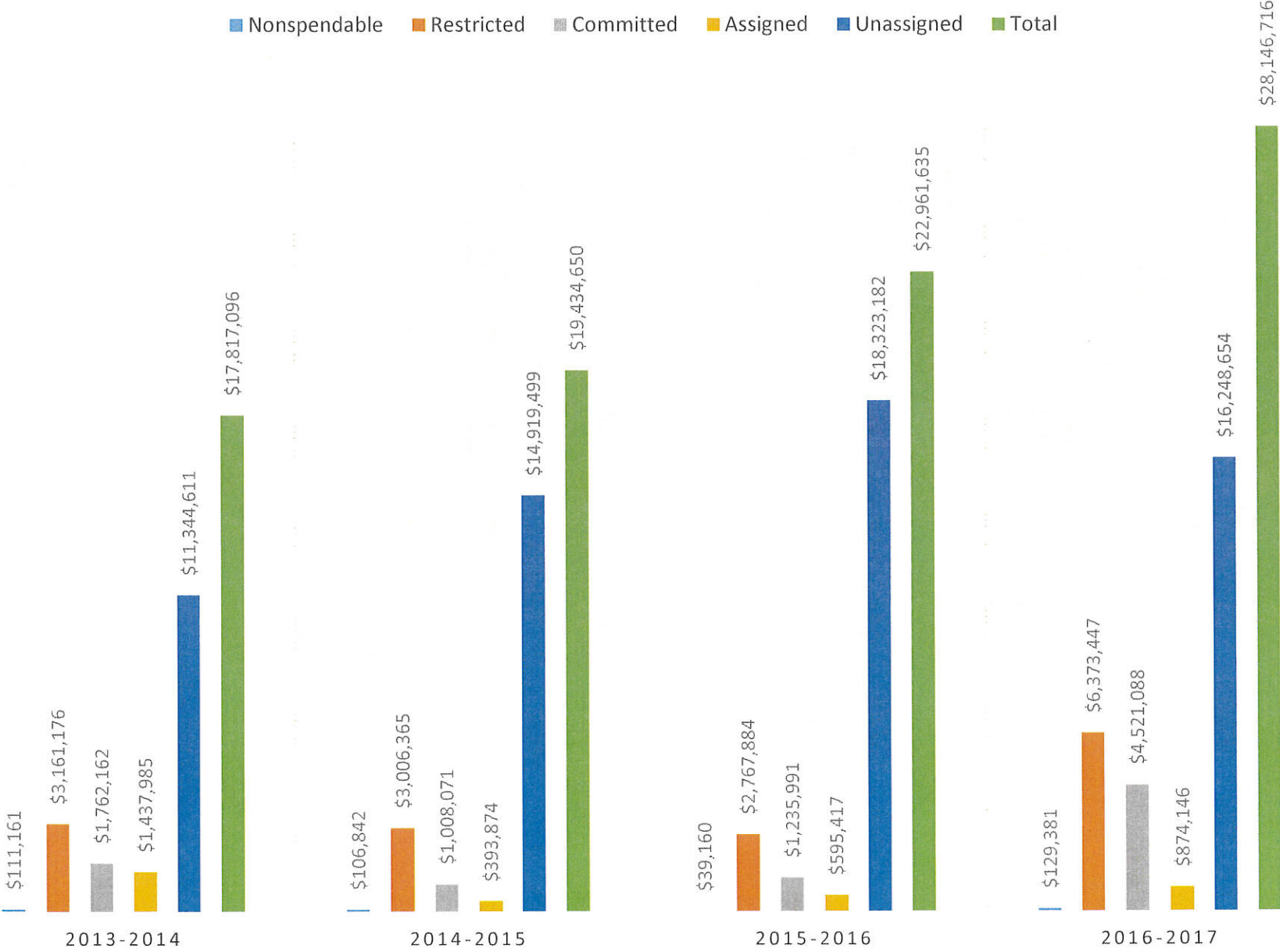
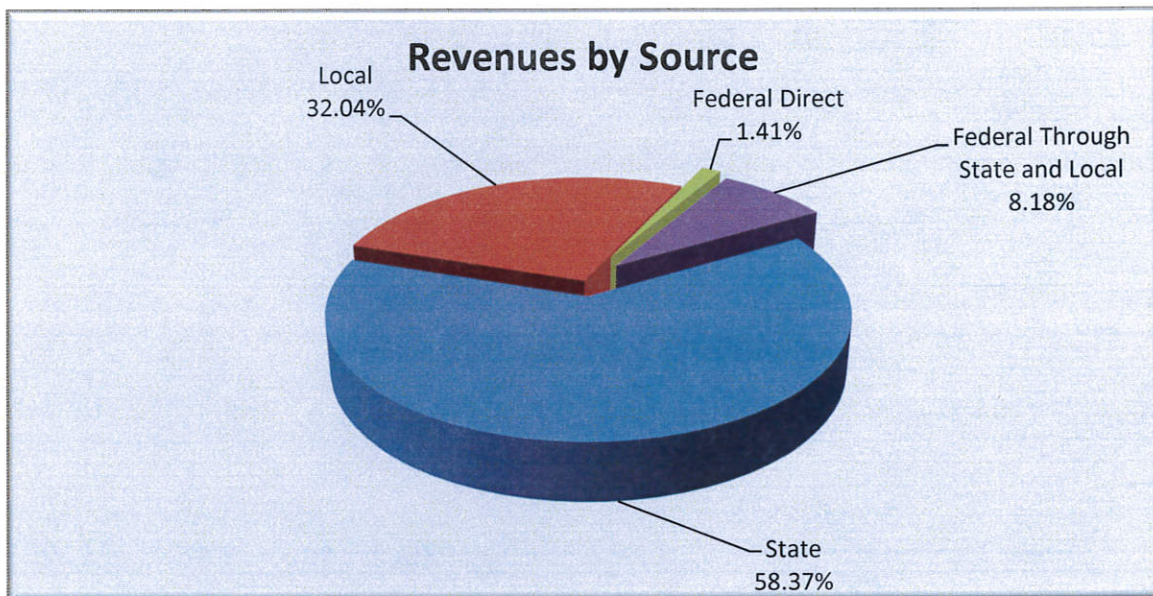


GENERAL SCHOOL FUND BALANCE



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

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

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

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

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.