

**Annual Financial
Report and GASB 34**

**Santa Rosa County School Board
07/01/16 – 06-/30/17**

Prepared by the Finance Office

**FLORIDA DEPARTMENT OF EDUCATION
REPORT OF FINANCIAL DATA TO THE
COMMISSIONER OF EDUCATION (ESE 348)
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
For the Fiscal Year Ended June 30, 2017**

Return completed form to:
Florida Department of Education
Office of Funding and Financial Reporting
325 West Gaines Street, Room 814
Tallahassee, Florida 32399-0400

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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2017, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on September 7, 2017.

Signature of District School Superintendent

Signature Date

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2017

Exhibit K-1
FDOE Page 1
Fund 100

REVENUES	Account Number	
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	497,223.73
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	497,223.73
<i>Federal Through State and Local:</i>		
Medicaid	3202	1,216,521.05
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	5.06
Total Federal Through State and Local	3200	1,216,526.11
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	109,439,222.00
Workforce Development	3315	2,119,664.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	73,217.18
Adults with Disabilities	3318	
CO&DS Withheld for Administrative Expenditure	3323	15,018.78
Diagnostic and Learning Resources Centers	3335	
Sales Tax Distribution (s. 212.20(6)(d)6 a., F.S.)	3341	
State Forest Funds	3342	
State License Tax	3343	29,835.10
District Discretionary Lottery Funds	3344	438,844.00
<i>Categorical Programs:</i>		
Class Size Reduction Operating Funds	3355	28,808,199.00
Florida School Recognition Funds	3361	1,079,583.00
Voluntary Prekindergarten Program	3371	505,376.43
Preschool Projects	3372	
<i>Other State:</i>		
Reading Programs	3373	
Full-Service Schools Program	3378	
State Through Local	3380	
Other Miscellaneous State Revenues	3399	1,624,938.01
Total State	3300	144,133,897.50
<i>Local:</i>		
District School Taxes	3411	49,429,764.84
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	
Excess Fees	3423	
Tuition	3424	
Rent	3425	25,600.00
Interest on Investments	3431	286,226.92
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	700.00
<i>Student Fees:</i>		
Adult General Education Course Fees	3461	22,530.00
Postsec Career Cert-Appl Tech Diploma Course Fees	3462	305,681.68
Continuing Workforce Education Course Fees	3463	1,257.15
Capital Improvement Fees	3464	19,105.10
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	
GED® Testing Fees	3467	
Financial Aid Fees	3468	38,210.22
Other Student Fees	3469	447,809.09
<i>Other Fees:</i>		
Preschool Program Fees	3471	55,136.72
Prekindergarten Early Intervention Fees	3472	
School-Age Child Care Fees	3473	1,871,732.10
Other Schools, Courses and Classes Fees	3479	4,985.00
<i>Miscellaneous Local:</i>		
Bus Fees	3491	
Transportation Services Rendered for School Activities	3492	239,462.53
Sale of Junk	3493	77,787.31
Receipt of Federal Indirect Cost Rate	3494	547,069.00
Other Miscellaneous Local Sources	3495	458,566.99
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	4,085.57
Collections for Lost, Damaged and Sold Textbooks	3498	24,448.67
Receipt of Food Service Indirect Costs	3499	150,000.00
Total Local	3400	54,010,158.89
Total Revenues	3000	199,857,806.23

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2017

Exhibit K-1
Page 2
Fiscal Year 2017

EXPENDITURES		Account Number	100		200	300	400	500	600	700		Totals
			Salaries							Energy Services	Materials and Supplies	
Current:												
Instruction		5000	89,351,569.78		24,298,546.49	7,517,849.80	1,577.42	2,864,049.06	464,656.29		53,087.33	124,351,316.17
Student Support Services		6100	3,813,065.83		998,002.40	1,936,606.51		81,654.59	10,754.66		2,656.27	6,842,720.26
Instructional Media Services		6200	1,364,071.93		331,604.80	72,265.46		44,889.29	171,235.93		1,485.06	1,985,542.49
Instruction and Curriculum Development Services		6300	2,530,238.13		621,888.92	249,083.81		60,491.49	46,488.75		6,279.25	3,514,570.35
Instructional Staff Training Services		6400	511,814.96		146,428.19	835,924.26		23,107.78	628,655.86		6,746.98	2,155,591.47
Instruction-Related Technology		6500	1,876,724.95		551,453.90	257,698.58		17,013.73	2,577,019.81		648.10	5,289,944.55
Board		7100	162,337.40		63,668.64	449,227.35		3,600.41	1,590.14		61,993.94	737,216.53
General Administration		7200	486,092.98		120,766.14	42,813.41		83,257.54	24,737.35		12,478.77	13,902,426.74
School Administration		7300	10,721,611.45		2,906,746.96	151,599.67			2,735.55			4,119.62
Facilities Acquisition and Construction		7410				1,386.07						
Fiscal Services		7500	846,728.37		213,059.01	55,642.55		12,719.65	15,441.49		2,328.00	1,145,919.07
Food Services		7600										0.00
Central Services		7700	1,463,493.67		417,628.65	437,671.66		16,031.36	11,438.81		2,911.43	2,352,321.80
Student Transportation Services		7800	1,474,449.90		550,778.61	8,814,376.06		1,449.00	736.00		116.00	11,837,297.53
Operation of Plant		7900	177,992.65		70,422.48	7,394,415.30		13,826.71	45,811.40		4,407.62	13,190,563.16
Maintenance of Plant		8100	1,774,665.34		633,853.20	569,720.70		518,650.84	56,086.22		24,088.91	3,657,337.32
Administrative Technology Services		8200	1,193,892.20		321,189.54	446,170.22		9,573.43	57,771.10		41.25	2,026,637.74
Community Services		9100	1,388,883.80		165,710.30	88,448.93		97,885.50	5,053.42		63,845.45	1,893,877.40
Capital Outlay:												
Facilities Acquisition and Construction		7420							28,675.67			
Other Capital Outlay		9300							980,675.53			
Debt Service: (Function 9100)												
Redemption of Principal		710										0.00
Interest		720										0.00
Total Expenditures			119,137,733.34		32,411,348.23	79,220,900.34		6,629,764.23	3,857,700.33	5,109,495.00	328,445.86	196,689,887.38
Excess (Deficiency) of Revenues Over Expenditures												3,167,918.85

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2017

Exhibit K-1
FDOE Page 3
Fund 100

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number	
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	33,623.72
<i>Transfers In:</i>		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	5,302,564.57
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	5,302,564.57
<i>Transfers Out: (Function 9700)</i>		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(319,025.59)
To Permanent Funds	960	
To Internal Service Funds	970	(3,000,000.00)
To Enterprise Funds	990	
Total Transfers Out	9700	(3,319,025.59)
Total Other Financing Sources (Uses)		2,017,162.70
Net Change In Fund Balance		5,185,081.55
Fund Balance, July 1, 2016	2800	22,961,634.50
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	129,381.28
Restricted Fund Balance	2720	6,373,446.54
Committed Fund Balance	2730	4,521,088.40
Assigned Fund Balance	2740	874,145.50
Unassigned Fund Balance	2750	16,248,654.33
Total Fund Balances, June 30, 2017	2700	28,146,716.05

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES

For the Fiscal Year Ended June 30, 2017

Exhibit K-2
FDOE Page 4
Fund 410

REVENUES	Account Number	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	5,220,776.36
School Breakfast Reimbursement	3262	1,602,414.26
Afterschool Snack Reimbursement	3263	49,879.14
Child Care Food Program	3264	
USDA-Donated Commodities	3265	693,927.89
Cash in Lieu of Donated Foods	3266	
Summer Food Service Program	3267	336,032.67
Fresh Fruit and Vegetable Program	3268	
Other Food Services	3269	15,364.80
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	7,918,395.12
<i>State:</i>		
School Breakfast Supplement	3337	47,398.00
School Lunch Supplement	3338	61,795.00
State Through Local	3380	
Other Miscellaneous State Revenues	3399	
Total State	3300	109,193.00
<i>Local:</i>		
Interest on Investments	3431	35,957.97
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Student Lunches	3451	1,713,674.74
Student Breakfasts	3452	571,224.91
Adult Breakfasts/Lunches	3453	168,229.25
Student and Adult á la Carte Fees	3454	1,827,270.14
Student Snacks	3455	
Other Food Sales	3456	
Other Miscellaneous Local Sources	3495	148,390.61
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	4,464,747.62
Total Revenues	3000	12,492,335.74

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES (Continued)
For the Fiscal Year Ended June 30, 2017

Exhibit K-2
FDOE Page 5
Fund 410

EXPENDITURES (Function 7600/9300)	Account Number	
Salaries	100	250.00
Employee Benefits	200	1,040.73
Purchased Services	300	11,126,629.44
Energy Services	400	
Materials and Supplies	500	7,395.06
Capital Outlay	600	7,858.25
Other	700	150,392.03
Other Capital Outlay (Function 9300)	600	72,332.00
Total Expenditures		11,365,897.51
Excess (Deficiency) of Revenues Over Expenditures		1,126,438.23
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	3,826.22
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	3,826.22
<i>Transfers Out: (Function 9700)</i>		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		3,826.22
Net Change in Fund Balance		1,130,264.45
Fund Balance, July 1, 2016	2800	3,388,817.66
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	189,204.38
Restricted Fund Balance	2720	4,329,877.73
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Total Fund Balances, June 30, 2017	2700	4,519,082.11

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2017

Exhibit K-3
FDOE Page 6
Fund 420

REVENUES	Account Number	
<i>Federal Direct:</i>		
Head Start	3130	2,315,685.84
Workforce Innovation and Opportunity Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	225,150.75
Pell Grants	3192	493,220.37
Miscellaneous Federal Direct	3199	7,031.57
Total Federal Direct	3100	3,041,088.53
<i>Federal Through State and Local:</i>		
Career and Technical Education	3201	258,830.97
Medicaid	3202	
Individuals with Disabilities Education Act (IDEA)	3230	5,551,522.51
<i>Workforce Innovation and Opportunity Act:</i>		
Adult General Education	3221	269,826.06
English Literacy and Civics Education	3222	
Adult Migrant Education	3223	
Other WIOA Programs	3224	
<i>ESSA - Elementary and Secondary Education Act:</i>		
Elementary and Secondary Education Act - Title I	3240	4,134,892.00
Teacher and Principal Training and Recruiting - Title II, Part A	3225	715,003.73
Math and Science Partnerships - Title II, Part B	3226	
Language Instruction - Title III	3241	28,670.13
Twenty-First Century Schools - Title IV	3242	
Federal Through Local	3280	306,261.95
Emergency Immigrant Education Program	3293	
Miscellaneous Federal Through State	3299	130,184.12
Total Federal Through State and Local	3200	11,395,191.47
<i>State:</i>		
State Through Local	3380	
Other Miscellaneous State Revenues	3399	
Total State	3300	0.00
<i>Local:</i>		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Adult General Education Course Fees	3461	
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	0.00
Total Revenues	3000	14,436,280.00

For the Fiscal Year Ended June 30, 2017																		
EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals									
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other										
Current:																		
Instruction	9000	3,529,301.86	1,077,500.52	2,282,275.59		415,204.15	376,907.38	34,757.63	7,665,947.13									
Student Support Services	6100	329,907.75	97,644.39	561,861.72	231.85	85,912.90	9,277.19	3,208.47	1,088,044.37									
Instructional Media Services	6200	32,884.80	13,223.48			1,868.32	2,504.42		50,481.02									
Instruction and Curriculum Development Services	6300	2,077,211.02	533,863.74	14,903.25		16,550.97	6,979.91	745.00	2,650,253.89									
Instructional Staff Training Services	6400	290,932.18	50,424.26	1,105,317.29		20,356.70	14,616.47		1,519,272.04									
Instruction-Related Technology	6500	18,370.64	7,541.89	114,524.96		10,210.62	111,684.40		262,342.51									
Board	7100								0.00									
General Administration	7200						462,541.50		462,541.50									
School Administration	7300	114,415.07	30,488.98	7,687.38		2,449.05	1,164.80	3,195.00	159,400.28									
Facilities Acquisition and Construction	7410							4,200.00	4,200.00									
Fiscal Services	7500								0.00									
Food Services	7600								0.00									
Central Services	7700	23,685.25	1,811.31	22,401.63				3,526.64	51,425.03									
Student Transportation Services	7800	492.32	74.71	20,171.09		814.67	2,560.00	2,872.00	26,534.99									
Operation of Plant	7900	33,573.55	13,598.34	227.00		79.98	199.99		47,380.86									
Maintenance of Plant	8100						4,345.12		4,345.12									
Administrative Technology Services	8200								0.00									
Community Services	9100		1,463.71	1,368.75				601,406.35	604,238.81									
Capital Outlay:																		
Facilities Acquisition and Construction	7420						4,671.92		4,671.92									
Other Capital Outlay	9300	6,450,776.64	1,777,335.53	4,128,748.66	231.85	553,447.36	689,111.60	1,151,827.73	14,751,479.37									
Total Expenditures																		
Excess (Deficiency) of Revenues over Expenditures																		
OTHER FINANCING SOURCES (USES)																		
and CHANGES IN FUND BALANCES																		
Loans	3720																	
Sale of Capital Assets	3730																	
Loss Reserves	3740																	
Transfers In:																		
From General Fund	3610	315,199.37																
From Debt Service Funds	3620																	
From Capital Projects Funds	3630																	
Interfund	3650																	
From Permanent Funds	3660																	
From Internal Service Funds	3670																	
From Enterprise Funds	3680																	
Total Transfers In	3690	315,199.37																
Transfers Out: (Function 9700)																		
To the General Fund	910																	
To Debt Service Funds	920																	
To Capital Projects Funds	930																	
Interfund	950																	
To Permanent Funds	960																	
To Internal Service Funds	970																	
To Enterprise Funds	990																	
Total Transfers Out	9700	0.00																
Total Other Financing Sources (Uses)		315,199.37																
Net Change in Fund Balance																		
Fund Balance, July 1, 2016	2800																	
Adjustments to Fund Balance	2891																	
Ending Fund Balance:																		
Nonspendable Fund Balance	2710																	
Restricted Fund Balance	2720																	
Committed Fund Balance	2730																	
Assigned Fund Balance	2740																	
Unassigned Fund Balance	2750																	
Total Fund Balance, June 30, 2017	2700								0.00									

REVENUES	Account Number	SUB-CODE	Special Act Funds	Section 1011.14 and 1011.15, P.S. Loans	State-Related Accounts	State-Related Accounts	Other Debt	ABDA Revenue Simulation Debt	Totals
Revenues:									
Miscellaneous Federal Direct	3100								0.00
Miscellaneous Federal Through State	3100								0.00
COALDOE Withheld for SRECOBET Bonds	3102	555,977.26							555,977.26
SRECOBET Bond Interest	3106	151.71							151.71
Sales Tax Distribution (6.122260654% P.S.)	3201	225,280.00							225,280.00
Other Miscellaneous State Revenues	3209								0.00
Total State Sources	3300	556,429.97		0.00	0.00		0.00		556,429.97
Expenditures:									
District Debt Service Taxes	3412								0.00
County Local Sales Tax	3418								0.00
School District Local Sales Tax	3419								0.00
Tax Reimbursements	3421								0.00
Payment in Lieu of Taxes	3422								0.00
Bonded Fees	3423								0.00
Interest on Investments	3424	1,352.68							1,352.68
State of California	3425								0.00
Net Investment Expenses in Fair Value of Investments	3433								0.00
Gift, Grant and Bequest	3440								0.00
Other Miscellaneous Local Sources	3495								0.00
Impact Fees	3496								0.00
Refunds of Prior Year Expenditures	3497								0.00
Total Local Sources	3500	0.00		0.00	0.00		3,186.60		3,186.60
Total Revenues	3600	556,429.97		0.00	0.00		3,186.60		559,616.57
Expenditures:									
Capital Outlay (Function 2200)	210	44,400.00							44,400.00
Professional Services (Function 2200)	220	5,500.00							5,500.00
Transportation	230	108,248.48							108,248.48
Travel and Fees	240	18,271.76							18,271.76
Miscellaneous	250	25,000.00							25,000.00
Total Expenditures	2600	191,420.16		0.00	0.00				191,420.16
Net Change in Fund Balances	3700	365,009.81		0.00	0.00				365,009.81
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE									
Insurance of Bonds	3710								0.00
Premium on Sale of Bonds	3720								0.00
Discount on Sale of Bonds (Function 2200)	3730								0.00
Proceeds of Lease-Purchase Agreements	3750								0.00
Premium on Lease-Purchase Agreements	3760								0.00
Discount on Lease-Purchase Agreements (Function 2200)	3770								0.00
Proceeds of Forward Supply Contract	3780								0.00
Face Value of Bonding Bonds	3790	162,000.00							162,000.00
Premium on Bonding Bonds	3800	24,601.43							24,601.43
Discount on Refunded Bonds (Function 2200)	3810								0.00
Premium on Refunded Bonds (Function 2200)	3820								0.00
Refunding Lease-Purchase Agreements	3830								0.00
Premium on Refunding Lease-Purchase Agreements	3840								0.00
Discount on Refunding Lease-Purchase Agreements (Function 2200)	3850								0.00
Premium on Refunding Lease-Purchase Agreements (Function 2200)	3860								0.00
Payment to Refunded Lease-Purchase Agreements (Function 2200)	3870								0.00
Premium on Refunded Lease-Purchase Agreements (Function 2200)	3880								0.00
From Other Fund	3890								0.00
From Capital Project Funds	3900								0.00
From Special Revenue Funds	3910								0.00
Interfund	3920								0.00
From Permanent Funds	3930								0.00
From Internal Service Funds	3940								0.00
From Enterprise Funds	3950								0.00
Total Transfers In	3960	0.00		0.00	0.00		3,582,177.26		3,582,177.26
Transfers Out (Function 2700)	3970								0.00
To General Fund	3980								0.00
To Special Revenue Funds	3990								0.00
Interfund	4000								0.00
To Permanent Funds	4010								0.00
To Internal Service Funds	4020								0.00
To Enterprise Funds	4030								0.00
Total Transfers Out	4040	0.00		0.00	0.00				0.00
Total Other Financing Sources (Uses)	4050	186,601.43		0.00	0.00		3,582,177.26		3,768,778.69
Net Change in Fund Balances	4060	365,009.81		0.00	0.00				365,009.81
Revenues, Expenditures, and Other Financing Sources (Uses) and Changes in Fund Balances									
Revenues	2700	556,429.97		0.00	0.00		3,186.60		559,616.57
Expenditures	2800	191,420.16		0.00	0.00				191,420.16
Other Financing Sources (Uses)	2900	186,601.43		0.00	0.00		3,582,177.26		3,768,778.69
Net Change in Fund Balances	3000	365,009.81		0.00	0.00				365,009.81
Total Fund Balances, Year 2015									
Restricted Fund Balances	3100	44,400.00							44,400.00
Non-Restricted Fund Balances	3200	320,609.81							320,609.81
Total Fund Balances	3300	365,009.81		0.00	0.00				365,009.81
Total Fund Balances, Year 2016									
Restricted Fund Balances	3400	44,400.00							44,400.00
Non-Restricted Fund Balances	3500	320,609.81							320,609.81
Total Fund Balances	3600	365,009.81		0.00	0.00				365,009.81

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2017

REVENUES	Account Number	Capital Outlay Bond Issues (COBI)	Special Act Bonds	Sections 151.14 and 151.15, F.S., Loans	Public Education Capital Outlay (PECO)	Capital Outlay Fund Balance	Capital Outlay and Debt Service Fund (COBDS)	Noncapital Capital Improvement Section 101.17(2), F.S.	Voted Capital Improvement Fund	Other Capital Projects	AFSA Economic Stimulus Capital Projects	Total
<i>Federal:</i>		\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80	\$90		
Marijuana Federal Direct	2199											0.00
Marijuana Federal Through State	2399											0.00
State							429,265.96					429,265.96
COBDS Disposition	3371						16,640.39					16,640.39
Interest on Unrefunded COBDS	3325											0.00
Sales Tax Distribution (s. 212.26(6)(a), F.S.)	3341											0.00
State Through Local	3380											0.00
Public Education Capital Outlay (PECO)	2291					709,461.00						709,461.00
Classroom First Program	3307											0.00
PECO School Small County Assistance Program	3395											0.00
Class Size Reduction Capital Outlay	3386											0.00
Classroom Capital Outlay Funding	3397											0.00
Other Miscellaneous State Revenues	3399											0.00
Total State Sources	3390	0.00	0.00	0.00	0.00	709,461.00	445,906.35	0.00	0.00			1,155,367.35
<i>Local:</i>												
Trailer Local Capital Improvement Tax	3413							12,717,474.82				12,717,474.82
County Local Sales Tax	3418											0.00
School District Local Sales Tax	3419											0.00
7th Redemptious	3421											0.00
Payment in Lieu of Taxes	3422											0.00
Excises Fees	3423											0.00
Interest on Investments	3421					892.16	2,821.31	1,376.43		17,692.75		121,892.67
Gifts on Sale of Investments	3422											0.00
Net Income (Losses) in Fair Value of Investments	3423											0.00
Gifts, Grants and Bequests	3424											0.00
Other Miscellaneous Local Sources	3425											0.00
Impact Fees	3426											0.00
Refunds of Prior Year's Expenditures	3427											0.00
Total Local Sources	3420	0.00	0.00	0.00	0.00	892.16	2,821.31	1,376.43	0.00	9,170,302.70		31,891,578.44
Total Revenues	3500	0.00	0.00	0.00	0.00	710,353.16	448,727.66	12,718,851.27	0.00	9,179,333.84		22,257,155.72
EXPENDITURES												
<i>Capital Outlay (Parson 7410)</i>												
Library Books	610											0.00
Aggregated Materials	620											0.00
Buildings and Fixed Equipment	630									2,241,247.42		3,962,207.42
Furniture, Fixtures and Equipment	640									101,102.40		211,970.57
Motor Vehicles (including buses)	650											0.00
Land	660											0.00
Improvements Other Than Buildings	670					85,986.22	42,427.44	255,570.20		1,237,538.72		1,629,524.58
Renovating and Remodeling	680					46,221.12	134,499.41	1,497,832.36		3,240,546.43		5,357,550.77
Computer Software	690											0.00
Other Services (Parson 9100)												0.00
Redemption of Principal	710											0.00
Interest	720											0.00
Debt and Fees												0.00
Miscellaneous	790											0.00
Total Expenditures		0.00	0.00	0.00	0.00	567,397.58	179,914.00	3,229,408.32	0.00	5,923,432.90		11,000,142.72
Excess (Deficiency) of Revenues Over Expenditures		0.00	0.00	0.00	0.00	142,955.58	268,813.66	9,389,442.94	0.00	2,482,602.35		12,284,175.86

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Capital Outlay Bond Issues (COBI)	Special Act Bonds	Sections 1011.14 and 1011.15, F.S., Loans	Public Education Capital Outlay (PECO)	District Bonds	Capital Outlay and Debt Service Programs (CO&DS)	Narrowed Capital Improvement Section 1011.7 (21) F.S.	Local Capital Improvement Fund	Other Capital Programs	ASRA Revenue Sharing Capital Programs	Totals
Transfer of Bonds	2710	\$10	729	239	\$40	259	349	279	289	299	299	0.00
Transfer to Special Funds	2791											0.00
Transfer on Sale of Bonds (Function 2799)	281											0.00
Proceeds of Lease-Purchase Agreements	2725											0.00
Proceeds of Lease-Purchase Agreements	2725											0.00
Disposal on Lease-Purchase Agreements (Function 2799)	289											0.00
Lease	2720											0.00
Sale of Capital Assets	2720											0.00
Loan Proceeds	2740											0.00
Proceeds of Forward Supply Contract	2740											0.00
Proceeds from Special Facility Construction Account	2770											0.00
Transfer to	2410											0.00
From General Fund	2420											0.00
From Debt Service Funds	2440											0.00
From Special Revenue Funds	2450											0.00
Reimbursed	2460											0.00
From Permanent Funds	2470											0.00
From Internal Service Funds	2490											0.00
From Enterprise Funds	2500											0.00
Fund Transfers to	2510											0.00
Reimbursed (Revenue 2799)	2520											0.00
To General Fund	2530											0.00
To Debt Service Funds	2540											0.00
To Special Revenue Funds	2550											0.00
Reimbursed	2560											0.00
To Permanent Funds	2570											0.00
To Internal Service Funds	2580											0.00
To Enterprise Funds	2590											0.00
Total Transfers Out	2790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)	2790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Change in Fund Balances	2800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balance, July 1, 2016	2810											0.00
Adjustments to Fund Balances	2820											0.00
Ending Fund Balance	2830											0.00
Nonspendable Fund Balance	2710											0.00
Restricted Fund Balance	2720											0.00
Committed Fund Balance	2730											0.00
Assigned Fund Balance	2740											0.00
Unassigned Fund Balance	2750											0.00
Total Fund Balance, June 30, 2017	2760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

INCOME OR (LOSS)	Account Number	Self-Insurance 711	Self-Insurance 712	Self-Insurance 713	Self-Insurance 714	Self-Insurance 715	Consortium Programs 731	Other Internal Service 791	Totals
OPERATING REVENUES									
Charges for Services	3481								0.00
Charges for Sales	3482								0.00
Premium Revenues	3484		16,871,241.55						16,871,241.55
Other Operating Revenues	3489								0.00
Total Operating Revenues		0.00	16,871,241.55	0.00	0.00	0.00	0.00	0.00	16,871,241.55
OPERATING EXPENSES (Function 9900)									
Salaries	100								0.00
Employee Benefits	200								0.00
Purchased Services	300		922,637.38						922,637.38
Energy Services	400								0.00
Materials and Supplies	500		380.16						380.16
Capital Outlay	600								0.00
Other	700		16,257,115.40						16,257,115.40
Depreciation and Amortization Expense	780								0.00
Total Operating Expenses		0.00	17,180,132.94	0.00	0.00	0.00	0.00	0.00	17,180,132.94
Operating Income (Loss)		0.00	(308,891.39)	0.00	0.00	0.00	0.00	0.00	(308,891.39)
NONOPERATING REVENUES (EXPENSES)									
Interest on Investments	3431		840.58						840.58
Gain on Sale of Investments	3432								0.00
Net Increase (Decrease) in Fair Value of Investments	3433								0.00
Gifts, Grants and Bequests	3440								0.00
Other Miscellaneous Local Sources	3495		480,348.39						480,348.39
Loss Recoveries	3740								0.00
Gain on Disposition of Assets	3780								0.00
Interest (Function 9900)	720								0.00
Miscellaneous (Function 9900)	790								0.00
Loss on Disposition of Assets (Function 9900)	810								0.00
Total Nonoperating Revenues (Expenses)		0.00	481,188.97	0.00	0.00	0.00	0.00	0.00	481,188.97
Income (Loss) Before Operating Transfers		0.00	172,297.58	0.00	0.00	0.00	0.00	0.00	172,297.58
TRANSFERS AND CHANGES IN NET POSITION									
Transfers In:									
From General Fund	3610		3,000,000.00						3,000,000.00
From Debt Service Funds	3620								0.00
From Capital Projects Funds	3630								0.00
From Special Revenue Funds	3640								0.00
Interfund	3650								0.00
From Permanent Funds	3660								0.00
From Enterprise Funds	3690								0.00
Total Transfers In	3600	0.00	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00
Transfers Out: (Function 9700)									
To General Fund	910								0.00
To Debt Service Funds	920								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940								0.00
Interfund	950								0.00
To Permanent Funds	960								0.00
To Enterprise Funds	990								0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Net Position		0.00	3,172,297.58	0.00	0.00	0.00	0.00	0.00	3,172,297.58
Net Position, July 1, 2016	2880		2,984,722.34						2,984,722.34
Adjustments to Net Position	2896								0.00
Net Position, June 30, 2017	2780		6,157,019.92						6,157,019.92

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS
June 30, 2017

Exhibit K-11
FDOE Page 17
Fund 891

ASSETS	Account Number	Beginning Balance July 1, 2016	Additions	Deductions	Ending Balance June 30, 2017
Cash	1110	3,559,837.76	9,598,121.83	9,456,269.63	3,701,689.96
Investments	1160				0.00
Accounts Receivable, Net	1131				0.00
Interest Receivable on Investments	1170				0.00
Due From Budgetary Funds	1141				0.00
Due From Other Agencies	1220				0.00
Inventory	1150				0.00
Total Assets		3,559,837.76	9,598,121.83	9,456,269.63	3,701,689.96
LIABILITIES					
Cash Overdraft	2125				0.00
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170	155,977.76	448,545.71	427,998.40	176,525.07
Accounts Payable	2120	290,702.00	241,967.15	242,693.10	289,976.05
Internal Accounts Payable	2290	3,113,158.00	8,903,108.97	8,785,578.13	3,230,688.84
Due to Budgetary Funds	2161		4,500.00		4,500.00
Total Liabilities		3,559,837.76	9,598,121.83	9,456,269.63	3,701,689.96

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF LONG-TERM LIABILITIES

Exhibit K-12
FDOE Page 18

June 30, 2017	Account Number	Governmental Activities Total Balance [1] June 30, 2017	Business-Type Activities Total Balance [1] June 30, 2017	Total	Governmental Activities - Debt Principal Payments 2016-17	Governmental Activities - Principal Due Within One Year 2017-18	Governmental Activities - Debt Interest Payments 2016-17	Governmental Activities - Interest Due Within One Year 2017-18
	Notes Payable							
	Obligations Under Capital Leases			0.00				
	Bonds Payable			0.00				
	SBE/CDBI Bonds Payable	2,032,661.00		2,032,661.00	464,000.00	270,000.00		
	District Bonds Payable				190,000.00			
	Special Act Bonds Payable			0.00				
	Motor Vehicle License Revenue Bonds Payable			0.00				
	Sales Tax Bonds Payable			0.00				
	Total Bonds Payable	2,032,661.00		2,032,661.00	654,000.00	270,000.00		0.00
	Liability for Compensated Absences							
	Lease-Purchase Agreements Payable	19,324,123.72		19,324,123.72				
	Certificates of Participation (COPS) Payable							
	Qualified Zone Academy Bonds (QZAB) Payable	32,842,054.32		32,842,054.32	2,035,000.00	2,035,000.00		
	Qualified School Construction Bonds (QSCB) Payable			0.00				
	Build America Bonds (BAB) Payable			0.00				
	Other Lease-Purchase Agreements Payable			0.00				
	Total Lease-Purchase Agreements Payable	32,842,054.32		32,842,054.32	2,035,000.00	2,035,000.00		0.00
	Estimated Liability for Long-Term Claims			0.00				
	Net Other Postemployment Benefits Obligation	6,486,289.00		6,486,289.00				
	Net Pension Liability	118,066,526.00		118,066,526.00				
	Estimated PECO Advance Payable			0.00				
	Other Long-Term Liabilities			0.00				
	Derivative Instrument			0.00				
	Total Long-Term Liabilities	178,751,654.04		178,751,654.04	2,689,000.00	2,305,000.00	0.00	0.00

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2017, including discounts and premiums.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF CATEGORICAL PROGRAMS
REPORT OF EXPENDITURES AND AVAILABLE FUNDS

For the Fiscal Year Ended June 30, 2017

Exhibit K-13
FDOE Page 19

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2016	Returned To FDOE	Revenues [1] 2016-17	Expenditures 2016-17	Flexibility [2] 2016-17	Unexpended June 30, 2017
Class Size Reduction Operating Funds (3355)				28,808,199.00	28,808,199.00		0.00
Excellent Teaching Program (3363)	90570						0.00
Florida Digital Classrooms (FEFP Earmark)	98250	188,978.40		922,792.00	901,960.97		209,809.43
Florida School Recognition Funds (3361)	92040	97,585.61		1,079,583.00	1,077,683.37		99,485.24
Instructional Materials (FEFP Earmark) [3]	90880	657,437.43		2,278,334.00	1,588,353.46		1,347,217.97
Library Media (FEFP Earmark) [3]	90881	22,583.88		128,456.00	107,538.16		45,501.72
Preschool Projects (3372)	97950						0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800	509,350.92		1,232,938.00	1,053,383.31		687,105.61
Safe Schools (FEFP Earmark) [5]	90803	198,901.96		378,221.00	396,610.52		180,512.44
Salary Bonus Outstanding Teachers in D and F Schools	94030						0.00
Student Transportation (FEFP Earmark)	90830			6,519,875.00	6,519,875.00		0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280	25,683.24		7,843,051.00	7,709,225.98		159,510.26
Teachers Classroom Supply Assistance (FEFP Earmark)	97380			429,647.00	429,647.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440	85,076.00		483,591.39	482,387.34		85,280.05
Voluntary Prekindergarten - Summer Program (3371)	96441	42,676.82		21,785.04	24,057.17		40,404.69

[1] Include both state and local revenue sources.

[2] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

[3] Report the Library Media portion of the instructional materials allocation on the line "Library Media."

[4] Expenditures for designated low-performing elementary schools should be included in expenditures.

[5] Combine all programs funded from the Safe Schools allocation on one line, "Safe Schools."

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FDOE Page 20

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
UTILITIES AND ENERGY SERVICES EXPENDITURES:						
Public Utility Services Other than Energy - All Functions	380					0.00
Public Utility Services Other than Energy - Functions 7900 & 8100	380					0.00
Natural Gas - All Functions	411	145,269.11				145,269.11
Natural Gas - Functions 7900 & 8100	411	145,269.11				145,269.11
Bottled Gas - All Functions	421	2,779.39				2,779.39
Bottled Gas - Functions 7900 & 8100	421	2,779.39				2,779.39
Electricity - All Functions	430	5,390,439.24				5,390,439.24
Electricity - Functions 7900 & 8100	430	5,390,439.24				5,390,439.24
Heating Oil - All Functions	440					0.00
Heating Oil - Functions 7900 & 8100	440					0.00
Gasoline - All Functions	450	121,300.44		231.85		121,532.29
Gasoline - Functions 7900 & 8100	450	76,527.91				76,527.91
Other Energy Services - All Functions	490					0.00
Other Energy Services - Functions 7900 & 8100	490					0.00
Subtotal - Functions 7900 & 8100		5,615,015.65	0.00	0.00	0.00	5,615,015.65
Total - All Functions		5,659,788.18	0.00	231.85	0.00	5,660,020.03
ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION: (Function 7800 only)						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422					0.00
Gasoline	450	30,983.43				30,983.43
Diesel Fuel	460	959,778.53				959,778.53
Oil and Grease	540					0.00
Total		990,761.96		0.00	0.00	990,761.96

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Capital Projects Funds 3XX	Total
EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:						
Buses	651					0.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FDOE Page 21

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
SUBAWARDS FOR INDIRECT COST RATE:						
<i>Professional and Technical Services:</i>						
Subawards Under Subagreements - First \$25,000	311	35,000.00		86,812.00		121,812.00
Subawards Under Subagreements - In Excess of \$25,000	312	30,000.00		436,196.66		466,196.66
<i>Other Purchased Services:</i>						
Subawards Under Subagreements - First \$25,000	391					0.00
Subawards Under Subagreements - In Excess of \$25,000	392					0.00

	Subobject	Special Revenue Food Services 410
FOOD SERVICE SUPPLIES SUBOBJECT		
Supplies	510	990.94
Food	570	
Donated Foods	580	6,404.12

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Teacher Salaries					
Basic Programs 101, 102 and 103 (Function 5100)	120	51,073,377.00	487,477.00	0.00	51,560,854.00
Basic Programs 101, 102 and 103 (Function 5100)	140	0.00	0.00	0.00	0.00
Basic Programs 101, 102 and 103 (Function 5100)	750	0.00	0.00	0.00	0.00
Total Basic Program Salaries		51,073,377.00	487,477.00	0.00	51,560,854.00
Other Programs 130 (ESOL) (Function 5100)	120	819,065.00	0.00	0.00	819,065.00
Other Programs 130 (ESOL) (Function 5100)	140	0.00	0.00	0.00	0.00
Other Programs 130 (ESOL) (Function 5100)	750	0.00	0.00	0.00	0.00
Total Other Program Salaries		819,065.00	0.00	0.00	819,065.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	120	20,840,590.00	37,542.00	0.00	20,878,132.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	140	0.00	0.00	0.00	0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	750	0.00	0.00	0.00	0.00
Total ESE Program Salaries		20,840,590.00	37,542.00	0.00	20,878,132.00
Career Program 300 (Function 5300)	120	952,477.00	0.00	0.00	952,477.00
Career Program 300 (Function 5300)	140	0.00	0.00	0.00	0.00
Career Program 300 (Function 5300)	750	0.00	0.00	0.00	0.00
Total Career Program Salaries		952,477.00	0.00	0.00	952,477.00
TOTAL		73,685,509.00	525,019.00	0.00	74,210,528.00

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Textbooks (used for classroom instruction)					
Textbooks (Function 5000)	520	1,454,016.15	96,372.09		1,550,388.24

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FD0E Page 22

CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND EXPENDITURES									
Instruction:	Account Number	Safe Schools	Student Transportation	Supplemental Academic Instruction	Research-Based Reading Instruction	Instructional Materials	Instructional Materials / Library Media	Totals	
Basic	5100								0.00
Exceptional	5200								0.00
Career Education	5300								0.00
Adult General	5400								0.00
Prekindergarten	5500								0.00
Other Instruction	5900								0.00
Total Flexible Spending Instructional Expenditures	5000	0.00	0.00	0.00	0.00	0.00	0.00		0.00

DISTRIBUTIONS TO CHARTER SCHOOLS (Charter school information is used in federal reporting)				
Expenditures:	Fund Number	Direct Payment (Object 395)	Amount Withheld for Administration	Payments and Services on Behalf of Charter Schools
General Fund	100	1,682,100.09		
Special Revenue Funds - Food Service	410			1,682,100.09
Special Revenue Funds - Other Federal Programs	420	39,146.88		
Special Revenue Funds - ARRA Race to the Top	434			39,146.88
Capital Projects Funds	300X			0.00
Total Charter School Distributions		1,721,246.97	0.00	1,721,246.97

LIFELONG LEARNING (Lifelong Learning expenditures are used in federal reporting)	
Expenditures:	Amount
General Fund	3,606,670.01
Special Revenue Funds - Other Federal Programs	179,670.03
Special Revenue Funds - ARRA Race to the Top	
Total	3,786,340.04

MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting)			
Earnings, Expenditures and Carryforward Amounts:	Unexpended June 30, 2016	Earnings 2016-17	Expenditures 2016-17
Expenditure Program or Activity:	24,942.37	1,216,521.05	1,196,534.03
Exceptional Student Education			811,479.03
School Nurses and Health Care Services			
Occupational Therapy, Physical Therapy and Other Therapy Services			327,538.98
ESP Professional and Technical Services			
Gifted Student Education			
Staff Training and Curriculum Development			7,109.80
Medicaid Administration and Billing Services			36,085.77
Student Services			
Consultants			
Other			14,320.45
Total Expenditures			1,196,534.03

General Fund Balance Sheet Information (This information is used in state reporting)	
Balance Sheet Amount, June 30, 2017:	Amount
Total Assets and Deferred Outflows of Resources	100
Total Liabilities and Deferred Inflows of Resources	100

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
VOLUNTARY PREKINDERGARTEN (VPS) PROGRAM
For the Fiscal Year Ended June 30, 2017

Exhibit E-15
FD02 Page 25
Supplemental Schedule - Fund 100

VOLUNTARY PREKINDERGARTEN PROGRAM [1]		Account Number	100	200	300	400	500	600	700	Totals
GENERAL FUND EXPENDITURES			Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
Current:										
Prekindergarten		5500	246,543.57	73,128.56	9,832.20		17,397.96	4,130.81		351,083.10
Student Support Services		6100	20,397.50	4,659.53	246.38					25,442.91
Instructional Media Services		6200								0.00
Instructional and Curriculum Development Services		6500			1,238.90					1,238.90
Instructional Staff Training Services		6400								0.00
Instruction-Related Technology		6800								0.00
Board		7100								0.00
General Administration		7200								0.00
School Administration		7300	54,782.88	14,520.17						69,303.05
Facilities Acquisition and Construction		7410						7,494.21		7,494.21
Food Services		7500								0.00
Food Services		7600								0.00
Capital Services		7700								0.00
Student Transportation Services		7800							96.00	96.00
Operation of Plant		7900							1,610.00	1,610.00
Maintenance of Plant		8100								0.00
Administrative Technology Services		8200								0.00
Community Services		9100	46,391.15	5,012.98	2,570.00		702.46			54,676.59
Capital Outlay:										
Facilities Acquisition and Construction		7420								0.00
Other Capital Outlay		9900								0.00
Data Services (Function 0240)										0.00
Redemption of Principal		710								0.00
Interest		720								0.00
Total Expenditures			358,114.60	97,100.59	14,297.48	0.00	17,600.42	7,625.02	1,706.00	508,444.51

[1] Include expenditures for the summer program (section 1002.61, F.S.) and the school year program (section 1002.63, F.S.).

SCHEDULE 6
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided To Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	300	1,802,414.28	-
National School Lunch Program	10.555	321	6,270,856.50	-
Summer Food Service Program for Children	10.559	323	229,459.65	-
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	300	784,871.00	-
Total Child Nutrition Cluster			7,887,193.61	-
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.855	none	5.06	-
Total United States Department of Agriculture			7,887,201.67	-
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	12	N/A	56,706.30	-
Navy Junior Reserve Officers Training Corps	12	N/A	237,770.86	-
Total United States Department of Defense			294,480.16	-
United States Department of Labor:				
Indirect:				
Workforce Escrow, Inc.:				
WIA Youth Activities	17.259	none	306,261.95	-
Total United States Department of Labor			306,261.95	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	5,703.00	-
Federal Work-Study Program	84.033	N/A	528.57	-
Federal Pell Grant Program	84.053	N/A	493,220.37	-
Total Student Financial Assistance Cluster			499,451.94	-
Impact Aid	84.041	N/A	497,223.73	-
Total Direct			996,675.67	-
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	5,412,440.15	1,126.67
Special Education - Preschool Grants	84.173	267	140,042.36	-
University of South Florida:				
Special Education - Grants to States	84.027	none	-	-
Total Special Education Cluster			5,552,482.51	1,126.67
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 183	269,628.06	-
Title I Grants to Local Educational Agencies	84.010	212, 228	4,114,092.00	43,755.92
Career and Technical Education - Basic Grants to States	84.048	161	268,630.97	-
Education for Homeless Children and Youth	84.198	127	126,184.13	-
English Language Acquisition Grants	84.355	102	26,870.19	-
Improving Teacher Quality State Grants	84.357	224	715,009.79	-
Florida State University/Mills College:				
Education Research, Development and Dissemination/Institute of Education Sciences	84.305	none	3,999.99	-
Total Indirect			11,069,960.52	44,882.59
Total United States Department of Education			12,066,635.19	44,882.59
United States Department of Health and Human Services:				
Direct:				
Head Start Cluster:				
Head Start	83.600 (3)	none	2,315,685.84	-
Total United States Department of Health and Human Services			2,315,685.84	-
United States Department of Homeland Security:				
Indirect:				
Florida Department of Community Affairs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 (4)	none	2,683.30	-
Total United States Department of Homeland Security			2,683.30	-
Total Expenditures of Federal Awards			\$ 22,652,876.11	44,882.59

Notes: (1) **Base of Presentation.** The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2015-2017 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the general purpose financial statements have been reported.

(2) **Noncash Assistance.**

Food Donation - Represents the amount of donated Food received during the fiscal year. Commodities are valued at fair value as determined at time of donation.

(3) **Head Start** - Expenditures include \$1,314,910.59 for grant number/program year 04CH479502 and \$1,000,775.25 for grant number/program year 04CH479503.

(4) **Disaster Grants - Public Assistance.** The amount disclosed as expenditures represents Florida Severe Storm, Tornadoes, Straight-Line Winds, and Flooding recoveries for the 2016-2017 fiscal year as follows: \$2,683.30 for large projects for which the District is required to make an accounting of eligible costs for each approved project; \$0.00 for small projects; and \$0.00 for allowable administrative costs.

SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided To Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.653	300	1,602,414.26	-
National School Lunch Program	10.655	321	5,270,656.50	-
Summer Food Service Program for Children	10.659	323	229,456.85	-
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.655 (2)	300	764,671.00	-
Total Child Nutrition Cluster			7,667,196.61	-
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.655	none	5.08	-
Total United States Department of Agriculture			7,667,201.67	-
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	12	N/A	56,769.30	-
Navy Junior Reserve Officers Training Corps	12	N/A	287,770.88	-
Total United States Department of Defense			294,480.18	-
United States Department of Labor:				
Indirect:				
Workforce Escrow, Inc.:				
WIA Youth Activities	17.256	none	308,261.95	-
Total United States Department of Labor			308,261.95	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	5,703.00	-
Federal Work-Study Program	84.033	N/A	528.57	-
Federal Pell Grant Program	84.063	N/A	499,220.37	-
Total Student Financial Assistance Cluster			499,451.94	-
Impact Aid	84.041	N/A	497,223.73	-
Total Direct			996,675.67	-
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	5,412,440.15	1,126.67
Special Education - Preschool Grants	84.173	267	140,042.36	-
University of South Florida				
Special Education - Grants to States	84.027	none	-	-
Total Special Education Cluster			5,552,482.51	1,126.67
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 163	269,826.06	-
Title I Grants to Local Educational Agencies	84.010	212, 228	4,114,962.00	43,755.92
Career and Technical Education - Basic Grants to States	84.048	161	258,830.97	-
Education for Homeless Children and Youth	84.196	127	126,184.13	-
English Language Acquisition Grants	84.365	102	28,670.13	-
Improving Teacher Quality State Grants	84.367	224	715,093.73	-
Florida State University/Hills College:				
Education Research, Development and Dissemination/Institute of Education Sciences	84.305	none	3,996.50	-
Total Indirect			11,069,989.52	44,882.59
Total United States Department of Education			12,066,665.19	44,882.59
United States Department of Health and Human Services:				
Direct:				
Head Start Cluster:				
Head Start	83.600 (3)	none	2,315,685.84	-
Total United States Department of Health and Human Services			2,315,685.84	-
United States Department of Homeland Security:				
Indirect:				
Florida Department of Community Affairs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 (4)	none	2,563.30	-
Total United States Department of Homeland Security			2,563.30	-
Total Expenditures of Federal Awards			\$ 22,652,676.11	44,882.59

Notes: (1) **Basis of Presentation.** The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2016-2017 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the general purpose financial statements have been reported.

(2) **Nonmonetary Assistance:**

Food Donation - Represents the amount of donated food received during the fiscal year. Commodities are valued at fair value as determined at time of donation.

(3) **Head Start** - Expenditures include \$1,314,810.59 for grant number/program year 04CH4796/02 and \$1,000,776.26 for grant number/program year 04CH4796/03.

(4) **Disaster Grants - Public Assistance.** The amount disclosed as expenditures represents Florida Severe Storm, Tornadoes, Straight-line Winds, and Flooding recoveries for the 2016-2017 fiscal year as follows: \$2,563.30 for large projects for which the District is required to make an accounting of eligible costs for each approved project; \$0.00 for small projects; and \$0.00 for allowable administrative costs.

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
For the Fiscal Year Ended June 30, 2017**

Return completed form to:
Florida Department of Education
Office of Funding and Financial Reporting
325 West Gaines Street, Room 814
Tallahassee, Florida 32399-0400

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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2017, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on September 7, 2017.

Signature of District School Superintendent

Signature Date

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Santa Rosa County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2017. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to the financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year are as follows:

- As of June 30, 2017, assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$195,764,819.
- Net position increased by \$7,276,604, which represents a 3.9 percent increase from the prior fiscal year.
- General revenues total \$233,466,416, or 93.2 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$17,041,602, or 6.8 percent of all revenues.
- Expenses total \$243,231,414. Only \$17,041,602 of these expenses was offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$28,146,716, which is \$5,185,082 more than the 2015-2016 fiscal year balance. The General Fund assigned and unassigned fund balances totaled \$17,122,800, or 8.6 percent of total General Fund revenues.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic 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 activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of 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 the following 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 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.
- **Component units** – The District presents three separate legal entities in this report. The Learning Academy, Inc., and Capstone Academy, LLC, charter schools, are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Santa Rosa School Board Leasing Corporation (Leasing Corporation), although also 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 the broad categories discussed below.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and 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 – Local Capital Improvement Fund, and Capital Projects –

Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user chargers. The District uses an internal service fund to account for the District's self-insurance program. Since these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide 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 agency funds to account for resources of the District's pre-tax flexible benefits plan and the school internal funds which are used to account for moneys collected at various schools in connection with school, student athletic, class, and club activities.

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 net pension liability and its progress in funding its obligation to provide other postemployment benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2017, compared to net position as of June 30, 2016:

Net Position, End of Year

	Governmental Activities	
	6-30-17	6-30-16
Current and Other Assets	\$ 71,973,425	\$ 58,918,178
Capital Assets	<u>265,441,271</u>	<u>267,599,563</u>
Total Assets	<u>337,414,696</u>	<u>326,517,741</u>
 Deferred Outflows of Resources	 <u>47,425,382</u>	 <u>19,925,371</u>
 Long-Term Liabilities	 178,751,654	 139,195,517
Other Liabilities	<u>7,217,612</u>	<u>7,258,248</u>
Total Liabilities	<u>185,969,266</u>	<u>146,453,764</u>
 Deferred Inflows of Resources	 <u>3,105,993</u>	 <u>11,501,133</u>
 Net Position:		
Net Investment in Capital Assets	231,541,944	230,791,235
Restricted	36,270,684	27,656,055
Unrestricted (Deficit)	<u>(72,047,810)</u>	<u>(69,959,074)</u>
Total Net Position	<u>\$ 195,764,819</u>	<u>\$ 188,488,215</u>

The largest portion of the District's net position is its investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position is the result, in part, of accruing long-term liabilities (e.g., debt, compensated absences payable, and net pension liability). The deficit unrestricted net position increased by \$2,088,735 from the 2015-2016 fiscal year, primarily as a result of an increase of \$13,683,407 in cash and cash equivalents, an increase of \$27,582,240 in deferred outflows of resources related to pensions, and a decrease of \$8,395,140 in deferred inflows of resources related to pensions which were offset by an increase of \$41,721,629 in the net pension liability.

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

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-17	6-30-16
Program Revenues:		
Charges for Services	\$ 7,286,309	\$ 7,274,115
Operating Grants and Contributions	8,027,588	7,801,072
Capital Grants and Contributions	1,727,705	1,808,485
General Revenues:		
Property Taxes, Levied for Operational Purposes	49,429,765	52,747,090
Property Taxes, Levied for Capital Projects	12,717,475	12,697,265
Local Sales Taxes	8,938,746	8,530,136
Grants and Contributions Not Restricted to Specific Programs	160,727,892	152,769,615
Unrestricted Investment Earnings	454,618	196,644
Miscellaneous	1,197,921	4,435,617
Total Revenues	250,508,018	248,260,038
Functions/Program Expenses:		
Instruction	137,666,012	131,009,531
Pupil Personnel Services	8,125,403	8,014,744
Instructional Media Services	2,070,693	2,173,459
Instruction and Curriculum Development Services	6,383,929	6,192,182
Instructional Staff Training Services	3,428,480	3,318,970
Instruction Related Technology	6,827,607	5,181,609
Board	742,393	537,596
General Administration	1,233,968	1,230,237
School Administration	14,615,556	13,794,921
Facilities Acquisition and Construction	630,512	400,282
Fiscal Services	1,144,575	1,221,291
Food Services	11,187,768	11,572,807
Central Services	2,448,357	2,133,639
Student Transportation Services	11,712,818	11,724,072
Operation of Plant	13,208,410	12,871,586
Maintenance of Plant	6,646,318	7,001,217
Administrative Technology Services	2,160,128	1,955,833
Community Services	2,528,227	2,315,845
Unallocated Interest on Long-Term Debt	1,756,490	1,417,321
Unallocated Depreciation Expense	8,713,770	8,106,681
Loss on Disposal of Capital Assets	-	477,222
Total Functions/Program Expenses	243,231,414	232,651,045
Change in Net Position	7,276,604	15,608,993
Net Position - Beginning	188,488,215	172,879,222
Adjustment to Beginning Net Position (1)	-	-
Net Position - Beginning, as restated	188,488,215	172,879,222
Net Position - Ending	\$ 195,764,819	\$ 188,488,215

(1) The adjustment to beginning net position was due to the implementation of Government Accounting Standards Board Statement No. 68, which was a change in accounting principle that requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liability of the defined benefit pension plans.

Grants and contributions not restricted to specific programs represent 64.2 percent of total governmental revenues in the 2015-16 fiscal year and increased by \$7,958,276.92 or 5.2 percent from the 2015-2016 fiscal year, primarily due to an increase in Florida Education Finance Program (FEFP) funding and Class Size Reduction. This funding increase is primarily due to additional student FTE. The FEFP formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Instruction expenses represent 56.6 percent of total governmental expenditures in the 2016-17 fiscal year. Instruction expenses increased by \$6,656,481.06, or 5.1 percent, from the 2015-16 fiscal year, primarily due to adjustments from other postemployment benefits and net pension expense.

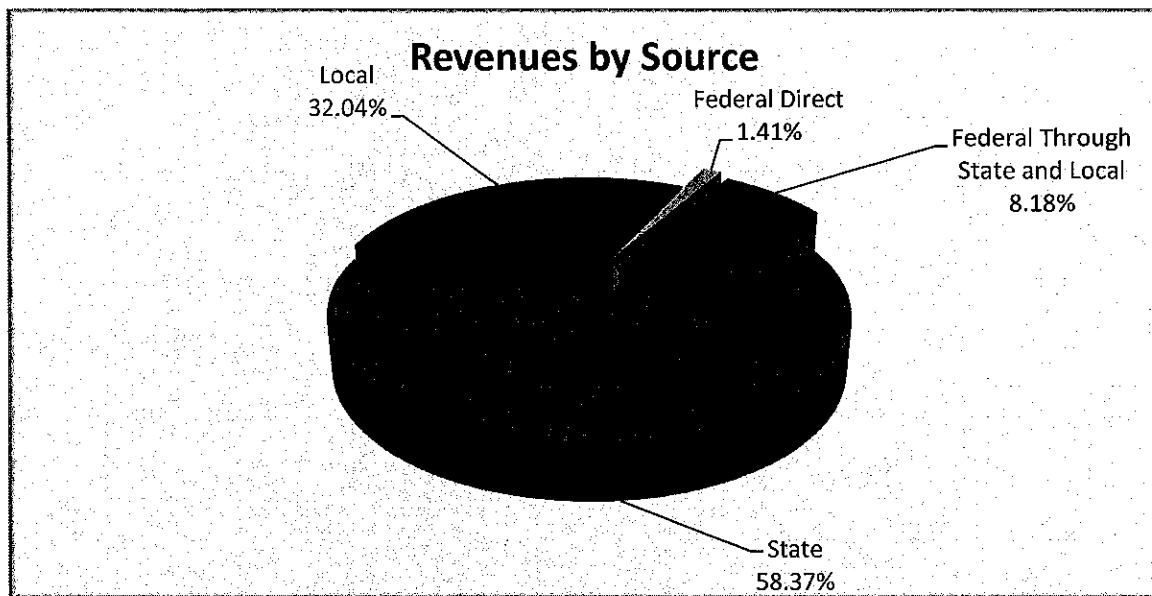
FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds increased by \$9,930,422 during the fiscal year to \$58,598,792 at June 30, 2017. Approximately 38 percent of this amount is unassigned fund balance (\$16,248,654), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$318,586), (2) restricted for particular purposes (\$36,081,480), (3) committed for particular purposes (\$5,075,927), or (4) assigned for particular purposes (\$874,146).

In the governmental funds, revenues by source for the 2016-17 fiscal year were as follows:



The largest revenue source is the State of Florida. Revenue from State sources for current operations are primarily received through the FEFP funding formula, Class Size Reduction, Workforce Development, and Discretionary Lottery funds. State revenues increased by \$8,042,901, or 5.8 percent, primarily due to increasing FEFP funding.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, the unassigned fund balance is \$16,248,654, while the total fund balance is \$28,146,716. As a measure of the General Fund's liquidity, it may be useful to compare the assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 8.6 percent of the total General Fund revenues, while total fund balance represents approximately 14.1 percent of total General Fund revenues.

Total fund balance increased by \$5,185,082 during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Increases in State revenues totaling \$7,966,276.25, primarily due to an increase in the following funding: FEFP, Class Size Reduction, Discretionary Lottery, and Workforce Development.
- Decreases in local revenues totaling \$5,215,861.97, primarily due to a decrease in local property taxes and other miscellaneous local sources. The 15-16 year included revenue received from lawsuits.
- Increases in Restricted and State Categorical projects of \$3,605,562.09.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$10,413,169, which is restricted for the acquisition, construction, and maintenance of capital assets. The fund balance increased by \$2,773,778, or 36.3 percent, during the 2016-17 fiscal year, primarily due to a decrease in

construction and remodeling related expenditures. Of the total fund balance, \$582,500 has been encumbered for specific projects.

The Capital Projects – Other Fund has a total fund balance of \$12,872,439, of which \$12,317,600 is restricted for allowable purposes of various capital funding sources. The fund balance increased by \$429,380, or 3.5 percent, primarily due to an increase in ½-cent sales tax collections. Of the total fund balance, \$3,104,465 has been encumbered for specific projects.

Proprietary Fund

The unrestricted net position of the Internal Service Fund totaled \$4,157,020 at June 30, 2017. The net position increased by \$1,172,297.58, or 39.3 percent, during the 2016-2017 fiscal year primarily due to a transfer of \$3,000,000 from the District's General Fund to establish an adequate net position for the District's self-insurance program and to cover the Board's portion of insurance premium increases.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2016-17 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in total budgeted revenues of \$8,352,799.86, or 4.4 percent. At the same time, final budgeted expenditures are more than the original budgeted amounts by \$4,817,356.16, or 2.4 percent. Significant budget revisions occurred primarily from changes in estimated State funding and property taxes.

Actual revenues are in line with the final budgeted amounts while actual expenditures are \$10,535,647, or 5.1 percent, less than final budget amounts. Actual expenditures are less in 2016-2017 primarily due to Restricted/Categorical projects and School Based budgets having balances left in appropriations at year-end. Restricted/Categorical projects had a balance of \$6,611,542, and School Based budgets had a balance of \$1,406,696 at year-end. Community School, transfers in/out, and projects that cross fiscal years make up another \$2,342,641 of the balance. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$10,870,203, primarily due to the encumbrances and appropriations from the Restricted/Categorical projects and School Based budget balances folding back into fund balance at year-end.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, is \$265,441,271 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset events included the following:

- During the current fiscal year, the District completed multiple projects including chiller plant and heating, ventilating, and air conditioning renovations and building energy renovations.

- At June 30, 2017, construction in progress includes multiple projects including kitchen and cafeteria expansions and renovations, classroom and lab additions, and paving and drainage improvements.

Additional information on the District's capital assets can be found in Notes I.F.4., II.C., and II.F. to the financial statements.

Long-Term Debt

At June 30, 2017, the District has total long-term debt outstanding of \$34,874,715, composed of \$2,032,661 of bonds payable and \$32,842,054 of certificates of participation payable. During the current fiscal year, retirement of debt was \$3,179,619.

Additional information on the District's long-term debt can be found in Notes I.F.6 and II.H.1. through II.H.4. to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent for Finance, Santa Rosa County District School Board, 5086 Canal Street, Milton, Florida 32570.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF NET POSITION
June 30, 2017

	Account Number	Primary Government		Component Units
		Governmental Activities	Total	Total Nonmajor Component Units
ASSETS				
Cash and Cash Equivalents	1110	69,564,569.37	69,564,569.37	207,588.00
Investments	1160	37,772.67	37,772.67	0.00
Taxes Receivable, Net	1120		0.00	0.00
Accounts Receivable, Net	1131	4,500.00	4,500.00	13,465.00
Interest Receivable on Investments	1170		0.00	0.00
Due From Other Agencies	1220	2,118,969.47	2,118,969.47	4,556.00
Due From Insurer	1180		0.00	0.00
Deposits Receivable	1210		0.00	0.00
Internal Balances			0.00	0.00
Cash with Fiscal/Service Agents	1114		0.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420		0.00	0.00
Inventory	1130	247,613.21	247,613.21	0.00
Prepaid Items	1230		0.00	11,486.00
Long-Term Investments	1460		0.00	0.00
Prepaid Insurance Costs	1430		0.00	0.00
Other Postemployment Benefits Asset	1410		0.00	0.00
Pension Asset	1415		0.00	0.00
Capital Assets				
Land	1310	8,048,918.16	8,048,918.16	185,000.00
Land Improvements - Nondepreciable	1315	5,458,576.69	5,458,576.69	0.00
Construction in Progress	1360	875,510.47	875,510.47	0.00
Nondepreciable Capital Assets		14,383,005.32	14,383,005.32	185,000.00
Improvements Other Than Buildings	1320	26,763,416.61	26,763,416.61	56,245.00
Less Accumulated Depreciation	1329	(17,109,290.99)	(17,109,290.99)	(44,913.00)
Buildings and Fixed Equipment	1330	370,425,774.94	370,425,774.94	1,263,234.00
Less Accumulated Depreciation	1339	(135,262,035.25)	(135,262,035.25)	(38,808.00)
Furniture, Fixtures and Equipment	1340	16,582,786.00	16,582,786.00	549,926.00
Less Accumulated Depreciation	1349	(11,152,540.94)	(11,152,540.94)	(383,303.00)
Motor Vehicles	1350	3,527,470.00	3,527,470.00	0.00
Less Accumulated Depreciation	1359	(2,993,770.84)	(2,993,770.84)	0.00
Property Under Capital Leases	1370		0.00	0.00
Less Accumulated Depreciation	1379		0.00	0.00
Audiovisual Materials	1381	4,674.00	4,674.00	0.00
Less Accumulated Depreciation	1388	(9,309.37)	(9,309.37)	0.00
Computer Software	1382	4,393,729.00	4,393,729.00	0.00
Less Accumulated Amortization	1389	(4,112,637.16)	(4,112,637.16)	0.00
Depreciable Capital Assets, Net		251,058,266.00	251,058,266.00	1,402,322.00
Total Capital Assets		265,441,271.32	265,441,271.32	1,587,322.00
Total Assets		337,414,696.04	337,414,696.04	1,824,417.00
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Hedging Derivatives	1910		0.00	0.00
Net Carrying Amount of Debt Refunding	1920	977,176.40	977,176.40	0.00
Pension	1940	46,448,206.00	46,448,206.00	0.00
Other Postemployment Benefits	1950		0.00	0.00
Total Deferred Outflows of Resources		47,425,382.40	47,425,382.40	0.00
LIABILITIES				
Cash Overdraft	2125		0.00	0.00
Accrued Salaries and Benefits	2110	253,675.46	253,675.46	17,474.00
Payroll Deductions and Withholdings	2170	407,735.78	407,735.78	0.00
Accounts Payable	2120	429,462.94	429,462.94	875.00
Sales Tax Payable	2260		0.00	0.00
Current Notes Payable	2250		0.00	0.00
Accrued Interest Payable	2210	2,783.41	2,783.41	0.00
Deposits Payable	2220	202,601.31	202,601.31	0.00
Due to Other Agencies	2230	2,782.70	2,782.70	51.00
Due to Fiscal Agent	2240		0.00	0.00
Pension Liability	2115		0.00	0.00
Other Postemployment Benefits Liability	2116		0.00	0.00
Judgments Payable	2130		0.00	0.00
Construction Contracts Payable	2140		0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	70,057.11	70,057.11	0.00
Estimated Unpaid Claims - Self-Insurance Program	2271	2,339,696.94	2,339,696.94	0.00
Estimated Liability for Claims Adjustment	2272		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Unearned Revenues	2410	3,508,815.67	3,508,815.67	974.00
Noncurrent Liabilities				
<i>Portion Due Within One Year:</i>				
Notes Payable	2310		0.00	73,770.00
Obligations Under Capital Leases	2315		0.00	0.00
Bonds Payable	2320	270,000.00	270,000.00	0.00
Liability for Compensated Absences	2330	5,609,836.84	5,609,836.84	5,100.00
Lease-Purchase Agreements Payable	2340	2,035,000.00	2,035,000.00	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Net Other Postemployment Benefits Obligation	2360		0.00	0.00
Net Pension Liability	2365		0.00	0.00
Estimated PEBO Advance Payable	2370		0.00	0.00
Other Long-Term Liabilities	2380		0.00	0.00
Derivative Instrument	2390		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Due Within One Year		7,914,836.84	7,914,836.84	78,870.00
<i>Portion Due After One Year:</i>				
Notes Payable	2310		0.00	1,009,846.00
Obligations Under Capital Leases	2315		0.00	0.00
Bonds Payable	2320	1,762,661.00	1,762,661.00	0.00
Liability for Compensated Absences	2330	13,714,286.88	13,714,286.88	0.00
Lease-Purchase Agreements Payable	2340	30,807,054.32	30,807,054.32	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Net Other Postemployment Benefits Obligation	2360	6,486,289.00	6,486,289.00	0.00
Net Pension Liability	2365	118,066,526.00	118,066,526.00	0.00
Estimated PEBO Advance Payable	2370		0.00	0.00
Other Long-Term Liabilities	2380		0.00	0.00
Derivative Instrument	2390		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Due in More than One Year		170,836,817.20	170,836,817.20	1,009,846.00
Total Long-Term Liabilities		178,751,654.04	178,751,654.04	1,088,716.00
Total Liabilities		185,569,266.36	185,569,266.36	1,108,090.00
DEFERRED INFLOWS OF RESOURCES				
Accumulated Increase in Fair Value of Hedging Derivatives	2610		0.00	0.00
Deficit Net Carrying Amount of Debt Refunding	2620		0.00	0.00
Deferred Revenues	2630		0.00	0.00
Pension	2640	3,105,993.00	3,105,993.00	0.00
Other Postemployment Benefits	2650		0.00	0.00
Total Deferred Inflows of Resources		3,105,993.00	3,105,993.00	0.00
NET POSITION				
Net Investment in Capital Assets	2770	231,541,944.36	231,541,944.36	1,505,671.00
Restricted For:				
Categorical Carryover Programs	2780	6,373,446.54	6,373,446.54	0.00
Food Service	2780	4,519,082.11	4,519,082.11	0.00
Debt Service	2780	1,934,116.02	1,934,116.02	0.00
Capital Projects	2780	23,444,039.63	23,444,039.63	0.00
Other Purposes	2780		0.00	0.00
Unrestricted	2790	(72,047,809.58)	(72,047,809.58)	(789,344.00)
Total Net Position		195,764,819.08	195,764,819.08	716,327.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary Government		Component Units
							Governmental Activities	Business-Type Activities	
<i>Governmental Activities:</i>									
Instruction	5000	137,666,012.39	875,609.86				(136,790,402.53)		
Student Support Services	6100	8,125,402.84					(8,125,402.84)		
Instructional Media Services	6200	2,070,693.43					(2,070,693.43)		
Instruction and Curriculum Development Services	6300	6,383,928.73					(6,383,928.73)		
Instructional Staff Training Services	6400	3,428,480.05					(3,428,480.05)		
Instruction-Related Technology	6500	6,827,607.16					(6,827,607.16)		
Board	7100	742,392.53					(742,392.53)		
General Administration	7200	1,233,967.62					(1,233,967.62)		
School Administration	7300	14,615,556.34					(14,615,556.34)		
Facilities Acquisition and Construction	7400	630,511.93	19,105.10		1,727,705.10		1,116,298.27		
Fiscal Services	7500	1,144,575.01					(1,144,575.01)		
Food Services	7600	11,187,767.52	4,280,399.04	8,027,588.12			1,120,219.64		
Central Services	7700	2,448,357.06					(2,448,357.06)		
Student Transportation Services	7800	11,712,818.32	239,462.53				(11,473,355.79)		
Operation of Plant	7900	13,208,410.10					(13,208,410.10)		
Maintenance of Plant	8100	6,946,518.18					(6,946,518.18)		
Administrative Technology Services	8200	2,160,127.74					(2,160,127.74)		
Community Services	9100	2,578,226.92					(2,578,226.92)		
Interest on Long-Term Debt	9200	1,756,489.94	1,871,732.10				(1,115,251.76)		
Unallocated Depreciation/Amortization Expense		8,713,770.17					(8,713,770.17)		
Total Governmental Activities		243,231,413.99	7,286,308.63	8,027,588.12	1,727,705.10		(226,189,812.14)		
<i>Business-Type Activities:</i>									
Self-Insurance Consortium									
Daycare Operations									
Other Business-Type Activity									
Total Business-Type Activities		0.00	0.00	0.00	0.00		0.00		
Total Primary Government		243,231,413.99	7,286,308.63	8,027,588.12	1,727,705.10		(226,189,812.14)		
<i>Component Units:</i>									
Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Total Nonmajor Component Units		2,138,565.00	0.00	39,096.00	57,838.00				(2,041,431.00)
Total Component Units		2,138,565.00	0.00	39,096.00	57,838.00				(2,041,431.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes	49,429,764.84								0.00
Property Taxes, Levied for Debt Service									0.00
Property Taxes, Levied for Capital Projects	12,717,474.82								0.00
Local Sales Taxes	8,938,745.78								0.00
Grants and Contributions Not Restricted to Specific Programs	160,727,891.70								1,952,551.00
Investment Earnings	454,617.84								0.00
Miscellaneous	1,197,921.00								11,947.00
Special Items									0.00
Extraordinary Items									0.00
Transfers									0.00
Total General Revenues, Special Items, Extraordinary Items and Transfers	233,466,415.96								1,964,498.00
Change in Net Position	7,276,603.84								(76,933.00)
Net Position, July 1, 2016	189,488,215.24								795,260.00
Adjustments to Net Position									0.00
Net Position, June 30, 2017	195,764,819.08								716,327.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	Account Number	General 100	Nonvoted Capital Improvement Fund 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and Cash Equivalents	1100	28,416,515.58	10,418,573.46	12,368,490.51	6,672,594.66	57,876,174.21
Investments	1160	(10.43)	0.00	0.00	37,783.10	37,772.67
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	4,500.00	0.00	0.00	0.00	4,500.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	626,836.44	5,320.43	777,570.41	631,548.87	2,041,276.15
Due From Budgetary Funds	1141	0.00	0.00	0.00	0.00	0.00
Due From Insurer	1180	0.00	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00	0.00
Due From Internal Funds	1142	0.00	0.00	0.00	0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00	0.00
Inventory	1150	90,232.66	0.00	0.00	157,380.55	247,613.21
Prepaid Items	1230	0.00	0.00	0.00	0.00	0.00
Long-Term Investments	1460	0.00	0.00	0.00	0.00	0.00
Total Assets		29,138,074.25	10,423,893.89	13,146,060.92	7,499,307.18	60,207,336.24
DEFERRED OUTFLOWS OF RESOURCES						
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00	0.00	0.00	0.00
Total Assets and Deferred Outflows of Resources		29,138,074.25	10,423,893.89	13,146,060.92	7,499,307.18	60,207,336.24
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Cash Overdraft	2125	0.00	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	248,859.03	0.00	0.00	4,817.43	253,676.46
Purch. Deductions and Withholdings	2170	377,151.66	0.00	0.00	30,584.12	407,735.78
Accounts Payable	2120	125,183.46	10,724.68	203,565.31	89,989.49	429,462.94
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00
Current Notes Payable	2230	0.00	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	2,783.41	2,783.41
Deposits Payable	2220	239,444.05	0.00	0.00	202,601.31	442,045.36
Due to Other Agencies	2230	720.00	0.00	0.00	2,062.70	2,782.70
Due to Budgetary Funds	2161	0.00	0.00	0.00	0.00	0.00
Due to Internal Funds	2162	0.00	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00	0.00
Pension Liability	2115	0.00	0.00	0.00	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00	0.00	0.00	0.00
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00	70,057.11	0.00	70,057.11
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00	0.00
Unearned Revenue	2410	0.00	0.00	0.00	0.00	0.00
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00
Total Liabilities		991,358.20	10,724.68	273,622.42	332,838.46	1,608,543.76
DEFERRED INFLOWS OF RESOURCES						
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00	0.00
Deferred Revenues	2630	0.00	0.00	0.00	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00	0.00	0.00	0.00
FUND BALANCES						
<i>Nonspendable:</i>						
Inventory	2711	129,381.28	0.00	0.00	189,204.38	318,585.66
Prepaid Amounts	2712	0.00	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00	0.00	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00	0.00	0.00	0.00
Total Nonspendable Fund Balances	2710	129,381.28	0.00	0.00	189,204.38	318,585.66
<i>Restricted for:</i>						
Economic Stabilization	2721	0.00	0.00	0.00	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00	0.00	0.00	0.00
State Required Carryover Programs	2723	6,373,446.54	10,413,169.21	12,317,599.83	6,977,264.34	36,081,479.92
Local Sales Tax and Other Tax Levy	2724	0.00	0.00	0.00	0.00	0.00
Debt Service	2725	0.00	0.00	0.00	0.00	0.00
Capital Projects	2726	0.00	0.00	0.00	0.00	0.00
Restricted for	2729	0.00	0.00	0.00	0.00	0.00
Total Restricted Fund Balances	2720	6,373,446.54	10,413,169.21	12,317,599.83	6,977,264.34	36,081,479.92
<i>Committed to:</i>						
Economic Stabilization	2731	0.00	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00	0.00
Committed for	2739	4,521,088.40	0.00	554,838.67	0.00	5,075,927.07
Total Committed Fund Balances	2730	4,521,088.40	0.00	554,838.67	0.00	5,075,927.07
<i>Assigned to:</i>						
Special Revenue	2741	0.00	0.00	0.00	0.00	0.00
Debt Service	2742	0.00	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00	0.00
Permanent Fund	2744	0.00	0.00	0.00	0.00	0.00
Assigned for	2749	0.00	0.00	0.00	0.00	0.00
Assigned for	2749	874,145.50	0.00	0.00	0.00	874,145.50
Total Assigned Fund Balances	2740	874,145.50	0.00	0.00	0.00	874,145.50
Total Unassigned Fund Balances	2750	16,248,654.33	0.00	0.00	0.00	16,248,654.33
Total Fund Balances	2760	28,146,716.05	10,413,169.21	12,872,438.50	7,166,468.72	58,598,792.48
Total Liabilities, Deferred Inflows of Resources and Fund Balances		29,138,074.25	10,423,893.89	13,146,060.92	7,499,307.18	60,207,336.24

The notes to financial statements are an integral part of this statement.
ESS 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2017

Total Fund Balances - Governmental Funds **\$ 58,598,792.48**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 265,441,271.32

Deferred charges on debt refundings are not expended in the government-wide statements but are reported as deferred outflows of resources and amortized over the life of the debt. 977,176.40

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 0.00

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 6,157,019.92

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of:

Certificates of Participation Payable	\$	(32,842,054.32)		
Bonds Payable		(2,032,661.00)		
Compensated Absences Payable		(19,324,123.72)		
Net Pension Liability		(118,066,526.00)		
Other Postemployment Benefits Payable		(6,486,289.00)		
				(178,751,654.04)

The deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$	46,448,206.00		
Deferred Inflows Related to Pensions		(3,105,993.00)		
				43,342,213.00

Total Net Position - Governmental Activities **\$ 195,764,819.08**

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	General 100	Nonvoted Capital Improvement Fund 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
REVENUES						
Federal Direct	3100	497,223.73	0.00	0.00	3,041,088.53	3,538,312.26
Federal Through State and Local	3200	1,216,526.11	0.00	0.00	19,313,586.59	20,530,112.70
State Sources	3300	144,133,897.50	0.00	235,733.14	2,045,129.32	146,414,759.96
<i>Local Sources:</i>						
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	49,429,764.84	0.00	0.00	0.00	49,429,764.84
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	12,717,474.82	0.00	0.00	12,717,474.82
Local Sales Taxes	3418, 3419	0.00	0.00	8,938,745.78	0.00	8,938,745.78
Charges for Service - Food Service	345X	0.00	0.00	0.00	4,280,399.04	4,280,399.04
Impact Fees	3496	0.00	0.00	0.00	0.00	0.00
Other Local Revenue		4,580,394.05	1,316.45	231,556.92	197,772.33	5,011,039.75
Total Local Sources	3400	54,010,158.89	12,718,791.27	9,170,302.70	4,478,171.37	80,377,424.23
Total Revenues		199,857,806.23	12,718,791.27	9,406,035.84	28,877,975.81	250,860,609.15
EXPENDITURES						
<i>Current:</i>						
Instruction	5000	124,551,316.17	0.00	0.00	7,665,947.13	132,217,263.30
Student Support Services	6100	6,842,720.26	0.00	0.00	1,088,044.27	7,930,764.53
Instructional Media Services	6200	1,985,542.49	0.00	0.00	50,481.02	2,036,023.51
Instruction and Curriculum Development Services	6300	3,514,570.35	0.00	0.00	2,650,253.89	6,164,824.24
Instructional Staff Training Services	6400	2,155,591.47	0.00	0.00	1,519,272.04	3,674,863.51
Instruction-Related Technology	6500	5,289,944.95	0.00	0.00	262,342.51	5,552,287.46
Board	7100	737,216.33	0.00	0.00	0.00	737,216.33
General Administration	7200	740,225.58	0.00	0.00	462,541.50	1,202,767.08
School Administration	7300	13,902,426.74	0.00	0.00	159,400.28	14,061,827.02
Facilities Acquisition and Construction	7410	4,119.62	279,701.64	236,976.66	4,200.00	524,997.92
Fiscal Services	7500	1,145,919.07	0.00	0.00	0.00	1,145,919.07
Food Services	7600	0.00	0.00	0.00	11,293,565.51	11,293,565.51
Central Services	7700	2,352,321.80	0.00	0.00	51,425.03	2,403,746.83
Student Transportation Services	7800	11,832,257.53	0.00	0.00	26,934.99	11,859,192.52
Operation of Plant	7900	13,150,563.16	0.00	0.00	47,380.86	13,197,944.02
Maintenance of Plant	8100	3,637,337.52	228,114.59	1,683,112.38	86,521.36	5,635,085.85
Administrative Technology Services	8200	2,028,637.74	0.00	0.00	0.00	2,028,637.74
Community Services	9100	1,809,827.40	0.00	0.00	604,238.81	2,414,066.21
<i>Debt Service: (Function 9200)</i>						
Redemption of Principal	710	0.00	0.00	0.00	2,689,000.00	2,689,000.00
Interest	720	0.00	0.00	0.00	1,553,617.77	1,553,617.77
Fees and Fees	730	0.00	0.00	0.00	14,400.41	14,400.41
Miscellaneous	790	0.00	0.00	0.00	188,471.76	188,471.76
<i>Capital Outlay:</i>						
Facilities Acquisition and Construction	7420	28,675.67	2,780,777.13	4,609,642.26	548,186.84	8,067,281.90
Other Capital Outlay	9300	980,673.53	40,904.97	393,701.69	243,090.84	1,658,371.03
Total Expenditures		196,689,887.38	3,329,498.33	6,923,432.99	31,309,316.82	238,252,135.52
Excess (Deficiency) of Revenues Over (Under) Expenditures		3,167,918.85	9,389,292.94	2,482,602.85	(2,431,341.01)	12,608,473.63
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	3710	0.00	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00	0.00	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00	0.00	0.00	0.00
Loans	3720	0.00	0.00	0.00	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00	0.00	0.00	0.00
Loss Recoveries	3740	33,623.72	0.00	101,723.71	0.00	135,347.43
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00	0.00	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00	0.00	162,000.00	162,000.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	24,601.43	24,601.43
Discount on Refunding Bonds	892	0.00	0.00	0.00	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00	0.00
Transfers In	3600	5,302,564.57	0.00	0.00	3,788,152.81	9,090,717.38
Transfers Out	9700	(3,319,025.59)	(6,615,514.78)	(2,154,947.00)	(1,230.01)	(12,090,717.38)
Total Other Financing Sources (Uses)		2,017,162.70	(6,615,514.78)	(2,053,223.29)	3,973,524.23	(2,678,051.14)
SPECIAL ITEMS		0.00	0.00	0.00	0.00	0.00
EXTRAORDINARY ITEMS		0.00	0.00	0.00	0.00	0.00
Net Change in Fund Balances		5,185,081.55	2,773,778.16	429,379.56	1,542,183.22	9,930,422.49
Fund Balances, July 1, 2016	2800	22,961,634.50	7,639,391.05	12,443,058.94	5,624,285.50	48,668,369.99
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2017	2700	28,146,716.05	10,413,169.21	12,872,438.50	7,166,468.72	58,598,792.48

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Governmental Funds	\$	9,930,422.49
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period.		(1,799,960.93)
The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs from the change in fund balances by the cost of assets sold.		(358,330.60)
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.		2,689,000.00
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in the governmental funds.		
Amortized Charge o Debt Refunding	\$	(82,228.80)
Amortized Premiums		305,619.20
		223,390.40
Revenue not reported in the governmental funds but reported in the statement of activities.		(8,438.65)
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences.		605,743.55
Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability for the current fiscal year.		(1,433,270.00)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.		
FRS Pension Contribution	\$	6,898,970.00
HIS Pension Contribution		2,003,926.00
FRS Pension Expense		(10,606,778.00)
HIS Pension Expense		(4,040,368.00)
		(5,744,250.00)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.		3,172,297.58
Change in Net Position of Governmental Activities	\$	7,276,603.84

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
ASSETS		
Cash and Cash Equivalents	1110	11,688,395.16
Investments	1160	0.00
Accounts Receivable, Net	1131	0.00
Interest Receivable on Investments	1170	0.00
Due From Other Agencies	1220	77,693.32
Due From Insurer	1180	0.00
Due From Budgetary Funds	1141	0.00
Deposits Receivable	1210	0.00
Cash with Fiscal/Service Agents	1114	0.00
Section 1011.13, F.S., Loan Proceeds	1420	0.00
Inventory	1150	0.00
Prepaid Items	1230	0.00
Long-Term Investments	1460	0.00
Prepaid Insurance Costs	1430	0.00
Other Postemployment Benefits Asset	1410	0.00
Pension Asset	1415	0.00
<i>Capital Assets:</i>		
Land	1310	0.00
Land Improvements - Nondepreciable	1315	0.00
Construction in Progress	1360	0.00
Nondepreciable Capital Assets		0.00
Improvements Other Than Buildings	1320	0.00
Accumulated Depreciation	1329	0.00
Buildings and Fixed Equipment	1330	0.00
Accumulated Depreciation	1339	0.00
Furniture, Fixtures and Equipment	1340	0.00
Accumulated Depreciation	1349	0.00
Motor Vehicles	1350	0.00
Accumulated Depreciation	1359	0.00
Property Under Capital Leases	1370	0.00
Accumulated Depreciation	1379	0.00
Computer Software	1382	0.00
Accumulated Amortization	1389	0.00
Depreciable Capital Assets, Net		0.00
Total Capital Assets		0.00
Total Assets		11,766,088.48
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00
Net Carrying Amount of Debt Refunding	1920	0.00
Pension	1940	0.00
Other Postemployment Benefits	1950	0.00
Total Deferred Outflows of Resources		0.00
LIABILITIES		
Cash Overdraft	2125	0.00
Accrued Salaries and Benefits	2110	0.00
Payroll Deductions and Withholdings	2170	0.00
Accounts Payable	2120	0.00
Sales Tax Payable	2260	0.00
Accrued Interest Payable	2210	0.00
Deposits Payable	2220	0.00
Due to Other Agencies	2230	0.00
Due to Budgetary Funds	2161	0.00
Pension Liability	2115	0.00
Other Postemployment Benefits Liability	2116	0.00
Judgments Payable	2130	0.00
Estimated Unpaid Claims - Self-Insurance Program	2271	2,100,252.89
Estimated Liability for Claims Adjustment	2272	0.00
Unearned Revenues	2410	3,508,815.67
<i>Noncurrent Liabilities</i>		
<i>Portion Due Within One Year:</i>		
Obligations Under Capital Leases	2315	0.00
Liability for Compensated Absences	2330	0.00
Estimated Liability for Long-Term Claims	2350	0.00
Net Other Postemployment Benefits Obligation	2360	0.00
Net Pension Liability	2365	0.00
Other Long-Term Liabilities	2380	0.00
Due Within One Year		0.00
<i>Portion Due After One Year:</i>		
Obligations Under Capital Leases	2315	0.00
Liability for Compensated Absences	2330	0.00
Estimated Liability for Long-Term Claims	2350	0.00
Net Other Postemployment Benefits Obligation	2360	0.00
Net Pension Liability	2365	0.00
Other Long-Term Liabilities	2380	0.00
Due in More Than One Year		0.00
Total Long-Term Liabilities		0.00
Total Liabilities		5,609,068.56
DEFERRED INFLOWS OF RESOURCES		
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00
Deficit Net Carrying Amount of Debt Refunding	2620	0.00
Deferred Revenues	2630	0.00
Pension	2640	0.00
Other Postemployment Benefits	2650	0.00
Total Deferred Inflows of Resources		0.00
NET POSITION		
Net Investment in Capital Assets	2770	0.00
Restricted for	2780	2,000,000.00
Unrestricted	2790	4,157,019.92
Total Net Position		6,157,019.92

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for Services	3481	0.00
Charges for Sales	3482	0.00
Premium Revenue	3484	16,871,241.55
Other Operating Revenues	3489	0.00
Total Operating Revenues		16,871,241.55
OPERATING EXPENSES		
Salaries	100	0.00
Employee Benefits	200	0.00
Purchased Services	300	922,637.38
Energy Services	400	0.00
Materials and Supplies	500	380.16
Capital Outlay	600	0.00
Other	700	16,257,115.40
Depreciation and Amortization Expense	780	0.00
Total Operating Expenses		17,180,132.94
Operating Income (Loss)		(308,891.39)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	3430	840.58
Gifts, Grants and Bequests	3440	0.00
Other Miscellaneous Local Sources	3495	480,348.39
Loss Recoveries	3740	0.00
Gain on Disposition of Assets	3780	0.00
Interest	720	0.00
Miscellaneous	790	0.00
Loss on Disposition of Assets	810	0.00
Total Nonoperating Revenues (Expenses)		481,188.97
Income (Loss) Before Operating Transfers		172,297.58
Transfers In	3600	3,000,000.00
Transfers Out	9700	0.00
SPECIAL ITEMS		0.00
EXTRAORDINARY ITEMS		0.00
Change In Net Position		3,172,297.58
Net Position, July 1, 2016	2880	2,984,722.34
Adjustments to Net Position	2896	0.00
Net Position, June 30, 2017	2780	6,157,019.92

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

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	18,221,912.11
Receipts from interfund services provided	0.00
Payments to suppliers	(923,197.54)
Payments to employees	0.00
Payments for interfund services used	0.00
Other receipts (payments)	(16,257,115.40)
Net cash provided (used) by operating activities	1,041,599.17
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Subsidies from operating grants	0.00
Transfers from other funds	3,000,000.00
Transfers to other funds	0.00
Net cash provided (used) by noncapital financing activities	3,000,000.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	0.00
Capital contributions	0.00
Proceeds from disposition of capital assets	0.00
Acquisition and construction of capital assets	0.00
Principal paid on capital debt	0.00
Interest paid on capital debt	0.00
Net cash provided (used) by capital and related financing activities	0.00
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	0.00
Interest and dividends received	840.58
Purchase of investments	0.00
Net cash provided (used) by investing activities	840.58
Net increase (decrease) in cash and cash equivalents	4,042,439.75
Cash and cash equivalents - July 1, 2016	7,962,111.86
Cash and cash equivalents - June 30, 2017	12,004,551.61
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	1,538,956.18
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>	
Depreciation/Amortization expense	0.00
Commodities used from USDA program	0.00
<i>Change in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	0.00
(Increase) decrease in interest receivable	(20.56)
(Increase) decrease in due from insurer	0.00
(Increase) decrease in deposits receivable	0.00
(Increase) decrease in due from other funds	96,526.80
(Increase) decrease in due from other agencies	0.00
(Increase) decrease in inventory	0.00
(Increase) decrease in prepaid items	0.00
(Increase) decrease in pension	0.00
Increase (decrease) in salaries and benefits payable	0.00
Increase (decrease) in payroll tax liabilities	0.00
Increase (decrease) in accounts payable	0.00
Increase (decrease) in cash overdraft	0.00
Increase (decrease) in judgments payable	0.00
Increase (decrease) in sales tax payable	0.00
Increase (decrease) in accrued interest payable	0.00
Increase (decrease) in deposits payable	0.00
Increase (decrease) in due to other funds	0.00
Increase (decrease) in due to other agencies	0.00
Increase (decrease) in unearned revenues	(613,426.31)
Increase (decrease) in pension	0.00
Increase (decrease) in other postemployment benefits	0.00
Increase (decrease) in estimated unpaid claims - Self-Insurance Prog.	200,563.06
Increase (decrease) in estimated liability for claims adjustment	(181,000.00)
Total adjustments	(497,357.01)
Net cash provided (used) by operating activities	1,041,599.17
Noncash investing, capital and financing activities:	
Borrowing under capital lease	0.00
Contributions of capital assets	0.00
Purchase of equipment on account	0.00
Capital asset trade-ins	0.00
Net Increase/(Decrease) in the fair value of investments	0.00
Commodities received through USDA program	0.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	Account Number	Total Agency Funds 89X
ASSETS		
Cash and Cash Equivalents	1110	3,701,689.96
Investments	1160	0.00
Accounts Receivable, Net	1131	0.00
Pension Contributions Receivable	1132	
Interest Receivable on Investments	1170	0.00
Due From Budgetary Funds	1141	0.00
Due From Other Agencies	1220	0.00
Inventory	1150	0.00
Total Assets		3,701,689.96
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	
Pension	1940	
Other Postemployment Benefits	1950	
Total Deferred Outflows of Resources		
LIABILITIES		
Cash Overdraft	2125	0.00
Accrued Salaries and Benefits	2110	0.00
Payroll Deductions and Withholdings	2170	176,525.07
Accounts Payable	2120	289,976.05
Internal Accounts Payable	2290	3,230,688.84
Due to Other Agencies	2230	
Due to Budgetary Funds	2161	4,500.00
Total Liabilities		3,701,689.96
DEFERRED INFLOWS OF RESOURCES		
Accumulated Increase in Fair Value of Hedging Derivatives	2610	
Pension	2640	
Other Postemployment Benefits	2650	
Total Deferred Inflows of Resources		
NET POSITION		
Held in Trust for Pension Benefits	2785	
Held in Trust for Other Purposes	2785	
Total Net Position		

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF NET POSITION
MAJOR AND NONMAJOR COMPONENT UNITS
June 30, 2017

	Account Number	Total Nonmajor Component Units	Total Component Units
ASSETS			
Cash and Cash Equivalents	1110	207,588.00	207,588.00
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1131	13,465.00	13,465.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Other Agencies	1220	4,556.00	4,556.00
Due From Insurer	1180	0.00	0.00
Deposits Receivable	1210	0.00	0.00
Internal Balances		0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420	0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	11,486.00	11,486.00
Long-Term Investments	1460	0.00	0.00
Prepaid Insurance Costs	1430	0.00	0.00
Other Postemployment Benefits Asset	1410	0.00	0.00
Pension Asset	1415	0.00	0.00
Capital Assets:			
Land	1310	185,000.00	185,000.00
Land Improvements - Nondepreciable	1315	0.00	0.00
Construction in Progress	1360	0.00	0.00
Nondepreciable Capital Assets		185,000.00	185,000.00
Improvements Other Than Buildings	1320	56,246.00	56,246.00
Less Accumulated Depreciation	1329	(44,913.00)	(44,913.00)
Buildings and Fixed Equipment	1330	1,263,234.00	1,263,234.00
Less Accumulated Depreciation	1339	(38,868.00)	(38,868.00)
Furniture, Fixtures and Equipment	1340	549,926.00	549,926.00
Less Accumulated Depreciation	1349	(383,303.00)	(383,303.00)
Motor Vehicles	1350	0.00	0.00
Less Accumulated Depreciation	1359	0.00	0.00
Property Under Capital Leases	1370	0.00	0.00
Less Accumulated Depreciation	1379	0.00	0.00
Audiovisual Materials	1381	0.00	0.00
Less Accumulated Depreciation	1388	0.00	0.00
Computer Software	1382	0.00	0.00
Less Accumulated Amortization	1389	0.00	0.00
Depreciable Capital Assets, Net		1,402,322.00	1,402,322.00
Total Capital Assets		1,587,322.00	1,587,322.00
Total Assets		1,824,417.00	1,824,417.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Net Carrying Amount of Debt Refunding	1920	0.00	0.00
Pension	1940	0.00	0.00
Other Postemployment Benefits	1950	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	17,474.00	17,474.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	875.00	875.00
Sales Tax Payable	2260	0.00	0.00
Current Notes Payable	2250	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00
Deposits Payable	2220	0.00	0.00
Due to Other Agencies	2230	51.00	51.00
Due to Fiscal Agent	2240	0.00	0.00
Pension Liability	2115	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00
Estimated Unpaid Claims - Self-Insurance Program	2271	0.00	0.00
Estimated Liability for Claims Adjustment	2272	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Unearned Revenues	2410	974.00	974.00
Noncurrent Liabilities			
<i>Portion Due Within One Year:</i>			
Notes Payable	2310	73,770.00	73,770.00
Obligations Under Capital Leases	2315	0.00	0.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	5,100.00	5,100.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Net Other Postemployment Benefits Obligation	2360	0.00	0.00
Net Pension Liability	2365	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Other Long-Term Liabilities	2380	0.00	0.00
Derivative Instrument	2390	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due Within One Year		78,870.00	78,870.00
<i>Portion Due After One Year:</i>			
Notes Payable	2310	1,009,846.00	1,009,846.00
Obligations Under Capital Leases	2315	0.00	0.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Net Other Postemployment Benefits Obligation	2360	0.00	0.00
Net Pension Liability	2365	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Other Long-Term Liabilities	2380	0.00	0.00
Derivative Instrument	2390	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due in More than One Year		1,009,846.00	1,009,846.00
Total Long-Term Liabilities		1,088,716.00	1,088,716.00
Total Liabilities		1,108,090.00	1,108,090.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Deficit Net Carrying Amount of Debt Refunding	2620	0.00	0.00
Deferred Revenues	2630	0.00	0.00
Pension	2640	0.00	0.00
Other Postemployment Benefits	2650	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
NET POSITION			
Net Investment in Capital Assets	2770	1,505,671.00	1,505,671.00
Restricted For:			
Categorical Carryover Programs	2780	0.00	0.00
Food Service	2785	0.00	0.00
Debt Service	2786	0.00	0.00
Capital Projects	2787	0.00	0.00
Other Purposes	2788	0.00	0.00
Unrestricted	2790	(789,344.00)	(789,344.00)
Total Net Position		716,327.00	716,327.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
MAJOR AND NONMAJOR COMPONENT UNITS
TOTAL NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Revenue and Changes in Net Position Component Unit Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	1,086,667.00	0.00	39,096.00	0.00	(1,047,571.00)
Student Support Services	6100	200.00	0.00	0.00	0.00	(200.00)
Instructional Media Services	6200	0.00	0.00	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	1,028.00	0.00	0.00	0.00	(1,028.00)
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	12,126.00	0.00	0.00	0.00	(12,126.00)
General Administration	7200	34,148.00	0.00	0.00	0.00	(34,148.00)
School Administration	7300	304,245.00	0.00	0.00	0.00	(304,245.00)
Facilities Acquisition and Construction	7400	27,992.00	0.00	0.00	0.00	(27,992.00)
Fiscal Services	7500	125,972.00	0.00	0.00	0.00	(125,972.00)
Food Services	7600	7,599.00	0.00	0.00	0.00	(7,599.00)
Central Services	7700	111,093.00	0.00	0.00	0.00	(111,093.00)
Student Transportation Services	7800	111,881.00	0.00	0.00	0.00	(111,881.00)
Operation of Plant	7900	192,002.00	0.00	0.00	57,838.00	(134,164.00)
Maintenance of Plant	8100	16,919.00	0.00	0.00	0.00	(16,919.00)
Administrative Technology Services	8200	16,601.00	0.00	0.00	0.00	(16,601.00)
Community Services	9100	0.00	0.00	0.00	0.00	0.00
Interest on Long-Term Debt	9200	67,355.00	0.00	0.00	0.00	(67,355.00)
Unallocated Depreciation/Amortization Expense		22,537.00				(22,537.00)
Total Component Unit Activities		2,138,365.00	0.00	39,096.00	57,838.00	(2,041,431.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes
Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

0.00
0.00
0.00
0.00
1,952,551.00
0.00
11,947.00
0.00
0.00
0.00
1,964,498.00
(76,933.00)
793,260.00
0.00
716,327.00

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS – PAGE 18
JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Santa Rosa County School District's (District) 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 expense that is clearly identifiable to a function is allocated to the function, and the remaining depreciation expense is reported as unallocated.

B. Reporting Entity

The Santa Rosa County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Santa Rosa County.

Criteria for determining if other entities are potential component units which 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 application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on the application of these criteria, the following component units are included within the District's reporting entity:

Blended Component Unit - Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, a blended component unit is appropriately presented as part of the District. The Santa Rosa School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
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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. A separate column is used to emphasize that they are legally separate from the District.

The District's charter schools, the Learning Academy, Inc. and Capstone Academy, LLC, are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Santa Rosa County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2017. The audit reports are filed in the District's administrative offices at 5086 Canal Street, Milton, Florida 32570.

C. Basis of Presentation: Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund. Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

D. Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

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- 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 – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and debt service payments on certificates of participation.
- Capital Projects – Other Fund – to account for various financial resources (e.g., certificates of participation, capital outlay sales tax, hurricane-related loss recoveries) to be used for educational capital outlay needs, including new construction and renovation and remodeling projects.

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

- Internal Service Fund – to account for the District's individual self-insurance program.
- Agency Funds – to account for resources of the District's flexible benefits plan and the school internal funds which are used to administer moneys collected at schools in connection with school, student athletic, class, and club activities.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated in preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
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considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year-end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

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

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Investments

Investments consist of amounts placed in SBA debt service accounts for investment of debt service moneys and amounts placed with the SBA for participation in the Florida PRIME investment pool created by Sections 218.405, Florida Statutes. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
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The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

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

3. Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a moving-average basis, except that transportation fuel is stated at the last invoice price, which approximates the first-in, first-out basis, and United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

4. 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 more than \$1,000, except for buildings and improvements other than buildings which are defined by the District as assets costing more than \$5,000. 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.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	10 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 20 years
Motor Vehicles	15 years
Audio Visual Materials and Computer Software	5 - 7 years

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

5. 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

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
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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 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

6. Long-Term Liabilities

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

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts during the current fiscal year.

Changes in long-term liabilities for the current fiscal year are reported in a subsequent note.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The first item is deferred charges on debt refunding that results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is a deferred amount related to pensions which is discussed in a subsequent note.

In addition to liabilities, the statement of net position and the governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category. It is a deferred amount related to pensions which is only reported on the government-wide statement of net position and which is discussed in a subsequent note.

8. 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

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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.

9. Fund Balance Flow Assumption

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.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can approve a commitment of fund balance. The limitation imposed by the commitment remains in place until a similar action is taken to remove or revise the limitation. In July 2016, the Board gave its approval to commit certain project balances during the budget process.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by vote authorized the Assistant Superintendent for Finance and the Accounting Supervisor to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent fiscal year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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Amounts reported as 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.

2. State Revenue Sources

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

The State provides financial assistance to administer certain educational programs. SBE 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 fiscal 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 fund financial statements for the balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the DOE.

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

3. District Property Taxes

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

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Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Santa Rosa County Property Appraiser, and property taxes are collected by the Santa Rosa County Tax Collector.

The Board adopted the 2016 tax levy on September 8, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

4. Capital Outlay Surtax

In March 2007, the voters of Santa Rosa County approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective October 1, 2008, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes. In March 2017, Santa Rosa County voters opted to continue the one-half cent school capital outlay surtax on sales through December 31, 2028.

5. 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.

6. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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7. Proprietary Fund Operating and Nonoperating Revenue and Expenses

The proprietary fund distinguishes 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 fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for employee health insurance premiums. Operating expenses of the District's internal service fund include insurance claims and purchased services that includes excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

The District's investments have the following maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Florida PRIME (1)	39 Day Average	\$ 38,091,195
Debt Service Accounts	6 Months	37,773
Total Investments		\$ 38,128,968

Notes: (1) This investment is reported as a cash equivalent for financial statement reporting purposes.

- Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The investments in the SBA Debt Service Accounts, totaling \$37,772.67, have a level 1 fair value measurement.

- 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 states that the highest priority shall be given

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to the safety and liquidity of funds. The policy limits the types of authorized investments as a means of managing its exposure to fair value losses from increasing interest rates.

Florida PRIME uses a weighted average days to maturity (WAM). A portfolio's WAM reflects 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.

For Florida PRIME, Section 218.409(8)(a), Florida Statutes, states that "the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [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, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue 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, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

- Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA's Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy limits investments to funds placed in qualified public depositories, financial deposit instruments insured by the Federal Deposit Insurance Corporation, time deposits, securities of the United States Government (including obligations of the United States Treasury), and investment pools managed and directed by an approved agency of the State.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies

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on policies developed by the SBA for managing interest rate risk and credit risk for this account. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The District's investment in Florida PRIME is rated AAAM by Standard & Poor's.

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C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 7,317,360	\$ 731,558	\$ -	\$ 8,048,918
Land Improvements	5,048,619	409,958	-	5,458,577
Construction in Progress	4,709,108	2,486,971	6,320,568	875,511
Total Capital Assets Not Being Depreciated	17,075,087	3,628,487	6,320,568	14,383,007
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,863,512	1,315,580	415,675	26,763,416
Buildings and Fixed Equipment	361,317,635	10,025,801	917,662	370,425,774
Furniture, Fixtures, and Equipment	16,524,223	1,168,477	1,109,914	16,582,786
Motor Vehicles	3,705,308	217,370	395,208	3,527,470
Audio Visual Materials and Computer Software	4,917,944	23,385	542,926	4,398,403
Total Capital Assets Being Depreciated	412,328,622	12,750,613	3,381,385	421,697,849
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	16,456,611	907,500	254,820	17,109,291
Buildings and Fixed Equipment	126,869,784	9,219,838	827,586	135,262,036
Furniture, Fixtures, and Equipment	10,817,733	1,339,739	1,004,932	11,152,541
Motor Vehicles	3,232,706	111,120	350,056	2,993,771
Audio Visual Materials and Computer Software	4,427,312	208,870	514,235	4,121,947
Total Accumulated Depreciation	161,804,147	11,787,068	2,951,629	170,639,585
Total Capital Assets Being Depreciated, Net	250,524,475	963,545	429,756	251,058,264
Governmental Activities Capital Assets, Net	\$ 267,599,563	\$ 4,592,032	\$ 6,750,323	\$ 265,441,271

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Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 272,658
Student Support Services	10,409
Instructional Media Services	6,695
Instruction and Curriculum Development Services	2,831
Instructional Staff Training Services	9,308
Instruction Related Technology	663,028
General Administration	425
School Administration	4,191
Fiscal Services	1,705
Food Services	76,269
Central Services	24,185
Pupil Transportation Services	10,764
Operation of Plant	6,219
Maintenance of Plant	1,900,657
Administrative Technology Services	66,830
Community Services	17,122
Unallocated	<u>8,713,770</u>
Total Depredation Expense - Governmental Activities	<u>\$ 11,787,068</u>

D. Retirement Plans

FRS – Defined Benefit Pension Plans

General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing

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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 FRS and HIS pension expense totaled \$14,647,147 for the fiscal year ended June 30, 2017.

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 Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.

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

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8

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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>Percent Value</u>
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Regular Class members initially enrolled before July 1, 2011

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

Regular Class members initially enrolled on or after July 1, 2011

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

Elected County Officers	3.00
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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 contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.47
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

- Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
- (2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$6,898,970 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$71,699,838 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2016-2017 fiscal year contributions relative to the 2015-2016 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.283958872 percent, which was a decrease of 0.008782281 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized Plan pension expense of \$10,606,778. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,489,891	\$ 667,574
Change of assumptions	4,337,626	
Net difference between projected and actual earnings on FRS pension plan investments	18,533,534	
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	267,156	1,962,217
District FRS contributions subsequent to the measurement date	6,898,970	
Total	\$ 35,527,177	\$ 2,629,791

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$6,898,970, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$3,581,153
2019	3,581,153
2020	10,364,416
2021	7,093,326
2022	1,043,336
Thereafter	335,032
Total	\$25,998,416

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.60 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, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

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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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate (Property)	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
Total	100.00%			
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 7.60 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position 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 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.60 percent) or 1 percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability (asset)	\$132,004,256	\$71,699,838	\$21,504,374

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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 ended June 30, 2017, 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 ended June 30, 2017, 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 \$2,003,926 for the fiscal year June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$46,366,688 for its proportionate share of the HIS Plan's net pension liability. The current portion of the new 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.397840722 percent, which was an increase of 0.020003522 from its proportionate share measured as of June 30, 2015.

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For the fiscal year ended June 30, 2017, the District recognized the HIS pension expense of \$4,040,368. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 105,606
Change of assumptions	7,276,112	-
Net difference between projected and actual earnings on HIS pension plan investments	23,444	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,617,547	370,596
District contributions subsequent to the measurement date	2,003,926	-
Total	\$ 10,921,029	\$ 476,202

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$2,003,926, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$1,511,478
2019	1,511,478
2020	1,506,240
2021	1,503,726
2022	1,300,950
Thereafter	1,107,028
Total	\$8,440,901

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Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.85 percent

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

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

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of			
the net pension liability	\$37,966,601	\$33,094,230	\$29,050,429

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 of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the Investment Plan members' accounts during the 2016-2017 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34

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, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$1,814,840 for the fiscal year ended June 30, 2017.

E. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental, and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and it is not included in the report of a public employee retirement system or another entity.

Funding Policy. Plan contribution requirements of the District and OPEB Plan members are established and may be amended through Board action. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 277 retirees received other postemployment benefits. For the 2016-17 fiscal year, the District provided required contributions of \$804,091 toward the annual OPEB cost, net of retiree contributions totaling \$1,825,305, which represents 1.7 percent of covered payroll.

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

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<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for 1 year)	\$ 1,237,557
Amortization of Unfunded Actuarial Accrued Liability	<u>1,101,589</u>
Annual Required Contribution	2,339,146
Interest on Net OPEB Obligation	202,121
Adjustment to Annual Required Contribution	<u>(303,906)</u>
Annual OPEB Cost (Expense)	2,237,361
Contribution Toward the OPEB Cost	<u>(804,091)</u>
Increase in Net OPEB Obligation	1,433,270
Net OPEB Obligation, Beginning of Year	<u>5,053,019</u>
Net OPEB Obligation, End of Year	<u><u>\$ 6,486,289</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and the 2 preceding fiscal years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014-15	\$ 1,257,923	49.7%	\$ 4,391,485
2015-16	\$ 1,280,973	48.4%	\$ 5,053,019
2016-17	\$ 2,237,361	35.9%	\$ 6,486,289

Funded Status and Funding Progress. As of July 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$18,596,008, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$18,596,008 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$107,866,360, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 17.2 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to financial statements as required supplementary information, presents multiyear trend information about whether the actuarial value of the OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term prospective. Consistent with this perspective, the actuarial valuations used actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The District's OPEB actuarial valuation as of July 1, 2016, used the entry age normal level percentage of pay cost method to estimate the unfunded actuarial liability as of June 30, 2017, and to estimate the District's 2016-2017 fiscal year ARC. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets. The actuarial assumptions also included an inflation rate of 3 percent per year, a payroll growth rate of 0 percent per year, and an annual healthcare cost trend rate of 8.75 percent for the 2016-2017 fiscal year, reduced periodically thereafter to an ultimate rate of 4 percent in fiscal year 2073. The unfunded actuarial accrued liability is being amortized using a level dollar amount on a closed basis over a 30-year period.

F. Construction and Other Significant Commitments

Encumbrances. Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and 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 following is a schedule of encumbrances at June 30, 2017:

<u>Major Funds</u>				
<u>Capital</u>				
<u>General</u>	<u>Projects - Local Capital Improvement</u>	<u>Capital Projects - Other</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>\$ 604,898</u>	<u>\$ 582,500</u>	<u>\$ 3,104,465</u>	<u>\$ 215,926</u>	<u>\$ 4,507,788</u>

Construction Contracts. Encumbrances include the following major construction contract commitment at fiscal year-end:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Chumuckla Elementary - Primary Classrooms/Lab/ESE Addition	\$ 1,321,003	\$ 167,565	\$ 1,153,438
Locklin Tech & TR Jackson - Paving & Drainage Improvements	978,170	111,730	866,440
Sims Middle - Kitchen Expansion/Renovation & Classroom Additions	1,361,593	622,259	739,333
	<u>\$ 3,660,766</u>	<u>\$ 901,554</u>	<u>\$ 2,759,211</u>

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G. 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. The District limits its exposure to these risks through its membership in the Florida School Board Insurance Trust (Trust). The Trust is a self-insurance fund of Florida school boards established under the authority set forth in Section 1001.42, Florida Statutes, and was established for the purpose of pooling certain exposures (e.g. property, casualty, and workers' compensation) of participating districts. If a participating district withdraws or terminates participation in the Trust, and its claims exceed loss fund contributions from premiums paid, the Trust may request additional funds or return the open claims to that district. Through its participation in the Trust, the District has acquired various types of insurance coverage including property, general and automotive liability, workers' compensation, errors and omissions, employee benefits liability, boiler and machinery, crime, special events, pollution, legal liability, school crisis risk, and cyber liability coverage. Catastrophic student accident, flood and storage tank liability insurance are provided through purchased commercial insurance.

The District provides self-insured employee health and hospitalization coverage. The District entered into an agreement with a stop loss insurance company to provide specific excess coverage of claim amounts above \$150,000 on an individual claim basis and aggregate monthly excess coverage of approximately \$1.3 million. Aggregate excess coverage is paid out when total claims annually, minus specific excess coverage, exceed 100% of the overall variable claims cost. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims. A liability in the amount of \$2,100,253 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2017.

Dental, vision, long-term disability, and life insurance coverage are provided through commercial insurance.

Prior to July 1, 1997, the District was self-insured for workers' compensation exposures up to specified limits. At June 30, 2017, a liability in the amount of \$239,444 was recorded to cover future claims payments relating to this former self-insurance program.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

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The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's former and current self-insurance programs:

<u>Fiscal Year</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
Workers Compensation:				
2015-16	\$ 253,277	\$ 109,206	\$ (122,718)	\$ 239,765
2016-17	239,765	22,577	(22,898)	239,444
Employee Health:				
2015-16	\$ 1,835,665	\$ 12,448,635	\$ (12,384,610)	\$ 1,899,690
2016-17	1,899,690	(14,008,526)	14,209,089	2,100,253

H. Long-Term Liabilities

1. Certificates of Participation

The District has entered into financing arrangements with the Santa Rosa School Board Leasing Corporation (Leasing Corporation) pursuant to which the District authorized several certificates of participation debt issues, which are characterized as lease-purchase agreements. The following schedule describes the status of these issues at June 30, 2017:

<u>Series</u>	<u>Original Amount</u>	<u>Principal Paid to Date</u>	<u>Principal Refunded</u>	<u>Refunded by Series</u>	<u>Balance</u>
2006-1	\$12,370,000	\$6,885,000	\$5,485,000	2014	\$ 0.00
2006-2	18,870,000		16,150,000	2014	2,720,000
2009	12,585,000	4,945,000			7,640,000
2014	20,520,000	290,000			20,230,000
Total					<u>\$30,590,000</u>

As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation. The ground lease on the properties associated with the Series 2006 Certificates ends on the earlier of (a) the date on which the 2006 Certificates and any series of certificates refunding the Series 2006 Certificates have been paid in full or provision for their payment has been made, or (b) 10 years from the final maturity of the Series 2006 Certificates and any series of certificates refunding the Series 2006 Certificates. It is not expected that the ground lease term with respect to the properties associated with the Series 2006 Certificates will exceed April 13, 2046. The lease payments are payable by the District semiannually, on February 1 and August 1 at interest rates of 4.34 percent for the Series 2006-1 and 4.25 percent to 5.25 percent for the Series 2006-2 Certificates.

The ground lease on the properties associated with the Series 2009 Certificates ends on the earlier of (a) the date on which the Series 2009 Certificates have been paid in full or provision for their payment has been made, or (b) 10 years from the final maturity date of the Series 2009

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Certificates and any series of certificates refunding the Series 2009 Certificates. The lease payments are payable by the District semiannually, on February 1 and August 1 at interest rates of 4.11 percent for the Series 2009 Certificates.

The ground lease on the properties associated with the Series 2014 Certificates ends on the earlier of (a) the date on which the Series 2014 Certificates have been paid in full or provision for their payment has been made, or (b) 10 years from the final maturity date of the Series 2014 Certificates and any series of certificates refunding the Series 2014 Certificates. It is not expected that the ground lease term with respect to the properties associated with the Series 2014 Certificates will exceed February 01, 2031. The lease payments are payable by the District semiannually, on February 1 and August 1 at interest rates ranging from 2 percent to 5 percent for the Series 2014 Certificates. The Series 2014 Certificates were issued to refund the Refunded Certificates and thereby refinance a portion of the cost of acquisition, construction and installation of the Consolidated 2006 Project as well as to pay costs associated with the issuance of the Series 2014 Certificates.

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 payments through to term, the master lease-purchase agreement provides for several remedies that are available to the Leasing Corporation.

The District properties included in the ground leases under these arrangements include:
Series 2006 (as amended) and 2014:

- Navarre High School – Gymnasium, Classrooms and Maintenance Building
- Navarre High School – Cafeteria Expansion, Fieldhouse and North Wing Addition
- Thomas L. Sims Middle School – Classroom Spaces and Accoutrements
- Bennett C. Russell Elementary School
- Woodlawn Beach Middle School – Classroom Additions

Series 2009:

- Jay High School – Improvements
- Central High School – Improvements

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The following is a schedule by fiscal years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 3,376,954	\$ 2,035,000	1,341,954
2019	3,378,647	2,120,000	1,258,647
2020	3,370,351	2,205,000	1,165,351
2021	3,371,441	2,310,000	1,061,441
2022	3,343,138	2,390,000	953,138
2023-2027	14,482,616	11,430,000	3,052,616
2028-2031	8,767,769	8,100,000	667,769
Total Minimum Lease Payments	\$ 40,090,914	\$ 30,590,000	\$ 9,500,914
Plus: Unamortized Premium	2,252,054	2,252,054	-
Total Certificates of Participation	\$ 42,342,968	\$ 32,842,054	\$ 9,500,914

2. Bonds Payable

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2009A, Refunding	\$ 100,000	5	2019
Series 2010A	910,000	3.5 - 5	2030
Series 2011A, Refunding	255,000	3 - 5	2023
Series 2014A, Refunding	257,000	3 - 5	2025
Series 2014B, Refunding	131,000	2 - 5	2020
Series 2017A, Refunding	162,000	5	2026
Bonds Payable	1,815,000		
Plus: Unamortized Premium	217,661		
Total Bonds Payable	\$ 2,032,661		

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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

These bonds are authorized by Chapter 73-616, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Santa Rosa 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 (2001), now Section 212.20(6)(d)6.a., Florida Statutes). The annual distribution is remitted by the Florida Department of Financial Services to the District. 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.

During the 2016-17 fiscal year, the District recognized pari-mutuel tax revenues totaling \$223,250 and expended \$196,085 (88 percent) of these revenues for debt service directly collateralized by these revenues. The debt of the pledged pari-mutuel tax revenues matured on August 1, 2016.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2018	\$ 350,579	270,000	80,579
2019	250,905	184,000	66,905
2020	207,155	149,000	58,155
2021	200,095	149,000	51,095
2022	206,645	163,000	43,645
2023-2027	737,935	615,000	122,935
2028-2030	308,200	285,000	23,200
Total State School Bonds	\$ 2,261,514	\$ 1,815,000	\$ 446,514

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3. Defeased Debt

The FDOE issued Capital Outlay Refunding Bonds, Series 2017A, dated April 27, 2017, with interest rates ranging from 3 to 5 percent. The District's pro rata share of net proceeds totaling \$186,601, along with other monies, was placed in an irrevocable trust to provide for future debt service payments. As a result, \$185,000 of the State School Bonds are considered to be in-substance defeased and the liability for these bonds has been removed from the government wide-financial statements.

4. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 32,625,000	\$ -	\$ 2,035,000	\$ 30,590,000	\$ 2,035,000
Unamortized Premium on Certificates	2,529,881	-	277,827	2,252,054	277,827
Total Certificates of Participation Payable	35,154,881	-	2,312,827	32,842,054	2,312,827
 Bonds Payable	 2,492,000	 162,000	 839,000	 1,815,000	 270,000
Unamortized Premium on Bonds	220,852	24,601	27,792	217,661	31,563
Total Bonds Payable	2,712,852	186,601	866,792	2,032,661	301,563
 Compensated Absences Payable	 19,929,867	 6,751,561	 7,357,304	 19,324,124	 5,609,837
Net Pension Liability	76,344,897	63,345,477	21,623,847	118,066,527	-
Other Postemployment Benefits Payable	5,053,019	2,237,361	804,091	6,486,289	-
 Total Governmental Activities	 \$ 139,195,516	 \$ 72,520,999	 \$ 32,964,860	 \$ 178,751,654	 \$ 8,224,226

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 funds.

I. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosure, fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.

Restricted Fund Balance. Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

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Restricted fund balance places the most binding level of constraint on the use of fund balance.

- **Unassigned Fund Balance.** The unassigned fund balance is 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.

J. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2016-17 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 109,439,222
Categorical Education Program - Class Size Reduction	28,808,199
Workforce Development Program	2,192,881
Florida Best and Brightest Scholarship Program	1,397,467
School Recognition	1,079,583
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,018,044
Gross Receipts Tax (Public Education Capital Outlay)	709,661
Voluntary Prekindergarten Program	505,376
Discretionary Lottery Funds	438,844
Food Service Supplement	109,193
Charter School Capital Outlay	65,027
Mobile Home License Tax	29,835
Miscellaneous	621,428
Total	\$ 146,414,760

Accounting policies relating to certain State revenue sources are described in Note I.G.2.

2. Property Taxes

The following is a summary of millages and taxes levied on the 2016 tax roll for the 2016-17 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	4.692	\$ 44,147,615
Basic Discretionary Local Effort	0.748	7,038,026
<u>Capital Projects - Local Capital Improvement Fund</u>		
Nonvoted Tax:		
Local Capital Improvements	1.400	13,172,775
Total	6.840	\$ 64,358,416

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K. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 5,302,565	\$ 3,319,026
Capital Projects:		
Local Capital Improvement	-	6,615,515
Other	-	2,154,947
Nonmajor Governmental	3,788,153	1,230
Internal Service	3,000,000	-
Total	\$ 12,090,717	\$ 12,090,717

The District made transfers to the General Fund to cover payments on the student transportation contract, to pay for certain property and casualty insurance premiums, to cover payments for computer upgrades, to facilitate the transfer of State funds to its charter schools, to pay for network infrastructure, and to pay contractual payments for tennis courts usage. The District made transfers to the nonmajor governmental funds to facilitate debt service payments on certificates of participation and to cover the District's portion of Reserve Officer Training Corps. The District made transfers to the internal service fund to establish an adequate net position for its self-insurance program and to cover increases in insurance premiums.

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SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - (1) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (2) (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
July 1, 2012	\$ -	\$ 9,247,801	\$ 9,247,801	0.0%	\$ 64,129,466	14.40%
July 1, 2013	\$ -	\$ 9,930,640	\$ 9,930,640	0.0%	\$ 65,789,331	15.10%
July 1, 2014	\$ -	\$ 12,103,351	\$ 12,103,351	0.0%	\$ 107,159,237	11.30%
July 1, 2015	\$ -	\$ 12,586,938	\$ 12,586,938	0.0%	\$ 107,159,237	11.30%
July 1, 2016	\$ -	\$ 18,596,008	\$ 18,596,008	0.0%	\$ 107,866,360	17.20%

Note (1): The District's OPEB actuarial valuation used the projected unit credit cost method to estimate the actuarial accrued liability for the 7/1/13 and 7/1/13 valuations and the entry age normal (level dollar) actuarial cost method to estimate the actuarial accrued liability for the 7/1/15 valuation.

Note (2): The District's covered payroll for the 7/1/13 and 7/1/14 valuations included payroll of active participating members and for the 7/1/15 valuation included the annual payroll of all covered members.

Schedule of the District's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (1)				
	2016	2015	2014	2013
District's proportion of the FRS net pension liability	0.283958872%	0.292741153%	0.301366557%	0.298403787%
District's proportion share of the FRS net pension liability	\$ 71,699,838	\$ 37,811,446	\$ 18,387,792	\$ 51,368,573
District's covered-employee payroll (2)	\$ 123,528,778	\$ 114,639,462	\$ 113,783,755	\$ 114,789,889
District's proportion share of the FRS net pension liability as a percentage of its covered-employee payroll	58.04%	32.98%	16.16%	44.75%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	88.54%

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

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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**Schedule of District Contributions -
Florida Retirement System Pension Plan (1)**

	2017	2016	2015	2014
Contractually required FRS contribution	\$ 6,898,970	\$ 6,924,790	\$ 7,137,278	\$ 6,601,206
FRS contributions in relation to the contractually required contribution	\$ (6,898,970)	\$ (6,924,790)	\$ (7,137,278)	\$ (6,601,206)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll (2)	\$ 120,728,089	\$ 123,528,778	\$ 114,639,462	\$ 113,783,755
FRS contributions as a percentage of covered-employee payroll	5.71%	5.61%	6.23%	5.80%

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

(2) Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**Schedule of the District's Proportionate Share
of Net Pension Liability -
Health Insurance Subsidy Pension Plan (1)**

	2016	2015	2014	2013
District's proportion of the HIS net pension liability	0.397840722%	0.377837200%	0.382950949%	0.383693682%
District's proportion share of the HIS net pension liability	\$ 46,366,688	\$ 38,533,451	\$ 35,806,848	\$ 33,405,580
District's covered-employee payroll (2)	\$ 123,528,778	\$ 114,639,462	\$ 113,783,755	\$ 114,789,889
District's proportion share of the HIS net pension liability as a percentage of its covered-employee payroll	37.54%	33.61%	31.47%	29.10%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	1.78%

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

(2) Covered employee-payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**Schedule of District Contributions -
Health Insurance Subsidy Pension Plan (1)**

	2017	2016	2015	2014
Contractually required HIS contribution	\$ 2,003,926	\$ 2,039,187	\$ 1,444,329	\$ 1,311,861
HIS contributions in relation to the contractually required contribution	\$ (2,003,926)	\$ (2,039,187)	\$ (1,444,329)	\$ (1,311,861)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll (2)	\$ 120,728,089	\$ 123,528,778	\$ 114,639,462	\$ 113,783,755
HIS contributions as a percentage of covered-employee payroll	1.66%	1.65%	1.26%	1.15%

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

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**SANTA ROSA COUNTY
DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

I. BUDGETARY BASIS OF ACCOUNTING

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 transportation services, and school administration) and may be amended by resolution at any 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 fiscal year's appropriations.

**II. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT
BENEFITS PLAN**

The July 1, 2016 actuarial accrued liability (AAL) of \$18,596,008 was higher than the July 1, 2014 AAL of \$12,103,351 as a result of the following changes since the prior valuation:

- The annual per capital claims costs have been updated to reflect current age-adjusted premiums and updated manual rates.
- The premium rates have been updated to use the rates effective for 2017, which remained relatively flat compared to expected premiums.
- Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.
- The actuarial cost method was changed from Entry Age Normal Level Dollar to Entry Age Normal Level Percentage of Pay which will be the required funding method under the new GASB standards.
- The mortality rates have been updated to use projected mortality improvements to the new valuation date.

**SANTA ROSA COUNTY
DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**III. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF
CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Changes of Benefit Terms. No changes in benefit terms.

Changes of Assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.6 percent, and the active member mortality assumption was updated.

**IV. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF
CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN**

Changes of Benefit Terms. No changes in benefit terms.

Changes of Assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.8 percent to 2.85 percent.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
July 1, 2012	\$ -	\$ 9,247,801	\$ 9,247,801	0.0%	\$ 64,129,466	14.40%
July 1, 2013	\$ -	\$ 9,930,640	\$ 9,930,640	0.0%	\$ 65,789,331	15.10%
July 1, 2014	\$ -	\$ 12,103,351	\$ 12,103,351	0.0%	\$ 107,159,237	11.30%
July 1, 2015	\$ -	\$ 12,586,938	\$ 12,586,938	0.0%	\$ 107,159,237	11.30%
July 1, 2016	\$ -	\$ 18,596,008	\$ 18,596,008	0.0%	\$ 107,866,360	17.20%

Note (1): The District's OPEB actuarial valuation used the projected unit credit cost method to estimate the actuarial accrued liability for the 7/1/13 and 7/1/15 valuations and the entry age normal (level dollar) actuarial cost method to estimate the actuarial accrued liability for the 7/1/14 valuation.

Note (2): The District's covered payroll for the 7/1/13 and 7/1/14 valuations included payroll of active participating members and for the 7/1/15 valuation included the annual payroll of all covered members.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

1. BUDGETARY BASIS OF ACCOUNTING

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 transportation services, and school administration) and may be amended by resolution at any 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 fiscal year's appropriations.

2. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

The July 1, 2016 actuarial accrued liability (AAL) of \$18,596,008 was higher than the July 1, 2014 AAL of \$12,103,351 as a result of the following changes since the prior valuation:

The annual per capital claims costs have been updated to reflect current age-adjusted premiums and updated manual rates.

The premium rates have been updated to use the rates effective for 2017, which remained relatively flat compared to expected premiums.

Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries.

The actuarial cost method was changed from Entry Age Normal Level Dollar to Entry Age Normal Level Percentage of Pay which will be the required funding method under the new GASB standards.

The mortality rates have been updated to use projected mortality improvements to the new valuation date.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	500,000.00	500,000.00	497,223.73	(2,776.27)
Federal Through State and Local	3200	850,000.00	990,132.82	1,216,526.11	226,393.29
State Sources	3300	138,028,555.11	144,123,381.66	144,133,897.50	10,515.84
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	49,440,283.03	49,440,283.03	49,429,764.84	(10,518.19)
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue		2,351,907.08	4,469,747.57	4,580,394.05	110,646.48
Total Local Sources	3400	51,792,190.11	53,910,030.60	54,010,158.89	100,128.29
Total Revenues		191,170,745.22	199,523,545.08	199,857,806.23	334,261.15
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	132,048,430.05	131,900,005.65	124,551,316.17	7,348,689.48
Student Support Services	6100	6,905,570.22	7,158,942.88	6,842,720.26	316,222.62
Instructional Media Services	6200	2,187,215.33	2,217,293.71	1,985,542.49	231,751.22
Instruction and Curriculum Development Services	6300	3,377,654.51	3,640,490.17	3,514,570.35	125,919.82
Instructional Staff Training Services	6400	2,058,560.70	2,698,909.22	2,155,591.47	543,317.75
Instruction-Related Technology	6500	5,076,973.55	5,815,921.89	5,289,944.95	525,976.94
Board	7100	698,906.44	774,872.25	737,216.33	37,655.92
General Administration	7200	709,837.13	747,339.94	740,225.58	7,114.36
School Administration	7300	13,073,477.37	14,173,398.20	13,902,426.74	270,971.46
Facilities Acquisition and Construction	7410	24,837.12	49,118.04	4,119.62	44,998.42
Fiscal Services	7500	1,173,093.58	1,184,354.43	1,145,919.07	38,435.36
Food Services	7600			0.00	0.00
Central Services	7700	2,804,392.46	2,542,756.43	2,352,321.80	190,434.63
Student Transportation Services	7800	12,056,234.84	11,996,383.76	11,832,257.53	164,126.23
Operation of Plant	7900	13,183,751.99	13,260,991.17	13,150,563.16	110,428.01
Maintenance of Plant	8100	3,869,396.23	3,940,478.97	3,637,337.52	303,141.45
Administrative Technology Services	8200	2,241,504.11	2,072,390.96	2,028,637.74	43,753.22
Community Services	9100	918,342.30	2,042,537.22	1,809,827.40	232,709.82
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Due and Fees	730			0.00	0.00
Miscellaneous	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		28,675.67	28,675.67	0.00
Other Capital Outlay	9300		980,673.53	980,673.53	0.00
Total Expenditures		202,408,177.93	207,225,534.09	196,689,887.38	10,535,646.71
Excess (Deficiency) of Revenues Over (Under) Expenditures		(11,237,432.71)	(7,701,989.01)	3,167,918.85	10,869,907.86
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740	0.00	33,328.22	33,623.72	295.50
Proceeds of Forward Supply Contract	3760			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600	4,712,369.00	5,302,564.57	5,302,564.57	0.00
Transfers Out	9700	(323,606.56)	(3,319,025.59)	(3,319,025.59)	0.00
Total Other Financing Sources (Uses)		4,388,762.44	2,016,867.20	2,017,162.70	295.50
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		(6,848,670.27)	(5,685,121.81)	5,185,081.55	10,870,203.36
Fund Balances, July 1, 2016	2800	22,961,634.50	22,961,634.50	22,961,634.50	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	16,112,964.23	17,276,512.69	28,146,716.05	10,870,203.36