program (FEFP)	317,944,244	322,754,514	316,279,681	4,810,270	(6,474,833)
Other Restricted State Sources	88,730,714	96,089,679	96,671,330	7,358,965	581,651
Local Sources:					
Ad Valorem Taxes	138,285,091	138,285,091	139,108,018	-	822,927
Interest Income	1,201,500	1,201,500	2,390,207	-	1,188,707
Other Local Sources	14,881,683	15,144,863	13,924,279	263,180	(1,220,584)
Other Financing Sources (Uses)	977,663	1,526,099	1,852,367	548,436	326,268
Total General Fund Revenues and Other Financing Sources	\$ 566,478,580	\$ 579,706,803	\$ 572,878,269	\$ 13,228,223	\$ (6,828,534)

The General Fund actual revenues and other financing sources were less than the final budgeted revenues and other financing sources by \$6,828,534. This difference was primarily due to budgeting for the McKay

Scholarships that we do not actually receive. The General Fund final budget revenues and other financing sources increased by \$13,228,223 over the original budget due to State-provided funds for enrollment growth and Best & Brightest supplements.

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

General Fund Expenditures by Function	Original Budget	Final Budget	Actual 2019	Final -Original	Actual -
				Budget	Final Budget
				Inc (Dec)	Inc (Dec)
Instruction	\$ 350,805,242	\$ 373,795,131	\$ 352,789,271	\$ 22,989,889	\$ (21,005,860)
Student Support Services	31,886,804	32,493,673	31,605,118	606,869	(888,555)
Instructional Media Services	2,786,310	2,891,297	2,142,851	104,987	(748,446)
Inst. and Curriculum Development Services	13,965,129	14,214,337	13,886,816	249,208	(327,521)
Instructional Staff Training Services	2,627,456	3,040,373	2,532,555	412,917	(507,818)
Instruction-Related Technology	6,072,129	6,745,868	6,753,751	673,739	7,883
Board	2,073,257	804,817	536,659	(1,268,440)	(268,158)
General Administration	1,581,268	1,691,543	1,782,109	110,275	90,566
School Administration	40,448,260	41,254,588	40,962,226	806,328	(292,362)
Facilities Acquisition and Construction	4,440,295	4,740,572	4,565,091	300,277	(175,481)
Fiscal Services	3,060,871	3,093,784	2,880,569	32,913	(213,215)
Food Services	-	189,858	188,296	189,858	(1,562)
Central Services	8,249,295	8,364,184	7,139,567	114,889	(1,224,617)
Student Transportation Services	32,648,694	34,722,239	33,090,843	2,073,545	(1,631,396)
Operation of Plant	44,415,360	46,482,905	45,969,571	2,067,545	(513,334)
Maintenance of Plant	11,095,815	11,662,987	11,579,092	567,172	(83,895)
Administrative Technology Services	9,958,278	10,347,098	9,793,463	388,820	(553,635)
Community Services	564,117	662,411	553,632	98,294	(108,779)
Capital Outlay	-	690,614	699,274	690,614	8,660
Total General Fund Expenditures	\$ 566,678,580	\$ 597,888,279	\$ 569,450,754	\$ 31,209,699	\$ (28,437,525)

The General Fund actual expenditures were less than the final budgeted appropriations by \$28,437,525. There were many approved but unfilled teaching and transportation positions. The General Fund final budget appropriations increased by \$31,209,699 over the original budget due primarily to salary and benefit increases.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2019, amounts to \$1,146,766,925. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials, and computer software. Major capital asset events during the current fiscal year ended June 30, 2019, included the continued progress on the following items that were also included in Construction in Progress at fiscal year-end: the major renovations to Land O' Lakes High and Zephyrhills High School, construction of Cypress Creek Middle School, Starkey K-8 and Theater Library Complex, and East Central Pasco Technical Education Center.

The following is a summary of the District's capital assets as of June 30, 2019:

<u>Capital Assets (net of depreciation)</u>								
	Governmental Activities		Business-type Activity		Total School District		Percentage Change	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>		
Land	\$ 83,282,057	\$ 82,798,835	\$ -	\$ -	\$ 83,282,057	\$ 82,798,835	0.58%	
Construction in Progress	56,544,410	29,468,438	-	-	56,544,410	29,468,438	91.88%	
Improvements Other Than Buildings	21,916,633	21,572,383	14,356	15,984	21,930,989	21,588,367	1.59%	
Buildings and Fixed Equipment	923,151,999	949,681,977	12,793	14,348	923,164,792	949,696,325	-2.79%	
Furniture, Fixtures and Equipment	33,201,342	35,117,562	56,632	69,767	33,257,974	35,187,329	-5.48%	
Motor Vehicles	22,732,828	20,145,229	-	-	22,732,828	20,145,229	12.84%	
Audio Visual Materials	6,032	6,271	-	-	6,032	6,271	-3.81%	
Computer Software	5,835,898	7,805,686	11,945	12,268	5,847,843	7,817,954	-25.20%	
Total	<u>\$ 1,146,671,199</u>	<u>\$ 1,146,596,381</u>	<u>\$ 95,726</u>	<u>\$ 112,367</u>	<u>\$ 1,146,766,925</u>	<u>\$ 1,146,708,748</u>	0.01%	

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

Long-Term Debt

As of June 30, 2019, the District has total long-term debt outstanding of \$548,107,984. This amount is comprised of \$126,848,651 of bonds payable, \$396,347,247 of certificates of participation and \$24,912,086 of obligations under capital leases.

The following is a summary of the District's long-term debt as of June 30, 2019:

<u>Outstanding Long-Term Debt</u>					
	Total School District		Increase (Decrease)	Percentage Change	
	<u>2019</u>	<u>2018</u>			
Obligations Under Capital Leases	\$ 24,912,086	\$ 22,406,644	\$ 2,505,442	11.18%	
SBE Bonds	6,489,511	7,409,605	(920,094)	-12.42%	
District Revenue Bonds	2,221,841	2,334,829	(112,988)	-4.84%	
Sales Tax Revenue Bonds	118,137,299	137,035,217	(18,897,918)	-13.79%	
Certificates of Participation	396,347,247	340,183,148	56,164,099	16.51%	
Total	<u>\$ 548,107,984</u>	<u>\$ 509,369,443</u>	<u>\$ 38,738,541</u>	7.61%	

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

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

Outlook for the Future

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

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

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

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS



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District School Board of Pasco County
Statement of Net Position
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash	\$ 20,950,954	\$ 1,065,295	\$ 22,016,249	\$ 4,893,210
Cash with Fiscal Agent	3,338,346	-	3,338,346	-
Investments	347,076,898	5,307,701	352,384,599	3,731,277
Accounts Receivable	2,945,140	27,340	2,972,480	174,389
Accrued Interest Receivable	388,732	38	388,770	-
Deposits Receivable	-	-	-	143,108
Note Receivable	-	-	-	92,672
Due from Other Agencies	31,020,646	-	31,020,646	518,365
Inventories	4,894,916	-	4,894,916	12,183
Prepaid Items	80,742	-	80,742	1,778,798
Capital Credits Receivable	5,706,723	-	5,706,723	-
Net Pension Asset - SERP	480,211	-	480,211	-
Capital Assets (net of accumulated depreciation):				
Land	83,282,057	-	83,282,057	2,751,533
Construction in Progress	56,544,410	-	56,544,410	5,672
Improvements Other Than Buildings	21,916,633	14,356	21,930,989	273,070
Leasehold Property and Improvements	-	-	-	523,035
Buildings and Fixed Equipment	923,151,999	12,793	923,164,792	29,232,926
Furniture, Fixtures, and Equipment	33,201,342	56,632	33,257,974	1,659,828
Motor Vehicles	22,732,828	-	22,732,828	219,977
Audio Visual Materials	6,032	-	6,032	-
Computer Software	5,835,898	11,945	5,847,843	19,055
Total Assets	<u>1,563,554,507</u>	<u>6,496,100</u>	<u>1,570,050,607</u>	<u>46,029,098</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Accumulated Decrease in Fair Value of				
Hedging Derivatives	16,619,959	-	16,619,959	-
Deferred Amount - Bond Refunding	4,906,810	-	4,906,810	-
Deferred Amount - OPEB	4,654,561	78,448	4,733,009	-
Deferred Amount - Pension SERP	489,975	-	489,975	-
Deferred Amount - Pension FRS / HIS	151,713,796	2,130,873	153,844,669	763,834
Total Deferred Outflows of Resources	<u>178,385,101</u>	<u>2,209,321</u>	<u>180,594,422</u>	<u>763,834</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,741,939,608</u>	<u>\$ 8,705,421</u>	<u>\$ 1,750,645,029</u>	<u>\$ 46,792,932</u>

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES:				
Salaries and Benefits Payable	\$ 3,524,151	\$ -	\$ 3,524,151	\$ 1,144,254
Payroll Deductions and Withholdings Payable	17,022,825	-	17,022,825	-
Accounts Payable	26,775,715	6,851	26,782,566	1,336,805
Construction Contracts Payable	267,266	-	267,266	-
Construction Contracts Payable-Retainage	2,209,769	-	2,209,769	-
Due to Other Agencies	1,031	-	1,031	1,464
Sales Tax Payable	4,444	642	5,086	-
Accrued Interest Payable	5,611,732	-	5,611,732	44,695
Unearned Revenue	4,970,620	120,174	5,090,794	32,829
Long-Term Liabilities:				
Portion Due Within One Year:				
Notes Payable	-	-	-	698,768
Bonds Payable	19,781,889	-	19,781,889	405,455
Certificates of Participation Payable	17,496,042	-	17,496,042	-
Obligations Under Capital Leases	7,711,956	-	7,711,956	27,545
Estimated Insurance Claims Payable	2,332,000	-	2,332,000	-
Compensated Absences Payable	2,514,769	80,579	2,595,348	11,740
Other Postemployment Benefits Payable	4,733,009	-	4,733,009	-
Net Pension Liability - FRS / HIS	2,912,158	-	2,912,158	-
Lease Purchase Agreement Payable	-	-	-	-
Portion Due After One Year:				
Notes Payable	-	-	-	7,585,397
Bonds Payable	107,066,762	-	107,066,762	27,200,485
Certificates of Participation Payable	378,851,205	-	378,851,205	-
Obligations Under Capital Leases	17,200,130	-	17,200,130	70,869
Estimated Insurance Claims Payable	4,704,000	-	4,704,000	-
Compensated Absences Payable	40,685,800	567,909	41,253,709	168,066
Other Postemployment Benefits Payable	101,601,899	1,815,100	103,416,999	-
Net Pension Liability - FRS / HIS	354,412,150	4,903,744	359,315,894	944,496
Derivatives Swap Liability	16,619,959	-	16,619,959	-
Total Liabilities	1,139,011,281	7,494,999	1,146,506,280	39,672,868
DEFERRED INFLOWS OF RESOURCES:				
Deferred Amount - OPEB	5,732,795	95,198	5,827,993	-
Deferred Amount - Pension SERP	2,446,598	-	2,446,598	-
Deferred Amount - Pension FRS / HIS	44,668,695	900,162	45,568,857	84,578
Total Deferred Inflows of Resources	52,848,088	995,360	53,843,448	84,578
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,191,859,369	8,490,359	1,200,349,728	39,757,446
NET POSITION:				
Net Investment in Capital Assets	643,476,509	95,726	643,572,235	(971,505)
Restricted for:				
State Categorical Programs	5,428,866	-	5,428,866	-
Debt Service	5,295,758	-	5,295,758	-
Capital Projects	169,634,888	-	169,634,888	-
Special Revenue-Food Service	7,001,065	-	7,001,065	-
Other Purposes	-	-	-	6,402,601
Unrestricted	(280,756,847)	119,336	(280,637,511)	1,604,390
Total Net Position	550,080,239	215,062	550,295,301	7,035,486
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 1,741,939,608	\$ 8,705,421	\$ 1,750,645,029	\$ 46,792,932

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

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 427,482,164	\$ 647,104	\$ -	\$ -
Student Support Services	37,041,624	-	-	-
Instructional Media Services	2,352,551	-	-	-
Instruction and Curriculum Development Services	20,216,195	-	-	-
Instructional Staff Training Services	12,289,500	-	-	-
Instruction-Related Technology	7,842,257	-	-	-
Board	613,403	-	-	-
General Administration	4,159,251	-	-	-
School Administration	44,305,575	-	-	-
Facilities Acquisition and Construction	35,004,632	-	-	28,159,286
Fiscal Services	3,195,621	-	-	-
Food Services	41,600,111	12,124,095	28,945,811	-
Central Services	8,291,206	-	-	-
Student Transportation Services	34,943,605	604,478	16,711,376	-
Operation of Plant	47,571,171	-	-	-
Maintenance of Plant	12,465,228	-	-	-
Administrative Technology Services	10,490,704	-	-	-
Community Services	595,641	-	-	-
Interest on Long-term Liabilities	17,408,405	-	-	3,073,624
Total Governmental Activities	767,868,844	13,375,677	45,657,187	31,232,910
Business-Type Activities:				
After School Enrichment Programs (ASEP)	9,743,079	10,392,895	-	-
Vending Program	710,488	713,341	-	-
Total Business-Type Activities	10,453,567	11,106,236	-	-
Total Primary Government	\$ 778,322,411	\$ 24,481,913	\$ 45,657,187	\$ 31,232,910
Component Units:				
Educational Foundation/Charter Schools	\$ 47,734,502	\$ 1,377,598	\$ 692,183	\$ 2,399,203

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, July 1, 2018

Net Position, June 30, 2019

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (426,835,060)	\$ -	\$ (426,835,060)	\$ -
(37,041,624)	-	(37,041,624)	-
(2,352,551)	-	(2,352,551)	-
(20,216,195)	-	(20,216,195)	-
(12,289,500)	-	(12,289,500)	-
(7,842,257)	-	(7,842,257)	-
(613,403)	-	(613,403)	-
(4,159,251)	-	(4,159,251)	-
(44,305,575)	-	(44,305,575)	-
(6,845,346)	-	(6,845,346)	-
(3,195,621)	-	(3,195,621)	-
(530,205)	-	(530,205)	-
(8,291,206)	-	(8,291,206)	-
(17,627,751)	-	(17,627,751)	-
(47,571,171)	-	(47,571,171)	-
(12,465,228)	-	(12,465,228)	-
(10,490,704)	-	(10,490,704)	-
(595,641)	-	(595,641)	-
(14,334,781)	-	(14,334,781)	-
(677,603,070)	-	(677,603,070)	-
-	649,816	649,816	-
-	2,853	2,853	-
-	652,669	652,669	-
(677,603,070)	652,669	(676,950,401)	-
-	-	-	(43,265,518)
139,108,018	-	139,108,018	-
43,655,059	-	43,655,059	-
31,013,628	-	31,013,628	-
447,677,693	-	447,677,693	38,898,234
8,151,676	109,369	8,261,045	36,113
15,994,974	(1,792)	15,993,182	3,761,038
55,093	(55,093)	-	-
685,656,141	52,484	685,708,625	42,695,385
8,053,071	705,153	8,758,224	(570,133)
542,027,168	(490,091)	541,537,077	7,605,619
\$ 550,080,239	\$ 215,062	\$ 550,295,301	\$ 7,035,486

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds				
	General	Capital Projects	Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
	Primary	Other Funds	Other		
	Operating Fund		Federal Programs Fund		
ASSETS:					
Cash	\$ 9,502,181	\$ 1,419,138	\$ 11,230	\$ 7,872,129	\$ 18,804,678
Cash with Fiscal Agent	-	60,564	-	3,277,782	3,338,346
Investments	59,175,188	186,970,514	-	31,246,598	277,392,300
Accounts Receivable	1,567,672	25	-	17,294	1,584,991
Accrued Interest Receivable	420	387,428	-	383	388,231
Due from Other Funds	16,325,171	12,200,000	-	4,800,000	33,325,171
Due from Other Agencies	1,996,589	10,808,684	13,984,240	4,231,133	31,020,646
Inventories	3,950,498	-	-	944,418	4,894,916
Prepaid Items	80,742	-	-	-	80,742
TOTAL ASSETS	\$ 92,598,461	\$ 211,846,353	\$ 13,995,470	\$ 52,389,737	\$ 370,830,021
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Benefits Payable	\$ 3,516,298	\$ -	\$ 7,853	\$ -	\$ 3,524,151
Payroll Deductions and Withholdings Payable	16,837,410	-	-	-	16,837,410
Accounts Payable	5,405,827	3,274,699	752,389	1,254,659	10,687,574
Construction Contracts Payable	-	267,266	-	-	267,266
Construction Contracts Payable-Retainage	-	2,142,402	-	67,367	2,209,769
Due to Other Funds	-	20,058,799	13,223,588	42,784	33,325,171
Due to Other Agencies	-	-	1,031	-	1,031
Sales Tax Payable	4,444	-	-	-	4,444
Unearned Revenue	53,442	2,642,735	10,609	2,028,642	4,735,428
Total Liabilities	25,817,421	28,385,901	13,995,470	3,393,452	71,592,244
Fund Balances:					
Nonspendable:					
Inventories:					
General Fund	3,950,498	-	-	-	3,950,498
Special Revenue-Food Service	-	-	-	944,418	944,418
Prepaid Items:					
General Fund	80,742	-	-	-	80,742
Restricted:					
Categorical Programs	5,428,866	-	-	-	5,428,866
Special Revenue-Food Service	-	-	-	6,056,647	6,056,647
Debt Service	-	-	-	10,907,490	10,907,490
Capital Projects	-	183,460,452	-	31,087,730	214,548,182
Assigned:					
School Operations:					
School and Local Programs	26,813,179	-	-	-	26,813,179
Next Year Budget	1,958,645	-	-	-	1,958,645
Unassigned Fund Balance	28,549,110	-	-	-	28,549,110
Total Fund Balances	66,781,040	183,460,452	-	48,996,285	299,237,777
TOTAL LIABILITIES AND FUND BALANCES	\$ 92,598,461	\$ 211,846,353	\$ 13,995,470	\$ 52,389,737	\$ 370,830,021

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

District School Board of Pasco County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for total governmental funds (page 26). \$ 299,237,777

Amounts reported for governmental activities in the statement of net position (page 23)
are different because:

Non-current assets do not represent current financial resources and, therefore,
are not reported in the governmental funds.

Non-current assets at year-end consist of:

Capital Credits Receivable	\$ 5,706,723	
Net Pension Asset - SERP	480,211	
Capital Assets (net of accumulated depreciation)	1,146,669,955	1,152,856,889

Deferred outflows of resources are reported as a result of:

Changes in fair value of Hedging Derivatives	\$ 16,619,959	
Deferred Amounts on Bond Refundings	4,906,810	
Deferred Amounts for Pension - SERP	489,975	
Deferred Amounts for OPEB	4,637,605	
Deferred Amounts for Pension - FRS / HIS	150,835,790	177,490,139

Interest on long-term debt is accrued as a liability in the government-wide statements,
but is not recognized in the governmental funds until due. (5,611,732)

Long-term liabilities are not due and payable in the current period, therefore,
are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Bonds Payable	\$ (126,848,651)	
Certificates of Participation Payable	(396,347,247)	
Obligations Under Capital Leases	(24,912,086)	
Compensated Absences Payable	(42,847,413)	
Other Postemployment Benefits Payable	(105,935,159)	
Net Pension Liability FRS / HIS	(356,220,103)	
Derivative Swap Liability	(16,619,959)	(1,069,730,618)

Deferred inflows of resources are reported as a result of :

Deferred Amounts for Pension - SERP	\$ (2,446,598)	
Deferred Amounts for OPEB	(5,711,920)	
Deferred Amounts for Pension - FRS / HIS	(43,348,829)	(51,507,347)

Internal service funds are used by management to charge the costs of certain activities,
such as insurance, to individual funds. The assets, liabilities, and deferred outflows/inflows of resources
of the internal service funds are included in governmental activities in the statement of net position. 47,345,131

Total Net Position - Governmental Activities **\$ 550,080,239**

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary Operating Fund	Other Funds	Other Federal Programs Fund		
Revenues:					
Federal Sources:					
Federal Direct	\$ 579,251	\$ -	\$ 8,082,702	\$ 563,569	\$ 9,225,522
Federal Through State	2,073,136	-	39,438,405	28,574,656	70,086,197
State Sources:					
Florida Education Finance Program	316,279,681	-	-	-	316,279,681
Public Education Capital Outlay	-	-	-	2,586,879	2,586,879
Food Services	-	-	-	371,155	371,155
SBE/COBI Bond Interest	-	-	-	2,235	2,235
CO & DS Withheld for State Education Bonds	-	-	-	1,037,477	1,037,477
CO & DS Interest	-	-	-	55,888	55,888
CO & DS Distributed	-	-	-	1,932,791	1,932,791
Sales Tax Distribution	-	-	-	223,250	223,250
State Grants and Other	96,671,330	522,978	-	-	97,194,308
Local Sources:					
Property Taxes	139,108,018	-	-	43,655,059	182,763,077
Local Sales Taxes	-	31,013,628	-	-	31,013,628
Impact Fees	-	25,572,407	-	-	25,572,407
Food Services	-	-	-	11,058,659	11,058,659
Investment Earnings	2,390,207	4,619,274	-	1,142,195	8,151,676
Local Grants and Other	13,924,279	358,824	-	1,526,515	15,809,618
Total Revenues	571,025,902	62,087,111	47,521,107	92,730,328	773,364,448
Expenditures:					
Current-Education:					
Instruction	352,789,271	-	23,409,361	-	376,198,632
Student Support Services	31,605,118	-	3,948,898	-	35,554,016
Instructional Media Services	2,142,851	-	25,723	-	2,168,574
Inst. and Curriculum Development Services	13,886,816	-	5,282,492	-	19,169,308
Instructional Staff Training Services	2,532,555	-	9,276,332	-	11,808,887
Instruction-Related Technology	6,753,751	-	560,336	-	7,314,087
Board	536,659	-	-	-	536,659
General Administration	1,782,109	-	2,298,183	-	4,080,292

(continued)

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary Operating Fund	Other Funds	Other Federal Programs Fund		
Expenditures (continued):					
School Administration	40,962,226	-	121,131	-	41,083,357
Facilities Acquisition and Construction	4,565,091	2,156,145	-	1,710,817	8,432,053
Fiscal Services	2,880,569	-	100,010	-	2,980,579
Food Services	188,296	-	83,066	40,316,177	40,587,539
Central Services	7,139,567	-	348,410	-	7,487,977
Student Transportation Services	33,090,843	-	256,619	-	33,347,462
Operation of Plant	45,969,571	-	177,465	-	46,147,036
Maintenance of Plant	11,579,092	-	44,701	-	11,623,793
Administrative Technology Services	9,793,463	-	65,211	-	9,858,674
Community Services	553,632	-	25,220	-	578,852
Capital Outlay:					
Facilities Acquisition and Construction	-	55,388,300	291,597	9,679,653	65,359,550
Other Capital Outlay	699,274	-	832,388	35,218	1,566,880
Debt Service:					
Principal	-	-	-	46,104,545	46,104,545
Interest	-	-	-	18,126,021	18,126,021
Fiscal Charges	-	-	-	887,765	887,765
Total Expenditures	569,450,754	57,544,445	47,147,143	116,860,196	791,002,538
Excess (Deficiency) of Revenues Over Expenditures	1,575,148	4,542,666	373,964	(24,129,868)	(17,638,090)
Other Financing Sources (Uses):					
Certificates of Participation Issued	-	68,200,000	-	-	68,200,000
Premium on Certificates of Participation Issued	-	6,800,000	-	736,232	7,536,232
Capital Leases	-	12,101,165	-	-	12,101,165
Proceeds from the Sale of Capital Assets	2,300	48,737	-	-	51,037
Transfers In	3,387,459	25,889	-	62,102,841	65,516,189
Transfers Out	(1,537,392)	(22,867,362)	(373,964)	(40,381,460)	(65,160,178)
Total Other Financing Sources (Uses)	1,852,367	64,308,429	(373,964)	22,457,613	88,244,445
Net Change in Fund Balances	3,427,515	68,851,095	-	(1,672,255)	70,606,355
Fund Balances, July 1, 2018	63,353,525	114,609,357	-	50,668,540	228,631,422
Fund Balances, June 30, 2019	\$ 66,781,040	\$ 183,460,452	\$ -	\$ 48,996,285	\$ 299,237,777

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

**District School Board of Pasco County
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019**

Net Change in Fund Balances - Governmental Funds (page 29).	\$	70,606,355
Amounts reported for governmental activities on the statement of activities (pages 24 & 25) are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	\$	66,926,430
Less current year depreciation		<u>(65,809,678)</u>
		1,116,752
Capital assets donated to the District increase net position on the statement of activities. However, they do not provide current financial resources and are not reported as revenues in the governmental funds.		
		146,079
The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the assets disposed of.		
		(1,186,602)
The net change in the Net Pension Asset (SERP) and the related deferred amounts is reported in the government-wide statements, but not in the governmental fund statements.		
		(530,368)
The net change in the Net Pension Liability (FRS / HIS) and the related deferred amounts is reported in the government-wide statements, but not in the governmental fund statements.		
		(20,539,255)
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Additionally, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.		
Principal payments	\$	46,104,545
Certificates of Participation Issued		(75,736,232)
Capital Leases Issued		(12,101,165)
Net decrease in deferred charges		(612,955)
Net decrease in premiums and discounts		<u>2,994,311</u>
		(39,351,496)
Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period.		
		350,561
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.		
		(2,484,433)
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.		
		(775,978)
The net change in liability and related deferred amounts for postemployment health care benefits is reported in the government-wide statements, but not in the governmental fund statements.		
		(772,412)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities.		
		<u>1,473,868</u>
Change in Net Position - Governmental Activities (pages 24 & 25).	<u>\$</u>	<u>8,053,071</u>

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 607,685	\$ 610,910	\$ 579,251	\$ (31,659)
Federal Through State	3,850,000	4,094,147	2,073,136	(2,021,011)
State Sources:				
Florida Education Finance Program	317,944,244	322,754,514	316,279,681	(6,474,833)
State Grants and Other	88,730,714	96,089,679	96,671,330	581,651
Local Sources:				
Property Taxes	138,285,091	138,285,091	139,108,018	822,927
Investment Earnings	1,201,500	1,201,500	2,390,207	1,188,707
Local Grants and Other	14,881,683	15,144,863	13,924,279	(1,220,584)
Total Revenues	565,500,917	578,180,704	571,025,902	(7,154,802)
Expenditures:				
Current-Education:				
Instruction				
Salaries	\$ 212,010,939	224,399,638	\$ 220,853,021	\$ 3,546,617
Employee Benefits	71,251,503	72,581,912	72,628,579	(46,667)
Purchased Services	47,079,582	50,409,353	42,561,791	7,847,562
Materials and Supplies	16,039,371	20,156,289	10,732,798	9,423,491
Capital Outlay	59,302	357,243	170,465	186,778
Other Expenditures	4,364,545	5,890,696	5,842,617	48,079
Student Support Services				
Salaries	20,233,761	20,628,196	20,431,504	196,692
Employee Benefits	7,235,225	7,164,504	7,153,764	10,740
Purchased Services	3,850,710	3,991,583	3,391,487	600,096
Materials and Supplies	408,793	396,003	366,911	29,092
Capital Outlay	74,315	70,880	26,204	44,676
Other Expenditures	84,000	242,507	235,248	7,259
Instructional Media Services				
Salaries	914,496	921,295	899,719	21,576
Employee Benefits	460,496	462,570	429,548	33,022
Purchased Services	367,913	512,959	174,452	338,507
Materials and Supplies	581,658	470,790	383,371	87,419
Capital Outlay	461,733	523,669	255,761	267,908
Other Expenditures	14	14	-	14
Instruction and Curriculum Development Services				
Salaries	9,687,884	10,235,044	10,256,165	(21,121)
Employee Benefits	3,080,520	3,243,794	3,280,130	(36,336)
Purchased Services	579,703	464,992	277,976	187,016
Materials and Supplies	505,317	161,111	25,034	136,077
Capital Outlay	7,500	2,207	1,637	570
Other Expenditures	104,205	107,189	45,874	61,315

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	1,695,790	1,744,991	1,463,954	281,037
Employee Benefits	456,128	428,381	365,682	62,699
Purchased Services	425,050	670,283	542,060	128,223
Materials and Supplies	37,458	158,183	129,087	29,096
Capital Outlay	-	195	195	-
Other Expenditures	13,030	38,340	31,577	6,763
Instruction-Related Technology				
Salaries	4,530,213	4,992,118	4,988,322	3,796
Employee Benefits	1,516,496	1,718,301	1,734,570	(16,269)
Purchased Services	25,320	34,740	30,150	4,590
Materials and Supplies	100	113	113	-
Capital Outlay	-	596	596	-
Board				
Salaries	237,595	272,595	240,020	32,575
Employee Benefits	1,436,878	163,690	153,271	10,419
Purchased Services	351,563	316,936	113,560	203,376
Materials and Supplies	3,260	2,685	1,160	1,525
Capital Outlay	510	309	265	44
Other Expenditures	43,451	48,602	28,383	20,219
General Administration				
Salaries	707,576	738,328	725,709	12,619
Employee Benefits	256,303	265,301	288,047	(22,746)
Purchased Services	189,790	227,147	133,791	93,356
Materials and Supplies	7,105	7,230	2,428	4,802
Capital Outlay	2,080	1,230	137	1,093
Other Expenditures	418,414	452,307	631,997	(179,690)
School Administration				
Salaries	27,643,271	28,182,689	27,945,369	237,320
Employee Benefits	10,225,561	10,569,479	10,710,056	(140,577)
Purchased Services	1,225,386	1,237,210	1,123,262	113,948
Materials and Supplies	621,746	537,993	469,277	68,716
Capital Outlay	106,377	134,314	115,586	18,728
Other Expenditures	625,919	592,903	598,676	(5,773)
Facilities Acquisition and Construction				
Salaries	1,213,538	1,213,538	1,189,497	24,041
Employee Benefits	371,240	471,240	460,965	10,275
Purchased Services	2,683,367	3,034,844	2,906,868	127,976
Materials and Supplies	11,250	11,050	5,241	5,809
Capital Outlay	154,400	3,400	719	2,681
Other Expenditures	6,500	6,500	1,801	4,699

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	2,069,640	2,069,495	1,951,540	117,955
Employee Benefits	671,345	671,242	698,990	(27,748)
Purchased Services	218,806	251,270	153,146	98,124
Materials and Supplies	17,400	17,428	8,640	8,788
Capital Outlay	1,280	1,399	737	662
Other Expenditures	82,400	82,950	67,516	15,434
Food Services				
Salaries	-	171,995	171,995	-
Employee Benefits	-	16,628	16,301	327
Materials and Supplies	-	1,216	-	1,216
Capital Outlay	-	19	-	19
Central Services				
Salaries	4,594,551	4,501,284	4,444,926	56,358
Employee Benefits	1,563,215	1,533,541	1,519,384	14,157
Purchased Services	1,492,295	1,721,026	816,953	904,073
Materials and Supplies	142,159	149,024	61,787	87,237
Capital Outlay	27,658	23,542	5,267	18,275
Other Expenditures	429,417	435,767	291,250	144,517
Student Transportation Services				
Salaries	17,207,510	18,800,362	18,297,348	503,014
Employee Benefits	8,705,941	8,502,701	8,493,342	9,359
Purchased Services	1,091,828	1,371,599	1,273,869	97,730
Energy Services	4,110,000	4,439,800	3,474,873	964,927
Materials and Supplies	1,515,615	1,509,977	1,458,411	51,566
Capital Outlay	3,800	3,800	-	3,800
Other Expenditures	14,000	94,000	93,000	1,000
Operation of Plant				
Salaries	16,169,586	17,152,785	17,075,906	76,879
Employee Benefits	6,783,696	7,700,402	7,701,884	(1,482)
Purchased Services	9,350,092	9,353,387	9,116,639	236,748
Energy Services	11,138,000	11,138,000	11,098,697	39,303
Materials and Supplies	950,232	1,069,153	913,992	155,161
Capital Outlay	20,904	37,354	35,752	1,602
Other Expenditures	2,850	31,824	26,701	5,123
Maintenance of Plant				
Salaries	4,757,802	5,757,802	5,747,559	10,243
Employee Benefits	2,023,455	2,023,455	1,994,954	28,501
Purchased Services	3,927,975	3,421,403	3,417,622	3,781
Materials and Supplies	370,475	403,501	368,938	34,563
Capital Outlay	13,783	9,693	4,539	5,154
Other Expenditures	2,325	47,133	45,480	1,653

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	6,318,190	6,119,206	6,077,614	41,592
Employee Benefits	2,091,583	2,041,674	1,985,046	56,628
Purchased Services	1,449,645	2,088,475	1,688,489	399,986
Materials and Supplies	26,435	25,410	14,799	10,611
Capital Outlay	18,125	18,873	14,699	4,174
Other Expenditures	54,300	53,460	12,816	40,644
Community Services				
Salaries	75,969	168,228	146,346	21,882
Employee Benefits	41,444	60,877	46,465	14,412
Purchased Services	231,416	224,565	203,883	20,682
Materials and Supplies	25,993	25,390	19,302	6,088
Capital Outlay	20,663	14,719	10,071	4,648
Other Expenditures	168,632	168,632	127,565	41,067
Capital Outlay:				
Facilities Acquisition and Construction	-	151,000	-	151,000
Other Capital Outlay	-	539,614	699,274	(159,660)
Total Expenditures	566,678,580	597,888,279	569,450,754	28,437,525
Excess (Deficiency) of Revenues Over Expenditures	(1,177,663)	(19,707,575)	1,575,148	21,282,723
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	50,000	50,000	2,300	(47,700)
Transfers In	2,409,298	3,013,495	3,387,459	373,964
Transfers Out	(1,481,635)	(1,537,396)	(1,537,392)	4
Total Other Financing Sources (Uses)	977,663	1,526,099	1,852,367	326,268
Net Change in Fund Balance	(200,000)	(18,181,476)	3,427,515	21,608,991
Fund Balance, Beginning	63,353,525	63,353,525	63,353,525	-
Fund Balance, Ending	\$ 63,153,525	\$ 45,172,049	\$ 66,781,040	\$ 21,608,991

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 7,796,539	\$ 8,239,496	\$ 8,082,702	\$ (156,794)
Federal Through State	36,006,881	46,794,755	39,438,405	(7,356,350)
Total Revenues	43,803,420	55,034,251	47,521,107	(7,513,144)
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,101,416	14,101,997	12,602,162	1,499,835
Employee Benefits	6,040,609	6,388,297	5,558,629	829,668
Purchased Services	2,476,975	2,873,965	2,477,641	396,324
Materials and Supplies	898,294	2,010,710	1,380,314	630,396
Capital Outlay	246,435	414,283	309,884	104,399
Other Expenditures	1,136,728	1,134,966	1,080,731	54,235
Student Support Services				
Salaries	2,709,955	2,858,043	2,552,078	305,965
Employee Benefits	957,436	1,001,442	922,550	78,892
Purchased Services	205,145	327,553	255,489	72,064
Materials and Supplies	169,371	337,214	204,769	132,445
Capital Outlay	47,712	11,017	11,017	-
Other Expenditures	1,800	2,995	2,995	-
Instructional Media Services				
Salaries	14,129	18,169	17,079	1,090
Employee Benefits	5,716	6,357	6,093	264
Capital Outlay	2,551	2,551	2,551	-
Instruction and Curriculum Development Services				
Salaries	3,774,965	4,341,561	3,763,182	578,379
Employee Benefits	1,115,275	1,255,913	1,086,282	169,631
Purchased Services	241,134	529,082	195,714	333,368
Materials and Supplies	102,685	245,267	195,152	50,115
Capital Outlay	35,500	19,819	9,004	10,815
Other Expenditures	62,449	61,955	33,158	28,797
Instructional Staff Training Services				
Salaries	4,354,684	6,442,643	5,796,511	646,132
Employee Benefits	1,210,200	1,523,344	1,360,911	162,433
Purchased Services	824,093	2,130,835	1,811,000	319,835
Materials and Supplies	62,223	162,053	110,830	51,223
Capital Outlay	-	5,143	4,265	878
Other Expenditures	321,347	343,813	192,815	150,998

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instruction-Related Technology				
Salaries	294,723	401,728	390,352	11,376
Employee Benefits	94,068	127,336	122,807	4,529
Purchased Services	73,090	116,940	46,826	70,114
Materials and Supplies	100	295	295	-
Capital Outlay	-	56	56	-
General Administration				
Other Expenditures	2,215,529	2,646,902	2,298,183	348,719
School Administration				
Salaries	83,405	93,841	92,125	1,716
Employee Benefits	28,113	29,521	29,006	515
Purchased Services	150	-	-	-
Capital Outlay	-	-	-	-
Facilities Acquisition and Construction				
Other Capital Outlay	30,106	-	-	-
Fiscal Services				
Salaries	86,954	88,502	75,654	12,848
Employee Benefits	28,629	28,844	23,806	5,038
Materials and Supplies	450	193	193	-
Capital Outlay	-	357	357	-
Food Services				
Purchased Services	58,199	82,898	82,898	-
Materials and Supplies	100	-	-	-
Capital Outlay	1,300	168	168	-
Central Services				
Salaries	114,239	172,720	122,715	50,005
Employee Benefits	27,764	40,946	24,728	16,218
Purchased Services	50,500	78,889	77,389	1,500
Materials and Supplies	-	70,073	68,898	1,175
Other Expenditures	9,970	56,002	54,680	1,322
Student Transportation Services				
Salaries	64,003	69,498	69,498	-
Employee Benefits	21,943	22,645	22,645	-
Purchased Services	175,423	278,750	162,354	116,396
Capital Outlay	-	745	745	-
Other Expenditures	1,888	1,377	1,377	-
Operation of Plant				
Purchased Services	15,000	54,161	54,161	-
Energy Services	64,578	108,105	108,105	-
Materials and Supplies	9,205	15,199	15,199	-
Capital Outlay	500	-	-	-

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Maintenance of Plant				
Purchased Services	30,694	44,700	44,701	(1)
Capital Outlay	100	-	-	-
Administrative Technology Services				
Salaries	82,810	80,027	49,900	30,127
Employee Benefits	21,060	21,060	15,311	5,749
Community Services				
Salaries	-	66,290	-	66,290
Employee Benefits	-	5,733	-	5,733
Purchased Services	-	327,259	25,220	302,039
Capital Outlay:				
Facilities Acquisition and Construction	-	306,748	291,597	15,151
Other Capital Outlay	-	1,044,756	832,388	212,368
Total Expenditures	43,803,420	55,034,251	47,147,143	7,887,108
Excess (Deficiency) of Revenues Over Expenditures	-	-	373,964	373,964
Other Financing Sources (Uses):				
Transfers Out	-	-	(373,964)	(373,964)
Total Other Financing Sources (Uses)	-	-	(373,964)	(373,964)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

District School Board of Pasco County
Statement of Fund Net Position
Proprietary Funds
June 30, 2019

Exhibit I

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Major Fund	Nonmajor	Total	
	After School Enrichment Programs (ASEP)	Vending Program	Enterprise Funds	Internal Service Funds
ASSETS:				
Current Assets:				
Cash	\$ 1,055,782	\$ 9,513	\$ 1,065,295	\$ 2,146,276
Investments	5,307,701	-	5,307,701	69,684,598
Accounts Receivable	27,340	-	27,340	1,360,149
Accrued Interest Receivable	38	-	38	501
Total Current Assets	6,390,861	9,513	6,400,374	73,191,524
Noncurrent Assets:				
Improvements Other Than Buildings, Net	14,356	-	14,356	-
Buildings and Fixed Equipment, Net	12,793	-	12,793	-
Furniture, Fixtures, and Equipment, Net	56,632	-	56,632	1,244
Computer Software, Net	11,945	-	11,945	-
Total Noncurrent Assets	95,726	-	95,726	1,244
Total Assets	6,486,587	9,513	6,496,100	73,192,768
DEFERRED OUTFLOWS OF RESOURCES:				
Pension FRS/HIS	2,130,873	-	2,130,873	878,006
Other Postemployment Benefits Payable	78,448	-	78,448	16,956
Total Deferred Outflows of Resources	2,209,321	-	2,209,321	894,962
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 8,695,908	\$ 9,513	\$ 8,705,421	\$ 74,087,730
LIABILITIES:				
Current Liabilities:				
Payroll Deductions and Withholdings Payable	\$ -	\$ -	\$ -	\$ 185,415
Accounts Payable	6,819	32	6,851	16,088,141
Sales Tax Payable	-	642	642	-
Unearned Revenue	120,174	-	120,174	235,192
Compensated Absences Payable	80,579	-	80,579	11,936
Estimated Insurance Claims Payable	-	-	-	2,332,000
Total Current Liabilities	207,572	674	208,246	18,852,684
Noncurrent Liabilities:				
Compensated Absences Payable	567,909	-	567,909	341,220
Estimated Insurance Claims Payable	-	-	-	4,704,000
Other Postemployment Benefits Payable	1,815,100	-	1,815,100	399,749
Net Pension Liability - FRS / HIS	4,903,744	-	4,903,744	1,104,205
Total Noncurrent Liabilities	7,286,753	-	7,286,753	6,549,174
Total Liabilities	7,494,325	674	7,494,999	25,401,858
DEFERRED INFLOWS OF RESOURCES:				
Pension FRS/HIS	900,162	-	900,162	1,319,866
Other Post-Employment Benefits	95,198	-	95,198	20,875
Total Deferred Inflows of Resources	995,360	-	995,360	1,340,741
NET POSITION:				
Investment in Capital Assets	95,726	-	95,726	1,244
Unrestricted	110,497	8,839	119,336	47,343,887
Total Net Position	206,223	8,839	215,062	47,345,131
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 8,695,908	\$ 9,513	\$ 8,705,421	\$ 74,087,730

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

District School Board of Pasco County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

Exhibit J

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Major Fund	Nonmajor		
	After School Enrichment Programs (ASEP)	Vending Program	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for Services Provided	\$ 10,392,895	\$ -	\$ 10,392,895	\$ 13,726,200
Charges for Sales	-	711,843	711,843	-
Insurance Premiums:				
Board Contributions	-	-	-	82,852,109
Employees	-	-	-	168,525
Retirees	-	-	-	4,272,830
Other Operating Revenues	-	1,498	1,498	3,817,040
Total Operating Revenues	10,392,895	713,341	11,106,236	104,836,704
Operating Expenses:				
Salaries	5,439,926	-	5,439,926	1,137,355
Employee Benefits	2,373,279	-	2,373,279	410,170
Purchased Services	387,913	-	387,913	18,441,579
Insurance Premiums	-	-	-	6,638,615
Energy Services	404,593	-	404,593	11,293,919
Materials and Supplies	319,574	20,877	340,451	124,521
Capital Outlay	49,695	-	49,695	39,548
Insurance Claims	-	-	-	66,895,051
Other	746,112	689,611	1,435,723	86,894
Depreciation	21,987	-	21,987	-
Total Operating Expenses	9,743,079	710,488	10,453,567	105,067,652
Operating Income (Loss)	649,816	2,853	652,669	(230,948)
Nonoperating Revenues (Expenses):				
Investment Earnings	109,369	-	109,369	1,690,107
Gifts, Grants, and Bequests	-	-	-	102,775
Other Miscellaneous Revenue	-	-	-	273
Insurance Loss Recoveries	-	-	-	213,990
Loss on Disposition of Assets	(1,792)	-	(1,792)	(1,411)
Total Nonoperating Revenues (Expenses)	107,577	-	107,577	2,005,734
Income (Loss) Before Transfers	757,393	2,853	760,246	1,774,786
Transfers Out	(55,093)	-	(55,093)	(300,918)
Change in Net Position	702,300	2,853	705,153	1,473,868
Total Net Position, July 1, 2018	(496,077)	5,986	(490,091)	45,871,263
Total Net Position, June 30, 2019	\$ 206,223	\$ 8,839	\$ 215,062	\$ 47,345,131

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

District School Board of Pasco County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

Exhibit K

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor		
	After School Enrichment Programs (ASEP)	Vending Program	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Sales and Services	\$ 10,404,947	\$ 711,843	\$ 11,116,790	\$ 13,726,200
Cash Received from Premiums	-	-	-	86,506,726
Cash Received from Other Operating Revenues	-	1,498	1,498	3,817,040
Cash Payments to Suppliers for Goods and Services	(1,902,398)	(710,773)	(2,613,171)	(37,062,194)
Cash Payments to Employees for Services	(7,549,789)	-	(7,549,789)	(1,469,303)
Cash Payments for Insurance Claims	-	-	-	(67,069,051)
Net Cash Provided (Used) by Operating Activities	952,760	2,568	955,328	(1,550,582)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Insurance Loss Recoveries	-	-	-	213,990
Gifts, Grants and Bequests	-	-	-	102,775
Other Miscellaneous Revenue	-	-	-	273
Transfers Out	(55,093)	-	(55,093)	(300,918)
Net Cash Provided (Used) by Noncapital Financing Activities	(55,093)	-	(55,093)	16,120
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(7,138)	-	(7,138)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,138)	-	(7,138)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	109,763	-	109,763	1,696,980
Purchase and Sale of Investments	(109,371)	-	(109,371)	1,359,894
Net Cash Provided (Used) by Investing Activities	392	-	392	3,056,874
Net Change in Cash	890,921	2,568	893,489	1,522,412
Cash, Beginning	164,861	6,945	171,806	623,864
Cash, Ending	\$ 1,055,782	\$ 9,513	\$ 1,065,295	\$ 2,146,276
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 649,816	\$ 2,853	\$ 652,669	\$ (230,948)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	21,987	-	21,987	-
Change in Assets, Liabilities, and Deferred Outflows/Inflows of Resources:				
Increase in Accounts Receivable	(5,453)	-	(5,453)	(777,058)
Increase (Decrease) in Accounts Payable	5,489	(274)	5,215	(437,118)
Decrease in Sales Tax Payable	-	(11)	(11)	-
Decrease in Salaries and Benefits Payable	-	-	-	(2,926)
Increase in Payroll Deductions and Withholdings Payable	-	-	-	108,827
Increase (Decrease) in Unearned Revenue	17,505	-	17,505	(9,680)
Increase in Compensated Absences Payable	80,579	-	80,579	30,336
Increase in Other Postemployment Benefits Amounts	16,222	-	16,222	2,946
Increase (Decrease) in Pension Amounts	166,615	-	166,615	(60,961)
(Decrease) in Estimated Insurance Claims Payable	-	-	-	(174,000)
Total Adjustments	302,944	(285)	302,659	(1,319,634)
Net Cash Provided (Used) by Operating Activities	\$ 952,760	\$ 2,568	\$ 955,328	\$ (1,550,582)

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

District School Board of Pasco County
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

Exhibit L

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash	\$ 545,618	\$ 472	\$ 9,780,516
Collateralized Mortgage Obligations	291,367	-	-
Corporate Bonds	187,989	-	-
Government and Municipal Bonds	7,561,590	-	-
Domestic Equity Mutual Funds	3,468,932	-	-
International Equity Mutual Funds	1,077,500	-	-
Domestic Fixed Income Mutual Funds	2,950,299	-	-
Government Sponsored Enterprise Securities	86,721	25,371	76,070
Money Market Funds	531,067	-	-
Accounts Receivable	-	-	6,795
Interest Receivable	129,271	-	1
Inventories	-	-	14,158
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	16,830,354	25,843	\$ 9,877,540
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Accounts Payable	5,388	-	\$ 1,067,023
Internal Accounts Payable	-	-	8,721,666
ABC Program Payable	-	-	88,851
	<hr/>	<hr/>	<hr/>
Total Liabilities	5,388	-	\$ 9,877,540
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Restricted for Pension Benefits	16,824,966	-	
Restricted for Medical Benefits	-	25,843	
	<hr/>	<hr/>	
Total Net Position	16,824,966	25,843	
	<hr/>	<hr/>	
TOTAL LIABILITIES AND NET POSITION	\$ 16,830,354	\$ 25,843	
	<hr/>	<hr/>	

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

District School Board of Pasco County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Investment Earnings:		
Interest, Dividends and Other	\$ 1,136,618	\$ 636
Net Investment Income	1,136,618	636
Total Additions	1,136,618	636
DEDUCTIONS:		
Purchased Services	1,491,492	-
Administrative Expenses	-	3,026
Administrative Expense (other)	1,760	-
Total Deductions	1,493,252	3,026
Change in Net Position	(356,634)	(2,390)
Net Position, July 1, 2018	17,181,600	28,233
Net Position, June 30, 2019	\$ 16,824,966	\$ 25,843

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The rationale for including charter schools in the District's financial statements is pursuant to Article VII, Section 9 of the Florida Constitution and Section 1002.33(9)(I), Florida Statutes, which provides that charter schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on school districts. Because it may be misleading to exclude charter schools, GASB Sections 2100 and 2600 provide the option to consider charter schools as component units of school districts.

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

- **Blended Component Unit.** The Pasco County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- **Discretely Presented Component Units.** The component units' columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, eleven charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board. The component units are as follows:
 - ◊ **Academy at the Farm, Inc.** is a K through 8th grade school focused on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

- ◇ Athenian Academy of Technology and the Arts, Inc. is a K through 8th grade school offering students a program that focuses on technology, performing arts, hands-on science, character education, cooperative learning, reteach and enrichment, and rigorous educational programs.
- ◇ Classical Preparatory School is a K through 11th grade school providing a classical style education.
- ◇ Countryside Montessori Charter School, Inc. is a 1st through 8th grade school providing an alternative education program.
- ◇ Dayspring Academy for Education and the Arts is a K through 12th grade school emphasizing the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Imagine School at Land O'Lakes is a K through 8th grade school providing an alternative education program.
- ◇ Learning Lodge Academy is a K through 5th grade school providing an alternative elementary education program.
- ◇ Pasco MYcroSchool is a 9th through 12th alternative school providing a high school program for students who need to get back on-track to graduation. This school closed as of June 30, 2019.
- ◇ Pepin Academies of Pasco County, Inc. is a 3rd through 12th grade school providing an alternative education program for special needs students.
- ◇ Plato Academy Trinity Charter School is a K through 3rd grade school offering an enriched, disruption-free environment through optimum instruction, support and encouragement.
- ◇ Union Park Charter Academy is a K through 8th grade school offering a learning environment that integrates research-based curriculum, a culture of safety and success, and concentration on academic rigor, while focusing on citizenship and experiential learning through student engagement.

The Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ending June 30, 2019.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The Pasco Education Foundation (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. The financial data reported on the accompanying statements was derived from the Foundation's audited financial statements for the fiscal year ending June 30, 2019.

Audits of the charter schools and Foundation for the fiscal year ending June 30, 2019, were conducted by independent certified public accountants and are filed at the District's administrative office at 7227 Land O' Lakes Boulevard, Land O' Lakes, Florida 34638. Audited financial statements were not provided, or presented, for Pasco MYcroSchool as the school ceased operations on June 30, 2019.

➤ **Basis of Presentation**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to function/programs of the primary government. Program revenues include charges paid by the recipient of the goods or services offered by program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

The District reports the following major governmental funds:

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

Additionally, the District reports the following major proprietary fund:

- Enterprise Fund – After School Enrichment Programs (ASEP) – to account for the financial resources of the District's before and after-school child care programs.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Enterprise Fund – Vending Program – to account for the operation of food and beverage machines throughout the District.
- Internal Service Funds – to account for the District's fully-insured program for employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee benefits program; the energy management program; and exclusive agreements administered by the School Board.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – to account for resources of various scholarship funds that provide for medical benefits and educational support.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at the District's schools in connection with

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

school, student athletic, class and club activities, and of the Assist, Believe and Care (ABC) Program which is designed to provide support to students and their families that are experiencing economic hardship or in an immediate family crisis.

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

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

Agency (Fiduciary) Funds are purely custodial in nature (assets equal liabilities) and, as such, do not have a measurement focus, but utilize the accrual basis of accounting for reporting assets and liabilities.

In applying the "susceptible to accrual" concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended for the specific purpose before the District will receive any amounts; therefore, revenues are recognized based upon the incurrence of the expenditures. In the other, monies are virtually unrestricted as to purpose of

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the "susceptible to accrual" criteria are met. In all cases, monies received before the revenue recognition criteria have been met, are reported as unearned revenue.

The Proprietary Funds are prepared under the economic resources measurement focus and the accrual basis of accounting. 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 the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance, workers' compensation, general liability, and property insurance. The principal operating expenses include salaries and benefits for employees, insurance claims, and excess coverage insurance. All revenues and expenses not meeting this definition are reports as nonoperating revenues and expenses. Unrestricted net position in the internal service funds is designated for future losses.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

➤ **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

➤ **Deposits and Investments**

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

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, with the SBA for participation in the Florida PRIME investment

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pool created by Sections 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and Florida Publix Assets for Liquidity Management (FL PALM), which the SBA and the FL PALM indicate 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 amounts are reported at amortized cost.

Investments made locally consist of United States Treasury Securities and Federal Agency Securities, money market mutual funds, corporate notes, commercial paper and municipal securities and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in Note 3.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at cost. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, telecommunications, technology services, and transportation items are based on a weighted average basis. Fuel inventories are stated at last quoted price at June 30, 2019. The United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing \$1,000 or more or electronic equipment, such as computers, tablets, printers, and projectors, or band equipment costing \$250 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated assets are recorded at acquisition value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1972, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, \$1,348,251 of stated land values and \$15,047,877 of stated building values are based on these estimates.

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

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

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

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

➤ **Compensated Absences**

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

The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees to whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

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

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

➤ **Long-Term Debt**

Long-term debt obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide

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statement of net position. Bond and certificates of participation premiums and discounts are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

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

➤ **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 liability, 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 and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, defined benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section, *Deferred Outflows of Resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an expense until then. The District has four types of items that meet this criterion - those related to the loss on refunding which is the difference between reacquisition price and the net carrying amount of old debt, those related to the accumulated decrease in the fair value of hedging derivatives, those related to pension plans as further discussed in Notes 17 and 18, and those related to OPEB as further discussed in Note 19.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate section *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that meet this criterion – those related to pension plans as further

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discussed in Notes 17 and 18, and those related to OPEB as further discussed in Note 19.

➤ **Net Position Flow Assumption**

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

➤ **Fund Balance Flow Assumptions**

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

➤ **Program Revenues**

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education ("FDOE") under the provisions of Chapter 1011.62, Florida Statutes. This revenue is recognized in the year of entitlement. The District files reports on full-time equivalent ("FTE") student membership with FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. The District is permitted to amend its original reporting during specified time periods following the date of original reporting. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining

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and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

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

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

➤ **District Property Taxes**

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

The School Board adopted the 2018 tax levy on September 18, 2018. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Millage rates and taxes levied for the current year are further described in Note 16.

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

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

➤ **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. The FDOE may require adjustment to subsequent fiscal period expenditures and related revenues based upon an audit of the district's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

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

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3. INVESTMENTS

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a pricing methodology that uses evaluation models, such as matrix pricing, to value securities based on a security's relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are subject to being priced by an alternative pricing source utilizing discounted cash flow models and broker bids, or may have an estimated fair value equal to cost, due to the absence of an independent pricing source.

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

Intergovernmental investment pool funds are held with Florida PRIME, FL PALM and FL FIT and are valued based on amortized cost. This fund has no unfunded commitments and allows unlimited daily redemptions and investments with a 1-day minimum holding period.

Investments at June 30, 2019, are shown below:

			Fair Value Measurements Using	
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level	Maturities	Fair Value		
SBA - Debt Service Account	6 Months	\$ 135,510	\$ 135,510	\$ -
Commercial Paper	31 Days Average	319,264	-	319,264
United States Treasury Securities	2.48 Years Average	20,956,698	15,566,898	5,389,800
Government Sponsored Enterprises (2)	292 Days Average	28,803,183	-	28,803,183
Municipal Securities	1.07 Years Average	17,759,658	-	17,759,658
Corporate Notes	1.14 Years Average	16,609,728	13,627,368	2,982,360
Total Investments by Fair Value Level		<u>84,584,041</u>	<u>\$ 29,329,776</u>	<u>\$ 55,254,265</u>
Investments Measured at the Net Asset Value (NAV)				
FL FIT - 1-3 Year Pool	2.69 Years Average	81,722,852		
FL FIT - Cash Pool	113 Days Average	135,422,235		
FL FIT - Enhanced Cash Pool	223 Days Average	4,100,844		
Total Investments Measured at NAV		<u>221,245,931</u>		
Investments Measured at Amortized Cost				
Local Government Investment Pools:				
Florida PRIME	28 Days Average	312,996		
FL PALM	52 Days Average	20,634,583		
Money Market Funds:				
Fidelity Institutional Government	23 Days Average	<u>25,708,489</u>		
Total Investments Measured at Amortized Cost		<u>46,656,068</u>		
Total Investments (1)		<u>\$ 352,486,040</u>		

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

(2) Amount includes \$101,441 held in Fiduciary Funds.

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Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments of operating funds to a maximum of eighteen months as a means of managing its exposure to fair value losses arising from an increase in interest rates. Investments of reserves, project funds, debt proceeds and other non-operating funds are limited to a maximum of five years with the average duration of all these funds as a whole not to exceed three years.
- Florida PRIME, FL PALM and FL FIT use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.
- FL PALM has daily liquidity with unlimited investments and redemptions. The fund has investments in negotiable certificates of deposits, commercial paper, repurchase agreements, certificate of deposit - FHLB LOC, Bank Notes, Corporate Notes, and US Treasury Notes. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and market value. The Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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

Credit Risk

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

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- The District's investments in the State Board of Administration (SBA) Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate and credit risk for this account.
- The Florida FIT was rated AAAf/S1+ by Standard & Poor's.
- The District's investments in Commercial Paper were rated A-1 by Standard & Poor's and P-1 by Moody's.
- The District's investment in Government Sponsored Enterprise Securities was rated Aaa by Moody's and/or AA+ by Standard & Poor's.
- The District's investments in State and Local Government Bonds had ratings from AA+ to AAA by Standard & Poor's.
- The District's investments in Corporate Notes had ratings from A to AA+ by Standard & Poor's.
- As of June 30, 2019, the District's investment in Florida PRIME was rated AAAm by Standard & Poor's.
- The FL PALM fund is rated AAAm by Standard & Poor's.
- The District's investments in money market funds were rated AAAm by Standard & Poor's.

Custodial Credit Risk

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

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Government Investment Pools, were held in third-party custodial accounts in the District's name.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio. None of the District's investments in any one issuer represent 5 percent or more of the District's total investments.

Foreign Currency Risk

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

4. RECEIVABLES

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

All receivable balances are expected to be received within the subsequent year. Due from other agencies at June 30, 2019, are shown below:

Florida Department of Education	\$ 16,256,853
Florida Department of Revenue	5,696,154
Florida Department of Health	3,008,202
Pasco Board of County Commissioners	2,474,408
US Department of Health & Human Services	1,925,503
Medicaid Disbursement Account	946,071
Florida Department of Financial Services	320,095
City of Zephyrhills	92,736
Eckerd Kids/Eckerd Community Alternative	92,485
US Department of Defense	88,319
Pasco County Tax Collector	51,493
Early Learning Coalition of Pasco	47,992
Florida Department of Highway Safety	20,335
Total	<u>\$ 31,020,646</u>

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5. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2019, are presented in the table below:

	Beginning 7/1/2018	Additions	Deletions	Ending 6/30/2019
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 82,798,835	\$ 533,223	\$ 50,001	\$ 83,282,057
Construction in Progress	29,468,438	47,237,124	20,161,152	56,544,410
Total Capital Assets Not Being Depreciated	112,267,273	47,770,347	20,211,153	139,826,467
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	59,550,262	2,412,438	-	61,962,700
Buildings and Fixed Equipment	1,547,716,279	17,748,714	-	1,565,464,993
Furniture, Fixtures, and Equipment (1)	107,469,048	10,403,302	7,129,048	110,743,302
Motor Vehicles	53,733,067	5,213,257	2,700,502	56,245,822
Audio Visual Materials	62,704	-	2,387	60,317
Computer Software	31,168,108	3,676,121	8,975	34,835,254
Total Capital Assets Being Depreciated	1,799,699,468	39,453,832	9,840,912	1,829,312,388
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	37,977,879	2,068,188	-	40,046,067
Buildings and Fixed Equipment	598,034,302	44,278,692	-	642,312,994
Furniture, Fixtures, and Equipment (1)	72,351,486	11,496,596	6,306,122	77,541,960
Motor Vehicles	33,587,838	2,321,191	2,396,035	33,512,994
Audio Visual Materials	56,433	-	2,148	54,285
Computer Software	23,362,422	5,645,011	8,077	28,999,356
Total Accumulated Depreciation	765,370,360	65,809,678	8,712,382	822,467,656
Total Capital Assets Being Depreciated, Net	1,034,329,108	(26,355,846)	1,128,530	1,006,844,732
Governmental Activities Capital Assets, Net	<u>\$ 1,146,596,381</u>	<u>\$ 21,414,501</u>	<u>\$ 21,339,683</u>	<u>\$ 1,146,671,199</u>
Note: (1) Includes Internal Service Fund assets of \$12,438 and \$11,194 of accumulated depreciation.				
BUSINESS-TYPE ACTIVITIES				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 27,131	\$ -	\$ -	\$ 27,131
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	357,409	7,138	12,618	351,929
Computer Software	48,875	-	-	48,875
Total Capital Assets Being Depreciated	467,990	7,138	12,618	462,510
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	11,147	1,628	-	12,775
Buildings and Fixed Equipment	20,227	1,555	-	21,782
Furniture, Fixtures, and Equipment	287,642	18,481	10,826	295,297
Computer Software	36,607	323	-	36,930
Total Accumulated Depreciation	355,623	21,987	10,826	366,784
Business-Type Activities Capital Assets, Net	<u>\$ 112,367</u>	<u>\$ (14,849)</u>	<u>\$ 1,792</u>	<u>\$ 95,726</u>

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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 38,531,409
Student Support Services	34,344
Instructional Media Services	110,940
Instruction and Curriculum Development Services	24,933
Instructional Staff Training Services	2,531
Instruction-Related Technology	144
Board Administration	9
School Administration	22,684
Facilities Services	26,372,285
Fiscal Services	323
Food Services	62,367
Central Services	2,049
Student Transportation Services	335,509
Operation of Plant	5,110
Maintenance of Plant	296,669
Community Services	8,372
Total Depreciation Expense - Governmental Activities	<u>\$ 65,809,678</u>
BUSINESS-TYPE ACTIVITIES	
ASEP	<u>\$ 21,987</u>

6. CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2019, are shown below:

Accounts Payable	\$ 26,782,566
Payroll Deductions and Withholdings Payable	17,022,825
Salary and Benefits Payable	3,524,151
Construction Contracts Payable - Retainage	2,209,769
Construction Contracts Payable	267,266
Sales Tax Payable	5,086
Due to Other Agencies	1,031
Total	<u>\$ 49,812,694</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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7. CAPITAL LEASES

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

<u>Asset Description</u>	<u>Asset Balance</u>
Buses	\$ 14,196,130
Computer Equipment	10,715,956
Total	\$ 24,912,086

Following are the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2019:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 8,316,744	\$ 7,711,956	\$ 604,788
2021	6,685,591	6,267,632	417,959
2022	4,828,784	4,571,839	256,945
2023	2,900,965	2,763,074	137,891
2024	2,185,066	2,104,542	80,524
2025-2026	1,532,698	1,493,043	39,655
Total Minimum Lease Payments	26,449,848	\$ 24,912,086	\$ 1,537,762
Less, Interest	<u>(1,537,762)</u>		
Present Value of Minimum Payments	\$ 24,912,086		

The stated and imputed interest rates range from 1.56 percent to 3.29 percent.

8. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on April 1, 1992, which was characterized as a lease-purchase agreement, with the Florida School Boards Association and supplemental arrangements dated July 1, 2005, December 23, 2005, July 1, 2007, June 1, 2008, December 16, 2009, July 1, 2013, June 1, 2014, June 30, 2014, December 1, 2014, March 1, 2015, January 1, 2016 and November 1, 2018, with the Pasco County School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing of various educational facilities in the total amounts of \$66,415,000, \$785,612, \$76,045,000, \$74,115,000, \$11,000,000, \$45,385,000, \$30,655,000, \$75,656,458, \$13,655,000, \$44,145,000, \$25,995,000 and \$68,200,000, respectively.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Certificates of Participation payable at June 30, 2019, are as follows:

	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Remaining Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
Certificates of Participation				
Series 2005B (1)	\$ 30,500,000	\$ 30,500,000	Weekly ARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2008C (2)(3)	74,115,000	71,950,000	Weekly	2032
Series 2009 - QSCB	11,000,000	11,000,000	2.44	2025
Series 2013A (4)	45,385,000	36,175,000	3.00 - 5.00	2029
Series 2014A (5)	30,655,000	27,355,000	2.98	2030
Series 2014B-1 (6)	72,246,316	52,857,108	2.60	2026
Series 2014 - QSCB	13,655,000	13,655,000	5.00	2037
Series 2015A (7)	44,145,000	40,815,000	5.00	2027
Series 2016A	25,995,000	24,285,000	5.00	2040
Series 2018A	68,200,000	68,200,000	4.00 - 5.00	2043
Total Certificates of Participation	<u>\$ 416,681,928</u>	<u>\$ 377,577,720</u>		

Notes: (1) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2019, was 1.00 percent.

(2) On June 5, 2008, the School Board caused the issuance of the Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000 for the principal purpose of refunding, on a current basis, all of the outstanding Series 2007B Certificates.

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

(4) On July 2, 2013, the School Board caused the issuance of the Certificates of Participation, Series 2013A in the aggregate principal amount of \$45,385,000, which was used to refund portions of the Certificates of Participation, Series 2004.

(5) On June 12, 2014, the School Board entered into an arrangement to refund a portion of the District's Certificates of Participation, Series 2005A. This refunding was accomplished through the issuance of \$30,655,000 of Certificates of Participation, Series 2014A.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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- (6) On June 30, 2014, the School Board issued Certificates of Participation, Series 2014B-1 & 2014B-2 in the total principal amount of \$75,656,458, which was used to refund Certificates of Participation, Series 2008A and to terminate the swap agreement. Series 2014 B-2, the taxable portion of the bond issue in the amount of \$3,410,142, was paid off in the 2015-16 year.
- (7) On March 31, 2015, the School Board caused the issuance of the Certificates of Participation, Series 2015A in the aggregate principal amount of \$44,145,000, which were used to refund portions of the Certificates of Participation, Series 2007A.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$1 per year. The 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 leases and to provide for the rent payment through to term, the District may be required to surrender the sites included under the various Ground Lease Agreements for the benefit of the securers of the Certificates for a period of time as specified by the arrangements. The Certificates of Participation Series 2008C contains a provision by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate equal to the sum of the otherwise applicable interest rate from time to time in effect plus 4 percent. The Certificates of Participation Series 2014B-1 contains a provision by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of the then applicable interest rate plus 2 percent not to exceed the maximum lawful rate.

The District has the following ground leases as of June 30, 2019:

	Ground Lease Commencement	
	Date	Run Through
Certificates of Participation		
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2008C	July 1, 2007	August 1, 2032
Series 2009-QSCB	December 16, 2009	December 15, 2025
Series 2013A	July 1, 2013	August 1, 2029
Series 2014A	June 1, 2014	August 1, 2030
Series 2014B	June 30, 2014	August 1, 2026
Series 2014 - QSCB	December 1, 2014	December 1, 2037
Series 2015A	March 1, 2015	August 1, 2027
Series 2016A	January 1, 2016	August 1, 2040
Series 2018A	November 1, 2018	July 31, 2043

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

Certificates of Participation, Series 1992-A

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

Certificates of Participation, Series 1996

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

Certificates of Participation, Series 2004

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

Certificates of Participation, Series 2005-QZAB

Additions and Renovations for the following facilities:

Fox Hollow Elementary School
Dr. Mary Giella Elementary School
Moore Mickens Education Center
Hudson Elementary School
Calusa Elementary School

Certificates of Participation, Series 2005-A and B

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

Certificates of Participation, Series 2007-A and B

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

Certificates of Participation, Series 2009-QSCB

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

Certificates of Participation, Series 2014-QSCB

Repairs and Replacements of HVAC for the following facilities:

Wesley Chapel High School
Woodland Elementary School
San Antonio Elementary School
T.E. Weightman Middle School
Pineview Middle School
Ridgewood High School
Dr. Mary Giella Elementary School
Chasco Middle School
Seven Springs Elementary School
Anclote High School
Gulf High School
Pasco Middle School
Trinity Elementary School
Pasco Elementary School
Moon Lake Elementary School
Pine View Elementary
Seven Springs Middle School
Deer Park Elementary School
Hudson Middle School
James W. Mitchell High School
Centennial Elementary School
Cotee River Elementary School

Certificates of Participation, Series 2016A

Cypress Creek Middle/High School

Certificates of Participation, Series 2018A

Cypress Creek Middle School
Bexley K-8 School (partial funding)

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The lease payments for the Series 2013-A, Series 2014A, 2014B-1, Series 2015A, 2016A, and Series 2018A Certificates are payable by the District, semiannually, on August 1st and February 1st. Interest payments for the Series 2005-B Certificates are payable weekly at current auction interest rates until the final maturity date. Interest payments for the Series 2008-C Certificates are payable monthly. The lease payments for the Series 2005-QZAB are payable by the District, annually, on December 23rd. Interest payments for the Series 2009-QSCB are payable by the District, quarterly, on September 15th, December 15th, March 15th and June 15th. The lease payments for the Series 2014 QSCB are payable by the District, semiannually, on June 1st and December 1st. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30, 2019:

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 31,661,854	\$ 16,098,128	\$ 15,563,726
2021	32,435,379	17,524,783	14,910,596
2022	31,684,511	17,429,083	14,255,428
2023	31,672,559	18,072,613	13,599,946
2024	31,665,644	18,814,593	12,851,051
2025-2029	168,675,279	117,548,520	51,126,759
2030-2034	139,545,385	110,745,000	28,800,385
2035-2038	49,130,875	37,705,000	11,425,875
2039-2043	26,407,250	23,640,000	2,767,250
Subtotal	542,878,736	377,577,720	165,301,016
Add: Unamortized Premiums on Debt	18,769,527	18,769,527	-
Total Minimum Lease Payments	\$ 561,648,263	\$ 396,347,247	\$ 165,301,016

9. DERIVATIVE INSTRUMENTS

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

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

On May 5, 2017, the School Board renewed the expiring floating rate note on the Series 2008C with Bank of America at an interest initially calculated as the Securities Industry and Financial Markets

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Association (SIFMA) Index plus a 47 basis point spread. The floating rate note must be renegotiated in three (3) years from the issuance of the floating rate note.

The interest rate swap is reported as an investment derivative instrument because it does meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ending June 30, 2019.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2019, and the changes in fair values of such derivative instruments for the year ended are as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2019</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
Governmental Activities					
Fair value hedges:					
Pay-fixed interest rate swaps	Deferred Outflow	\$(4,546,398)	Debt	\$(16,619,959)	\$ 71,950,000

Terms – The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$71,950,000 matches the \$71,950,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 4.38 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative \$16,619,959 for the Certificates of Participation, Series 2008C. The estimated fair value of the Certificates of Participation, Series 2008C related swap agreement using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market. This fair value estimate is calculated based on Level 2 valuation inputs.

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

Interest Rate Risk – The District is exposed to interest rate risk on its interest rate swaps. As the SIFMA swap index decreases, the District's net payment on the swap increases, which is offset by the variable rate paid.

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

10. BONDS PAYABLE

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

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2010A	\$ 1,045,000	\$ 1,450,000	3.50 - 5.00	2019-2030
Series 2011A	670,000	1,710,000	3.00 - 5.00	2019-2023
Series 2014A, Refunding	1,072,000	1,724,000	3.00 - 5.00	2019-2025
Series 2014B, Refunding	28,000	2,411,000	2.00	2019-2020
Series 2017A, Refunding	3,068,000	3,288,000	3.00 - 5.00	2019-2028
District Revenue Bonds:				
Series 2003, Refunding	2,250,000	3,660,000	4.50 - 4.625	2019-2033
Series 2013, Sales Tax	63,050,000	96,715,000	5.00	2019-2024
Series 2016, Sales Tax	21,340,000	30,075,000	1.99	2019-2024
Series 2018, Sales Tax	29,840,000	35,000,000	2.80	2019-2024
Subtotal	122,363,000			
Unamortized Premium on Debt	4,513,810			
Unamortized Discount on Debt	(28,159)			
Total Bonds Payable	\$ 126,848,651			

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

➤ **State School Bonds**

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

➤ **District Revenue Bonds**

District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapters 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that

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the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes, now Section 212.20(6)(d)6.a., Florida Statutes). The approximate amount of pari-mutuel tax proceeds pledged is \$3,095,282, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 14 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue until repaid. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account. For the 2018-2019 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$222,631 of principal and interest.

District Sales Tax Revenue Bonds

These bonds are generally referred to as Sales Tax Revenue Bonds, Series 2013, Series 2016 and Series 2018, and are authorized by Chapter 212, 1001, and 1013, Florida Statutes. These bonds are secured by a pledge of the proceeds received by the District from the levy and collection of the 45 percent of the one-cent local infrastructure sales surtax pursuant to Section 212.055(6), Florida Statutes. Proceeds of the bonds were used to finance major remodeling and infrastructure upgrades including technology of elementary, middle, and high schools within the District. The District pledged a total of \$127,925,485 of the local infrastructure sales surtax revenues in connection with the Sales Tax Revenue Bond issues described above. For the 2018-2019 fiscal year, the District recognized pledged revenue of \$31,013,628 and paid \$17,335,000 in principal and \$4,513,309 in interest for all Series.

The Sales Tax Revenue Bonds, Series 2016 contains a provision by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of the base rate plus 4 percent.

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Annual requirements to amortize all bonded debt outstanding as of June 30, 2019, are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2020	\$ 924,265	\$ 658,000	\$ 266,265
2021	911,205	677,000	234,205
2022	933,355	733,000	200,355
2023	954,205	787,000	167,205
2024	780,405	648,000	132,405
2025-2029	2,526,085	2,260,000	266,085
2030-2034	<u>124,800</u>	<u>120,000</u>	<u>4,800</u>
Total State School Bonds	<u>7,154,320</u>	<u>5,883,000</u>	<u>1,271,320</u>
District Revenue Bonds:			
2020	21,593,031	17,440,000	4,153,031
2021	21,560,313	18,070,000	3,490,313
2022	21,546,402	18,765,000	2,781,402
2023	21,532,147	19,490,000	2,042,147
2024	21,522,605	20,245,000	1,277,605
2025-2029	22,383,075	21,680,000	703,075
2030-2034	<u>883,194</u>	<u>790,000</u>	<u>93,194</u>
Total District Revenue Bonds	<u>131,020,767</u>	<u>116,480,000</u>	<u>14,540,767</u>
Subtotal	138,175,087	122,363,000	15,812,087
Unamortized Discount on Debt	(28,159)	(28,159)	-
Unamortized Premium on Debt	<u>4,513,810</u>	<u>4,513,810</u>	<u>-</u>
Total	<u>\$ 142,660,738</u>	<u>\$ 126,848,651</u>	<u>\$ 15,812,087</u>

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11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Beginning 7/1/2018	Additions	Deductions	Ending 6/30/2019	Due In One Year
GOVERNMENTAL ACTIVITIES					
Bonds, Notes, and Other Payable:					
Bonds Payable	\$ 115,912,000	\$ -	\$ 14,889,000	\$ 101,023,000	\$14,713,000
Bonds from Direct Borrowings and Direct Placements	24,660,000	-	3,320,000	21,340,000	3,385,000
Certificates of Participation Payable	196,703,613	68,200,000	12,133,001	252,770,612	9,810,000
Certificates of Participation from Direct Borrowings and Direct Placements	130,973,929	-	6,166,821	124,807,108	6,288,128
Obligations Under Capital Leases	22,406,644	12,101,165	9,595,723	24,912,086	7,711,956
	490,656,186	80,301,165	46,104,545	524,852,806	41,908,084
Add: Unamortized Premium (Discount) on Debt	18,713,257	7,536,232	2,994,311	23,255,178	3,081,803
Total Bonds, Notes, and Other Payable	509,369,443	87,837,397	49,098,856	548,107,984	44,989,887
Other Liabilities					
Estimated Insurance Claims Payable	7,210,000	66,895,051	67,069,051	7,036,000	2,332,000
Compensated Absences Payable	40,685,800	13,115,795	10,601,026	43,200,569	2,514,769
Other Postemployment Benefits Payable	105,257,531	5,558,185	4,480,808	106,334,908	4,733,009
Net Pension Liability:					
Florida Retirement System	245,350,852	152,303,995	157,695,184	239,959,663	-
Health Insurance Subsidy	122,693,933	39,690,486	45,019,774	117,364,645	2,912,158
Derivative Instruments - Swap Liability	12,073,561	4,546,398	-	16,619,959	-
Total Governmental Activities Long-Term Liabilities	\$1,042,641,120	\$369,947,307	\$333,964,699	\$1,078,623,728	\$57,481,823
BUSINESS-TYPE ACTIVITIES					
Compensated Absences Payable	\$ 567,909	\$ 443,136	\$ 362,557	\$ 648,488	\$ 80,579
Other Postemployment Benefits Payable	1,792,557	116,302	93,759	1,815,100	-
Net Pension Liability:					
Florida Retirement System	3,371,546	-	78,842	3,292,704	-
Health Insurance Subsidy	1,686,027	-	74,987	1,611,040	-
Total Business-Type Activities	\$ 7,418,039	\$ 559,438	\$ 610,145	\$ 7,367,332	\$ 80,579

For the governmental activities, compensated absences, pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 22.

12. FUND BALANCE REPORTING

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories totaling \$4,894,916 and prepaid items totaling \$80,742 that are considered nonspendable.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted, Committed, Assigned, and Unassigned*

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and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted.
- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., resolution that is approved by a majority vote of the Board at a public meeting).

These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.

- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed.
- Unassigned: The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. The Board has not adopted a stabilization arrangement or a minimum fund balance policy. Instead, the Board has adopted Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unassigned fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.).

13. ENCUMBRANCES

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2019, the District has recorded \$65,202,624 in encumbrances within the District's governmental funds as follows: \$4,600,347 for the General Fund; \$57,683,960 for the Capital Projects-Other Fund; \$2,918,317 for the Nonmajor Governmental Funds.

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14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 16,325,171	\$ -
Capital Projects - Other	12,200,000	20,058,799
Special Revenue - Other Federal Programs	-	13,223,588
Nonmajor Governmental	4,800,000	42,784
Total	\$ 33,325,171	\$ 33,325,171

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement. The amount payable in the Capital Projects – Other Fund primarily represents payments owed for bond issues related to the construction of Cypress Creek Middle School and the renovation of Zephyrhills High School. The amount due to the General Fund from the Special Revenue – Other Federal Programs Fund represents grant funds not yet received before the end of the fiscal year. All amounts will be repaid within the 2019-2020 fiscal year.

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

Transfers Out	Transfers In			
	General Fund	Capital Projects - Other Funds	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ -	\$ 1,537,392	\$ 1,537,392
Capital Projects - Other Funds	175,200	-	22,692,162	22,867,362
Special Revenue - Other Federal Programs Fund	373,964	-	-	373,964
Nonmajor Governmental Funds	2,544,095	25,889	37,811,476	40,381,460
Internal Service Funds	294,200	-	6,718	300,918
ASEP Enterprise Fund	-	-	55,093	55,093
Total	\$ 3,387,459	\$ 25,889	\$ 62,102,841	\$65,516,189

Interfund transfers of money represent permanent transfers of monies between funds. A portion of the transfers out of the Capital Projects – Other Fund and Nonmajor Governmental Funds was to provide debt service principal and interest payments. A portion of the transfers into the General Fund was for Charter Schools Grant and capital outlay funds. The remaining transfers were operational in nature.

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15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2018-2019 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 316,279,681
Class Size Reduction	80,941,606
Florida Best and Brightest Scholarship Programs	6,347,057
School Recognition	2,991,796
Workforce Development Program	3,040,888
Motor Vehicle License Tax (Capital Outlay and Debt Service)	3,073,624
Voluntary Prekindergarten Program	1,413,099
Charter School Capital Outlay Funding	2,544,095
Mobile Home License Tax	411,366
Food Service Supplement	371,155
Full Service Schools	188,054
Fuel Tax Refund	172,902
Miscellaneous	1,908,341
Total	\$ 419,683,664

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

16. PROPERTY TAXES

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

	Millages	Taxes Levied
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	4.031	\$ 121,499,255
Basic Discretionary Local Effort	0.748	22,545,631
<u>Capital Projects - Local Capital Improvement Fund</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	45,211,829
Total	6.279	\$ 189,256,715

17. FLORIDA RETIREMENT SYSTEM

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.

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This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (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 Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's pension expense totaled \$51,317,159 for the fiscal year ending June 30, 2019.

FRS 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:

- 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. Members of 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.

The 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

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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:

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

As provided in Section 121.101, Florida Statutes, 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.

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Contributions – The Florida Legislature establishes the contribution rates for participating employers and employees. During the 2018-2019 fiscal year, contribution rates were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer-(A)</u>
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management Service	3.00	24.06
DROP – Applicable to Members from All of the Above Classes	0.00	14.03
Florida Retirement System, Reemployed Retiree	(B)	(B)

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

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

The District's contributions to the Plan totaled \$24,554,076 for the fiscal year ending 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 liability of \$243,252,367 for its proportionate share of the FRS Pension Plan 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 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.8076 percent, which was a decrease of 0.0333 percent from its proportionate share of 0.8409 percent measured as of June 30, 2017.

For the fiscal year ending June 30, 2019, the District recognized pension expense of \$41,913,429 for the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 20,607,132	\$ 747,942
Change of Assumptions	79,483,044	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	18,794,211
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	3,799,448	8,722,153
District FRS Contributions Subsequent to the Measurement Date	24,554,076	-
Total	\$ 128,443,700	\$ 28,264,306

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$24,554,076, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 31,403,293
2021	20,053,688
2022	1,318,124
2023	13,154,388
2024	8,658,101
Thereafter	1,037,724
Total	\$ 75,625,318

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all pensions 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

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.

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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 (1)</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%	6.0%	5.7%	8.6%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

Note: (1) As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2018 valuation was updated from 7.1 percent.

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 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 percent) or 1 percentage-point higher (8 percent) than the current rate:

	<u>1% Decrease (6%)</u>	<u>Current Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 443,945,773	\$ 243,252,367	\$ 76,564,629

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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.

HIS 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 systems 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 ending 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 Federal Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ending 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 3 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 \$6,203,446 for the fiscal year ending 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 \$118,975,685 for its proportionate share of the HIS Plan 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 pension 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 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 proportionate share was

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1.1241 percent, which was a decrease of 0.0391 percent from its proportionate share of 1.1632 percent measured as of June 30, 2017.

For the fiscal year ending June 30, 2019, the District recognized pension expense of \$9,403,730 for the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Plan 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	\$ 1,821,465	\$ 202,135
Change of Assumptions	13,231,566	12,579,104
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	71,817	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	4,072,675	4,523,312
District HIS Contributions Subsequent to the Measurement Date	6,203,446	-
Total	<u>\$ 25,400,969</u>	<u>\$ 17,304,551</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$6,203,446, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 2,187,886
2021	2,181,832
2022	847,991
2023	27,726
2024	(1,982,026)
Thereafter	(1,370,437)
Total	<u>\$ 1,892,972</u>

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

Valuation date	July 1, 2018
Discount rate	3.87%
Municipal bond rate	3.87%
Inflation	2.60%
Salary increases, including inflation	3.25%

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

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

Discount Rate – The discount rate used to measure the total pension liability was 3.87 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.58 percent to 3.87 percent.

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	\$ 135,506,333	\$ 118,975,685	\$ 105,196,431

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.

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FRS-Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded by employer and employee contributions that are based on the same salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment 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 Plan member accounts during the 2018-19 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
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 1 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-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

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distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which 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 \$5,660,157 for the fiscal year ending June 30, 2019.

18. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the FRS, as described in Note 17, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age.

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

Based on an actuarial report as of July 1, 2018, there are 339 retirees and beneficiaries receiving benefits.

A summary of eligibility and benefits follow:

➤ **Eligibility**

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

➤ **Benefits**

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit amount determined by the FRS prior to any cost-of-living adjustments and will

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

Summary of Significant Accounting Policies

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

Separate statements are not issued for the plan.

Contributions and Reserves

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

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability. Total contributions to the Plan amounted to \$0 for 2016-2017, 2017-2018 and 2018-2019 fiscal years.

As of June 30, 2019, the actuarial accrued liability for benefits was \$16,344,755. The computation of the annual required contribution for the 2018-2019 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous fiscal years.

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

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the Plan are financed through the Plan's resources (employer contributions and investment earnings).

Investments

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

The following was the Board adopted asset allocation as of June 30, 2019:

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

The Plan's cash and investments at June 30, 2019, consisted of the following:

				Fair Value Measurements Using	
				Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level	Maturity Range	Balance June 30, 2019	Percentage of Plan Net Assets		
Collateralized Mortgage Obligations	13.99 Years - 16.82 Years	\$ 291,367	1.74%	\$ -	\$ 291,367
Corporate Bonds	3.83 Years - 14.21 Years	187,989	1.13%	187,989	-
Government Sponsored Enterprises	1.99 Years - 14.15 Years	86,721	0.52%	-	86,721
Government Municipal Bonds	2.42 Years - 39.00 Years	7,561,590	45.28%	7,561,590	-
Total Investments by Fair Value Level		8,127,667	48.67%	\$ 7,749,579	\$ 378,088
Investments Measured at Net Asset Value (NAV)					
Domestic Equity Mutual Funds		3,468,932	20.77%		
International Equity Mutual Funds		1,077,500	6.45%		
Domestic Fixed Income Mutual Funds		2,950,299	17.66%		
Total Investments Measured at NAV		7,496,731	44.88%		
Investments Measured at Amortized Cost					
Cash		545,618	3.27%		
Money Market Funds		531,067	3.18%		
Total Investments Measured at Amortized Cost		1,076,685	6.45%		
Total Investments		\$ 16,701,083	100.00%		

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Credit Risk

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

Concentration of Credit Risk

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

Rate of Return

- For the year ending June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 6.62 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

The components of the net pension asset of the District at June 30, 2019, the measurement date, were as follows:

Total Pension Liability	\$ 16,344,755
Plan Fiduciary Net Position	<u>(16,824,966)</u>
Net Pension Asset	<u>\$ (480,211)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.94%

For the fiscal year ending June 30, 2019, the District recognized pension expense of \$604,545 for the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ -	\$ 2,446,598
Net difference between projected and actual earnings on pension plan investments	<u>489,975</u>	<u>-</u>
Total	<u>\$ 489,975</u>	<u>\$ 2,446,598</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ (175,313)
2021	(248,562)
2022	(366,562)
2023	(426,806)
2024	(422,505)
Thereafter	<u>(316,875)</u>
Total	<u>\$ (1,956,623)</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate *	6.78 percent
Projected Salary Increases *	3 percent
* Includes Inflation at:	2.5 percent
Cost-of-Living Adjustments	None

The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on expectations as to future plan experience and not the results of a historical actuarial experience study.

Long Term Expected Rate of Return

Best estimates of arithmetic real rate of return on the major asset classes included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Long-Term Real Rate of Return</u>
Domestic Equity	39%	5.00% per annum
International Equity	15%	4.90% per annum
Emerging Market Equity	6%	5.00% per annum
Core Domestic Fixed Income	20%	2.60% per annum
Investment Grade Corporate Fixed Income	10%	3.60% per annum
Emerging Market Fixed Income	5%	4.20% per annum
High Yield Fixed Income	5%	4.10% per annum
Total or Weighted Arithmetic Average	100%	4.28% per annum

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

The following presents the District's net pension liability calculated using the discount rate of 6.78 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.78 percent) or 1-percentage-point higher (8.78 percent) than the current rate:

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

	1% Decrease (5.78%)	Current Discount Rate (6.78%)	1% Increase (7.78%)
Total Pension Liability	\$ 17,902,457	\$ 16,344,755	\$ 15,017,826
Less Fiduciary Net Pension	(16,824,966)	(16,824,966)	(16,824,966)
Net Pension Liability (Asset)	<u>\$ 1,077,491</u>	<u>\$ (480,211)</u>	<u>\$ (1,807,140)</u>

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2018	<u>\$ 16,042,958</u>	<u>\$ 17,181,600</u>	<u>\$ (1,138,642)</u>
Changes for the Year:			
Expected interest growth	1,039,752	1,115,121	(75,369)
Unexpected investment income	-	21,497	(21,497)
Benefit payments, including refunds of member contributions	(1,463,760)	(1,463,760)	-
Demographic experience	(250,127)	-	(250,127)
Assumption changes	975,932	-	975,932
Administrative Expenses	-	(29,492)	29,492
Net Change in Total Pension Liability	<u>301,797</u>	<u>(356,634)</u>	<u>658,431</u>
Balances at 6/30/2019	<u>\$ 16,344,755</u>	<u>\$ 16,824,966</u>	<u>\$ (480,211)</u>

19. OTHER POSTEMPLOYMENT BENEFIT LIABILITY

Plan Description

The Other Postemployment Benefits Plan (OPEB) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and their eligible dependents, may continue to participate in the District's health plan for medical, prescription drug, mental health/substance abuse, employee assistance program and life insurance. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employees healthcare costs. Additionally, for certain retirees, the District pays a portion of the cost of health and pharmacy insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4. A copy of the actuarial report provided by GRS Retirement Consulting dated July 31, 2019, is available in the District's Finance Services Department.

Benefits Provided

The OPEB Plan provides healthcare, dental, and life insurance benefits for retirees and their dependents. In addition to the implicit subsidy described above, the District provides an explicit subsidy to retirees who qualify for District-paid group health insurance by meeting the following criteria: 1) 30 years of FRS creditable service or age 50 with 25 years of FRS creditable service; 2) at least 20 years of service with the District; and 3) the retiree contributes his/her health insurance subsidy received from the State toward the total cost of coverage. For these retirees, the District will make a contribution toward retiree coverage equal to the difference between the published full blended premium for single coverage under a lower priced option and the HIS received from the State (thus rendering the health insurance coverage free to a retiree). Fully disabled retirees need only 10 years of service with the District and FRS (regardless of age) to receive this contribution. Alternatively, retiring employees eligible for District-paid group health insurance may enroll in the Retiree Health Opt-Out Program and receive an annual taxable payment, determined annually by the Insurance Committee, which was \$1,800 for 2018. This benefit is only available to retirees enrolled in a comparable major medical health insurance plan through another carrier. Retirees participating in this program may re-enroll in the District-sponsored plan when the other coverage is terminated. These explicit subsidies will cease when the retiree becomes eligible for Medicare.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	1,943
Active Plan Members	<u>9,461</u>
Total Plan Members	<u>11,404</u>

Total OPEB Liability

The District's total OPEB liability of \$108,150,008 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, and update procedures used to determine the total OPEB liability as of June 30, 2018.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Discount Rate	3.62 percent
Salary Increases	3.7 percent - 7.8 percent, including inflation.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend rate starting at 7 percent and gradually decreasing to an ultimate trend rate of 4.24 percent plus 0.36 percent increase for excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."
Expenses	Administrative expenses are included in the per capita health costs.

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll-forward valuation, the municipal bond rate is 3.62 percent which is based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but no later than the measurement date.

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Changes to the Total OPEB Liability

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

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 4,446,110
Interest on Total OPEB Liability	3,887,837
Changes of Assumptions or Other Inputs	(618,388)
Changes of Benefit Terms	(2,041,071)
Benefit Payments	<u>(4,574,568)</u>
Net Change in Total OPEB Liability	1,099,920
Total OPEB Liability, Beginning	<u>107,050,088</u>
Total OPEB Liability, Ending	<u><u>\$ 108,150,008</u></u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of June 30, 2018.

Changes of benefit terms include, effective January 1, 2018, only retirees receiving the District's health insurance contribution will be eligible for additional Board contributions for the group life policy. All other retirees are required to pay the total premium in order to participate in the District-sponsored group life policy.

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

The following 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 percent point higher (4.62 percent) than the current discount rate:

	<u>1% Decrease (2.62%)</u>	<u>Current Discount Rate (3.62%)</u>	<u>1% Increase (4.62%)</u>
Total OPEB Liability	\$ 118,670,150	\$ 108,150,008	\$ 98,612,738

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

The following 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 and 1 percentage point higher than the current healthcare cost trend rates:

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

	1% Decrease (6% down to 3.6%)	Current Healthcare Cost Trend Rate Assumption (7% down to 4.6%)	1% Increase (8% down to 5.6%)
Total OPEB Liability	\$ 94,243,211	\$ 108,150,008	\$ 124,985,816

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

For the year ending June 30, 2019, the District recognized OPEB Expense of \$5,524,490. At June 30, 2019, the District reported deferred outflows and inflows of resources related to the total OPEB liability from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ 5,827,993
Benefits Paid after the Measurement Date	4,733,009	-
Total	\$ 4,733,009	\$ 5,827,993

The deferred outflows of resources related to OPEB, totaling \$4,733,009, resulting from benefits paid 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, 2020. Amounts recognized as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ (768,386)
2021	(768,386)
2022	(768,386)
2023	(768,386)
2024	(768,386)
Thereafter	(1,986,063)
Total	\$ (5,827,993)

20. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2019, the accumulated credits to the District's account

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

are \$5,706,723. During the 2018-2019 fiscal year, the District earned capital credits of \$566,827 and received a cash payment of \$216,266, for a net increase of \$350,561.

21. CONSTRUCTION CONTRACT AND OTHER COMMITMENTS

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

Project	Contract Amount	Completed to Date	Balance Committed
New Middle School "HH" Cypress Creek New School Construction	\$ 42,786,212	\$ 12,242,376	\$ 30,543,836
East Central Pasco Technical Education Center: New School Construction	3,313,570	162,711	3,150,859
Land O'Lakes High: Campus Redevelopment	20,828,460	18,864,650	1,963,810
New K-8 School "JJ" Starkey Ranch: New School Construction	2,305,349	1,363,348	942,001
Starkey Ranch Theater Library Complex: New School Construction	810,500	48,500	762,000
Zephyrhills High Schools: Campus Redevelopment	35,768,912	5,224,808	30,544,104
Total	\$ 105,813,003	\$ 37,906,393	\$ 67,906,610

22. RISK MANAGEMENT PROGRAMS

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

Property and casualty coverage is obtained through purchased commercial insurance. The property insurance fund is used to track premiums and any claims expense. In the 2018-2019 fiscal year, property insurance coverage amounts were \$100 million for named wind and \$140 million excess of wind.

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

A liability in the amount of \$7,036,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2019.

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

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2017-18	\$ 6,752,000	\$ 64,442,760	\$ 63,984,760	\$ 7,210,000
2018-19	7,210,000	66,895,051	67,069,051	7,036,000

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

23. LITIGATION

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

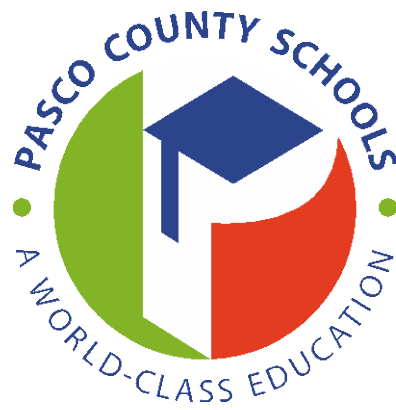
24. SUBSEQUENT EVENTS

On June 18, 2019, the School Board approved a resolution adding Schedules 7 and 8 to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of Apple, HP, and Dell laptops and monitors totaling \$1,984,659 and iPads totaling \$130,669.

On November 19, 2019, the School Board approved a resolution adding Schedules 9 and 10 to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of Apple, HP, and Dell laptops and monitors totaling \$506,858 and iPads totaling \$99,122.

On December 3, 2019, the School Board approved a resolution adding Schedule 11 to the Master Lease Agreement with Banc of America Capital Corporation. The District financed the purchase of diesel buses, services vehicles, and radios totaling \$4,444,000.

OTHER REQUIRED SUPPLEMENTARY INFORMATION



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

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

	2018-2019 fiscal year *	2017-2018 fiscal year *	2016-2017 fiscal year *	2015-2016 fiscal year *	2014-2015 fiscal year *	2013-2014 fiscal year *
Total Pension Liability						
Service Cost	\$ -	\$ 31,639	\$ 39,458	\$ 39,458	\$ 610,538	\$ 610,538
Interest	1,039,752	1,047,309	1,084,026	1,058,153	1,468,046	1,413,259
Demographic Experience	(250,127)	1,171,151	64,395	1,584,308	-	-
Benefit payments, including refunds of member contributions	(1,463,760)	(1,393,381)	(1,300,770)	(1,189,185)	(1,058,026)	(998,103)
Changes in benefit terms		-	-	-	(8,758,650)	-
Assumption changes	975,932	598,492	-	(1,115,213)	(4,541,925)	-
Net change in total pension liability	301,797	1,455,210	(112,891)	377,521	(12,280,017)	1,025,694
Total Pension Liability - Beginning	16,042,958	14,587,748	14,700,639	14,323,118	26,603,135	25,577,441
Total Pension Liability - Ending	\$ 16,344,755	\$ 16,042,958	\$ 14,587,748	\$ 14,700,639	\$ 14,323,118	\$ 26,603,135
Plan Fiduciary Net Position						
Contributions- employer	\$ -	\$ -	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288
Net investment income	1,136,618	969,135	756,397	1,000,647	428,679	929,052
Benefit payments, including refunds of member contributions	(1,463,760)	(1,393,381)	(1,300,770)	(1,189,185)	(1,074,335)	(960,021)
Administrative Expenses	(29,492)	(32,001)	(20,015)	(27,263)	(12,549)	-
Net Change in Plan Fiduciary Net Position	(356,634)	(456,247)	(564,388)	(215,801)	1,004,355	1,560,319
Plan Fiduciary Net Position - Beginning	17,181,600	17,637,847	18,202,235	18,418,036	17,413,681	15,853,362
Plan Fiduciary Net Position - Ending	\$ 16,824,966	\$ 17,181,600	\$ 17,637,847	\$ 18,202,235	\$ 18,418,036	\$ 17,413,681
Net Pension (Asset) Liability - Ending	\$ (480,211)	\$ (1,138,642)	\$ (3,050,099)	\$ (3,501,596)	\$ (4,094,918)	\$ 9,189,454
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.94%	107.10%	120.91%	123.82%	128.59%	65.46%
Covered Payroll	N/A	\$ 16,096,946	\$ 24,925,025	\$ 24,925,025	\$ 167,496,619	\$ 167,496,619
District's Net Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	5.49%

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

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

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

SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 1,662,560	\$ 1,591,288	\$ 1,578,667	\$ 1,509,443	\$ 1,380,553	\$ 1,314,812
Contributions in relation to the actuarially determined contribution	-	-	-	-	1,662,560	1,591,288	1,578,667	1,509,443	1,380,553	1,314,812
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll		\$ 16,096,946		\$ 24,925,025		\$167,496,619		\$173,775,663		\$171,655,074
Contributions as a percentage of covered-employee payroll		0.00%		0.00%		0.95%		0.87%		0.77%

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Discount rate	6.78% per annum (2.50% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases	3% per annum
Retirement age	Eligible employees are assumed to retire at the rate of 2% at each of ages 50 through 52, 3% at each of ages 53 and 54, and 10% at each of ages 55 through 61.
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with generational projections using Scale BB.
Other decrements	Assumed employment termination is based on age, ranging from 12% at age 30 to 7% at age 60; assumed disability is based on age and gender, ranging from 0.0600% for males at age 20 or 0.0240% for females at age 20 to 1.3620% for males at age 60 or 0.7504% for females at age 60.
Non-investment expenses	None assumed.
Future contributions	Contributions from the employer are assumed to be made as legally required.
Changes	Since the prior measurement date, the discount rate was changed from 7.50% per annum to 6.78% per annum.

SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money - weighted rate of return, net of investment expense	6.62%	1.22%	7.45%	5.43%	2.46%	5.75%	1.82%	4.33%	5.66%	10.50%

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

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS**

	<u>2019</u>	<u>2018</u>
Service Cost	\$ 4,446,110	\$ 4,853,750
Interest on Total OPEB Obligation	3,887,837	3,274,803
Changes of benefit terms	(2,041,071)	-
Changes in assumptions and other inputs	(618,388)	(6,681,284)
Benefit payments	<u>(4,574,568)</u>	<u>(3,388,425)</u>
Net change in Total OPEB Liability	1,099,920	(1,941,156)
Total OPEB Liability, Beginning	<u>107,050,088</u>	<u>108,991,244</u>
Total OPEB Liability, Ending	<u><u>\$ 108,150,008</u></u>	<u><u>\$ 107,050,088</u></u>
Covered Payroll	374,216,416	360,237,888
Total OPEB liability as a percentage of Covered-employee payroll	28.90%	29.72%
OPEB Liability Valuation Date	June 30, 2017	June 30, 2017

Notes to Schedule:

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56 percent as of June 30, 2018, to 3.62 percent as of June 30, 2019.

Changes in benefit terms include: Effective January 1, 2018, only retirees receiving the District's health insurance contribution will be eligible for additional Board contributions for the group life policy; all other retirees are required to pay the total premium in order to participate in the District-sponsored group life policy.

Note: The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018.

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

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

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.8076%	0.8409%	0.8303%	0.8708%	0.8829%	0.8076%
District's proportionate share of the net pension liability	\$ 243,252,367	\$ 248,722,397	\$ 209,652,102	\$ 112,469,821	\$ 53,867,811	\$ 139,021,758
District's covered payroll	367,437,906	371,320,922	357,548,640	343,998,370	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	66.20%	66.98%	58.64%	32.69%	15.56%	42.90%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

Notes to Schedule:

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

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

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 24,554,076	\$ 23,015,862	\$ 21,889,801	\$ 20,248,257	\$ 21,229,772	\$ 19,338,513
Contributions in relation to the contractually required contribution	24,554,076	23,015,862	21,889,801	20,248,257	21,229,772	19,338,513
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 374,216,416	\$ 367,437,906	\$ 371,320,922	\$ 357,548,640	\$ 343,998,370	\$ 346,174,340
Contributions as a percentage of covered-employee payroll	6.56%	6.26%	5.90%	5.66%	6.17%	5.59%

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

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

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

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

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	1.1241%	1.1632%	1.1556%	1.1336%	1.1613%	1.0739%
District's proportionate share of the net pension liability	\$ 118,975,685	\$ 124,379,961	\$ 134,683,455	\$ 115,611,582	\$ 108,582,475	\$ 93,494,824
District's covered payroll	367,437,906	371,320,922	357,548,640	343,998,370	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.38%	33.50%	37.67%	33.61%	31.37%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

Notes to Schedule:

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

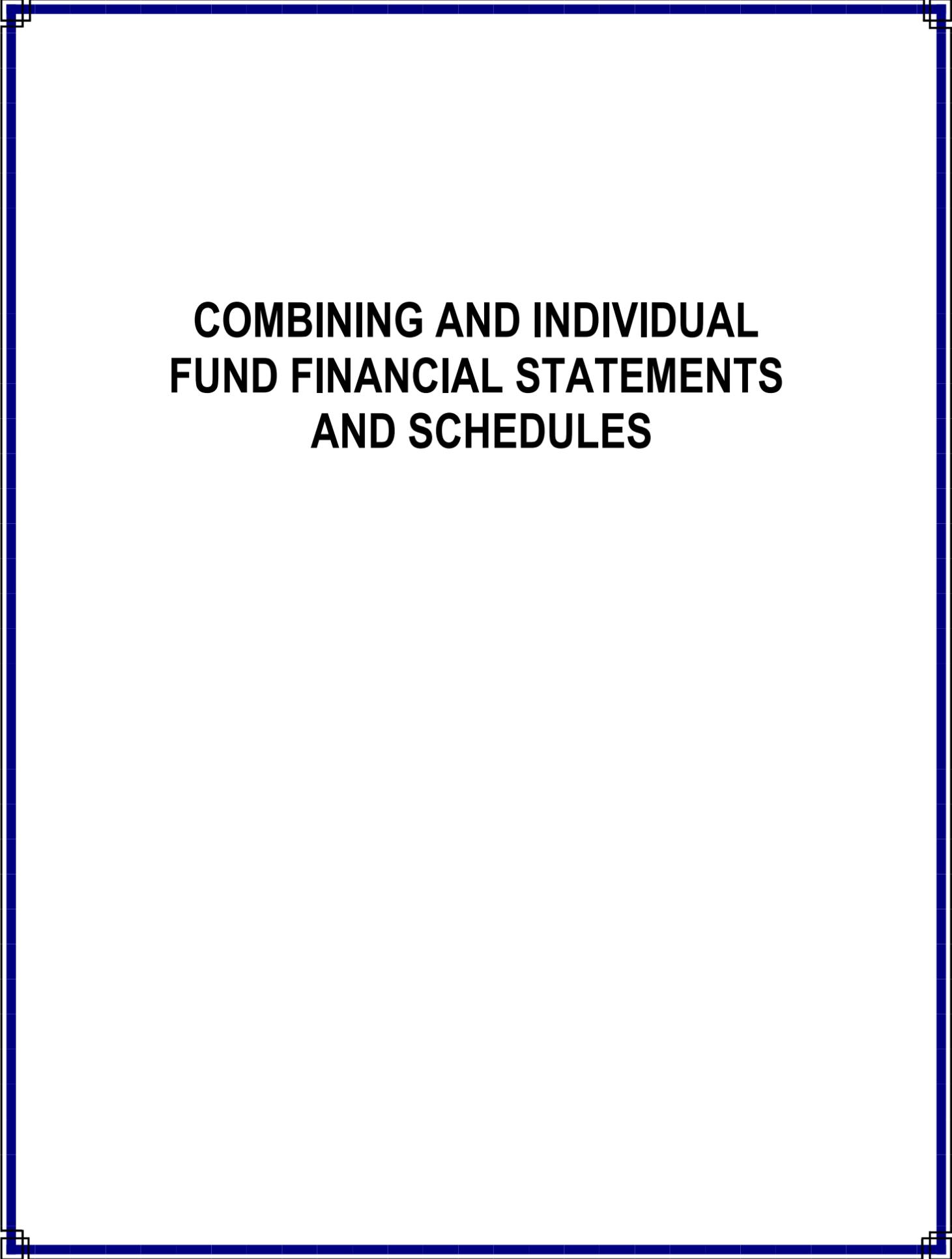
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY (HIS) DEFINED BENEFIT PENSION PLAN**

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,203,446	\$ 6,096,006	\$ 6,156,250	\$ 5,923,321	\$ 4,333,408	\$ 3,978,153
Contributions in relation to the contractually required contribution	6,203,446	6,096,006	6,156,250	5,923,321	4,333,408	3,978,153
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 374,216,416	\$ 367,437,906	\$ 371,320,922	\$ 357,548,640	\$ 343,998,370	\$ 346,174,340
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.26%	1.15%

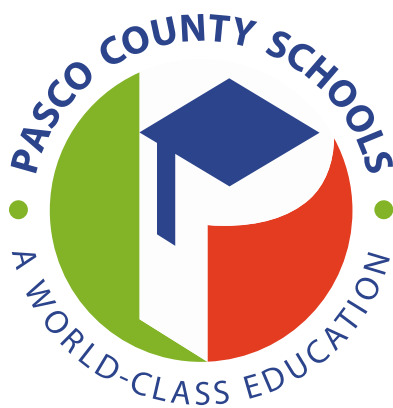
* The amounts presented for each fiscal year were determined as of June 30.

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

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



Combining Schedules of Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Nonmajor Debt Service Funds

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

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

District School Board of Pasco County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Schedule A

	Special Revenue		Debt Service			
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Assets:						
Cash	\$ 3,987,320	\$ 3,987,320	\$ -	\$ 42,191	\$ 719,729	\$ 761,920
Cash with Fiscal Agent	-	-	-	-	3,277,782	3,277,782
Investments	-	-	135,510	-	7,183,346	7,318,856
Accounts Receivable	17,123	17,123	-	-	171	171
Accrued Interest Receivable	-	-	-	-	212	212
Due from Other Funds	-	-	-	-	-	-
Due from Other Agencies	3,008,202	3,008,202	-	-	-	-
Inventories	944,418	944,418	-	-	-	-
Total Assets	<u>\$ 7,957,063</u>	<u>\$ 7,957,063</u>	<u>\$ 135,510</u>	<u>\$ 42,191</u>	<u>\$ 11,181,240</u>	<u>\$ 11,358,941</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	\$ 54,508	\$ 54,508	\$ -	\$ -	\$ 451,451	\$ 451,451
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenue	901,490	901,490	-	-	-	-
Total Liabilities	<u>955,998</u>	<u>955,998</u>	<u>-</u>	<u>-</u>	<u>451,451</u>	<u>451,451</u>
Fund Balances:						
Nonspendable:						
Inventory	944,418	944,418	-	-	-	-
Restricted:						
Special Revenue-Food Service	6,056,647	6,056,647	-	-	-	-
Debt Service	-	-	135,510	42,191	10,729,789	10,907,490
Capital Projects	-	-	-	-	-	-
Total Fund Balances	<u>7,001,065</u>	<u>7,001,065</u>	<u>135,510</u>	<u>42,191</u>	<u>10,729,789</u>	<u>10,907,490</u>
Total Liabilities and Fund Balances	<u>\$ 7,957,063</u>	<u>\$ 7,957,063</u>	<u>\$ 135,510</u>	<u>\$ 42,191</u>	<u>\$ 11,181,240</u>	<u>\$ 11,358,941</u>

Capital Projects				
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 1,394,354	\$ 1,728,535	\$ 3,122,889	\$ 7,872,129
-	-	-	-	3,277,782
-	8,174,484	15,753,258	23,927,742	31,246,598
-	-	-	-	17,294
-	58	113	171	383
-	-	4,800,000	4,800,000	4,800,000
1,169,936	52,995	-	1,222,931	4,231,133
-	-	-	-	944,418
<u>\$ 1,169,936</u>	<u>\$ 9,621,891</u>	<u>\$ 22,281,906</u>	<u>\$ 33,073,733</u>	<u>\$ 52,389,737</u>
\$ -	\$ -	\$ 748,700	\$ 748,700	\$ 1,254,659
-	-	67,367	67,367	67,367
42,784	-	-	42,784	42,784
1,127,152	-	-	1,127,152	2,028,642
<u>1,169,936</u>	<u>-</u>	<u>816,067</u>	<u>1,986,003</u>	<u>3,393,452</u>
-	-	-	-	944,418
-	-	-	-	6,056,647
-	-	-	-	10,907,490
-	9,621,891	21,465,839	31,087,730	31,087,730
-	9,621,891	21,465,839	31,087,730	48,996,285
<u>\$ 1,169,936</u>	<u>\$ 9,621,891</u>	<u>\$ 22,281,906</u>	<u>\$ 33,073,733</u>	<u>\$ 52,389,737</u>

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue		Debt Service			
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Revenues:						
Federal Sources:						
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ 563,569	\$ 563,569
Food Services	28,574,656	28,574,656	-	-	-	-
State Sources:						
Public Education Capital Outlay	-	-	-	-	-	-
Food Services	371,155	371,155	-	-	-	-
SBE/COBI Bond Interest	-	-	2,235	-	-	2,235
CO & DS Withheld for State Education Bonds	-	-	1,037,477	-	-	1,037,477
CO & DS Interest	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-
Sales Tax Distribution	-	-	-	223,250	-	223,250
Local Sources:						
Property Taxes	-	-	-	-	-	-
Food Services	11,058,659	11,058,659	-	-	-	-
Investment Earnings	-	-	-	-	577,883	577,883
Local Grants and Other	1,065,436	1,065,436	-	-	61	61
Total Revenues	41,069,906	41,069,906	1,039,712	223,250	1,141,513	2,404,475
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	-
Student Support Services	-	-	-	-	-	-
Instructional Media Services	-	-	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-	-	-
Instructional Staff Training Services	-	-	-	-	-	-
Instruction-Related Technology	-	-	-	-	-	-
Board	-	-	-	-	-	-

	Special Revenue		Debt Service			
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Expenditures (continued):						
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-
Fiscal Services	-	-	-	-	-	-
Food Services	40,316,177	40,316,177	-	-	-	-
Central Services	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-	-
Capital Outlay:						
Facilities Acquisition and Construction	-	-	-	-	-	-
Other Capital Outlay	35,218	35,218	-	-	-	-
Debt Service:						
Principal	-	-	759,000	115,000	45,230,545	46,104,545
Interest	-	-	303,565	107,631	17,714,825	18,126,021
Fiscal Charges	-	-	471	345	884,056	884,872
Total Expenditures	<u>40,351,395</u>	<u>40,351,395</u>	<u>1,063,036</u>	<u>222,976</u>	<u>63,829,426</u>	<u>65,115,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>718,511</u>	<u>718,511</u>	<u>(23,324)</u>	<u>274</u>	<u>(62,687,913)</u>	<u>(62,710,963)</u>
Other Financing Sources (Uses):						
Certificates of Participation Issued	-	-	-	-	736,232	736,232
Transfers In	-	-	-	-	59,327,852	59,327,852
Transfers Out	<u>(1,175,786)</u>	<u>(1,175,786)</u>	<u>-</u>	<u>-</u>	<u>(547,970)</u>	<u>(547,970)</u>
Total Other Financing Sources (Uses)	<u>(1,175,786)</u>	<u>(1,175,786)</u>	<u>-</u>	<u>-</u>	<u>59,516,114</u>	<u>59,516,114</u>
Net Change in Fund Balances	(457,275)	(457,275)	(23,324)	274	(3,171,799)	(3,194,849)
Fund Balances, July 1, 2018	<u>7,458,340</u>	<u>7,458,340</u>	<u>158,834</u>	<u>41,917</u>	<u>13,901,588</u>	<u>14,102,339</u>
Fund Balances, June 30, 2019	<u>\$ 7,001,065</u>	<u>\$ 7,001,065</u>	<u>\$ 135,510</u>	<u>\$ 42,191</u>	<u>\$ 10,729,789</u>	<u>\$ 10,907,490</u>

(Continued)

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Capital Projects				
	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Federal Sources:					
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ 563,569
Food Services	-	-	-	-	28,574,656
State Sources:					
Public Education Capital Outlay	2,586,879	-	-	2,586,879	2,586,879
Food Services	-	-	-	-	371,155
SBE/COBI Bond Interest	-	-	-	-	2,235
CO & DS Withheld for State Education Bonds	-	-	-	-	1,037,477
CO & DS Interest	-	55,888	-	55,888	55,888
CO & DS Distributed	-	1,932,791	-	1,932,791	1,932,791
Sales Tax Distribution	-	-	-	-	223,250
Local Sources:					
Property Taxes	-	-	43,655,059	43,655,059	43,655,059
Food Services	-	-	-	-	11,058,659
Investment Earnings	-	174,374	389,938	564,312	1,142,195
Local Grants and Other	-	-	461,018	461,018	1,526,515
Total Revenues	2,586,879	2,163,053	44,506,015	49,255,947	92,730,328
Expenditures:					
Current-Education:					
Instruction	-	-	-	-	-
Student Support Services	-	-	-	-	-
Instructional Media Services	-	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-	-
Instructional Staff Training Services	-	-	-	-	-
Instruction-Related Technology	-	-	-	-	-
Board	-	-	-	-	-

	Capital Projects				
	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Expenditures (continued):					
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Facilities Acquisition and Construction	33,250	-	1,677,567	1,710,817	1,710,817
Fiscal Services	-	-	-	-	-
Food Services	-	-	-	-	40,316,177
Central Services	-	-	-	-	-
Student Transportation Services	-	-	-	-	-
Operation of Plant	-	-	-	-	-
Maintenance of Plant	-	-	-	-	-
Administrative Technology Services	-	-	-	-	-
Capital Outlay:					
Facilities Acquisition and Construction	1,360,401	537,863	7,781,389	9,679,653	9,679,653
Other Capital Outlay	-	-	-	-	35,218
Debt Service:					
Principal	-	-	-	-	46,104,545
Interest	-	-	-	-	18,126,021
Fiscal Charges	-	2,893	-	2,893	887,765
Total Expenditures	<u>1,393,651</u>	<u>540,756</u>	<u>9,458,956</u>	<u>11,393,363</u>	<u>116,860,196</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,193,228</u>	<u>1,622,297</u>	<u>35,047,059</u>	<u>37,862,584</u>	<u>(24,129,868)</u>
Other Financing Sources (Uses):					
Certificates of Participation Issued	-	-	-	-	736,232
Transfers In	-	-	2,774,989	2,774,989	62,102,841
Transfers Out	(2,544,095)	-	(36,113,609)	(38,657,704)	(40,381,460)
Total Other Financing Sources (Uses)	<u>(2,544,095)</u>	<u>-</u>	<u>(33,338,620)</u>	<u>(35,882,715)</u>	<u>22,457,613</u>
Net Change in Fund Balances	(1,350,867)	1,622,297	1,708,439	1,979,869	(1,672,255)
Fund Balances, July 1, 2018	<u>1,350,867</u>	<u>7,999,594</u>	<u>19,757,400</u>	<u>29,107,861</u>	<u>50,668,540</u>
Fund Balances, June 30, 2019	<u>\$ -</u>	<u>\$ 9,621,891</u>	<u>\$ 21,465,839</u>	<u>\$ 31,087,730</u>	<u>\$ 48,996,285</u>

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

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Food and Nutrition Services Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal through Local	\$ 29,155,000	\$ 29,155,000	\$ 28,574,656	\$ (580,344)
State Sources:				
Food Service	382,645	382,645	371,155	(11,490)
Local Sources:				
Food Services	10,360,000	11,240,000	11,058,659	(181,341)
Local Grants and Other	550,000	1,070,000	1,065,436	(4,564)
Total Revenues	40,447,645	41,847,645	41,069,906	(777,739)
Expenditures:				
Current-Education:				
Food Services				
Salaries	13,035,786	13,477,786	13,493,852	(16,066)
Employee Benefits	5,017,383	5,867,383	5,896,373	(28,990)
Purchased Services	953,646	1,038,418	943,832	94,586
Energy Services	1,000,000	1,000,000	955,949	44,051
Materials and Supplies	17,739,305	17,839,305	17,572,733	266,572
Capital Outlay	257,000	86,000	48,542	37,458
Other Expenditures	1,402,000	1,452,000	1,404,896	47,104
Capital Outlay:				
Other Capital Outlay	-	71,000	35,218	35,782
Total Expenditures	39,405,120	40,831,892	40,351,395	480,497
Excess (Deficiency) of Revenues Over Expenditures	1,042,525	1,015,753	718,511	(297,242)
Other Financing Sources (Uses):				
Transfers Out	(1,042,525)	(1,319,123)	(1,175,786)	143,337
Net Change in Fund Balance	-	(303,370)	(457,275)	(153,905)
Fund Balances, Beginning	7,458,340	7,458,340	7,458,340	-
Fund Balances, Ending	\$ 7,458,340	\$ 7,154,970	\$ 7,001,065	\$ (153,905)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources				
SBE/COBI Bond Interest	\$ -	\$ -	\$ 2,235	\$ 2,235
CO & DS Withheld for State Education Bonds	1,064,000	1,064,000	1,037,477	(26,523)
Total Revenues	1,064,000	1,064,000	1,039,712	(24,288)
Expenditures:				
Debt Service:				
Principal	759,000	759,000	759,000	-
Interest	303,565	303,565	303,565	-
Fiscal Charges	1,000	1,000	471	529
Total Expenditures	1,063,565	1,063,565	1,063,036	529
Excess (Deficiency) of Revenues Over Expenditures	435	435	(23,324)	(23,759)
Net Change in Fund Balance	435	435	(23,324)	(23,759)
Fund Balances, Beginning	158,834	158,834	158,834	-
Fund Balances, Ending	\$ 159,269	\$ 159,269	\$ 135,510	\$ (23,759)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Sales Tax Distribution	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	419	419	-	(419)
Total Revenues	223,669	223,669	223,250	(419)
Expenditures:				
Debt Service:				
Principal	115,000	115,000	115,000	-
Interest	107,632	107,632	107,631	1
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	223,632	223,632	222,976	656
Excess (Deficiency) of Revenues Over Expenditures	37	37	274	237
Net Change in Fund Balance	37	37	274	237
Fund Balances, Beginning	41,917	41,917	41,917	-
Fund Balances, Ending	\$ 41,954	\$ 41,954	\$ 42,191	\$ 237

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Other Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Federal Sources:				
Federal Direct	\$ 500,000	\$ 563,570	\$ 563,569	\$ (1)
Local Sources:				
Investment Earnings	141,489	554,470	577,883	23,413
Local Grants and Other	-	-	61	61
Total Revenues	641,489	1,118,040	1,141,513	23,473
Expenditures:				
Debt Service:				
Principal	45,175,024	45,231,780	45,230,545	1,235
Interest	17,805,861	18,544,162	17,714,825	829,337
Fiscal Charges	230,839	965,549	884,056	81,493
Total Expenditures	63,211,724	64,741,491	63,829,426	912,065
Excess (Deficiency) of Revenues Over Expenditures	(62,570,235)	(63,623,451)	(62,687,913)	935,538
Other Financing Sources (Uses):				
Premium on Certificates of Participation Issued	-	736,293	736,232	(61)
Transfers In	60,306,730	60,996,828	59,327,852	(1,668,976)
Transfer Out	-	(547,972)	(547,970)	2
Total Other Financing Sources	60,306,730	61,185,149	59,516,114	(1,669,035)
Net Change in Fund Balance	(2,263,505)	(2,438,302)	(3,171,799)	(733,497)
Fund Balances, Beginning	13,901,588	13,901,588	13,901,588	-
Fund Balances, Ending	\$ 11,638,083	\$ 11,463,286	\$ 10,729,789	\$ (733,497)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 3,346,835	\$ 3,775,832	\$ 2,586,879	\$ (1,188,953)
Current-Education:				
Facilities Acquisition and Construction	-	33,250	33,250	-
Capital Outlay:				
Facilities Acquisition and Construction	1,871,340	2,369,749	1,360,401	1,009,348
Total Expenditures	1,871,340	2,402,999	1,393,651	1,009,348
Excess (Deficiency) of Revenues Over Expenditures	1,475,495	1,372,833	1,193,228	(179,605)
Other Financing Uses:				
Transfers Out	(2,115,098)	(2,544,095)	(2,544,095)	-
Total Other Financing Uses	(2,115,098)	(2,544,095)	(2,544,095)	-
Net Change in Fund Balance	(639,603)	(1,171,262)	(1,350,867)	(179,605)
Fund Balances, Beginning	1,350,867	1,350,867	1,350,867	-
Fund Balances, Ending	\$ 711,264	\$ 179,605	\$ -	\$ (179,605)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Capital Outlay and Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
CO & DS Interest	\$ -	\$ -	\$ 55,888	\$ 55,888
CO & DS Distributed	233,319	1,694,678	1,932,791	238,113
Local Sources:				
Investment Earnings	53,000	53,000	174,374	121,374
Total Revenues	286,319	1,747,678	2,163,053	415,375
Expenditures:				
Capital Outlay:				
Facilities Acquisition and Construction	2,524	623,840	537,863	85,977
Debt Service:				
Fiscal Charges	-	-	2,893	(2,893)
Total Expenditures	2,524	623,840	540,756	83,084
Excess (Deficiency) of Revenues Over Expenditures	283,795	1,123,838	1,622,297	498,459
Net Change in Fund Balance	283,795	1,123,838	1,622,297	498,459
Fund Balances, Beginning	7,999,594	7,999,594	7,999,594	-
Fund Balances, Ending	\$ 8,283,389	\$ 9,123,432	\$ 9,621,891	\$ 498,459

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Local Optional Millage Levy Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Property Taxes	\$ 43,403,356	\$ 43,403,356	\$ 43,655,059	\$ 251,703
Investment Earnings	148,000	147,421	389,938	242,517
Local Grants and Other	395,434	438,321	461,018	22,697
Total Revenues	43,946,790	43,989,098	44,506,015	516,917
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	546,213	1,677,567	1,677,567	-
Capital Outlay:				
Facilities Acquisition and Construction	17,716,655	18,056,205	7,781,389	10,274,816
Total Expenditures	18,262,868	19,733,772	9,458,956	10,274,816
Excess of Revenues Over Expenditures	25,683,922	24,255,326	35,047,059	10,791,733
Other Financing Sources (Uses):				
Transfers In	2,573,367	2,918,332	2,774,989	(143,343)
Transfers Out	(38,383,591)	(37,770,628)	(36,113,609)	1,657,019
Total Other Financing Sources (Uses)	(35,810,224)	(34,852,296)	(33,338,620)	1,513,676
Net Change in Fund Balance	(10,126,302)	(10,596,970)	1,708,439	12,305,409
Fund Balances, Beginning	19,757,400	19,757,400	19,757,400	-
Fund Balances, Ending	\$ 9,631,098	\$ 9,160,430	\$ 21,465,839	\$ 12,305,409

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Other Funds
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
State Grants and Other	\$ -	\$ 2,545,386	\$ 522,978	\$ (2,022,408)
Local Sources:				
Local Sales Tax	28,051,688	28,051,688	31,013,628	2,961,940
Impact Fees	16,943,862	24,443,862	25,572,407	1,128,545
Investment Earnings	399,000	714,454	4,619,274	3,904,820
Local Grants and Other	353,078	362,002	358,824	(3,178)
Total Revenues	45,747,628	56,117,392	62,087,111	5,969,719
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	2,156,145	2,156,145	-
Capital Outlay:				
Facilities Acquisition and Construction	95,066,754	180,983,708	55,388,300	125,595,408
Total Expenditures	95,066,754	183,139,853	57,544,445	125,595,408
Excess (Deficiency) of Revenues Over Expenditures	(49,319,126)	(127,022,461)	4,542,666	131,565,127
Other Financing Sources (Uses):				
Certificates of Participation Issued	-	68,200,000	68,200,000	-
Premium on Certificates of Participation Issued	-	6,800,000	6,800,000	-
Capital Leases	12,402,597	12,402,597	12,101,165	(301,432)
Proceeds from the Sale of Capital Assets	-	-	48,737	48,737
Transfers In	-	25,890	25,889	(1)
Transfers Out	(21,923,139)	(22,879,318)	(22,867,362)	11,956
Total Other Financing Sources (Uses)	(9,520,542)	64,549,169	64,308,429	(240,740)
Net Change in Fund Balance	(58,839,668)	(62,473,292)	68,851,095	131,324,387
Fund Balances, Beginning	114,609,357	114,609,357	114,609,357	-
Fund Balances, Ending	\$ 55,769,689	\$ 52,136,065	\$ 183,460,452	\$ 131,324,387

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Combining Statements of Internal Service Funds

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

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

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

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

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

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

District School Board of Pasco County
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2019

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Assets			
Current Assets:			
Cash	\$ 26,880	\$ 6,879	\$ 512,391
Investments	869,573	35,781,636	30,803,138
Accounts Receivable	-	109,708	1,250,441
Accrued Interest Receivable	10	258	217
Total Current Assets	896,463	35,898,481	32,566,187
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	896,463	35,898,481	32,566,187
Deferred Outflows of Resources:			
Pension	495,498	279,347	-
Other Postemployment Benefits	9,452	4,929	-
Total Deferred Outflows of Resources	504,950	284,276	-
Total Assets and Deferred Outflows	\$ 1,401,413	\$ 36,182,757	\$ 32,566,187
Liabilities			
Current Liabilities:			
Payroll Deductions and Withholdings Payable	\$ -	\$ -	\$ 185,415
Accounts Payable	2,439	62,544	15,100,741
Unearned Revenue	-	5,918	229,274
Compensated Absences Payable	-	4,046	-
Estimated Insurance Claims Payable	-	2,332,000	-
Total Current Liabilities	2,439	2,404,508	15,515,430
Noncurrent Liabilities:			
Compensated Absences Payable	150,937	166,641	-
Estimated Insurance Claims Payable	-	4,704,000	-
Other Postemployment Benefits Payable	208,305	131,031	-
Net Pension Liability - FRS / HIS	480,759	407,145	-
Total Noncurrent Liabilities	840,001	5,408,817	-
Total Liabilities	842,440	7,813,325	15,515,430
Deferred Inflows of Resources:			
Pension	1,110,837	133,799	-
Other Postemployment Benefits	11,845	5,860	-
Total Deferred Inflows of Resources	1,122,682	139,659	-
Net Position			
Investment in Capital Assets	-	-	-
Unrestricted	(563,709)	28,229,773	17,050,757
Total Net Position	(563,709)	28,229,773	17,050,757
Total Liabilities, Deferred Inflows and Net Position	\$ 1,401,413	\$ 36,182,757	\$ 32,566,187

Energy Management Programs	Exclusive Agreement	Totals
\$ 1,490,226	\$ 109,900	\$ 2,146,276
777,009	1,453,242	69,684,598
-	-	1,360,149
6	10	501
<u>2,267,241</u>	<u>1,563,152</u>	<u>73,191,524</u>
-	12,438	12,438
-	(11,194)	(11,194)
-	1,244	1,244
<u>2,267,241</u>	<u>1,564,396</u>	<u>73,192,768</u>
103,161	-	878,006
2,575	-	16,956
<u>105,736</u>	<u>-</u>	<u>894,962</u>
<u>\$ 2,372,977</u>	<u>\$ 1,564,396</u>	<u>\$ 74,087,730</u>
\$ -	\$ -	\$ 185,415
922,417	-	16,088,141
-	-	235,192
7,890	-	11,936
-	-	2,332,000
<u>930,307</u>	<u>-</u>	<u>18,852,684</u>
23,642	-	341,220
-	-	4,704,000
60,413	-	399,749
<u>216,301</u>	<u>-</u>	<u>1,104,205</u>
<u>300,356</u>	<u>-</u>	<u>6,549,174</u>
<u>1,230,663</u>	<u>-</u>	<u>25,401,858</u>
75,230	-	1,319,866
3,170	-	20,875
<u>78,400</u>	<u>-</u>	<u>1,340,741</u>
-	1,244	1,244
<u>1,063,914</u>	<u>1,563,152</u>	<u>47,343,887</u>
<u>1,063,914</u>	<u>1,564,396</u>	<u>47,345,131</u>
<u>\$ 2,372,977</u>	<u>\$ 1,564,396</u>	<u>\$ 74,087,730</u>

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
June 30, 2019

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ -	\$ 9,448,865	\$ 73,403,244
Employees	-	-	168,525
Retirees	-	-	4,272,830
Charges for Services Provided	-	-	-
Other Operating Revenues	-	581,946	2,941,510
Total Operating Revenues	-	10,030,811	80,786,109
Operating Expense			
Salaries	506,926	535,578	-
Employee Benefits	40,632	185,976	115,683
Purchased Services	61,981	1,715,516	13,802,661
Insurance Premiums	-	4,189,368	2,449,247
Energy Services	-	-	-
Materials and Supplies	2,921	456	3,059
Capital Outlay	-	-	-
Insurance Claims	-	3,631,268	63,263,783
Other	9,376	50,865	26,653
Total Operating Expenses	621,836	10,309,027	79,661,086
Operating Income (Loss)	(621,836)	(278,216)	1,125,023
Nonoperating Revenues (Expenses)			
Investment Earnings	19,573	853,103	738,568
Gifts, Grants and Bequests	1,575	-	100,000
Other Miscellaneous Revenue	-	273	-
Insurance Loss Recoveries	-	213,990	-
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	21,148	1,067,366	838,568
Income (Loss) Before Transfers	(600,688)	789,150	1,963,591
Transfers Out	1,350	(294,200)	(8,068)
Change in Net Position	(599,338)	494,950	1,955,523
Total Net Position, July 1, 2018	35,629	27,734,823	15,095,234
Total Net Position, June 30, 2019	\$ (563,709)	\$ 28,229,773	\$ 17,050,757

Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 82,852,109
-	-	168,525
-	-	4,272,830
13,726,200	-	13,726,200
10,457	283,127	3,817,040
<u>13,736,657</u>	<u>283,127</u>	<u>104,836,704</u>
94,851	-	1,137,355
67,879	-	410,170
2,818,861	42,560	18,441,579
-	-	6,638,615
11,293,919	-	11,293,919
5,030	113,055	124,521
-	39,548	39,548
-	-	66,895,051
-	-	86,894
<u>14,280,540</u>	<u>195,163</u>	<u>105,067,652</u>
<u>(543,883)</u>	<u>87,964</u>	<u>(230,948)</u>
44,715	34,148	1,690,107
-	1,200	102,775
-	-	273
-	-	213,990
-	(1,411)	(1,411)
<u>44,715</u>	<u>33,937</u>	<u>2,005,734</u>
(499,168)	121,901	1,774,786
-	-	(300,918)
(499,168)	121,901	1,473,868
1,563,082	1,442,495	45,871,263
<u>\$ 1,063,914</u>	<u>\$ 1,564,396</u>	<u>\$ 47,345,131</u>

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2019

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Cash Flows from Operating Activities:			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	203	9,439,124	77,067,399
Cash Received from Other Operating Revenues	-	581,946	2,941,510
Cash Payments to Suppliers for Goods and Services	(76,555)	(6,001,437)	(16,727,981)
Cash Payments to Employees for Services	(659,196)	(560,450)	(9,758)
Cash Payments to Insurance Claims	-	(3,805,268)	(63,263,783)
Net Cash Provided (Used) by Operating Activities	(735,548)	(346,085)	7,387
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	213,990	-
Gifts, Grants and Bequests	1,575	-	100,000
Other Miscellaneous Revenue	-	273	-
Transfers Out	1,350	(294,200)	(8,068)
Net Cash Provided (Used) by Noncapital Financing Activities	2,925	(79,937)	91,932
Cash Flows from Investing Activities:			
Investment Earnings	19,598	856,618	741,620
Purchase and Sale of Investments	630,427	(603,103)	(388,566)
Net Cash Provided (Used) by Investing Activities	650,025	253,515	353,054
Net Change in Cash	(82,598)	(172,507)	452,373
Cash, Beginning	109,478	179,386	60,018
Cash, Ending	\$ 26,880	\$ 6,879	\$ 512,391
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (621,836)	\$ (278,216)	\$ 1,125,023
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets, Liabilities, and Deferred Outflows/Inflows of Resources:			
Accounts Receivable	203	(9,741)	(767,520)
Accounts Payable	(2,277)	(45,232)	(446,361)
Salaries and Benefits Payable	-	(24)	(2,902)
Payroll Deductions and Withholdings Payable	-	-	108,827
Unearned Revenue	-	-	(9,680)
Compensated Absences Payable	6,514	123,949	-
Other Postemployment Benefits Amounts	1,121	1,290	-
Pension Amounts	(119,273)	35,889	-
Estimated Insurance Claims Payable	-	(174,000)	-
Total Adjustments	(113,712)	(67,869)	(1,117,636)
Net Cash Provided (Used) by Operating Activities	\$ (735,548)	\$ (346,085)	\$ 7,387

Energy Management Program	Exclusive Agreement	Totals
\$ 13,726,200	\$ -	\$ 13,726,200
-	-	86,506,726
10,457	283,127	3,817,040
(14,061,039)	(195,182)	(37,062,194)
(239,899)	-	(1,469,303)
-	-	(67,069,051)
<u>(564,281)</u>	<u>87,945</u>	<u>(1,550,582)</u>
-	-	213,990
-	1,200	102,775
-	-	273
-	-	(300,918)
<u>-</u>	<u>1,200</u>	<u>16,120</u>
44,855	34,289	1,696,980
1,755,284	(34,148)	1,359,894
<u>1,800,139</u>	<u>141</u>	<u>3,056,874</u>
1,235,858	89,286	1,522,412
<u>254,368</u>	<u>20,614</u>	<u>623,864</u>
<u>\$ 1,490,226</u>	<u>\$ 109,900</u>	<u>\$ 2,146,276</u>
\$ (543,883)	\$ 87,964	\$ (230,948)
-	-	(777,058)
56,771	(19)	(437,118)
-	-	(2,926)
-	-	108,827
-	-	(9,680)
(100,127)	-	30,336
535	-	2,946
22,423	-	(60,961)
-	-	(174,000)
<u>(20,398)</u>	<u>(19)</u>	<u>(1,319,634)</u>
<u>\$ (564,281)</u>	<u>\$ 87,945</u>	<u>\$ (1,550,582)</u>

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Combining Statements of Agency Funds

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

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

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

District School Board of Pasco County
Combining Statement of Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 9,767,736	\$ 12,780	\$ 9,780,516
Investments	-	76,070	76,070
Accounts Receivable	6,795	-	6,795
Interest Receivable on Investments	-	1	1
Inventories	14,158	-	14,158
	<u>\$ 9,788,689</u>	<u>\$ 88,851</u>	<u>\$ 9,877,540</u>
Total Assets	<u>\$ 9,788,689</u>	<u>\$ 88,851</u>	<u>\$ 9,877,540</u>
Liabilities:			
Accounts Payable	\$ 1,067,023	-	\$ 1,067,023
Internal Accounts Payable	8,721,666	-	8,721,666
ABC Program Payable	-	88,851	88,851
	<u>\$ 9,788,689</u>	<u>\$ 88,851</u>	<u>\$ 9,877,540</u>
Total Liabilities	<u>\$ 9,788,689</u>	<u>\$ 88,851</u>	<u>\$ 9,877,540</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

School Internal Accounts				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 9,285,725	\$ 17,185,719	\$ 16,703,708	\$ 9,767,736
Accounts Receivable	9,815	17,920	20,940	6,795
Inventories	5,078	54,415	45,335	14,158
Total Assets	<u>\$ 9,300,618</u>	<u>\$ 17,258,054</u>	<u>\$ 16,769,983</u>	<u>\$ 9,788,689</u>
Liabilities:				
Accounts Payable	\$ 580,625	\$ 17,607,749	\$ 17,121,351	1,067,023
Internal Accounts Payable	8,719,993	31,702,914	31,701,241	8,721,666
Total Liabilities	<u>\$ 9,300,618</u>	<u>\$ 49,310,663</u>	<u>\$ 48,822,592</u>	<u>\$ 9,788,689</u>
ABC Program				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 10,292	\$ 52,718	\$ 50,230	\$ 12,780
Investments	74,162	2,145	237	76,070
Interest Receivable on Investments	8	1	8	1
Total Assets	<u>\$ 84,462</u>	<u>\$ 54,864</u>	<u>\$ 50,475</u>	<u>\$ 88,851</u>
Liabilities:				
ABC Program Payable	<u>\$ 84,462</u>	<u>\$ 192,409</u>	<u>\$ 188,020</u>	<u>\$ 88,851</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 9,296,017	\$ 17,238,437	\$ 16,753,938	\$ 9,780,516
Investments	74,162	2,145	237	76,070
Accounts Receivable	9,815	17,920	20,940	6,795
Interest Receivable on Investments	8	1	8	1
Inventories	5,078	54,415	45,335	14,158
Total Assets	<u>\$ 9,385,080</u>	<u>\$ 17,312,918</u>	<u>\$ 16,820,458</u>	<u>\$ 9,877,540</u>
Liabilities:				
Accounts Payable	\$ 580,625	\$ 17,607,749	\$ 17,121,351	\$ 1,067,023
Internal Accounts Payable	8,719,993	31,702,914	31,701,241	8,721,666
ABC Program Payable	84,462	192,409	188,020	88,851
Total Liabilities	<u>\$ 9,385,080</u>	<u>\$ 49,503,072</u>	<u>\$ 49,010,612</u>	<u>\$ 9,877,540</u>

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Combining Statements of Component Units

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

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

Athenian Academy of Technology and the Arts, Inc. – A Kindergarten through 8th grade school offering students a program that incorporates Technology and the Arts including the Greek language and culture.

Classical Preparatory School – A Kindergarten through 12th grade school providing a classical style education.

Countryside Montessori Charter School, Inc. – A 1st through 8th grade school offering students the opportunity to obtain a lifelong love of learning through an enriched, hands-on Montessori curriculum.

Dayspring Academy for Education and the Arts – A Kindergarten through 12th grade school offering students an atmosphere of learning which focuses on the basics of education: reading, writing, math, science, history, and literature by using and emphasizing the fine arts.

Imagine School at Land O' Lakes – A Kindergarten through 8th grade school offering students a challenging program of study and strong character development within a nurturing and orderly learning environment.

Learning Lodge Academy – A Kindergarten through 6th grade school offering an environment that encourages children to build social skills and refine their problem solving and critical thinking abilities.

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

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

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

Union Park Charter Academy – A Kindergarten through 7th grade school offering a learning environment that integrates research-based curriculum, a culture of safety and success, and concentration on academic rigor, while focusing on citizenship and experiential learning through student engagement.

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

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District School Board of Pasco County
Combining Statement of Net Position
Component Units
June 30, 2019

	Academy at the Farm, Inc.	Athenian Academy of Technology and the Arts, Inc.	Classical Preparatory School	Countryside Montessori Charter School, Inc.	Dayspring Academy for Education and the Arts
Assets:					
Cash	\$ 318,803	\$ 404,101	\$ 1,551,905	\$ 414,643	\$ 354,425
Investments	-	-	-	-	-
Accounts Receivable	11,223	2,377	-	200	5,704
Deposits Receivable	-	-	-	10,000	-
Note Receivable	-	-	92,672	-	-
Due from Other Agencies	39,500	16,844	59,201	19,823	52,474
Inventories	12,183	-	-	-	-
Prepaid Items	-	123,023	42,550	-	42,060
Capital Assets (net of accumulated depreciation)					
Land	1,325,978	-	500,000	105,872	819,683
Construction in Process	-	-	-	-	-
Improvements Other Than Buildings	-	-	-	-	273,070
Leasehold Property and Improvements	-	-	-	64,848	-
Buildings and Fixed Equipment	3,216,628	185,183	11,611,274	350,807	3,940,511
Furniture, Fixtures, and Equipment	124,884	80,711	56,578	12,479	33,513
Motor Vehicles	-	-	14,999	-	2,439
Computer Software	-	-	-	-	-
Audio Visual Materials	-	-	-	-	-
Total Assets	5,049,199	812,239	13,929,179	978,672	5,523,879
Deferred Outflows of Resources:					
Pension	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows	\$ 5,049,199	\$ 812,239	\$ 13,929,179	\$ 978,672	\$ 5,523,879
Liabilities:					
Salaries and Benefits Payable	\$ -	\$ 140,361	\$ 203,404	-	\$ 181,369
Accounts Payable	26,494	8,945	77,165	4,372	137,559
Due to Other Agencies	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Current Liabilities	26,494	149,306	280,569	4,372	318,928
Long-Term Debt and Liabilities:					
Portion Due Within One Year:					
Notes Payable	109,291	-	17,668	40,720	153,549
Obligations Under Capital Leases	-	7,205	-	4,984	-
Bonds Payable	-	-	220,000	-	-
Compensated Absences	-	-	-	-	-
Total Due within one year	109,291	7,205	237,668	45,704	153,549
Portion Due After One Year:					
Notes Payable	4,225,972	-	41,448	278,394	2,979,422
Obligations Under Capital Leases	-	1,361	-	6,333	-
Bonds Payable	-	-	14,159,563	-	-
Compensated Absences	-	-	-	-	164,153
Net Pension Liability	-	-	-	-	-
Total Due after one year	4,225,972	1,361	14,201,011	284,727	3,143,575
Total Liabilities	4,361,757	157,872	14,719,248	334,803	3,616,052
Deferred Inflows of Resources:					
Pension	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Net Position:					
Net Investment in Capital Assets	332,227	257,328	(2,255,828)	203,575	1,972,097
Restricted for Other Purposes	-	-	1,135,991	-	-
Unrestricted	355,215	397,039	329,768	440,294	(64,270)
Total Net Position	\$ 687,442	\$ 654,367	\$ (790,069)	\$ 643,869	\$ 1,907,827

Schedule I

Imagine School at Land O' Lakes	Learning Lodge Academy	Pasco MYcroSchool	Pepin Academies of Pasco County, Inc.	Plato Academy Trinity Charter School	Union Park Charter Academy	Pasco Education Foundation, Inc.	Total Component Units
\$ 266,564	\$ 249,822	\$ -	\$ 400,843	\$ 150,676	\$ 516,226	\$ 265,202	\$ 4,893,210
-	-	-	-	-	1,147,827	2,583,450	3,731,277
13,000	30,736	-	83,119	-	3,624	24,406	174,389
9,635	-	-	100,000	4,668	18,805	-	143,108
-	-	-	-	-	-	-	92,672
60,494	58,489	-	-	22,621	188,919	-	518,365
-	-	-	-	-	-	-	12,183
-	-	-	33,716	-	7,233	1,530,216	1,778,798
-	-	-	-	-	-	-	2,751,533
5,672	-	-	-	-	-	-	5,672
-	-	-	-	-	-	-	273,070
326,473	41,621	-	72,153	17,940	-	-	523,035
-	-	-	-	-	9,928,523	-	29,232,926
291,277	63,665	-	41,264	71,874	883,583	-	1,659,828
202,539	-	-	-	-	-	-	219,977
-	-	-	-	-	-	19,055	19,055
-	-	-	-	-	-	-	-
1,175,654	444,333	-	731,095	267,779	12,694,740	4,422,329	46,029,098
-	763,834	-	-	-	-	-	763,834
-	763,834	-	-	-	-	-	763,834
<u>\$ 1,175,654</u>	<u>\$ 1,208,167</u>	<u>\$ -</u>	<u>\$ 731,095</u>	<u>\$ 267,779</u>	<u>\$ 12,694,740</u>	<u>\$ 4,422,329</u>	<u>\$ 46,792,932</u>
\$ 272,311	\$ -	\$ -	\$ 211,238	\$ -	\$ 135,224	\$ 347	\$ 1,144,254
20,534	23,800	-	20,963	506,030	502,657	8,286	1,336,805
1,464	-	-	-	-	-	-	1,464
-	-	-	-	15,750	28,945	-	44,695
11,350	-	-	-	-	21,479	-	32,829
305,659	23,800	-	232,201	521,780	688,305	8,633	2,560,047
62,540	-	-	-	315,000	-	-	698,768
15,356	-	-	-	-	-	-	27,545
-	-	-	-	-	185,455	-	405,455
-	-	-	-	-	11,740	-	11,740
77,896	-	-	-	315,000	197,195	-	1,143,508
60,161	-	-	-	-	-	-	7,585,397
63,175	-	-	-	-	-	-	70,869
-	-	-	-	-	13,040,922	-	27,200,485
-	-	-	-	-	3,913	-	168,066
-	944,496	-	-	-	-	-	944,496
123,336	944,496	-	-	-	13,044,835	-	35,969,313
506,891	968,296	-	232,201	836,780	13,930,335	8,633	39,672,868
-	84,578	-	-	-	-	-	84,578
-	84,578	-	-	-	-	-	84,578
624,729	105,286	-	113,417	89,814	(2,414,150)	-	(971,505)
-	-	-	-	-	1,118,761	4,147,849	6,402,601
44,034	50,007	-	385,477	(658,815)	59,794	265,847	1,604,390
<u>\$ 668,763</u>	<u>\$ 155,293</u>	<u>\$ -</u>	<u>\$ 498,894</u>	<u>\$ (569,001)</u>	<u>\$ (1,235,595)</u>	<u>\$ 4,413,696</u>	<u>\$ 7,035,486</u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Academy at the Farm, Inc., Activities:</u>					
Instruction	\$ 3,045,036	\$ 148,640	\$ -	\$ -	\$ (2,896,396)
Student Support Services	22,382	-	-	-	(22,382)
Instructional Media Services	-	-	-	-	-
Instruction-Related Technology	234,142	-	-	-	(234,142)
Board	7,000	-	-	-	(7,000)
General Administration	33,554	-	-	-	(33,554)
School Administration	420,622	-	-	-	(420,622)
Facilities Acquisition and Construction	1,790	-	-	-	(1,790)
Fiscal Services	70,765	-	-	-	(70,765)
Operation of Plant	321,872	-	-	-	(321,872)
Maintenance of Plant	144,716	-	-	-	(144,716)
Community Service	570,094	557,901	-	-	(12,193)
Debt Service - Interest	232,965	-	-	286,626	53,661
Depreciation - Unallocated	233,583	-	-	-	(233,583)
Total Academy at the Farm, Inc., Activities	\$ 5,338,521	\$ 706,541	\$ -	\$ 286,626	(4,345,354)
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					4,101,457
Miscellaneous					348,360
Total General Revenues					4,449,817
Change in Net Position					104,463
Net Position, Beginning					582,979
Net Position, Ending					\$ 687,442

	Expenses	Program Revenues			Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Athenian Academy of Technology and the Arts, Inc., Activities:</u>					
Instruction	\$ 1,516,959	\$ -	\$ 127,922	\$ -	\$ (1,389,037)
Student Support Services	2,901	-	-	-	(2,901)
Instructional Staff Training	-	-	-	-	-
Board	19,055	-	-	-	(19,055)
General Administration	234,455	-	-	-	(234,455)
School Administration	313,840	-	-	-	(313,840)
Fiscal Services	90,535	-	-	-	(90,535)
Food Services	15,383	-	-	-	(15,383)
Central Services	14,221	-	-	-	(14,221)
Student Transportation Services	112,305	-	-	49,368	(62,937)
Operation of Plant	498,990	-	12,235	175,359	(311,396)
Administrative Technology	2,515	-	-	-	(2,515)
Community Services	22,183	65,200	-	-	43,017
Debt Service - Interest	2,655	-	-	-	(2,655)
Depreciation - Unallocated	68,104	-	-	-	(68,104)
Total Athenian Academy of Technology and the Arts, Inc., Activities	\$ 2,914,101	\$ 65,200	\$ 140,157	\$ 224,727	(2,484,017)
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					2,462,855
Miscellaneous					95,637
Total General Revenues					2,558,492
Change in Net Position					74,475
Net Position, Beginning					579,892
Net Position, Ending					\$ 654,367

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Classical Preparatory School, Activities:</u>					
Instruction	\$ 3,381,995	\$ -	\$ -	\$ -	\$ (3,381,995)
Instructional Media Services	-	-	-	-	-
Instructional Curriculum Development Services	-	-	-	-	-
Instruction-Related Technology	10,917	-	-	-	(10,917)
Board	75,710	-	-	-	(75,710)
School Administration	1,124,882	-	-	-	(1,124,882)
Facilities Acquisition and Construction	9,338	-	-	-	(9,338)
Fiscal Services	103,148	-	-	-	(103,148)
Food Services	9,976	-	-	-	(9,976)
Student Transportation Services	12,568	-	-	-	(12,568)
Operation of Plant	344,260	-	-	-	(344,260)
Community Service	170,750	-	-	-	(170,750)
Debt Service - Interest	895,491	-	-	404,540	(490,951)
Depreciation - Unallocated	293,994	-	-	-	(293,994)
Total Classical Preparatory School, Activities	<u>\$ 6,433,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,540</u>	<u>(6,028,489)</u>
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					5,769,986
Miscellaneous					<u>398,148</u>
Total General Revenues					<u>6,168,134</u>
Change in Net Position					139,645
Net Position, Beginning					<u>(929,714)</u>
Net Position, Ending					<u><u>\$ (790,069)</u></u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Countryside Montessori Charter School, Inc., Activities:</u>					
Instruction	\$ 1,701,242	\$ -	\$ -	\$ -	\$ (1,701,242)
Instructional Staff Training	2,510	-	-	-	(2,510)
School Administration	412,280	-	-	-	(412,280)
Facilities Acquisition and Construction	189,956	-	-	166,598	(23,358)
Fiscal Services	32,848	-	-	-	(32,848)
Food Services	3,558	-	-	-	(3,558)
Operation of Plant	113,890	-	-	-	(113,890)
Maintenance of Plant	50	-	-	-	(50)
Community Service	276,003	66,672	-	-	(209,331)
Debt Service-Interest	17,962	-	-	-	(17,962)
Depreciation - Unallocated	49,651	-	-	-	(49,651)
Total Countryside Montessori Charter School, Inc., Activities	<u>\$ 2,799,950</u>	<u>\$ 66,672</u>	<u>\$ -</u>	<u>\$ 166,598</u>	<u>(2,566,680)</u>
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					2,278,030
Miscellaneous					<u>504,274</u>
Total General Revenues					<u>2,782,304</u>
Change in Net Position					215,624
Net Position, Beginning					<u>428,245</u>
Net Position, Ending					<u><u>\$ 643,869</u></u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Dayspring Academy for Education and the Arts, Activities:</u>	<u>Expenses</u>				
Instruction	\$ 3,404,069	\$ -	\$ -	\$ -	\$ (3,404,069)
Student Support Services	49,039	-	-	-	(49,039)
Instructional Media Services	-	-	-	-	-
Instructional Staff Training	2,772	-	-	-	(2,772)
School Administration	997,632	-	-	-	(997,632)
Facilities Acquisition & Construction	114,986	-	-	-	(114,986)
Fiscal Services	42,853	-	-	-	(42,853)
Student Transportation Services	133,020	-	-	-	(133,020)
Operation of Plant	715,796	-	-	374,990	(340,806)
Maintenance of Plant	46,191	-	-	-	(46,191)
Administrative Technology Services	113,973	-	-	-	(113,973)
Community Service	908,055	303,713	-	-	(604,342)
Debt Service - Interest	132,433	-	-	-	(132,433)
Depreciation - Unallocated	160,519	-	-	-	(160,519)
Total Dayspring Academy for Education and the Arts, Activities	\$ 6,821,338	\$ 303,713	\$ -	\$ 374,990	(6,142,635)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	5,570,581
Miscellaneous	1,614,936
Total General Revenues	7,185,517
Change in Net Position	1,042,882
Net Position, Beginning	864,945
Adjustment to Net Position	-
Net Position, Ending	\$ 1,907,827

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Imagine School at Land O'Lakes, Activities:</u>	<u>Expenses</u>				
Instruction	\$ 2,909,651	\$ -	\$ -	\$ -	\$ (2,909,651)
Student Support Services	346	-	-	-	(346)
Instructional Media	75,022	-	-	-	(75,022)
Instructional and Curriculum Development	52,942	-	-	-	(52,942)
Instructional Staff Training Services	-	-	-	-	-
Instruction-Related Technology	27,117	-	-	-	(27,117)
Board	8,722	-	-	-	(8,722)
General Administration	719,716	-	-	-	(719,716)
School Administration	593,264	-	-	-	(593,264)
Facilities Acquisition and Construction	-	-	-	-	-
Fiscal Services	110,465	-	-	-	(110,465)
Food Services	33,172	-	-	-	(33,172)
Central Services	821	-	-	-	(821)
Student Transportation Services	232,411	-	-	-	(232,411)
Operation of Plant	1,496,375	-	-	389,340	(1,107,035)
Maintenance of Plant	169,227	-	-	-	(169,227)
Community Service	108,749	-	-	-	(108,749)
Debt Service - Interest	13,182	-	-	-	(13,182)
Depreciation - Unallocated	157,758	-	-	-	(157,758)
Total Imagine School at Land O'Lakes, Activities	\$ 6,708,940	\$ -	\$ -	\$ 389,340	(6,319,600)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	5,555,971
Miscellaneous	580,195
Total General Revenues	6,136,166
Change in Net Position	(183,434)
Net Position, Beginning	852,197
Net Position, Ending	\$ 668,763

Learning Lodge Academy, Activities:

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,368,991	\$ -	\$ 40,957	\$ -
Student Support Services	3,766	-	313	-
Instructional and Curriculum Development	3,128	-	3,128	-
Instructional Staff Training	3,817	-	1,200	-
Board	530	-	-	-
General Administration	76,805	-	-	-
School Administration	265,139	-	-	-
Facilities Acquisition & Construction	171,872	-	-	-
Fiscal Services	12,382	-	-	-
Food Services	5,030	-	-	-
Operation of Plant	114,408	-	-	-
Community Service	13,553	27,132	-	-
Depreciation - Unallocated	56,029	-	-	-
Total Learning Lodge Academy, Activities	<u>\$ 2,095,450</u>	<u>\$ 27,132</u>	<u>\$ 45,598</u>	<u>\$ 132,281</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	1,588,632
Miscellaneous	55,858
Total General Revenues	<u>1,644,490</u>
Change in Net Position	(245,949)
Net Position, Beginning	<u>401,242</u>
Net Position, Ending	<u>\$ 155,293</u>

Pasco MYcroSchool, Activities:

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ -	\$ -	\$ -	\$ -
Student Support Services	-	-	-	-
Instructional Staff Training Services	-	-	-	-
Board	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Fiscal Services	-	-	-	-
Central Services	-	-	-	-
Student Transportation Services	-	-	-	-
Operation of Plant	-	-	-	-
Maintenance of Plant	-	-	-	-
Total Pasco MYcroSchool, Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

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

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pepin Academies of Pasco County, Inc., Activities:</u>					
Instruction	\$ 2,309,323	\$ -	\$ -	\$ -	\$ (2,309,323)
Student Support Services	590,059	-	131,764	-	(458,295)
Instructional Staff Training Services	3,198	-	-	-	(3,198)
Instruction-Related Technology	-	-	-	-	-
General Administration	74,680	-	-	-	(74,680)
School Administration	602,935	-	-	-	(602,935)
Fiscal Services	26,941	-	-	-	(26,941)
Food Services	172,217	13,534	97,442	-	(61,241)
Central Services	-	-	-	-	-
Operation of Plant	721,855	-	-	-	(721,855)
Maintenance of Plant	15,110	-	-	-	(15,110)
Community Service	15,685	23,549	-	-	7,864
Debt Service - Interest	6,263	-	-	-	(6,263)
Depreciation - Unallocated	-	-	-	-	-
Total Pepin Academies of Pasco County, Inc., Activities	<u>\$ 4,538,266</u>	<u>\$ 37,083</u>	<u>\$ 229,206</u>	<u>\$ -</u>	<u>(4,271,977)</u>
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					4,393,803
Miscellaneous					<u>40,859</u>
Total General Revenues					<u>4,434,662</u>
Change in Net Position					162,685
Net Position, Beginning					<u>336,209</u>
Net Position, Ending					<u>\$ 498,894</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Plato Academy Trinity Charter School, Activities:</u>					
Instruction	\$ 1,348,076	\$ -	\$ -	\$ -	\$ (1,348,076)
Student Support Services	-	-	-	-	-
Instruction Related Technology	59,443	-	-	-	(59,443)
Board	38,781	-	-	-	(38,781)
General Administration	87,751	-	-	-	(87,751)
School Administration	179,776	-	-	-	(179,776)
Fiscal Services	-	-	-	-	-
Central Services	205,398	-	-	-	(205,398)
Operation of Plant	600,955	-	-	126,574	(474,381)
Maintenance of Plant	-	-	-	-	-
Debt Service - Interest	15,750	-	-	-	(15,750)
Depreciation - Unallocated	22,435	-	-	-	(22,435)
Total Plato Academy Trinity Charter School, Activities	<u>\$ 2,558,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,574</u>	<u>(2,431,791)</u>
<u>General Revenues:</u>					
Grants and Contributions Not Restricted to Specific Programs					1,858,552
Miscellaneous					<u>122,046</u>
Total General Revenues					<u>1,980,598</u>
Change in Net Position					(451,193)
Net Position, Beginning					<u>(117,808)</u>
Net Position, Ending					<u>\$ (569,001)</u>

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Union Park Charter Academy, Activities:					
Instruction	\$ 2,580,817	\$ -	\$ 182,435	\$ -	\$ (2,398,382)
Student Support Services	192,818	-	-	-	(192,818)
Instructional Media Services	22,412	-	-	-	(22,412)
Instructional and Curriculum Development	2,962	-	-	-	(2,962)
Instructional Staff Training Services	14,848	-	-	-	(14,848)
Instruction-Related Technology	102,729	-	-	-	(102,729)
Board	33,189	-	-	-	(33,189)
School Administration	574,529	-	-	-	(574,529)
Fiscal Services	333,050	-	-	-	(333,050)
Food Services	936	266	-	-	(670)
Central Services	95,363	-	-	-	(95,363)
Operation of Plant	862,818	-	94,787	-	(768,031)
Maintenance of Plant	90,229	-	-	-	(90,229)
Community Service	113,119	170,991	-	-	57,872
Debt Service - Interest	1,106,017	-	-	293,527	(812,490)
Depreciation - Unallocated	-	-	-	-	-
Total Union Park Charter Academy, Activities	\$ 6,125,836	\$ 171,257	\$ 277,222	\$ 293,527	\$ (5,383,830)

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	4,122,918
Miscellaneous	725
Unrestricted Investment Earnings	24,592
Total General Revenues	4,148,235
Change in Net Position	(1,235,595)
Net Position, Beginning	-
Net Position, Ending	\$ (1,235,595)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Pasco Education Foundation, Inc., Activities:					
Community Service	\$ 1,400,706	\$ -	\$ -	\$ -	(1,400,706)

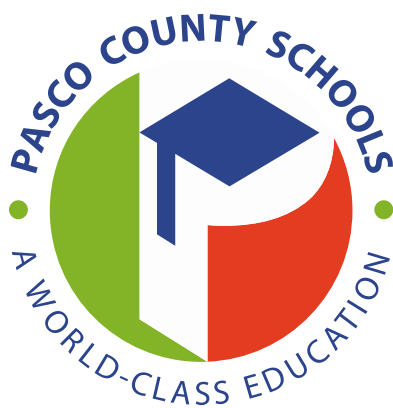
General Revenues:

Grants and Contributions Not Restricted to Specific Programs	1,195,449
Unrestricted Investment Earnings	11,521
Total General Revenues	1,206,970
Change in Net Position	(193,736)
Net Position, Beginning	4,607,432
Net Position, Ending	\$ 4,413,696

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2019

	Program Revenues			Net (Expense)
		Operating	Capital	Revenue
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions
Total Component Units Activities:				and Changes in Net Position
Instruction	\$ 23,566,159	\$ 148,640	\$ 351,314	\$ -
Student Support Services	861,311	-	132,077	-
Instructional Media Services	97,434	-	-	-
Instructional and Curriculum Development	59,032	-	3,128	-
Instructional Staff Training Services	27,145	-	1,200	-
Instruction-Related Technology	434,348	-	-	-
Board	182,987	-	-	-
General Administration	1,226,961	-	-	-
School Administration	5,484,899	-	-	-
Facilities Acquisition and Construction	487,942	-	-	298,879
Fiscal Services	822,987	-	-	-
Food Services	240,272	13,800	97,442	-
Central Services	315,803	-	-	-
Student Transportation Services	490,304	-	-	49,368
Operation of Plant	5,791,219	-	107,022	1,066,263
Maintenance of Plant	465,523	-	-	-
Administrative Technology Services	116,488	-	-	-
Community Service	3,598,897	1,215,158	-	-
Debt Service - Interest	2,422,718	-	-	984,693
Depreciation - Unallocated	1,042,073	-	-	-
	<u>\$ 47,734,502</u>	<u>\$ 1,377,598</u>	<u>\$ 692,183</u>	<u>\$ 2,399,203</u>
Total Component Units Activities				(43,265,518)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs				38,898,234
Miscellaneous				3,761,038
Unrestricted Investment Earnings				36,113
Total General Revenues				<u>42,695,385</u>
Change in Net Position				(570,133)
Net Position, Beginning				<u>7,605,619</u>
Net Position, Ending				<u>\$ 7,035,486</u>

STATISTICAL SECTION



Statistical Section

Introduction

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Economic and Demographic Information

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

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

Operating Information

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

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

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

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

	For the Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Governmental Activities				
Net Investment in Capital Assets	\$ 609,215,910	\$ 610,511,400	\$ 587,895,355	\$ 590,932,554
Restricted	150,219,796	156,915,364	177,850,787	172,069,772
Unrestricted	29,950,233	42,414,994	29,533,195	28,365,685
Total Governmental Activities Net Position	789,385,939	809,841,758	795,279,337	791,368,011
Business-Type Activities				
Net Investment in Capital Assets	146,867	155,131	137,748	166,337
Unrestricted	3,678,225	4,609,491	5,387,604	3,013,904
Total Business-Type Activities Net Position	3,825,092	4,764,622	5,525,352	3,180,241
Primary Government				
Net Investment in Capital Assets	609,362,777	610,666,531	588,033,103	591,098,891
Restricted	150,219,796	156,915,364	177,850,787	172,069,772
Unrestricted	33,628,458	47,024,485	34,920,799	31,379,589
Total Primary Government Net Position	\$ 793,211,031	\$ 814,606,380	\$ 800,804,689	\$ 794,548,252

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

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

Source: District records

Table 1

June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 599,058,815	\$ 623,953,695	\$ 631,191,690	\$ 680,286,796	\$ 675,505,097	\$ 643,476,509
164,220,978	141,051,030	140,732,338	102,033,724	126,907,839	187,360,577
15,313,862	(183,605,569)	(183,118,232)	(199,267,302)	(260,385,768)	(280,756,847)
<u>778,593,655</u>	<u>581,399,156</u>	<u>588,805,796</u>	<u>583,053,218</u>	<u>542,027,168</u>	<u>550,080,239</u>
176,128	206,739	166,042	133,420	112,367	95,726
2,209,578	(751,298)	(131,406)	148,528	(602,458)	119,336
<u>2,385,706</u>	<u>(544,559)</u>	<u>34,636</u>	<u>281,948</u>	<u>(490,091)</u>	<u>215,062</u>
599,234,943	624,160,434	631,357,732	680,420,216	675,617,464	643,572,235
164,220,978	141,051,030	140,732,338	102,033,724	126,907,839	187,360,577
17,523,440	(184,356,867)	(183,249,638)	(199,118,774)	(260,988,226)	(280,637,511)
<u>\$ 780,979,361</u>	<u>\$ 580,854,597</u>	<u>\$ 588,840,432</u>	<u>\$ 583,335,166</u>	<u>\$ 541,537,077</u>	<u>\$ 550,295,301</u>

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

For the Fiscal Year Ending

	June 30, 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
Expenses										
Governmental Activities										
Instruction	343,287,586	363,757,272	334,933,329	343,554,241	358,768,503	362,962,619	386,321,690	408,448,107	422,570,775	\$ 427,482,164
Student Support Services	28,127,494	27,818,587	25,200,500	25,331,587	25,618,232	26,801,838	27,878,254	30,820,513	33,010,405	37,041,624
Instructional Media Services	10,116,970	9,838,612	7,354,703	6,917,067	1,906,905	2,343,060	2,395,795	2,271,748	2,018,167	2,352,551
Instruction and Curriculum Development Services	15,766,876	15,384,400	13,400,395	11,764,667	14,558,446	15,800,130	16,807,274	19,238,370	19,647,149	20,216,195
Instructional Staff Training Services	14,462,129	13,936,346	10,971,329	11,073,276	9,426,682	7,324,613	7,168,371	9,608,442	9,237,951	12,289,500
Instruction-Related Technology	6,335,019	6,147,471	4,847,994	4,892,506	8,425,406	6,888,825	7,181,975	7,983,137	7,900,006	7,842,257
Board	3,230,392	3,121,338	668,918	610,730	620,416	530,109	593,665	932,028	799,596	613,403
General Administration	3,323,964	3,351,534	1,259,433	1,632,018	2,556,141	2,407,270	3,366,050	3,709,541	4,012,766	4,159,251
School Administration	36,740,305	36,616,082	34,008,721	34,289,049	36,456,573	37,661,405	39,320,749	43,055,596	44,770,488	44,305,575
Facilities Acquisition and Construction	15,095,278	14,981,752	12,736,731	14,195,220	14,491,329	17,381,716	22,312,816	25,737,667	27,557,051	35,004,632
Fiscal Services	2,394,604	2,495,234	2,199,577	2,281,430	2,708,890	2,792,302	2,789,717	3,092,802	3,293,417	3,195,621
Food Services	31,228,131	30,842,650	30,476,104	31,884,356	32,787,091	35,477,047	39,016,954	40,699,866	39,594,503	41,600,111
Central Services	7,856,068	848,370	1,734,199	4,024,807	6,030,792	8,227,505	12,010,763	2,817,157	5,183,668	8,291,206
Student Transportation Services	27,870,375	28,495,921	27,912,093	27,623,111	29,162,574	29,695,863	29,927,606	32,940,721	34,350,249	34,943,605
Operation of Plant	46,244,124	46,454,690	46,432,259	42,208,748	45,192,330	42,537,525	45,765,410	44,284,504	45,156,061	47,571,171
Maintenance of Plant	13,349,962	12,712,872	11,012,852	10,903,885	11,583,005	10,565,620	11,374,941	12,375,243	12,300,170	12,465,228
Administrative Technology Services	3,299,616	3,173,777	3,084,540	3,146,509	3,692,101	6,047,282	9,929,967	9,795,116	10,156,901	10,490,704
Community Services	711,668	582,837	618,337	688,852	510,674	867,512	475,657	410,564	2,314,173	595,641
Interest on Long-term Liabilities	19,193,742	18,650,661	17,827,097	16,680,024	24,315,270	15,059,988	15,510,778	16,115,585	15,572,907	17,408,405
Total Government Activities Expenses	<u>\$ 628,634,303</u>	<u>\$ 639,210,406</u>	<u>\$ 586,679,111</u>	<u>\$ 593,702,083</u>	<u>\$ 628,811,360</u>	<u>\$ 631,372,229</u>	<u>\$ 680,148,432</u>	<u>\$ 714,336,707</u>	<u>\$ 739,446,403</u>	<u>\$ 767,868,844</u>
Business-Type Activities:										
After School Enrichment Programs (ASEP)	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,363,111	9,850,333	9,853,988	9,943,439	9,743,079
Vending Program	-	-	-	-	-	552,755	506,375	591,061	588,319	710,488
Total Business-Type Activities Expenses	<u>8,303,091</u>	<u>8,039,992</u>	<u>7,753,564</u>	<u>7,941,510</u>	<u>9,155,859</u>	<u>9,915,866</u>	<u>10,356,708</u>	<u>10,445,049</u>	<u>10,531,758</u>	<u>10,453,567</u>
Total Primary Government Expenses	<u>\$ 636,937,394</u>	<u>\$ 647,250,398</u>	<u>\$ 594,432,675</u>	<u>\$ 601,643,593</u>	<u>\$ 637,967,219</u>	<u>\$ 641,288,095</u>	<u>\$ 690,505,140</u>	<u>\$ 724,781,756</u>	<u>\$ 749,978,161</u>	<u>\$ 778,322,411</u>
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction	3,486,329	254,868	1,511,101	522,095	586,263	407,780	524,903	508,294	641,551	647,104
Food Services	12,249,850	11,824,461	11,697,038	11,441,922	11,086,807	11,033,632	11,312,259	11,419,572	10,385,274	12,124,095
Student Transportation	820,661	1,031,745	1,148,279	992,215	1,060,679	1,209,902	1,142,417	1,210,992	1,193,069	604,478
Operating Grants and Contributions	34,949,693	35,241,557	21,417,728	37,633,087	38,821,862	40,056,713	42,499,928	44,065,787	44,743,319	45,657,187
Capital Grants and Contributions	10,997,212	8,129,586	8,198,949	9,128,908	12,418,525	12,852,412	14,539,299	21,752,287	21,082,658	31,232,910
Total Government Activities Program Revenue	<u>\$ 62,503,745</u>	<u>\$ 56,482,217</u>	<u>\$ 43,973,095</u>	<u>\$ 59,718,227</u>	<u>\$ 63,974,136</u>	<u>\$ 65,560,439</u>	<u>\$ 70,018,806</u>	<u>\$ 78,956,932</u>	<u>\$ 78,045,871</u>	<u>\$ 90,265,774</u>

(continued)

For the Fiscal Year Ending										
	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
Business-Type Activities										
Charge for Services Provided	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,435,575	10,454,332	10,510,012	9,699,751	10,392,895
Charge for Sales	-	-	-	-	-	554,602	527,256	567,712	592,853	713,341
Total Business-Type Activities Revenues	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,990,177	10,981,588	11,077,724	10,292,604	11,106,236
Total Primary Government Program Revenues	\$ 71,678,011	\$ 65,457,998	\$ 52,468,259	\$ 68,280,949	\$ 73,334,950	\$ 75,550,616	\$ 81,000,394	\$ 90,034,656	\$ 88,338,475	\$ 101,372,010
Net (Expense) Revenues										
Government Activities	(566,130,558)	(582,728,189)	(542,706,016)	(533,983,856)	(564,837,224)	(565,811,790)	(610,129,626)	(635,379,775)	(661,400,532)	(677,603,070)
Business-Type Activities	871,175	935,789	741,600	621,212	204,955	74,311	624,880	632,675	(239,154)	652,669
Total Primary Government Net (Expenses) Revenues	\$ (565,259,383)	\$ (581,792,400)	\$ (541,964,416)	\$ (533,362,644)	\$ (564,632,269)	\$ (565,737,479)	\$ (609,504,746)	\$ (634,747,100)	\$ (661,639,686)	\$ (676,950,401)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes										
Levied for General Purposes	143,328,208	137,589,229	133,136,587	120,318,952	121,552,684	123,010,141	128,319,631	129,369,699	133,771,102	139,108,018
Levied for Debt Services	484	-	-	-	-	-	-	-	-	-
Levied for Capital Purposes	36,814,096	32,903,497	32,505,792	30,896,444	31,131,186	32,660,786	34,313,082	36,291,600	39,599,116	43,655,059
Sales Taxes	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307	25,738,211	26,942,544	28,398,773	31,013,628
Grants and Contributions not Restricted to Specific Program	359,835,520	390,434,709	326,929,740	338,910,337	369,957,624	386,425,843	404,584,134	420,677,690	434,081,243	447,677,693
Unrestricted Investment Earnings	5,176,446	2,385,946	547,374	1,326,648	580,012	816,253	1,824,994	1,532,310	2,486,903	8,151,676
Miscellaneous	17,536,819	14,463,706	9,702,528	8,129,246	12,125,787	14,454,399	22,699,580	14,408,081	16,385,561	15,994,974
Transfers	-	-	-	3,000,000	1,000,000	-	56,634	405,273	610	55,093
Total Governmental Activities	588,362,720	603,184,008	528,143,595	530,072,530	565,131,652	584,047,729	617,536,266	629,627,197	654,723,308	685,656,141
Business-Type Activities										
Interest	2,263	3,741	13,223	33,677	121	20,578	10,665	19,651	40,525	109,370
Miscellaneous	-	-	5,907	-	389	309	284	259	1,298	(1,793)
Transfers	-	-	-	(3,000,000)	(1,000,000)	-	(56,634)	(405,273)	(610)	(55,093)
Total Business-Type Activities	2,263	3,741	19,130	(2,966,323)	(999,490)	20,887	(45,685)	(385,363)	41,213	52,484
Total Primary Government	\$ 588,364,983	\$ 603,187,749	\$ 528,162,725	\$ 527,106,207	\$ 564,132,162	\$ 584,068,616	\$ 617,490,581	\$ 629,241,834	\$ 654,764,521	\$ 685,708,625
Changes in Net Position										
Governmental Activities	22,232,162	20,455,819	(14,562,421)	(3,911,326)	294,428	18,235,939	7,406,640	(5,752,578)	(6,677,224)	8,053,071
Business-Type Activities	873,438	939,530	760,730	(2,345,111)	(794,535)	95,198	579,195	247,312	(197,941)	705,153
Total Primary Government	\$ 23,105,600	\$ 21,395,349	\$ (13,801,691)	\$ (6,256,437)	\$ (500,107)	\$ 18,331,137	\$ 7,985,835	\$ (5,505,266)	\$ (6,875,165)	\$ 8,758,224

Source: District records

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

	For the Fiscal Year Ending				
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General Fund					
Fund Balance					
Nonspendable	\$ -	\$ 3,893,982	\$ 4,568,706	\$ 3,612,982	\$ 3,444,488
Restricted	-	7,563,258	5,326,016	3,124,608	6,903,768
Assigned	-	26,466,857	15,673,843	17,407,505	11,451,799
Unassigned	-	22,964,288	22,714,296	23,499,528	32,983,587
Reserved	12,185,376	-	-	-	-
Unreserved	37,788,339	-	-	-	-
Total General Fund	\$ 49,973,715	\$ 60,888,385	\$ 48,282,861	\$ 47,644,623	\$ 54,783,642
All Other Governmental Funds					
Fund Balance					
Nonspendable					
Special Revenue-Food Service	\$ -	\$ 1,695,810	\$ 1,380,195	\$ 1,223,200	\$ 1,153,542
Capital Projects Other	-	-	-	-	-
Restricted					
Special Revenue -Food Service	-	4,383,403	7,183,864	7,100,164	8,774,328
Debt Service	-	18,525,444	21,389,660	17,001,808	14,026,067
Capital Projects	-	135,332,919	110,020,160	147,001,633	241,878,569
Assigned					
Capital Projects	-	27,091,944	31,775,584	-	-
Reserved	32,442,711	-	-	-	-
Unreserved, Reported In					
Capital Projects Funds	144,692,524	-	-	-	-
Debt Service Funds	13,921,942	-	-	-	-
Special Revenue Funds	3,665,452	-	-	-	-
Total All Other Government Funds	\$ 194,722,629	\$ 187,029,520	\$ 171,749,463	\$ 172,326,805	\$ 265,832,506

Note (A) The District implemented GASB 54 for the fiscal year ended June 30, 2011.

Fiscal years prior to 2011 have not been restated for implementation of GASB 54.

Source: District records

Table 3

June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 3,706,116	\$ 3,870,506	\$ 3,437,955	\$ 3,628,214	\$ 4,031,240
4,793,446	1,393,683	4,089,246	5,297,161	5,428,866
21,418,729	25,344,899	25,728,404	26,716,791	28,771,824
26,101,381	26,132,916	26,708,735	27,711,359	28,549,110
-	-	-	-	-
-	-	-	-	-
<u>\$ 56,019,672</u>	<u>\$ 56,742,004</u>	<u>\$ 59,964,340</u>	<u>\$ 63,353,525</u>	<u>\$ 66,781,040</u>
\$ 1,238,056	\$ 1,168,050	\$ 1,050,871	\$ 1,323,178	\$ 944,418
-	11,882,999	3,831,027	553,306	-
9,000,902	7,892,363	6,492,995	6,135,162	6,056,647
11,958,237	13,252,861	18,885,182	14,102,339	10,907,490
211,168,847	180,189,182	114,240,095	143,163,912	214,548,182
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 233,366,042</u>	<u>\$ 214,385,455</u>	<u>\$ 144,500,170</u>	<u>\$ 165,277,897</u>	<u>\$ 232,456,737</u>

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

	For the Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Revenues				
Federal Sources				
Federal Grants	\$ 79,516,781	\$ 96,950,923	\$ 42,340,203	\$ 42,541,633
Food Services	19,688,152	20,815,526	20,980,131	22,141,725
Total Federal Sources	99,204,933	117,766,449	63,320,334	64,683,358
State Sources				
Florida Education Finance Program	213,428,570	222,031,695	204,656,075	229,215,516
Public Education Capital Outlay	1,622,195	3,524,056	703,197	666,291
Food Services	493,454	426,031	437,597	419,874
State Grants and Other	84,614,338	85,811,367	82,611,163	84,676,064
Total State Sources	300,158,557	311,793,149	288,408,032	314,977,745
Local Sources				
Property Taxes	180,142,788	170,492,726	165,642,379	151,215,396
Local Sales Taxes	25,671,147	25,406,921	25,321,574	27,490,903
Food Services	12,249,850	11,778,792	11,650,985	11,441,922
Investment Earnings	5,176,446	2,388,287	590,385	1,267,749
Local grants and other	20,931,370	19,274,584	16,094,030	15,445,937
Total Local Sources	244,171,601	229,341,310	219,299,353	206,861,907
Total Revenues	643,535,091	658,900,908	571,027,719	586,523,010
Expenditures				
Current-Education				
Instruction	313,051,706	325,557,314	296,241,293	299,761,436
Student Support Services	28,028,160	27,470,406	24,952,342	25,031,281
Instructional Media Services	9,787,927	9,468,350	7,142,745	6,763,983
Instruction and Curriculum Development Services	15,211,665	15,299,116	13,293,905	11,701,933
Instructional Staff Training Services	14,045,255	13,976,906	10,844,460	10,981,833
Instruction-Related Technology	6,270,107	6,126,500	4,799,806	4,864,701
Board	3,085,096	2,980,400	487,161	468,772
General Administration	3,355,050	3,317,673	1,226,250	1,512,137
School Administration	36,185,408	36,404,238	33,210,176	33,759,267
Facilities Services	6,532,646	6,424,831	4,028,151	4,833,626
Fiscal Services	2,316,906	2,404,739	2,114,358	2,228,720
Food Services	31,001,571	30,565,745	30,189,633	31,598,711
Central Services	6,326,380	6,675,392	5,903,365	5,643,763
Student Transportation Services	26,787,809	27,697,245	27,217,617	27,052,856
Operation of Plant	45,838,612	46,183,311	46,025,891	41,856,266
Maintenance of Plant	13,167,442	12,518,437	10,877,222	10,586,881
Administrative Technology Services	3,178,804	3,196,306	3,030,764	3,118,929
Community Services	698,604	648,347	622,397	667,873
Capital Outlay				
Facilities Acquisition and Construction	97,667,371	37,632,689	35,571,766	28,043,055
Other Capital Outlay	2,212,318	1,930,515	907,144	1,334,131
Debt Service				
Principal	20,987,001	21,812,001	22,527,001	23,557,001
Interest	18,099,076	17,440,390	17,133,664	16,110,854
Fiscal Charges	1,751,549	1,361,160	721,224	660,328
Total Expenditures	705,586,463	657,092,011	599,068,335	592,138,337
Excess (Deficiency) of Revenues Over Expenditures	(62,051,372)	1,808,897	(28,040,616)	(5,615,327)
Other Financing Sources (Uses)				
Face Value of Bonds Issued	1,300,000	1,450,000	1,710,000	-
Face Value of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Premiums on Bonds Issued	130,248	117,416	226,415	-
Certificates of Participation Issued	11,000,000	-	-	-
Premiums on Certificates of Participation Issued	-	-	-	-
Face Value of Refunding Certificates of Participation	-	-	-	-
Capital Leases	-	-	-	-
Proceeds from the Sale of Capital Assets	63,037	45,248	154,466	8,346
Discounts on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	(1,418,444)	-	(1,931,399)	-
Transfers In	36,990,185	45,089,857	58,144,210	42,070,126
Transfers Out	(37,190,185)	(45,289,857)	(58,148,657)	(36,524,041)
Total Other Financing Sources (Uses)	10,874,841	1,412,664	155,035	5,554,431
Net Change in Fund Balances	\$ (51,176,531)	\$ 3,221,561	\$ (27,885,581)	\$ (60,896)
Debt Service as a Percentage of Noncapital Expenditures	6.45%	6.36%	7.05%	7.05%

Source: District records

Table 4

For the Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 46,178,627	\$ 48,913,244	\$ 48,742,547	\$ 49,107,569	\$ 47,555,770	\$ 50,737,063
23,319,438	24,565,522	26,319,045	27,798,916	28,355,077	28,574,656
69,498,065	73,478,766	75,061,592	76,906,485	75,910,847	79,311,719
256,270,767	268,469,393	284,094,218	298,842,427	308,188,941	316,279,681
1,002,216	796,597	2,445,259	3,384,042	1,996,243	2,586,879
424,778	414,356	395,520	377,682	364,856	371,155
85,291,068	86,841,606	90,418,539	91,562,941	97,355,243	100,445,949
342,988,829	356,521,952	377,353,536	394,167,092	407,905,283	419,683,664
152,683,870	155,670,927	162,632,713	165,661,299	173,370,218	182,763,077
28,784,359	26,680,307	25,738,211	26,942,544	28,398,773	31,013,628
11,028,315	10,532,753	10,571,030	10,477,201	9,709,510	11,058,659
580,012	816,254	1,824,994	625,270	2,486,903	8,151,676
21,704,165	24,544,524	33,517,381	32,254,391	33,706,373	41,382,025
214,780,721	218,244,765	234,284,329	235,960,705	247,671,777	274,369,065
627,267,615	648,245,483	686,699,457	707,034,282	731,487,907	773,364,448
314,892,649	333,028,297	348,822,641	355,842,835	366,197,365	376,198,632
25,231,533	26,612,973	28,063,110	29,598,411	31,509,727	35,554,016
2,314,127	2,621,203	2,666,744	2,479,436	2,181,593	2,168,574
14,274,568	15,640,068	16,304,718	18,098,354	18,581,077	19,169,308
9,767,487	7,396,496	7,890,300	9,637,889	9,190,185	11,808,887
8,298,947	6,742,355	7,202,055	7,454,425	7,310,989	7,314,087
469,656	500,228	501,973	659,516	617,585	536,659
2,535,795	2,357,187	3,173,955	3,718,363	3,735,356	4,080,292
35,391,965	36,925,142	38,335,496	39,484,674	41,144,285	41,083,357
4,550,999	5,708,614	7,779,022	4,654,495	7,335,045	8,432,053
2,563,383	2,774,726	2,782,547	2,994,927	3,161,218	2,980,579
32,469,486	35,249,881	38,602,742	39,648,115	38,563,695	40,587,539
6,490,365	7,760,284	7,710,236	7,630,842	7,415,607	7,487,977
28,396,338	29,405,350	29,452,611	31,296,318	32,755,198	33,347,462
44,337,010	42,452,205	45,519,558	42,785,163	44,263,036	46,147,036
11,342,028	10,536,743	11,004,569	11,563,187	11,604,479	11,623,793
3,601,933	5,988,463	9,330,449	9,099,520	9,457,166	9,858,674
533,017	856,821	434,922	416,265	2,320,791	578,852
42,671,034	78,196,590	131,094,037	124,023,320	62,217,169	65,359,550
1,692,110	3,611,166	1,388,704	1,338,599	1,197,772	1,566,880
24,607,001	21,324,001	24,451,976	29,452,032	34,130,499	46,104,545
25,426,070	15,980,740	16,400,738	18,002,773	17,233,274	18,126,021
2,251,649	706,254	643,131	334,264	233,877	887,765
644,109,150	692,375,787	\$779,556,234	\$790,213,723	\$752,356,988	\$791,002,538
(16,841,535)	(44,130,304)	(92,856,777)	(83,179,441)	(20,869,081)	(17,638,090)
96,715,000	-	30,075,000	-	35,000,000	-
1,724,000	2,411,000	-	3,288,000	-	-
272,637	174,776	-	501,636	-	-
16,459,978	7,814,270	-	-	-	-
-	13,655,000	25,995,000	-	-	68,200,000
-	-	4,398,965	-	-	7,536,232
151,696,458	44,145,000	-	-	-	-
-	-	13,771,923	10,410,158	12,761,538	12,101,165
6,651	100,000	116,000	1,726,425	810,301	51,037
(186,756)	-	-	-	-	-
(150,186,713)	(55,585,176)	-	-	(3,830,656)	-
51,152,626	38,549,554	41,839,953	50,421,041	52,282,147	65,516,189
(50,167,626)	(38,364,554)	(41,598,319)	(49,830,768)	(51,987,337)	(65,160,178)
117,486,255	12,899,870	74,598,522	16,516,492	45,035,993	88,244,445
\$ 100,644,720	\$ (31,230,434)	\$ (18,258,255)	\$ (66,662,949)	\$ 24,166,912	\$ 70,606,355
8.34%	6.11%	6.31%	7.14%	7.46%	8.87%

Table 5

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

Fiscal Year	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2019	\$ 34,261,268	\$ 3,139,477	\$ 6,086,761	\$ 1,204,757	\$ 28,174,507	\$ 1,934,720	\$ 16,946	\$ 30,126,173	80.51%	6.28
2018	31,279,822	3,031,909	5,817,434	1,211,526	25,462,388	1,820,383	16,239	27,299,010	79.52%	6.57
2017	29,067,345	3,032,422	5,641,534	1,205,663	23,425,811	1,826,759	16,520	25,269,090	78.68%	6.78
2016	27,320,145	2,914,474	5,409,988	1,206,661	21,910,157	1,707,813	15,499	23,633,469	78.13%	7.11
2015	26,247,234	2,846,669	5,377,106	1,209,922	20,870,128	1,636,747	15,296	22,522,171	77.37%	7.34
2014	25,234,228	2,819,116	5,392,933	1,215,988	19,841,295	1,603,128	14,769	21,459,192	76.45%	7.34
2013	24,978,580	2,876,461	5,389,039	1,203,332	19,589,541	1,673,129	14,013	21,276,683	76.35%	6.86
2012	28,013,760	3,039,322	7,278,503	1,322,493	20,735,257	1,716,829	14,073	22,466,159	72.31%	6.37
2011	29,126,608	3,111,656	7,962,504	1,342,488	21,164,104	1,769,168	12,413	22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.37

(1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property..."

Consequently, estimated actual value, above, is assessed value before exemptions. Pasco County Property Appraiser's Office.

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

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

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

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

Source: Pasco County Property Appraiser

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

Fiscal Year	Property Tax			Sales Tax	Total
	General Purposes	Debt Service (1)	Capital Projects		
2019	\$ 139,108,018	\$ -	\$ 43,655,059	\$ 31,013,628	213,776,705
2018	133,771,102	-	39,599,116	28,398,773	201,768,991
2017	129,368,717	-	36,199,530	26,942,544	192,510,791
2016	128,319,631	-	34,313,082	25,738,211	188,370,924
2015	123,010,141	-	32,660,786	26,680,307	182,351,234
2014	121,552,684	-	31,131,186	28,784,359	181,468,229
2013	120,318,952	-	30,896,444	27,490,903	178,706,299
2012	133,136,587	-	32,505,792	25,321,574	190,963,953
2011	137,589,229	-	32,903,497	25,406,921	195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935

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

Source: District records

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2019	\$ 189,162,255	\$ 182,682,713	96.6%	\$ -	\$ 182,682,713	96.6%
2018	179,218,000	173,280,469	96.7%	80,364	173,360,833	96.7%
2017	171,248,625	165,568,248	96.7%	89,749	165,657,997	96.7%
2016	168,011,731	162,533,528	96.7%	93,052	162,626,580	96.8%
2015	160,986,519	155,605,008	96.7%	159,639	155,764,647	96.8%
2014	157,875,272	152,490,829	96.6%	161,858	152,652,687	96.7%
2013	156,192,206	151,072,442	96.7%	142,954	151,215,396	96.8%
2012	171,750,509	165,642,379	96.4%	554,161	166,196,540	96.8%
2011	178,353,964	170,468,487	95.6%	24,239	170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter.

Accordingly, taxes collected usually will not be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

(A) Net of allowable discounts

Source: District records

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

Fiscal Year	Local Required Effort Millage (2)	Discretionary Local Millage	Capital Improvement Millage	Total Pasco Schools	Pasco County
2019	4.031	0.748	1.500	6.279	7.608
2018	4.317	0.748	1.500	6.565	7.608
2017	4.529	0.748	1.500	6.777	7.608
2016	4.861	0.748	1.500	7.109	7.608
2015	4.901	0.748	1.500	7.149	7.344
2014	5.109	0.748	1.500	7.357	7.344
2013	5.093	0.748	1.500	7.341	6.862
2012	5.396	0.748	1.500	7.644	6.367
2011	5.519	0.748	1.500	7.767	6.367
2010	5.092	0.748	1.500	7.340	6.367

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

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

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

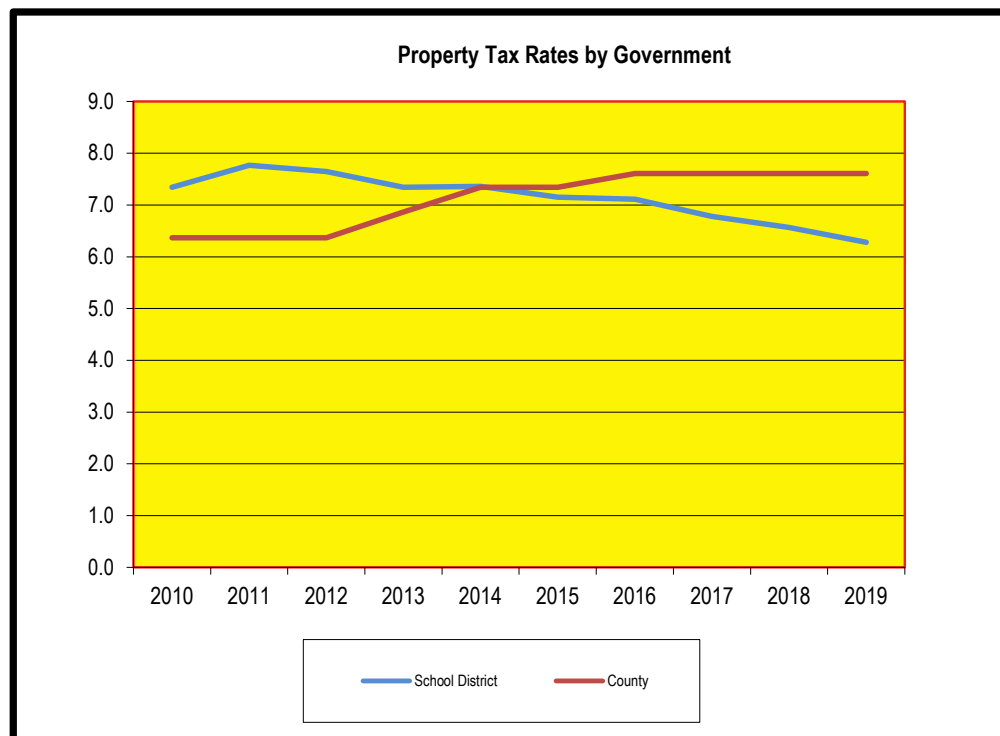


Table 9

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

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Rank</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Duke Energy Center (Florida Power Corporation)	1	\$ 446,816,302	1.52%			
Withlacoochee River Electric Cooperative	2	281,800,259	0.96%	3	\$ 212,109,961	0.78%
HCA Health Services of Florida	3	123,435,329	0.42%	8	83,045,530	0.30%
Frontier Communications Inc. (1)	4	114,322,746	0.39%	2	219,973,451	0.81%
Tampa Premium Outlets	5	100,311,278	0.34%			
Brighthouse Networks	6	80,504,452	0.27%	5	96,875,454	0.35%
Tampa Electric Company	7	72,761,545	0.25%			
Wiregrass SPE LLC	8	71,646,746	0.24%			
Florida Gas Transmission Co Company	9	69,511,174	0.24%			
Wal-Mart Stores	10	68,312,600	0.23%	6	86,729,632	0.32%
Florida Power Corp.				1	324,392,221	1.20%
Shady Hills Power Company LLC				4	119,813,239	0.44%
Goodforest LLC				7	88,609,943	0.32%
Zephyrhills Bottle Water America, Inc.				9	71,679,380	0.26%
Oakley Grove Development LLC				10	40,663,183	0.15%
Total		<u>\$ 1,429,422,431</u>	<u>4.86%</u>		<u>\$ 1,343,891,994</u>	<u>4.93%</u>

(1) Formerly Verizon Communications Inc.

Source: Pasco County Property Appraiser

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

Governmental Activities										
Fiscal Year	State Board of Education Bonds	District Revenue Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Estimated Population	Per Capita	Personal Income (thousands of dollars)	Outstanding Debt to Personal Income Ratio
2019	\$ 6,489,511	\$ 2,221,841	\$ 118,137,299	\$ 396,347,247	\$ 24,912,086	\$ 548,107,984	539,630	\$ 1,016	N/A	N/A
2018	7,409,605	2,334,829	137,035,217	340,183,148	22,406,644	509,369,443	525,643	969	\$ 20,453,361	25
2017	8,497,480	2,442,819	115,368,138	354,936,552	17,316,666	498,561,655	512,368	973	19,000,369	26
2016	9,887,266	2,545,807	127,361,057	369,048,086	11,487,471	520,329,687	497,909	1,045	18,017,635	29
2015	12,068,756	2,643,796	106,873,977	351,603,807	-	473,190,336	485,331	975	16,478,279	29
2014	13,770,270	2,736,785	122,299,509	340,136,322	-	478,942,886	475,502	1,007	15,679,803	31
2013	15,498,519	2,829,773	27,254,033	342,845,923	-	388,428,248	470,391	826	15,735,511	25
2012	18,633,288	2,917,763	40,030,452	352,547,848	-	414,129,351	466,457	888	14,974,427	28
2011	18,748,406	3,005,751	52,221,872	361,874,773	-	435,850,802	464,697	938	13,790,695	32
2010	18,687,776	3,088,157	63,858,291	371,141,698	-	456,775,922	471,709	968	13,635,875	33

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

N/A = Data not currently available

(1) Ratio per thousand dollars of personal income

Sources: District records

Pasco County Government

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

District School Board of Pasco County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(Unaudited)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	\$ 88,434,000	0%	\$ -
District School Board of Pasco County Direct Debt	548,107,984	100%	548,107,984
Totals	\$ 636,541,984		\$ 548,107,984

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

Sources: District records

Pasco County CAFR, September 30, 2018

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

	For the Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Assessed Valuation	\$ 25,445,098,119	\$ 22,963,002,249	\$ 22,466,159,275	\$ 21,276,683,168
Debt Limit	\$ 2,544,509,812	\$ 2,296,300,225	\$ 2,246,615,928	\$ 2,127,668,317
Less: Net Debt applicable to the limit	456,775,922	435,850,802	414,129,351	388,428,248
Legal debt margin	<u>\$ 2,087,733,890</u>	<u>\$ 1,860,449,423</u>	<u>\$ 1,832,486,577</u>	<u>\$ 1,739,240,069</u>
Total net debt applicable to the limit as a percentage of debt	17.95%	18.98%	18.43%	18.26%

Note:

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

Sources: District Records
Pasco Property Appraisers Office

Table 12

June 30, 2014	June 30, 2015	For the Fiscal Year Ending		June 30, 2018	June 30, 2019
		June 30, 2016	June 30, 2017		
\$ 21,459,191,534	\$ 22,522,171,880	\$ 23,633,468,723	\$ 25,269,090,310	\$ 27,299,009,995	\$ 30,126,175,305
\$ 2,145,919,153	\$ 2,252,217,188	\$ 2,363,346,872	\$ 2,526,909,031	\$ 2,729,901,000	\$ 3,012,617,531
478,942,886	473,190,336	520,329,687	498,561,655	509,369,443	548,107,984
\$ 1,666,976,267	\$ 1,779,026,852	\$ 1,843,017,185	\$ 2,028,347,376	\$ 2,220,531,557	\$ 2,464,509,547
22.32%	21.01%	22.02%	19.73%	18.66%	18.19%

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

Fiscal Year	Local Sales Tax Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2019	\$ 31,013,628	\$ 17,335,000	\$ 4,513,309	\$ 21,848,309	1.42
2018	28,398,773	11,770,000	4,239,590	16,009,590	1.77
2017	26,942,544	10,430,000	4,587,820	15,017,820	1.79
2016	25,738,211	8,025,000	4,358,318	12,383,318	2.08
2015	26,680,307	13,525,000	5,051,869	18,576,869	1.44
2014	28,784,359	12,885,000	2,140,898	15,025,898	1.92
2013	27,490,903	12,270,000	1,627,250	13,897,250	1.98
2012	25,321,574	11,685,000	2,226,125	13,911,125	1.82
2011	25,406,921	11,130,000	6,003,289	17,133,289	1.48
2010	25,671,147	10,700,000	3,288,750	13,988,750	1.84

Source: District records

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

Fiscal Year	Estimated Population (1)	Personal Income (thousands of dollars) (5)	Per Capita Personal Income (4)	Unemployment Rate (2)	Student Membership (3)
2019	539,630	N/A	N/A	3.8%	75,809
2018	525,643	\$ 20,453,361	\$ 38,911	4.2%	75,054
2017	512,368	19,000,369	37,083	6.5%	73,570
2016	497,909	18,017,635	36,187	5.3%	71,658
2015	485,331	16,478,279	33,953	6.1%	70,134
2014	475,502	15,679,803	32,975	8.1%	68,483
2013	470,391	15,735,511	33,452	9.9%	67,388
2012	466,457	14,974,427	32,102	9.0%	66,497
2011	464,697	13,790,695	29,236	11.7%	66,696
2010	437,500	13,635,875	29,113	13.2%	66,718

N/A = Data not currently available

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

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

<u>Employer</u>	2019			2010		
	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
District School Board of Pasco County	1	10,353	4.64%	1	9,499	5.47%
Pasco County Government	2	4,277	1.92%	2	2,290	1.32%
HCA Health Services of Florida	3	2,906	1.30%			
State of Florida Government	4	2,019	0.91%	3	1,297	0.75%
Medical Center of Trinity	5	1,370	0.61%			
Morton Plant North Bay Hospital	6	1,360	0.61%			
Pasco County Sheriff	7	1,343	0.60%	4	1,291	0.74%
AdventHealth Zephyrhills (1)	8	1,294	0.58%	5	1,100	0.63%
Florida Medical Clinic	9	1,176	0.53%	8	850	0.49%
AdventHealth Wesley Chapel (1)	10	1,145	0.51%			
Community Hospital of New Port Richey				6	1,000	0.58%
Regional Medical Center Bayonet Point				7	1,000	0.58%
Pasco-Hernando State College				9	713	0.41%
Saddlebrook Resort				10	700	0.40%
Total		<u>27,243</u>	<u>12.21%</u>		<u>19,740</u>	<u>11.36%</u>

(1) Formerly Florida Hospital

Sources: Pasco Economic Development Council
District School Board of Pasco County 2010 CAFR

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

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Students
2019	5,794	417	4,732	10,943	12.21
2018	5,777	391	4,478	10,646	12.17
2017	5,427	332	4,315	10,074	12.77
2016	5,275	318	4,315	9,908	12.81
2015	5,205	307	4,201	9,713	12.72
2014	5,094	297	3,971	9,362	12.70
2013	5,179	294	3,597	9,070	12.31
2012	5,268	287	3,841	9,396	11.97
2011	5,412	314	4,085	9,811	11.65
2010	5,133	340	3,970	9,783	12.19

Sources: FL DOE EIAS Publications
District records

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2019	\$ 39,215	\$ 63,655	\$ 43,079	\$ 48,486
2018	38,790	63,230	43,288	48,168
2017	38,650	63,090	42,317	47,858
2016	38,120	62,560	43,117	48,179
2015	37,560	62,000	43,555	47,950
2014	37,000	64,440	41,824	46,583
2013	36,420	63,870	42,595	46,479
2012	36,420	63,870	42,710	45,723
2011	36,420	63,870	42,710	46,089
2010	36,420	63,870	42,850	46,938

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

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

Fiscal Year	Average Daily Membership	Operating Expenditures (1)	Cost per Student	Percentage Change	Instructional Staff	Student Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2019	75,809	\$ 569,450,754	7,512	2.02%	5,794	13.08	56.20%
2018	75,054	552,629,099	7,363	1.71%	5,777	12.99	58.04%
2017	73,570	532,588,202	7,239	-0.16%	5,427	13.56	55.22%
2016	71,658	519,575,424	7,251	2.59%	5,275	13.58	56.13%
2015	70,134	495,701,633	7,068	3.01%	5,205	13.47	56.36%
2014	68,483	469,876,446	6,861	2.83%	5,094	13.44	55.53%
2013	67,388	449,649,188	6,673	-1.69%	5,179	13.01	55.00%
2012	66,497	451,316,247	6,787	0.44%	5,268	12.62	57.28%
2011	66,696	450,668,927	6,757	-0.96%	5,412	12.32	52.14%
2010	66,718	455,202,664	6,823	-8.23%	5,133	13.00	48.78%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2009-2010	2010-2011	2011-2012
Elementary Schools							
Anclote	1973	64,909	4	481	574.60	539.34	512.51
Bexley	2017	102,202	-	906	-	-	-
Calusa	1979	75,551	4	657	581.83	597.29	591.85
Centennial	1986	87,837	4	687	653.01	670.28	644.00
Chasco	2000	104,734	7	624	662.78	653.15	663.37
Chester W. Taylor	1996	96,454	12	536	611.35	532.22	577.48
Connerton	2010	118,741	-	762	-	809.50	847.35
Cotee River	1993	122,295	1	751	620	603.90	540.11
Cypress	1973	70,663	12	708	831.56	810.75	797.54
Deer Park	1988	78,637	7	615	677.73	671.86	642.78
Denham Oaks	1994	130,212	4	870	846.44	803.96	744.33
Double Branch	2008	105,122	6	762	798.68	808.39	810.32
Fox Hollow	1990	113,120	4	774	609.34	560.06	524.90
Gulf Highlands	2006	124,261	-	762	592.77	552.29	532.72
Gulf Trace	2008	96,625	-	762	588.38	590.27	592.26
Gulfside	1977	75,658	3	649	554.88	541.33	542.97
Hudson	1966	77,623	15	561	699.77	711.44	717.82
James M. Marlowe	1999	102,826	1	616	508.46	498.20	501.41
Lacoochee	1971	82,667	3	579	410.84	420.72	384.53
Lake Myrtle	1984	98,634	9	754	832.77	782.25	730.81
Longleaf	2005	104,502	15	674	990.02	651.78	674.12
Dr. Mary Giella	1989	89,354	3	634	649.01	647.39	621.79
Mitty P. Locke	1966	85,466	6	746	589.00	555.85	526.58
Moon Lake	1982	74,370	11	602	665.65	726.45	656.84
New River	2008	109,787	-	762	510.51	582.75	571.90
Northwest	1973	82,160	6	720	656.62	642.88	624.11
Oakstead	2006	126,143	24	762	1,064.34	974.99	1,017.56
Odessa	2010	97,687	-	762	-	637.67	691.79
Pasco	1954	92,802	4	715	631.16	638.28	621.12
Pine View	2003	99,191	9	624	737.84	733.38	704.31
Quail Hollow	1975	66,565	2	494	380.95	399.04	370.77
Richey	1958	77,103	10	558	620.77	581.41	580.95
Rodney B. Cox	1925	67,685	8	510	413.01	378.46	360.75
San Antonio	1981	89,860	2	776	646.69	660.75	682.60
Sand Pine	1998	82,033	16	517	701.02	672.20	661.58
Sanders Memorial	1944	33,670	1	280	725.74	-	-
Schrader	1972	90,253	1	749	587.90	552.92	543.04
Seven Oaks	2005	101,322	22	674	928.79	932.35	933.80
Seven Springs	1987	92,004	-	636	571.16	549.23	530.81
Shady Hills	1973	74,506	2	437	505.15	459.60	424.80
Sunray	2000	98,044	-	629	523.23	541.80	539.64
Trinity	2001	101,287	9	621	699.92	531.68	497.99
Trinity Oaks	2006	116,975	-	762	729.63	721.54	707.72
Veterans	2008	95,730	-	762	765.82	815.70	805.46
Watergrass	2009	97,974	-	762	472.38	487.05	504.21
Wesley Chapel	2002	99,856	18	618	589.01	579.82	591.37
West Zephyrhills	1958	83,003	9	758	750.10	767.94	764.74
Wiregrass	2016	79,071	-	882	-	-	-
Woodland	1977	78,211	25	670	924.14	866.69	853.97
Total Elementary Schools					29,684.48	29,446.80	28,963.38

Table 19

Full-Time Equivalent Enrollment Data						
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
531.84	597.97	576.02	415.40	504.35	540.88	531.54
-	-	-	-	-	699.62	802.72
552.24	614.90	582.90	611.85	518.60	488.86	513.96
581.24	641.11	519.58	481.20	460.97	437.77	452.26
694.27	790.01	674.91	702.24	733.12	717.54	666.26
541.19	567.85	519.93	504.38	537.68	550.16	568.63
870.13	1,044.52	963.61	801.13	860.63	892.25	912.82
587	732.95	622.38	669.98	679.39	680.90	658.85
766.01	826.41	785.44	804.90	801.05	760.92	722.17
604.63	581.30	581.85	579.13	580.39	534.63	493.68
699.39	792.01	685.62	623.62	692.54	730.76	758.71
837.35	965.60	862.23	894.83	781.59	842.67	755.54
537.03	610.18	514.62	498.41	490.98	479.60	449.57
541.09	620.71	535.74	590.86	624.29	657.93	677.01
626.18	677.12	668.68	671.11	586.53	578.63	594.02
527.87	591.28	516.90	465.27	418.69	414.21	379.89
674.55	698.64	595.89	572.61	568.67	525.88	548.14
443.23	453.08	403.20	438.07	482.94	485.34	468.21
375.27	382.82	364.31	347.78	314.46	287.38	282.93
669.57	750.06	647.89	611.50	628.28	625.89	588.48
647.99	721.05	641.33	664.09	685.60	680.49	678.78
614.45	711.56	643.90	657.65	645.64	676.75	650.34
523.80	603.91	567.80	543.45	607.61	544.41	560.35
671.33	726.69	571.53	568.85	604.08	558.75	588.98
594.40	762.82	653.65	683.97	774.97	759.93	811.31
625.89	776.65	665.23	630.06	595.93	577.06	596.88
1,076.36	1,260.66	1,142.92	1,041.70	1,117.95	808.11	824.50
710.82	812.15	836.06	918.61	1,025.37	806.40	885.00
666.33	716.92	640.24	650.14	620.23	570.55	538.65
735.28	764.97	623.24	550.51	584.79	583.10	565.81
345.23	-	-	385.16	430.11	445.94	465.51
591.52	666.87	605.66	621.79	628.41	616.37	630.61
369.23	411.66	393.74	378.06	379.24	406.71	414.88
636.18	709.08	610.35	625.66	645.49	640.80	681.47
633.56	663.64	573.99	610.31	545.08	561.68	566.49
-	-	-	708.28	741.92	750.53	805.46
536.14	587.85	594.09	622.25	640.08	691.03	695.86
950.81	1,088.11	1,083.04	1,112.34	843.08	807.09	769.74
529.89	547.25	514.23	479.25	482.95	477.55	461.18
415.72	-	-	487.26	501.88	542.20	548.01
524.65	538.71	513.55	549.92	533.20	467.11	455.55
524.47	623.14	581.61	607.43	614.05	616.07	619.42
690.95	755.83	713.37	725.04	715.98	664.97	638.21
802.90	884.72	794.85	802.79	847.98	826.59	764.87
563.65	804.81	782.34	615.24	651.72	614.09	613.14
621.56	868.26	812.39	632.85	625.56	627.06	655.51
789.28	864.26	799.37	825.24	865.56	835.55	816.92
-	-	-	-	528.62	618.55	644.98
850.97	958.35	904.12	946.57	907.80	862.66	844.56
28,903.26	31,768.44	28,884.30	29,928.74	30,656.03	30,569.92	30,618.36

(continued)

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2009-2010	2010-2011	2011-2012
Middle Schools							
Bayonet Point	1973	133,360	5	1,000	947.24	822.68	781.17
Centennial	2001	115,614	6	686	664.91	668.89	675.20
Charles S. Rushe	2007	192,785	11	1,494	1,317.04	1,329.22	1,283.69
Chasco	2001	134,642	4	944	791.23	764.44	740.46
Crews Lake	2008	192,206	-	1,493	683.16	819.51	792.16
Dr. John Long	2006	187,602	23	1,475	1,705.56	1,778.26	1,538.44
Gulf	1964	167,643	3	1,546	878.77	874.74	845.93
Hudson	1984	148,691	5	1,168	864.90	869.61	850.69
Pasco	1946	136,864	10	1,124	717.11	725.71	866.67
Paul R. Smith	2006	187,602	-	1,430	937.36	1,017.48	1,050.05
Pine View	1977	138,136	6	1,280	877.43	823.42	847.56
Raymond B. Stewart	1926	186,071	5	1,195	970.64	950.57	1,027.45
River Ridge (c)	1990	-	12	1,380	1,131.99	1,060.62	1,064.96
Seven Springs	1995	224,939	5	1,500	1,358.92	1,288.22	1,302.63
Thomas E. Weightman	1990	162,472	10	1,083	1,048.49	1,075.54	1,137.23
Total Middle Schools					14,894.75	14,868.91	14,804.29
Education Centers							
Energy & Marine	1964	13,287	-	75	-	-	-
F. K. Marchman Tech	1984	177,967	5	749	392.28	335.39	275.55
Harry Schwettman	1923	28,351	4	155	86.28	106.80	128.08
James Irvin	1995	22,214	20	500	71.09	107.02	103.04
Moore Mickens	1952	73,442	4	513	184.90	163.51	148.80
Other Programs	N/A	N/A	-	N/A	813.09	1,082.05	1,381.08
Total Education Centers					1,547.64	1,794.77	2,036.55
High Schools							
Anclote	2009	222,463	-	1,766	913.35	1,155.12	1,140.05
Cypress Creek (d)	2017	232,173	3	1,860	-	-	-
Fivay	2010	278,342	-	1,922	-	1,206.52	1,496.63
Gulf	1971	240,232	7	1,617	1,382.12	1,286.34	1,224.47
Hudson	1973	185,238	5	1,694	1,505.06	1,126.44	1,086.02
J. W. Mitchell	2000	220,930	26	1,951	1,832.02	1,660.55	1,657.86
Land O' Lakes	1973	207,212	16	1,596	1,486.85	1,518.99	1,558.24
Pasco	1964	241,858	18	1,554	1,233.96	1,228.31	1,293.52
Ridgewood	1977	195,139	12	1,542	1,765.37	1,188.49	1,037.44
River Ridge (d)	1990	446,228	7	1,970	1,823.88	1,508.65	1,452.96
Sunlake	2007	218,643	-	1,787	1,507.19	1,529.25	1,485.55
Wendell Krinn	2018	195,090	5	1,465	-	-	-
Wesley Chapel	1999	217,180	3	1,547	1,305.37	1,277.51	1,325.06
Wiregrass Ranch	2006	218,690	18	1,764	1,960.21	2,035.56	1,952.62
Zephyrhills	1973	217,998	15	1,444	1,509.82	1,457.96	1,466.19
Total High Schools					18,225.20	18,179.69	18,176.61

Table 19

Full-Time Equivalent Enrollment Data						
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
769.27	736.24	700.15	515.28	744.46	779.02	802.67
643.13	629.92	559.65	552.78	583.08	637.93	674.20
1,302.23	1,284.12	1,306.24	1,365.71	1,400.11	1,210.02	1,199.84
741.89	730.59	683.57	819.86	699.26	718.78	675.73
755.10	1,226.87	1,191.32	628.80	695.89	753.43	755.56
1,609.63	1,617.68	1,675.59	1,725.23	1,874.01	1,530.93	1,530.13
823.45	827.18	706.80	780.30	865.77	890.16	935.43
802.90	783.49	733.96	735.64	687.85	733.97	679.92
851.18	922.49	909.30	901.40	906.23	914.87	851.72
1,054.24	1,080.12	999.58	979.31	932.09	1,002.05	985.35
903.37	925.71	916.54	895.56	922.75	980.74	1,013.26
1,063.36	992.98	965.99	920.33	908.07	922.92	972.82
1,056.95	1,168.70	1,099.45	1,069.18	1,047.57	1,125.70	1,157.86
1,362.97	1,383.08	1,415.36	1,523.27	1,634.22	1,614.22	1,557.51
1,211.74	1,249.98	1,129.51	1,121.96	1,160.36	991.21	1,042.63
14,951.41	15,559.15	14,993.01	14,534.61	15,061.72	14,805.95	14,834.63
-	-	-	-	-	-	-
224.17	258.55	209.59	131.48	77.31	67.42	50.72
126.03	125.15	129.67	131.42	113.98	67.44	110.91
99.24	121.85	90.24	137.96	141.33	86.49	60.49
143.78	150.56	101.94	-	-	-	-
1,541.93	2,241.33	2,077.25	2,207.33	2,180.14	2,397.84	2,695.22
2,135.15	2,897.44	2,608.69	2,608.19	2,512.76	2,619.19	2,917.34
1,202.70	1,290.68	1,284.84	1,272.23	1,234.65	1,133.73	1,102.52
-	-	-	-	-	1,615.45	1,915.68
1,479.13	1,454.15	1,186.25	1,230.19	1,230.54	1,199.49	1,640.78
1,188.19	1,226.20	1,108.02	1,154.81	1,208.99	1,219.02	1,425.58
1,088.98	1,278.34	1,165.70	1,110.44	1,092.41	1,112.56	1,051.26
1,631.13	1,677.98	1,698.09	1,798.21	1,891.01	1,920.61	1,817.86
1,551.39	1,604.11	1,597.88	1,640.06	1,660.31	1,739.41	1,727.94
1,348.07	1,349.65	1,486.56	1,636.45	1,647.96	1,690.91	1,595.02
1,038.30	1,079.88	1,023.36	1,011.42	992.89	964.86	-
1,422.63	1,415.17	1,386.23	1,464.42	1,483.37	1,552.99	1,490.61
1,507.45	1,708.11	1,617.98	1,682.89	1,790.10	1,787.72	1,814.30
-	-	-	-	-	-	445.47
1,414.52	1,524.22	1,451.59	1,505.49	1,555.85	1,361.35	1,316.51
1,922.33	2,078.44	2,130.73	2,146.44	2,303.85	2,063.93	2,068.76
1,433.50	1,531.69	1,420.58	1,435.16	1,373.49	1,330.78	1,366.90
18,228.32	19,218.62	18,557.81	19,088.21	19,465.42	20,692.81	20,779.19

(continued)

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

Table 19

	Placed in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2009-2010	2010-2011	2011-2012
Charter Schools							
Academy at the Farm	N/A	N/A	N/A	N/A	378.00	379.34	381.50
Athenian Academy	N/A	N/A	N/A	N/A	276.64	318.00	328.99
Classical Preparatory	N/A	N/A	N/A	N/A	-	-	-
Countryside Monetssori	N/A	N/A	N/A	N/A	203.50	209.00	213.50
Dayspring Academy	N/A	N/A	N/A	N/A	458.03	490.00	524.33
Florida Virtual Academy	N/A	N/A	N/A	N/A	-	-	-
Imagine School	N/A	N/A	N/A	N/A	538.50	475.56	546.92
Learning Lodge	N/A	N/A	N/A	N/A	-	-	-
Pasco MYcroSchool	N/A	N/A	N/A	N/A	-	-	-
Pepin Academies	N/A	N/A	N/A	N/A	-	-	-
Plato Academy	N/A	N/A	N/A	N/A	-	-	-
Union Park Academy	N/A	N/A	N/A	N/A	-	-	-
Total Charter Schools					1,854.67	1,871.90	1,995.24
East Bus Garage	1966	9,061	-	N/A	-	-	-
West Bus Garage	1960	21,292	-	N/A	-	-	-
Central Bus Garage	1980	11,484	1	N/A	-	-	-
Administration Building	1972	214,881	15	N/A	-	-	-
District Maintenance	1984	37,354	-	N/A	-	-	-
Northwest Bus Garage	1989	11,941	1	N/A	-	-	-
Southeast Bus Garage	1980	8,251	-	N/A	-	-	-
Total District					66,206.74	66,162.07	65,976.07

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

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

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

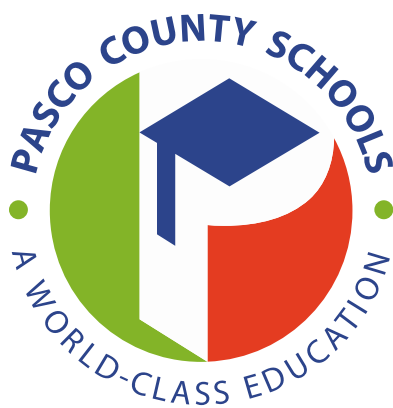
Source: District Records

Table 19

Full-Time Equivalent Enrollment Data						
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
389.84	501.16	440.63	550.61	570.81	571.04	588.07
391.46	439.89	366.75	354.60	324.37	329.51	360.01
-	-	310.37	410.38	470.95	671.77	829.29
232.00	286.78	270.58	292.23	313.26	322.57	342.00
552.28	695.23	606.57	641.73	690.15	733.01	769.24
-	-	-	-	114.62	308.36	-
633.60	772.19	704.69	721.72	763.83	761.87	797.95
-	-	170.03	210.29	246.76	235.16	217.28
-	-	-	-	-	50.76	89.21
-	-	202.68	269.80	309.18	319.77	319.10
-	-	-	-	54.00	71.52	259.79
-	-	-	-	-	-	602.46
<u>2,199.18</u>	<u>2,695.25</u>	<u>3,072.30</u>	<u>3,451.36</u>	<u>3,857.93</u>	<u>4,375.34</u>	<u>5,174.40</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>66,417.32</u>	<u>72,138.90</u>	<u>68,116.11</u>	<u>69,611.11</u>	<u>71,553.86</u>	<u>73,063.21</u>	<u>74,323.92</u>

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SINGLE AUDIT REPORT





Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of and for the fiscal 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 23, 2020, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material

misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 23, 2020
Audit Report No. 2020-108



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for the Major Federal Program

We have audited the Pasco County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2019. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** 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 the District's major Federal program 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 the major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the 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 its major Federal program for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

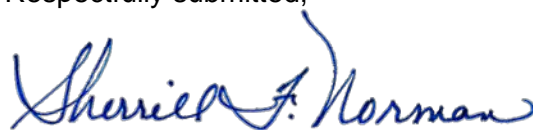
District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial 'S' and a distinct 'F'.

Sherrill F. Norman, CPA
Tallahassee, Florida
January 23, 2020
Audit Report No. 2020-108

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	19002	\$ 6,826,390
National School Lunch Program	10.555	19001, 19003	19,641,697
Summer Food Service Program for Children	10.559	18006, 18007, 19006, 19007	748,697
Total Child Nutrition Cluster			<u>27,216,784</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>790,289</u>
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	13,997,736
Special Education - Preschool Grants	84.173	267	340,419
Total Special Education Cluster			<u>14,338,155</u>
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4501	1,316,972
Florida Department of Agriculture and Consumer Services:			
Fresh Fruit and Vegetable Program	10.582	19004	40,900
Total United States Department of Agriculture			<u>1,357,872</u>
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	74,003
Army Junior Reserve Officers Training Corps	12.UNK	N/A	224,534
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	280,713
Total United States Department of Defense			<u>579,250</u>
United States Department of Justice			
STOP School Violence	16.839	N/A	<u>73,066</u>
United States Department of Education			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	591,106
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	16,395,002
Migrant Education - State Grant Program	84.011	217	134,499
Career and Technical Education - Basic Grants to States	84.048	161	798,344
Education for Homeless Children and Youth	84.196	127	115,000
Twenty-First Century Community Learning Centers	84.287	244	837,117
English Language Acquisition State Grants	84.365	102	471,701
Supporting Effective Instruction State Grants	84.367	224	2,260,305
School Improvement Grants	84.377	126	601,813
Student Support and Academic Enrichment Program	84.424	241	823,204
Hurricane Education Recovery	84.938		
Immediate Aid to Restart School Operations	84.938A	105	1,842,716
Temporary Emergency Impact Aid for Displaced Students	84.938C	106	394,147
Total Hurricane Education Recovery	84.938		<u>2,236,863</u>
Total United States Department of Education			<u>25,264,954</u>
United States Department of Health and Human Services			
Cooperative Agreements to Promoting Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	N/A	226,387
Grants for School-Based Health Center Capital Expenditures	93.501	N/A	84,849
Head Start	93.600	N/A	7,134,498
Total United States Department of Defense			<u>7,445,734</u>
Total Expenditures of Federal Awards			<u>\$ 77,066,104</u>

The accompanying notes are an integral part of this Schedule.

- Notes:
- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activities of the District School Board of Pasco County 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 Requirement, Cost Principles, and Audit Requirement 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 not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
 - (4) Noncash Assistance - National School Lunch Program. Includes \$2,375,739 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
 - (5) Head Start. Expenditures include \$453,791 for grant number/program year 04CH010183/03 and \$6,680,707 for grant number/program year 04CH010183/04.
 - (6) Hurricane Education Recovery. The District incurred \$758,733.63 in expenditures for the Hurricane Education Recovery grant in the 2017-18 fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over the major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for the major Federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of the major Federal program:	
CFDA Number:	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
Dollar threshold used to distinguish between type A and type B programs:	\$2,311,983
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

There were no prior financial statement or Federal award findings requiring follow-up.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The District did not have prior audit findings required to be reported under 2 CFR 200.511.