

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

St. Johns County
School District

St. Augustine, Florida



St. Johns County School District
St. Augustine, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended
June 30, 2019

Prepared by Department of Finance



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**ST. JOHNS COUNTY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED June 30, 2019**

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INTRODUCTION



CAREER ACADEMIES *offer*

An opportunity for high school students to enroll in a specific course associated with a designated career area.

Letter of Transmittal

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Tim Forson
Superintendent of Schools

40 Orange Street
St. Augustine, Florida 32084
(904) 547-7500
www.stjohns.k12.fl.us

SCHOOL BOARD

Beverly Slough
District 1

Tommy Allen
District 2

Bill Mignon
District 3

Kelly Barrera
District 4

Patrick Canan
District 5

December 4, 2019

Dear School Board Members and Citizens of St. Johns County:

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



The accompanying report includes all funds of the District; the St. Johns County School Board Leasing Corporation, Inc. (Leasing Corporation); the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation); and three charter schools: St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc., and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc.

The Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities, and is considered to be a blended component unit. The Foundation is a not-for-profit corporation organized and operated as a direct support organization under Section 1001.453, Florida Statutes, to raise funds; receive, hold, invest and administer property; and to make expenditures for the benefit of the District. The charter schools are component units of the District, requiring discrete presentation in the basic financial statements. Charter school applications and contracts are approved and monitored by the District throughout the contract periods. Charter schools are funded by the State and funds pass through the District for distribution to each charter school. Charter schools may also receive grants and donations that do not pass through the District's financial system. The District receives a majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based on the number of full-time equivalent students enrolled at the charter school.

*The St. Johns County School District will inspire good character and a passion for lifelong learning
in all students, creating educated and caring contributors to the world.*

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

The accounting firm of Cherry Bekaert LLP has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

Those standards and the Uniform Guidance require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Information related to this Single Audit, including the schedule of expenditures of federal awards; findings and questioned costs; summary schedule of prior audit findings and corrective action plan; and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, are included in the Single Audit section.

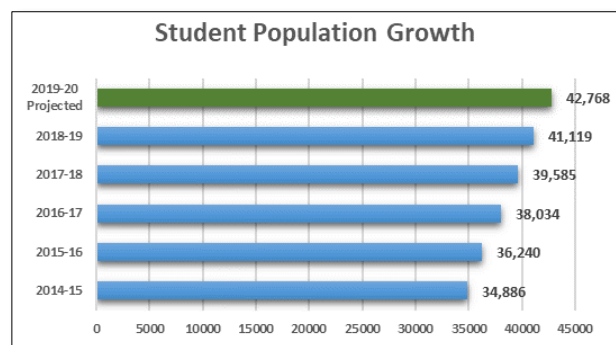
GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A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

PROFILE OF THE DISTRICT

The District and its governing board were created pursuant to Section 4, Article IX, of the Constitution of the State of Florida. The District is an independent taxing and reporting entity; managed, controlled, operated, administered, and supervised by District school officials in accordance with Chapter 1003, Florida Statutes.

The School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The School Board appoints the Superintendent who is responsible for the administration and management of the schools within the applicable parameters of State laws, State Board of Education Rules and School Board policies. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by laws and rules of the State Board of Education.

The geographical boundaries of the District are those of St. Johns County. During the 2018-19 fiscal year, the District operated 43 schools, including 18 elementary schools, 6 K-8 schools, 7 middle schools, 7 high schools, 1 technical college, 1 alternative education center, 1 virtual school, and 2 juvenile justice facilities. The District also has 3 charter schools that are component units of the District. In the 2018-19 fiscal year, the District provided educational opportunities to 41,119 unweighted full-time equivalent students through the following programs: basic K-12, exceptional student education, alternative education, early childhood, dual enrollment, career academies and accelerated programs, virtual instruction, career and technical, and adult education. The District's student growth has increased approximately 18 percent over the last 5 years and continues to steadily grow. The projected enrollment for the 2019-20 school year is 42,768 unweighted full-time equivalent students.



Although charter schools receive public funds, they operate independently of public school districts. Each charter school has its own board of directors and administrators. Each of the charter schools operating within the District during the 2018-19 school year provided an alternative choice with a specific educational focus.



District's CHARACTER COUNTS! initiative. The goal of this countywide character education program is to instill positive character traits in our young people. Character education is an important part of every school improvement plan and a major component of each student code of conduct. Through CHARACTER COUNTS!, THE PLAYERS sponsors multiple District programs; such as, the student-to-student mentorship programs, *Where Everybody Belongs* (middle school) and *Link Crew* (high school), and THE PLAYERS *Character Cup* (a fifth-grade student event highlighting physical education). THE PLAYERS also offers CHARACTER COUNTS! grants for school/classroom and student leadership, as well as the Pursuing Victory with Honor grant. These programs focus on the expansion and enhancement of character education through projects, clubs and athletic programs within the St. Johns County School District. In addition, THE PLAYERS purchase the curriculum and equipment needed to provide *The First Tee Golf in Schools Program* for every elementary and K-8 school in the District.

Complementing the County's history, scenic beaches, and recreational offerings are its residential developments. Nocatee, a master-planned community located in Ponte Vedra, is one of the top selling communities in the County and ranked the sixth best-selling community in the nation.

ECONOMIC CONDITIONS AND OUTLOOK

The County's economic base is diverse and primarily tourism-related. Success in economic development ensures the County's long-term financial ability to provide ongoing quality services and infrastructure and enhance the quality of life for its residential and corporate citizens. An excellent system of public education is a significant factor in attracting new business, industry and residents to the County.

Socioeconomic indicators are above average with a per-capita income of \$68,149 and a median household income of \$73,640, compared to the state's per-capita of \$50,070 and median of \$50,883. The unemployment rate in the County, as of June 2019, was 2.9 percent, which is a decrease from last year's unemployment rate of 3.1 percent, and is tied for the second lowest unemployment rate in the state of Florida.

Major employers in the County are the District, Flagler Hospital, St. Johns County government offices and Florida School for the Deaf and the Blind, as well as the nationally recognized companies Northrop Grumman, Ring Power Corporation and the PGA Tour.

There are 83,744 households within the County, with an estimated population of 254,412 for 2019, an approximate increase of 21.5 percent over the last five years. The surge in population earns the County 12th place on the U.S. Census Bureau's "List of 100 Fastest Growing U.S. Counties with Population of 10,000 or More."

MAJOR INITIATIVES

Keeping Students Safe During the 2018 Legislative Session, the Florida Legislature passed the Marjory Stoneman Douglas High School Public Safety Act, a comprehensive law that includes provisions to address the safety and security of students and schools throughout Florida. This law requires each district school board and district school superintendent to cooperate with law enforcement agencies to assign one or more safe school officers at each school facility. Since 1986, the St. Johns County School Board and the St. Johns County Sheriff's Office have participated in a cooperative funding agreement of the School Youth Resource Deputy Program and plan to continue this cooperative funding agreement with the enactment of the Marjory Stoneman Douglas High School Public Safety Act.

Enhancing Mental Health Services On July 9, 2019, the District's Mental Health Assistance Allocation Plan was Board approved. This plan was developed to address the delivery of evidence-based mental health services to support all levels of need. These needs are discussed, in general, in the following three tiers:

- Tier 1 – Elementary school students will receive classroom lessons which will help students manage emotions and apply interpersonal skills. Middle school students will receive lessons to support substance abuse prevention, and safe and healthy relationships. High school HOPE classes will be enhanced by supplemental instruction in mental health awareness provided by licensed mental health counselors. Also at the high school level, school-wide prevention programs addressing topics including substance abuse, suicide, bullying, and dating violence will be implemented.

In addition, the District began piloting *Sources of Strength* at seven schools. *Sources of Strength* is a best-practice youth suicide prevention project designed to harness the power of peer social networks to change unhealthy norms and culture, ultimately preventing suicide, bullying, and substance abuse. The mission of *Sources of Strength* is to prevent suicide by increasing help-seeking behaviors and promoting connections between peers and caring adults.

- Tier 2 – School-based counseling will be provided from a school counselor, school social worker or school psychologist.
- Tier 3 – Supplemental counseling services may be provided through the addition of individual and/or group counseling with a District mental health counselor or outside provider.

Investing in Students and Schools

- **Career and Technical Education** The District offers a unique elective course option to high school students known as a Career Academy. Career Academies are designed around a career theme and offer students a greater awareness of the opportunities

available within that career area. Multiple career types are offered in the high school academies and students have a wide range of choices; such as, aeronautics, business, communications, design, engineering, health, hospitality and tourism, law enforcement, technology and environmental sciences. Academies must have a demonstrated need for employees for the particular career type and each academy includes a mentor and/or advisory board consisting of business leaders within the career cluster. The elective courses in each Academy adhere to specific guidelines established by the District and meet all graduation requirements. Grouped by a common area of interest, students experience a "school within a school" as they participate in hands-on, project-based programs of study. Successfully completed courses are included on a student's transcript and may be eligible as college credits. In addition, some Academy courses offer industry certification exams. Academies are instrumental in assisting students as they plan for postsecondary experiences, whether continuing their education or moving directly into the world of work.

- **First Coast Technical College (FCTC)** This accredited technical college operates under the purview of the St. Johns County School District and provides career, technical, and adult education to meet the changing needs of students, businesses, and the workforce. FCTC offers a wide range of vocational/technical programs including, but not limited to, automotive technology, culinary arts, cosmetology, dental assistant, emergency medical technician, fire-fighting, licensed practical nursing, medical assistant, nursing assistant, paramedic, and welding technology.
- **Professional Learning Communities (PLCs)** The framework for teacher evaluations utilized in the District is based upon a model focused on improving instructional performance to meet the needs of all students. The PLC process allows educators to work collaboratively in recurring cycles of collective inquiry and action research to achieve better results for the students they serve. PLCs work by providing a collaborative work environment, increasing team approach to student success, and increasing teacher awareness of data driven instruction. PLCs are implemented districtwide in order to assist all school administrators, teachers, and staff to grow in instructional practices.
- **Advancement Via Individual Determination (AVID)** AVID is a system focused on training educators to use methodologies that develop students' critical thinking, literacy and math skills for success in high school, college, and a career. The philosophy of the AVID system is for educators to not only provide academic and social support, but to hold students accountable to the highest standards, encouraging them to personal achievement through hard work and determination. AVID is especially effective for students underrepresented in higher education. A benefit to teachers and students, AVID is implemented at the elementary and secondary levels and is aligned to the District's strategic plan goals for college readiness, academic, and student services goals, as well as human resources and professional development goals.

- **Bring Your Own Device (BYOD)** The District is committed to providing students and staff a next generation learning environment in which every student has access to learning experiences and instruction, designed around communication, collaboration, creativity, and critical thinking. To expand the integration of technology in the classroom, the District promotes the use of student owned mobile devices in school through a program known as Bring Your Own Device (BYOD). The BYOD program allows students to use their own technology during the school day (when authorized by the teacher) to enhance the learning experience.
- **i-Ready** The District implemented the i-Ready program to help drive student success through diagnostic and growth monitoring assessments and highly engaging computer-based lessons that motivate students at their level of ability and help quickly move them to grade level and beyond.

ACCOMPLISHMENTS

One of the measurements used to determine a school district's success is to compare the results of its students' scores on national and statewide testing platforms. The District's students have performed remarkably well based on those various tests and their results are noted below.

District students exceeded the state average as well as the national average on both the 2019 SAT and the 2019 ACT. Students also outperformed all other Florida students on the 2019 AP tests. In addition, District students exceeded the state average in the 2019 ACT College Readiness Benchmark tests in English, math, science, and reading, as individual subjects, as well as all four of those subjects combined.

For the 2018-19 school year, District students ranked first in reading in all tested grades (3-10). Math testing results ranked District students first in grades 6-8; tied for second in grade 4; second in grade 5; and third for grade 3. District students also ranked first in science in the tested grade of 8 and tied for first in the tested grade of 5. District students also ranked first in the state for all End-of-Course tests (FSA Algebra 1 and Geometry and NGSSS Biology, Civics and US History).

Finally, District students have been first in the State (out of 67 school districts) in total school accountability points for the past 11 years, and the District is one of only two school districts in the State to receive an "A" grade for 15 consecutive years.

FINANCIAL INFORMATION

Long-term Financial Planning The District continues to carefully monitor its financial resources to make reductions in expenditures, to stabilize operations and to accumulate needed reserves to help balance the budget. Maintaining adequate fund balances, solid debt ratings, and fiscal restraint are critical success factors in this endeavor.

The District's operating fund has experienced financial pressure due to the slow recovery from the economic recession. These pressures include: per-student funding from the State below the 2007-08 fiscal year funding level when factoring in inflation; student growth; class size reduction initiative; professional development training for the teachers; cost increases for health care; and the continuing need to pay competitive teacher salaries in a classroom environment where the demands on our teachers continue to compound. Additionally, the District's operating fund has experienced increased financial pressure to fully cover safety and security measures (including school campus capital improvements and the cost of mental health professionals), as required by the Marjory Stoneman Douglas High School Public Safety Act.

In the past, the District could depend on a 2 to 3 percent increase in the base student allocation when making financial decisions to best meet the needs of the students. These needs include the ability to competitively compensate teachers. Florida continues to trail the country in teacher salaries and will be severely challenged in the years ahead to adequately staff classrooms with qualified teachers given the national shortage. Over the last two years, the budget process has been challenging because the base student allocation increase was .01 percent and 1.79 percent for the 2018-19 and 2019-20 fiscal years, respectively. The 1.79 percent increase for the 2019-20 fiscal year represents only a \$75.07 increase for each student. If the District does not see a significant improvement in base student allocation funding in the future, then it will be necessary to once again reduce operating and capital expenditure budgets.

Capital Outlay Program As an intricate part of its long-term financial planning strategy, the District has an ongoing five year plan for construction, maintenance, and facility renovations. The 5-Year District Facilities Work Plan is updated annually.

The District's availability of funds for capital projects needs continues to be restricted. Currently, the District is growing at a rate of 4.6 percent per year and has endured several years of declining local capital outlay millage funding. In fact, local capital outlay millage generated approximately \$47 million for the 2007-08 fiscal year, but only generated \$40.6 million for the 2018-19 fiscal year.

This disparity is due, in large part, to a recession driven reduction of the allowable millage level from 2 mills to 1.75 mills in 2008-09 and then again to 1.5 mills in 2009-10 by the Florida Legislature. To date, the local capital outlay millage remains at 1.5 mills and can be increased only at the State level.

Furthermore, the Florida Legislature has reduced the required local effort school tax rate for the past four years by reducing the required local effort to the "rolled back rate," thereby preventing the local revenue to grow with the tax roll. This reduction has severely impacted the District's ability to perform preventive maintenance at the District's educational facilities and to meet the District's increasing capital needs (mainly due to student growth) related to new

construction, technology, and school buses. These legislative decisions are significantly impeding the ability of the District to meet increasing capital needs. To add to this challenge, the 2018 Legislature's enactment of the Marjory Stoneman Douglas High School Public Safety Act requires Florida school districts to perform a physical school campus threat assessment of each school. Keeping in mind that Florida's schools average 30 years of age and were designed with multiple entrances and open campuses, the identification of unfunded capital security enhancement projects that are necessary to decrease the threat of active shooters is extensive and places an additional strain on the District's capital revenue stream.

In an effort to compensate for decisions made by the Florida Legislature, the District pursued other means of funding. Specifically, on November 3, 2015, the citizens of the County voted to approve a one-half cent local sales surtax to be used for capital improvements within the school district. The sales tax went into effect on January 1, 2016, and is expected to generate approximately \$150 million over the next ten years. These funds are earmarked to meet the needs of an increasing student population. These needs include new construction and school expansions to maintain high quality education facilities; such as, roof replacements and site improvements; the provision of new technology to prepare children for 21st century learning (classroom technology upgrades at 34 schools); providing student and teacher instructional devices at 36 schools; infrastructure improvements; and, to continue to keep children safe, security cameras, monitoring systems, secure doors and entrances, and GPS systems for school buses. Specifically, during the 2017-18 fiscal year, the one-half cent local sales tax revenue provided funding for the construction of 2 kindergarten through eighth (K-8) grade schools which opened in August 2018. Each school was constructed with 73 classrooms and 1,496 student stations. Overall, while the one-half cent local sales surtax has assisted the District in funding capital needs, currently and for the foreseeable future, the District operates in an environment in which projects are prioritized with a focus on critical needs only. The District has been forced to move away from being prepared for growth and from using preventive maintenance (in order to minimize costs) to a philosophy of meeting only critical needs.

Budgetary Controls The District follows procedures established by Florida Statutes and State Board of Education Rules in establishing budget balances for governmental funds. The objectives of the District budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

Budgetary information is integrated in the accounting system and, to facilitate budget control, budget balances are encumbered when purchase requisitions are created. Appropriations

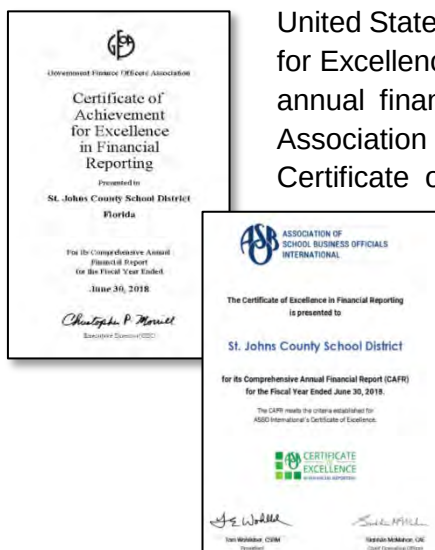
lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

Internal Controls District management is responsible for designing and maintaining internal controls to ensure that the assets of the District are protected from loss, theft or misuse, and that accounting data compiled for the formation of financial statements are in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the valuation of costs and benefits requires estimates and judgments by management. Both management and employees of the District are required to periodically review internal controls, and evaluate whether additions or changes are cost effective and should be made to strengthen controls.

Independent Audit The Certified Public Accounting Firm of Cherry Bekaert LLP performed the audit for the fiscal year ended June 30, 2019. The audit was conducted under the United States' Generally Accepted Auditing Standards (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Cherry Bekaert LLP's report on the basic financial statements and other matters is included in the financial section of this report.

AWARDS AND ACKNOWLEDGMENTS

Excellence in Financial Reporting The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This is the third consecutive year the District achieved both these prestigious awards.



In order to be awarded the GFOA Certificate of Achievement and the ASBO Certificate of Excellence in Financial Reporting, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to

meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting the report to GFOA and ASBO to determine its eligibility for this recognition.

The preparation of this report could not have been accomplished without the loyal and dedicated services of the staff of the Finance Department, as well as the entire District administrative staff who provided assistance throughout the preparation of this report.

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

Respectfully submitted,



Tim Forson
Superintendent, St. Johns County School District

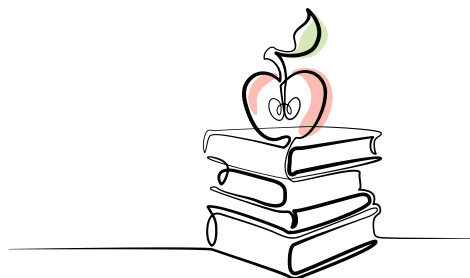


Michael Degutis
Chief Financial Officer



Dawn Posey
Director, Accounting and Payroll

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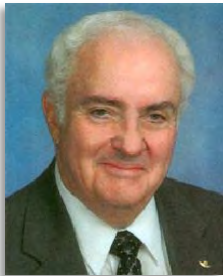
BOARD MEMBERS ELECTED



Mrs. Beverly Slough, Vice Chair
District 1
Member since 11/02
Current term expires 11/22



Mr. Tommy Allen
District 2
Member since 11/96
Current term expires 11/20



Mr. Bill Mignon
District 3
Member since 11/06
Current term expires 11/22



Mrs. Kelly Barrera, Chair
District 4
Member since 11/14
Current term expires 11/22



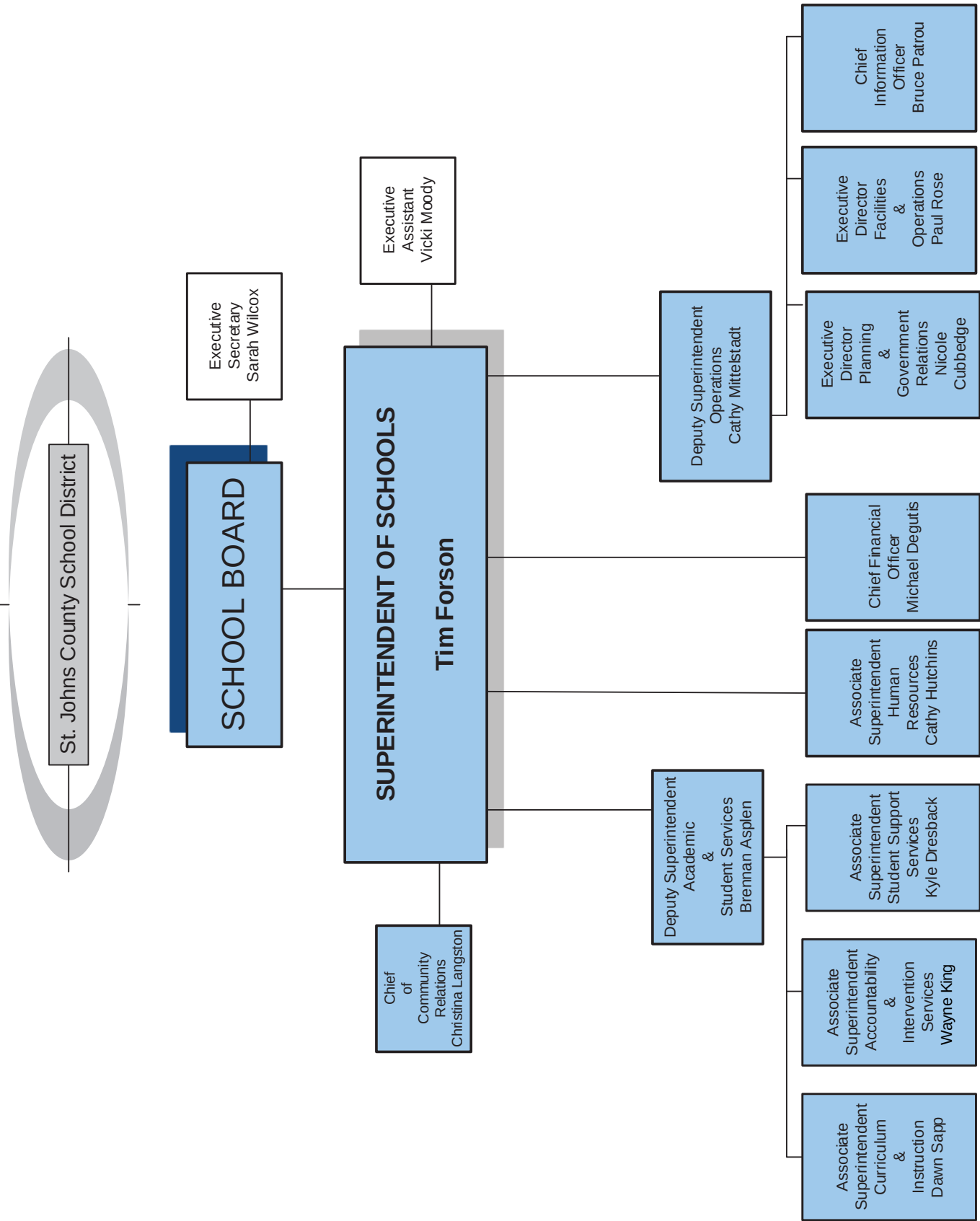
Mr. Patrick Canan
District 5
Member since 11/12
Current term expires 11/20

PRINCIPAL OFFICIALS APPOINTED

Tim Forson	Superintendent
Brennan Asplen	Deputy Superintendent Academic and Student Services
Cathy Mittelstadt	Deputy Superintendent Operations
Nicole Cubbedge	Executive Director Planning and Government Relations
Michael Degutis	Chief Financial Officer
Kyle Dresback	Associate Superintendent Student Support Services
Cathy Hutchins	Associate Superintendent Human Resources
Christina Langston	Chief of Community Relations
Bruce Patrou	Chief Information Officer
Paul Rose	Executive Director Facilities and Operations
Dawn Sapp	Associate Superintendent Curriculum and Instruction
Wayne King	Associate Superintendent Accountability and Intervention Services

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Organizational Chart June 2019



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

St. Johns County School District

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

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



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

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



Government Finance Officers Association

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

Presented to

**St. Johns County School District
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Executive Director/CEO

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FINANCIAL



CAREER ACADEMIES *provide*
An introduction to career clusters (careers sharing common features) that have a demonstrated need for employees.

Report of Independent Auditor

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Report of Independent Auditor

Honorable Members of the School Board
St. Johns County School District
St. Augustine, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units nor the fiduciary funds, which represent 100 percent of the component unit assets, net position, and revenues and 7 percent of the assets and 34 percent of the liabilities of the aggregate remaining fund information in the accompanying financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units and fiduciary funds, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Honorable Members of the School Board
St. Johns County School District
Page 2

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Honorable Members of the School Board
St. Johns County School District
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cheryl Behr", followed by a stylized flourish or set of initials.

Orlando, Florida
December 4, 2019

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Management's Discussion and Analysis

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The management of the St. Johns County District School Board (District) has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2019. It is intended to provide a broad overview using a short-term and long-term analysis of the District's activities based on information presented in the financial report and fiscal policies that have been adopted by the School Board (Board). The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues; provide an overview of the District's financial activities; identify changes in the District's financial position; identify material deviations from the approved budget; and highlight significant issues in the individual funds. 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 financial statements found immediately following the MD&A.

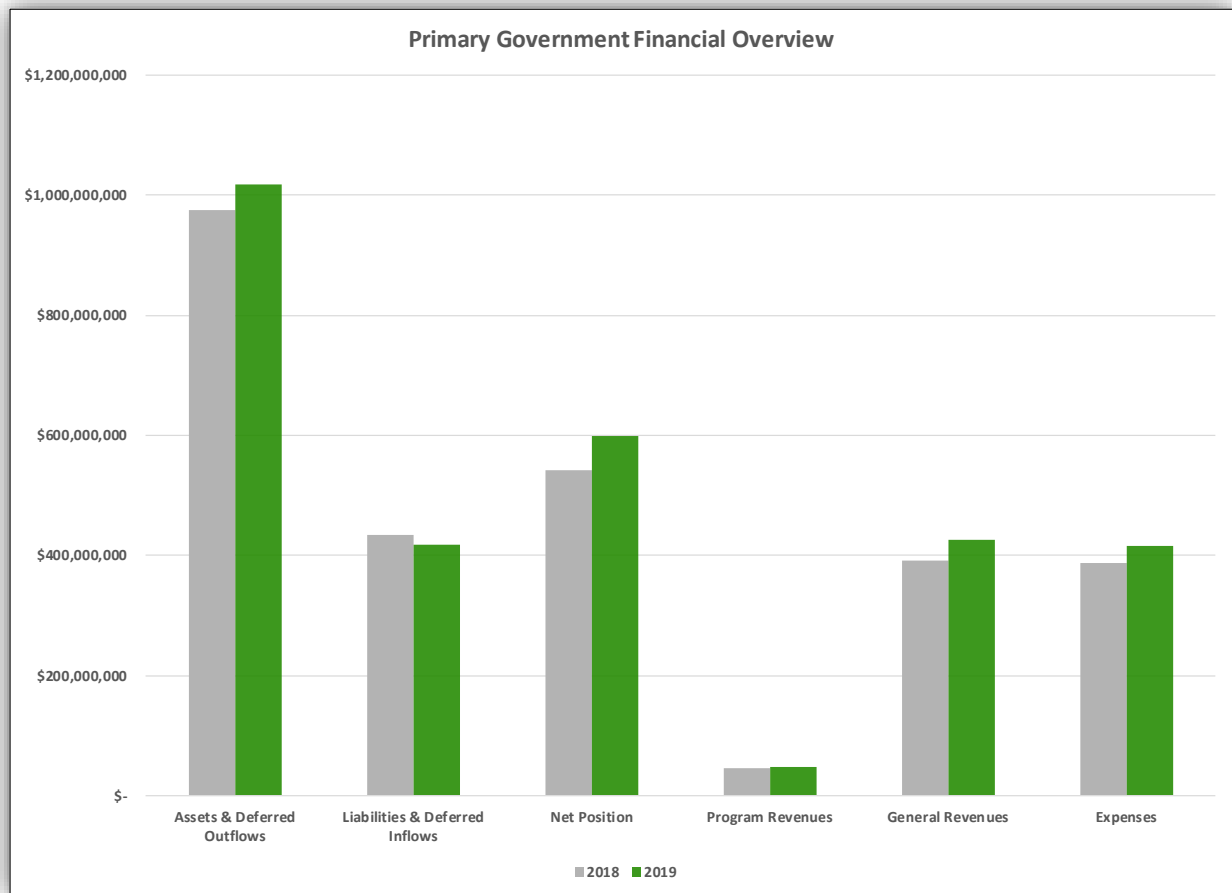
FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-19 fiscal year are as follows:

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at June 30, 2019, by \$598,762,322 (net position). After deducting investment in capital assets (net of related debt) and restricted net position, the District had a deficit unrestricted net position of \$82,266,268.
- In total, the District's net position increased \$57,193,542, which represents an 11 percent increase from the 2017-18 fiscal year.
- The District's total government-wide revenues of \$473,775,459 were comprised of general revenues of \$425,458,321, or 90 percent of total government-wide revenues, and program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions of \$48,317,138, or 10 percent of total government-wide revenues. This compares to the prior fiscal year with government-wide revenues of \$437,163,612, which were comprised of general revenues of \$391,044,856, or 89 percent of total government-wide revenues, and charges for services, operating grants and contributions, and capital grants and contributions of \$46,118,756, or 11 percent of total government-wide revenues.
- The District's total expenses for governmental activities of \$416,581,917 were offset by program specific revenues of \$48,317,138. The remaining expenses were funded from general revenues and fund balance. In the prior fiscal year, total expenses of \$386,878,217 were offset with program specific revenues of \$46,118,756, with the remaining expenses funded from general revenues and fund balance.

- The District's governmental funds reported a combined ending fund balance of \$211,341,611, an increase of \$32,950,019, or 18 percent, in the 2018-19 fiscal year in comparison with the prior fiscal year's balance of \$178,391,592.
- The General Fund total fund balance was \$62,832,085 as of June 30, 2019, and represents an increase of \$7,900,739, or 14 percent, as compared to the prior fiscal year's balance of \$54,931,346.
- The assigned and unassigned fund balance of the General Fund, which represents net current financial resources available for general appropriation by the Board, totaled \$47,741,423 at June 30, 2019, or 14 percent, of total general revenues. For the 2017-18 fiscal year, the assigned and unassigned fund balance in the General Fund was \$43,087,755, or 14 percent of total General Fund revenues.
- The District's investment in capital assets (net of accumulated depreciation) increased by \$11,082,487, or 2 percent, from its balance of \$625,447,766 at June 30, 2018, to \$636,530,253 at June 30, 2019, mainly due to the renovation and expansion of Mill Creek Elementary to Mill Creek Academy, a K-8 school.
- The District's capital asset-related long-term debt decreased by a net amount of \$18,549,431, or 15 percent, from its balance of \$126,735,380 at June 30, 2018, to \$108,185,949 at June 30, 2019, mainly due to the redemption of debt principal.

The Primary Government financial overview for the 2017-18 and 2018-19 fiscal years is shown below:



OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-Wide Financial Statements;
- Fund Financial Statements; and
- Notes to Financial Statements.

This report also includes required 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. These 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, specifically:

- The statement of net position provides information about the District's financial position, its assets and liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets and 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 and 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 aggregate financial information for the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation); St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc.; and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc. Although legally separate organizations, the component units 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 St. Johns County 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; Debt Service – Other Debt Service Fund; Capital Projects – Sections 1011.14/1011.15 Loan Fund; Capital Projects – Local Capital Improvement Fund; and Capital Projects – Other Capital Projects 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 is provided in the required supplementary information for the General Fund to demonstrate compliance with its 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 accumulate and allocate costs internally among the District's various functions. The District used its Internal Service Funds to account for its self-insurance programs, which includes group medical, dental, and vision coverages, and its workers' compensation program. The District's Internal Service Funds are included within governmental activities in the government-wide financial statements because the services predominantly benefit the District's governmental activities.

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as school and 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 held for student activities and groups.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's 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, 2019, compared to net position as of June 30, 2018:

	Net Position, End of Year	
	Governmental	
	Activities	
	6/30/19	6/30/18
Current and Other Assets	\$ 298,578,128	\$ 265,153,998
Capital Assets	636,530,253	625,447,766
Total Assets	935,108,381	890,601,764
Deferred Outflows of Resources	82,155,441	84,066,760
Long-Term Liabilities	354,759,896	369,079,608
Other Liabilities	43,696,211	50,883,552
Total Liabilities	398,456,107	419,963,160
Deferred Inflows of Resources	20,045,393	13,136,584
Net Position:		
Net Investment in Capital Assets	521,213,871	499,241,608
Restricted	159,814,719	126,456,614
Unrestricted (Deficit)	(82,266,268)	(84,129,442)
Total Net Position	\$ 598,762,322	\$ 541,568,780

The largest portion of the District's net position is 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 education and related services to the students of St. Johns County, Florida; 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.

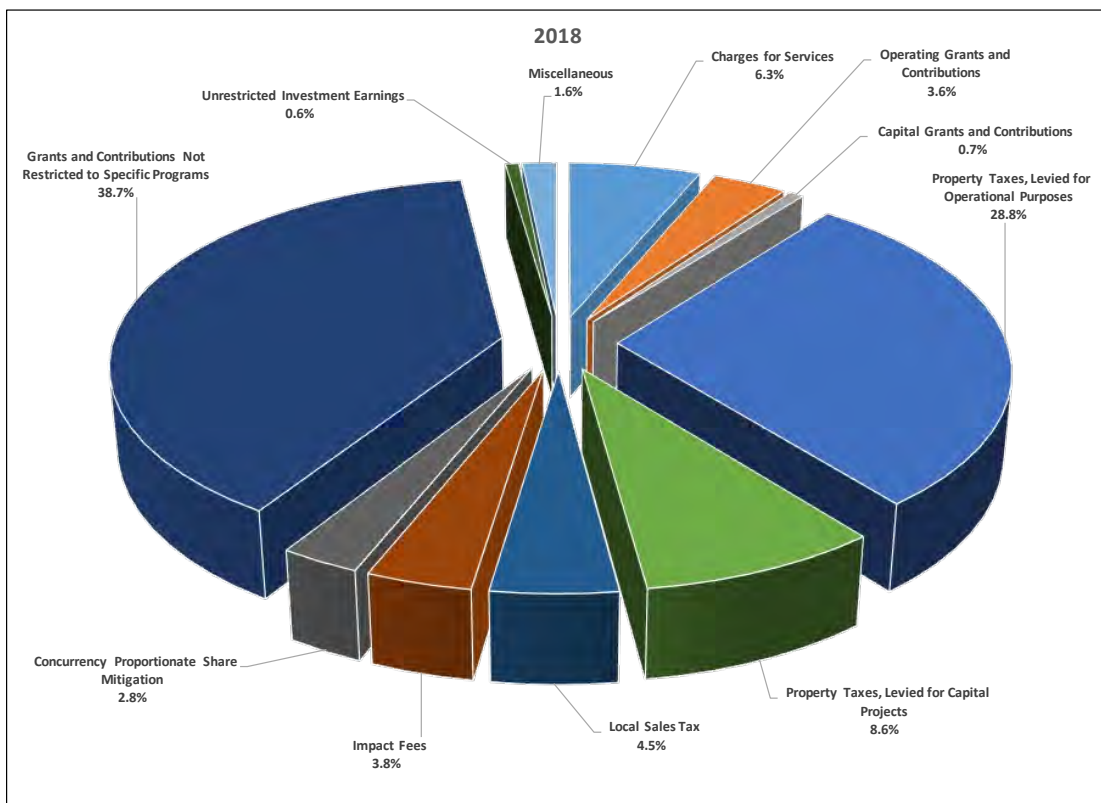
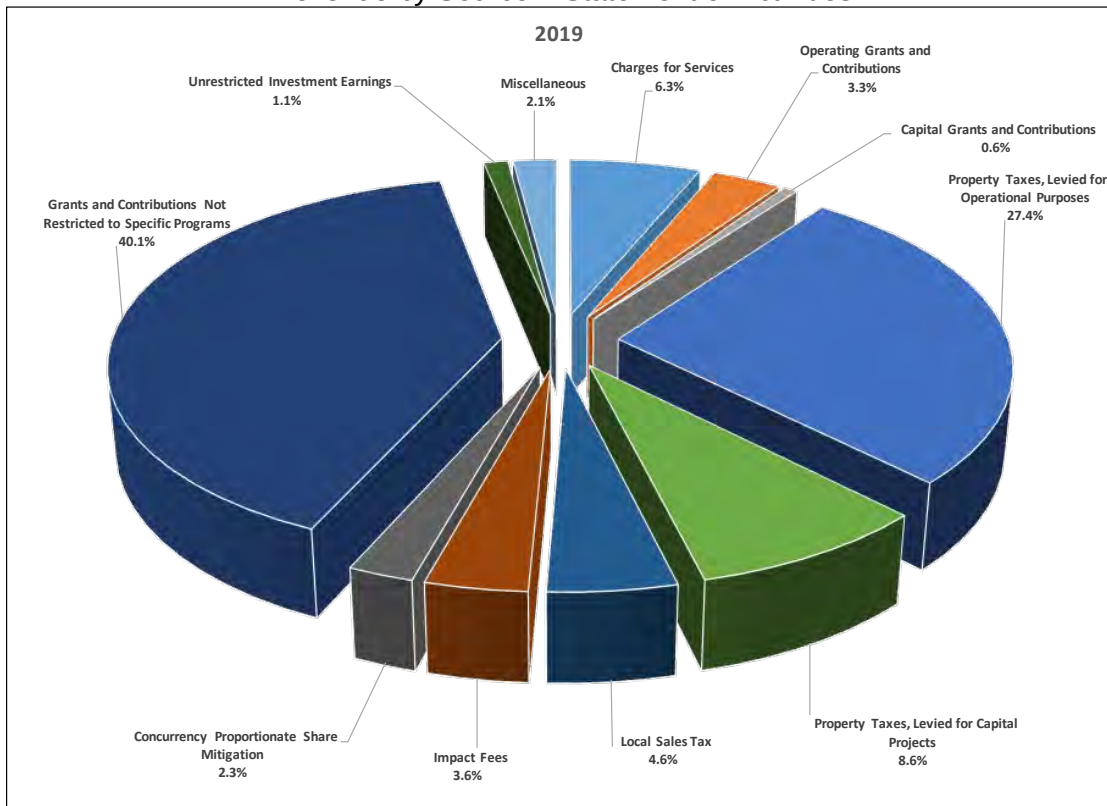
The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's deficit unrestricted net position was the result, in

part, of accruing long-term liabilities of \$29,666,952 in compensated absences payable; \$185,157,845 in net pension liability; and \$31,490,918 in other postemployment benefits payable. These long-term liabilities are funded on a pay-as-you-go basis.

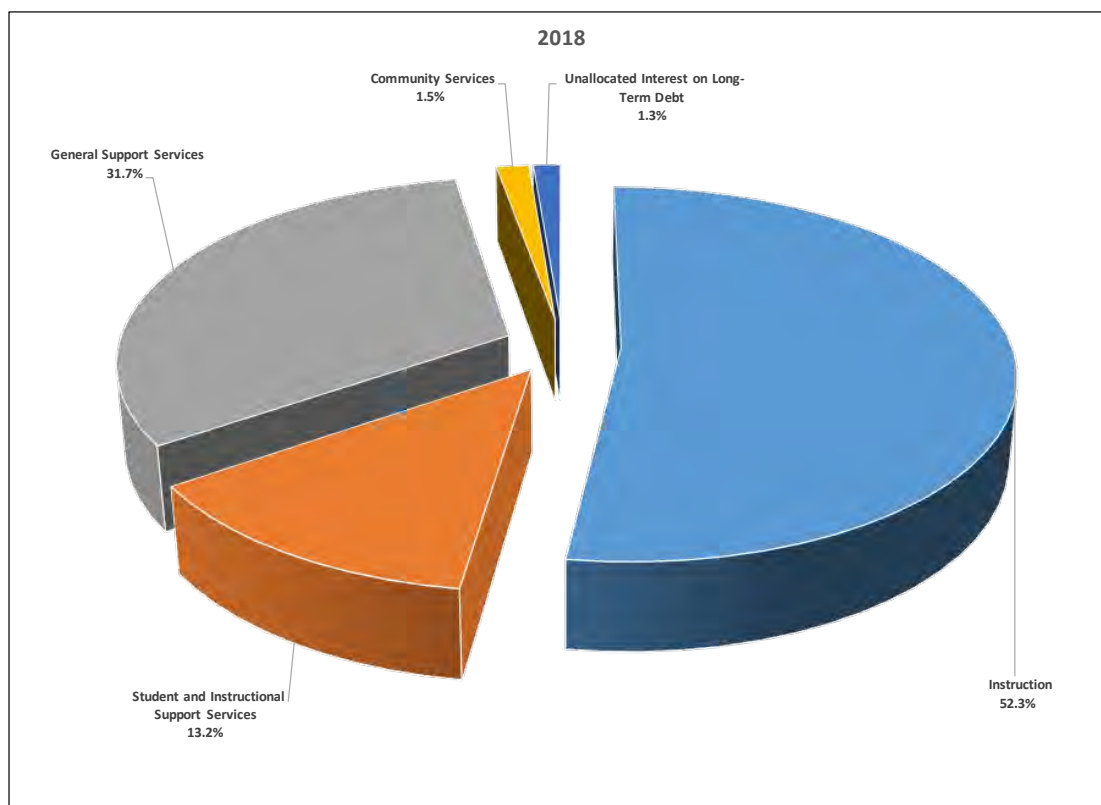
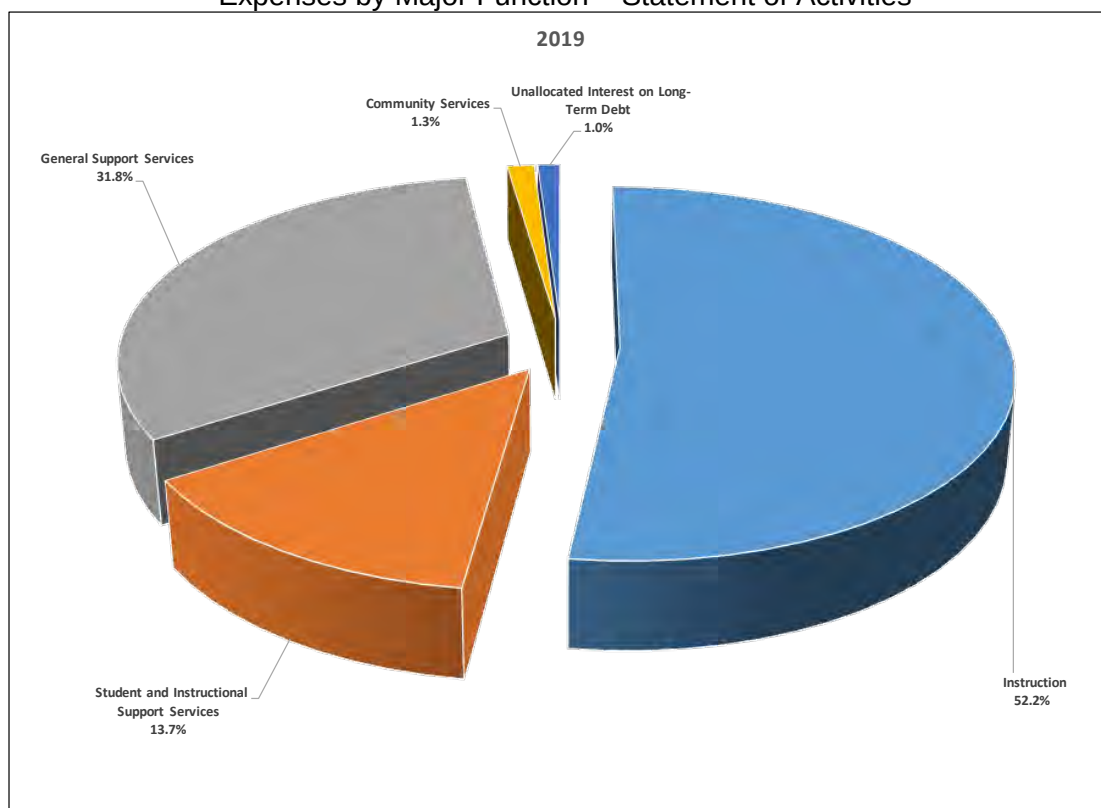
The District's total net position increased by \$57,193,542 during the 2018-19 fiscal year. This increase mainly represents the degree to which ongoing revenues have exceeded ongoing expenses. Details of the revenues and expenses composing the increase are as follows:

Operating Results for the Fiscal Year Ended			
	Governmental		
	Activities		Percent Change
	6/30/19	6/30/18	2018 to 2019
Program Revenues:			
Charges for Services	\$ 29,647,911	\$ 27,562,285	7.57%
Operating Grants and Contributions	15,565,088	15,584,317	-0.12%
Capital Grants and Contributions	3,104,139	2,972,154	4.44%
General Revenues:			
Property Taxes, Levied for Operational Purposes	129,606,705	125,817,426	3.01%
Property Taxes, Levied for Capital Projects	40,681,849	37,414,585	8.73%
Local Sales Tax	21,641,089	19,693,454	9.89%
Impact Fees	17,217,299	16,425,242	4.82%
Concurrency Proportionate Share Mitigation	11,050,657	12,422,554	-11.04%
Grants and Contributions Not Restricted to Specific Programs	189,960,448	169,390,142	12.14%
Unrestricted Investment Earnings	5,454,513	2,798,952	94.88%
Miscellaneous	9,845,761	7,082,501	39.02%
Total Revenues	473,775,459	437,163,612	8.37%
Functions/Program Expenses:			
Instruction	217,280,491	202,277,076	7.42%
Student Personnel Services	29,546,846	24,663,188	19.80%
Instructional Media Services	5,648,419	5,292,377	6.73%
Instruction and Curriculum Development Services	7,503,759	7,340,407	2.23%
Instructional Staff Training Services	5,042,522	4,394,698	14.74%
Instruction-Related Technology	9,384,256	9,172,168	2.31%
School Board	996,446	1,018,794	-2.19%
General Administration	1,135,906	1,079,020	5.27%
School Administration	21,104,153	20,180,295	4.58%
Facilities Acquisition and Construction	23,515,483	18,756,749	25.37%
Fiscal Services	2,380,993	2,161,532	10.15%
Food Services	13,893,077	12,508,993	11.06%
Central Services	15,738,641	15,854,739	-0.73%
Student Transportation Services	16,311,884	16,200,947	0.68%
Operation of Plant	26,586,679	24,958,641	6.52%
Maintenance of Plant	9,930,619	9,428,942	5.32%
Administrative Technology Services	884,510	652,932	35.47%
Community Services	5,312,161	5,963,267	-10.92%
Unallocated Interest on Long-Term Debt	4,385,072	4,973,452	-11.83%
Total Functions/Program Expenses	416,581,917	386,878,217	7.68%
Change in Net Position	57,193,542	50,285,395	13.74%
Net Position - Beginning	541,568,780	491,283,385	10.24%
Net Position - Ending	\$ 598,762,322	\$ 541,568,780	10.56%

Governmental Activities Revenue by Source – Statement of Activities



Governmental Activities Expenses by Major Function – Statement of Activities



The majority of the District's revenues for current operations are provided through the State's Florida Education Finance Program (FEFP), State categorical educational programs, Federal grants, and local property taxes. These revenues, for the most part, are included in the general revenues, which provide approximately 90 percent of total revenues, whereas program revenues provide approximately 10 percent. The largest portion of program revenues (92 percent) is from facilities acquisition and construction, food services, central services, student transportation services, and community service activities.

The FEFP formula is used to allocate State revenue sources for current District operations and, utilizing student enrollment data, is designed to maintain equity in funding across all Florida school districts considering funding ability based on the local property tax base. Student full-time equivalent (FTE) enrollment increased by 1,534 students, from 39,585 in the 2017-18 fiscal year to 41,119 in the 2018-19 fiscal year. The District experienced an increase in grants and contributions not restricted to specific programs of \$20,570,306, or 12 percent, as compared to the prior fiscal year, mainly because of an increase in FEFP funding due to student growth.

Instructional activities represent the majority of the District's expenses, representing approximately 52 percent of total expenses of governmental activities for both the 2018-19 and 2017-18 fiscal years. Instruction expenses increased by \$15,003,415, or 7 percent, mainly as a result of hiring additional teachers to address the increase in student enrollment and salary increases. Overall, total expenses increased \$29,703,700, or 8 percent, as compared to total revenues, which increased \$36,611,847, or 8 percent. The increase in total expenses is mainly attributable to an increase in salaries and benefits. The increase in total revenues is mainly attributable to FEFP funding, one-half cent local sales tax receipts, property taxes, and impact fees.

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.

As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$211,341,611, or an increase of \$32,950,019 in comparison with the prior fiscal year. The fund balance increase was mainly attributable to the Capital Projects – Other Capital Projects Fund.

Approximately 4 percent of total fund balance, or \$8,059,979, is unassigned, which is available for spending at the District's discretion. The governmental fund balance can be broken down as follows: \$2,448,292 as nonspendable, \$159,148,932 as restricted, \$9,809,968 as committed, and \$31,874,440 as assigned.

Fund Balance	2019	2018	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 62,832,085	\$ 54,931,346	\$ 7,900,739	14.38%
Debt Service - Other Debt Service Fund	4,887,195	4,786,086	101,109	2.11%
Capital Projects - Sections 1011.14/1011.15 Loan Fund	(7,803,177)	(264,060)	(7,539,117)	2855.08%
Capital Projects - Local Capital Improvement Fund	32,957,475	26,645,446	6,312,029	23.69%
Capital Projects - Other Capital Projects Fund	103,454,407	81,115,449	22,338,958	27.54%
Other Governmental Fund (nonmajor)	15,013,626	11,177,325	3,836,301	34.32%
Total Fund Balances	<u>\$ 211,341,611</u>	<u>\$ 178,391,592</u>	<u>\$ 32,950,019</u>	<u>18.47%</u>

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance was \$15,866,983; assigned fund balance was \$31,874,440; and the total fund balance was \$62,832,085. The District's General Fund's total fund balance for the 2018-19 fiscal year increased by \$7,900,739, or 14 percent, as compared to the prior year.

Key factors for understanding this increase are as follows:

- Total revenues increased by \$23,928,152, or 8 percent, mainly from an increase in property taxes and State funding related to increases in enrollment.
- Total expenditures increased by \$22,821,441, or 7 percent, due mainly to increased salary and benefit costs, which was offset by costs associated with the reduction of administrative staff and delaying filling vacant positions.
- Transfers in were comparable to prior year.

The Debt Service – Other Debt Service Fund is used to account for financial resources used to pay debt service principal, interest, and related costs for the certificates of participation and sales tax revenue bonds. For the 2018-19 fiscal year, the total fund balance increased by \$101,109 in the current fiscal year to \$4,887,195, at June 30, 2019.

The Capital Projects – Sections 1011.14/1011.15 Loan Fund is used to account for the financial resources generated by the District's Revenue Anticipation Note, Series 2018, that was undertaken for the acquisition, construction, installation, and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek

Elementary School to Mill Creek Academy, a K-8 school. At June 30, 2019, this fund had a deficit fund balance of \$7,803,177. Additional information related to this deficit can be found in Note IV to the financial statements.

The Capital Projects – Local Capital Improvement Fund is used 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. The total fund balance increased by \$6,312,029 in the current fiscal year to \$32,957,475, at June 30, 2019.

The Capital Projects – Other Capital Projects Fund is mainly used to account for the financial resources received from certificates of participation proceeds; sales tax revenue bond proceeds; half-cent local sales tax receipts; local impact fees; and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects. The total fund balance increased by \$22,338,958 to \$103,454,407, at June 30, 2019. This increase is related to a reduction in facilities construction expenditures that are funded from other capital funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the District amended its budget to address unanticipated changes in revenues and expenditures. Differences between the General Fund original budget and the final amended budget were not significant for either revenues or expenditures. Projected revenues increased by \$19,412,824 or 6 percent (\$307,175,487 to \$326,588,311) and projected expenditures increased by \$35,645,858 or 11 percent (\$325,072,644 to \$360,718,502).

Actual General Fund revenues (\$331,431,983) were \$4,843,672 or 1 percent more than final budgeted amounts, and actual expenditures (\$329,785,385) were \$30,933,117 or 9 percent less than anticipated. The District continuously reviews cost saving measures and incremental increases in expenditures to avoid budget shortfall. The variance between the General Fund's budgeted and actual expenditures is a reflection of the District's practice to fully appropriate all potential obligations. The actual ending fund balance exceeded the estimated fund balance in the final budget by \$35,762,210. Positive budget balances include amounts assigned for budget shortfalls and other District and local programs and services.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) as of June 30, 2019, totaled \$636,530,253. The capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio visual materials; and computer software.

Major capital asset additions during the current fiscal year included the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school.

Additional information on the District's capital assets can be found in Notes I.F.5, V.D and V.H to the financial statements.

Long-Term Debt

The District had total long-term debt outstanding of \$108,185,949 at the end of the current fiscal year related to the construction and acquisition of capital assets. This debt consisted of \$67,980,317 of Certificates of Participation, \$37,570,632 of District Sales Tax Revenue Bonds, and \$2,635,000 of State School Bonds. The District's long-term debt decreased a net amount of \$18,549,431, or 15 percent, mainly from the redemption of debt principal.

Additional information on the District's long-term debt can be found in Notes I.F.8, and V.J.2 through V.J.5 to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Johns County School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, St. Johns County School District, 40 Orange Street, St. Augustine, FL 32084.

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Basic Financial Statements

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STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government Governmental Activities	Component Units
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 233,765,685	\$ 2,364,230
Restricted Cash and Cash Equivalents	39,356,432	736
Restricted Cash with Fiscal/Service Agents	13,674,794	-
Investments	60,520	-
Accounts Receivable	379,945	48,789
Deposits Receivable	-	926,390
Due from Component Units	21	-
Due from Other Agencies	8,892,439	-
Prepaid Items	1,297,279	19,346
Inventories	1,151,013	-
Total Current Assets	298,578,128	3,359,491
Noncurrent Assets:		
Capital Assets:		
Capital Assets Not Being Depreciated	71,425,344	-
Capital Assets Being Depreciated, Net	565,104,909	122,116
Total Noncurrent Assets	636,530,253	122,116
Total Assets	935,108,381	3,481,607
Deferred Outflows of Resources		
Net Carrying Amount of Loss on Debt Refunding	1,049,672	-
Pension	79,348,702	-
Other Postemployment Benefits	1,757,067	-
Total Deferred Outflows of Resources	82,155,441	-
Liabilities		
Current Liabilities:		
Salaries and Benefits Payable	2,270,347	100,644
Payroll Deductions and Withholdings Payable	731,860	-
Accounts Payable	8,426,733	170,674
Matured Certificates of Participation Payable	12,270,000	-
Matured Interest Payable	1,404,794	-
Notes Payable	12,313,000	-
Construction Contracts Payable	2,194,049	-
Construction Contracts Payable - Retainage	858,844	-
Due to Primary Government	-	21
Due to Other Agencies	20,661	-
Deposits Payable	397,662	-
Estimated Insurance Claims Payable	2,808,261	-
Total Current Liabilities	43,696,211	271,339
Noncurrent Liabilities:		
Long-term Liabilities:		
Portion Due Within One Year	23,790,953	60,000
Portion Due After One Year	330,968,943	-
Total Noncurrent Liabilities	354,759,896	60,000
Total Liabilities	398,456,107	331,339
Deferred Inflows of Resources		
Pension	18,027,320	-
Other Postemployment Benefits	2,018,073	-
Total Deferred Inflows of Resources	20,045,393	-
Net Position		
Net Investment in Capital Assets	521,213,871	120,836
Restricted for:		
State Required Carryover Programs	1,016,971	-
Food Service	3,826,171	-
Debt Service	12,668,842	-
Capital Projects	140,194,618	-
Other Purposes	2,108,117	-
Unrestricted (Deficit)	(82,266,268)	3,029,432
Total Net Position	\$ 598,762,322	\$ 3,150,268

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 217,280,491	\$ 2,423,153	\$ -	\$ -
Student Personnel Services	29,546,846	-	-	-
Instructional Media Services	5,648,419	-	-	-
Instruction and Curriculum Development	7,503,759	-	-	-
Instructional Staff Training Services	5,042,522	-	-	-
Instruction-Related Technology	9,384,256	-	-	-
School Board	996,446	-	-	-
General Administration	1,135,906	-	-	-
School Administration	21,104,153	-	-	-
Facilities Acquisition and Construction	23,515,483	-	-	1,845,987
Fiscal Services	2,380,993	-	-	-
Food Services	13,893,077	8,885,546	5,826,980	-
Central Services	15,738,641	12,236,816	-	-
Student Transportation Services	16,311,884	673,227	9,738,108	-
Operation of Plant	26,586,679	-	-	-
Maintenance of Plant	9,930,619	-	-	-
Administrative Technology Services	884,510	-	-	-
Community Services	5,312,161	5,429,169	-	-
Unallocated Interest on Long-term Debt	4,385,072	-	-	1,258,152
Total Primary Government	\$ 416,581,917	\$ 29,647,911	\$ 15,565,088	\$ 3,104,139
Component Units				
Charter Schools/Foundation	\$ 3,655,611	\$ 78,960	\$ 150,550	\$ 64,960

General Revenues

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Impact Fees

Concurrency Proportionate Share Mitigation

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Adjustments to Beginning Net Position (see Note III)

Net Position - Beginning - Restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (214,857,338)	\$ -
(29,546,846)	-
(5,648,419)	-
(7,503,759)	-
(5,042,522)	-
(9,384,256)	-
(996,446)	-
(1,135,906)	-
(21,104,153)	-
(21,669,496)	-
(2,380,993)	-
819,449	-
(3,501,825)	-
(5,900,549)	-
(26,586,679)	-
(9,930,619)	-
(884,510)	-
117,008	-
(3,126,920)	-
(368,264,779)	-
-	(3,361,141)
129,606,705	-
40,681,849	-
21,641,089	-
17,217,299	-
11,050,657	-
189,960,448	3,734,233
5,454,513	4,048
9,845,761	-
425,458,321	3,738,281
57,193,542	377,140
541,568,780	1,972,754
-	800,374
541,568,780	2,773,128
\$ 598,762,322	\$ 3,150,268

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Debt Service - Other Debt Service Fund	Capital Projects - Sections 1011.14/1011.15 Loan Fund
Assets			
Cash and Cash Equivalents	\$ 65,349,899	\$ -	\$ 1,826
Restricted Cash and Cash Equivalents	-	3,265,736	5,888,906
Restricted Cash with Fiscal/Service Agents	-	13,674,794	-
Investments	-	-	-
Accounts Receivable	337,248	-	-
Due from Component Units	21	-	-
Due from Other Agencies	257,357	1,622,834	-
Due from Other Funds	2,405,618	-	-
Prepaid Items	1,293,452	-	-
Inventories	862,154	-	-
Total Assets	\$ 70,505,749	\$ 18,563,364	\$ 5,890,732
Liabilities and Fund Balances			
Liabilities			
Salaries and Benefits Payable	\$ 2,166,077	\$ -	\$ -
Payroll Deductions and Withholdings Payable	700,691	-	-
Accounts Payable	4,553,578	-	98,293
Matured Certificates of Participation Payable	-	12,270,000	-
Matured Interest Payable	-	1,404,794	-
Notes Payable	-	-	12,313,000
Construction Contracts Payable	211,793	-	918,009
Construction Contracts Payable - Retainage	20,934	-	364,607
Due to Other Agencies	20,591	-	-
Due to Other Funds	-	1,375	-
Deposits Payable	-	-	-
Total Liabilities	7,673,664	13,676,169	13,693,909
Fund Balances			
Nonspendable	2,155,606	-	-
Restricted	3,125,088	4,887,195	-
Committed	9,809,968	-	-
Assigned	31,874,440	-	-
Unassigned	15,866,983	-	(7,803,177)
Total Fund Balances	62,832,085	4,887,195	(7,803,177)
Total Liabilities and Fund Balances	\$ 70,505,749	\$ 18,563,364	\$ 5,890,732

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 33,917,127	\$ 78,102,898	\$ 7,021,654	\$ 184,393,404
-	22,480,663	7,721,127	39,356,432
-	-	-	13,674,794
-	-	60,520	60,520
-	-	3,600	340,848
-	-	-	21
-	4,101,936	2,910,312	8,892,439
-	-	-	2,405,618
-	-	3,827	1,297,279
-	-	288,859	1,151,013
<u>\$ 33,917,127</u>	<u>\$ 104,685,497</u>	<u>\$ 18,009,899</u>	<u>\$ 251,572,368</u>
\$ -	\$ -	\$ 101,004	\$ 2,267,081
-	-	30,328	731,019
588,822	66,018	61,318	5,368,029
-	-	-	12,270,000
-	-	-	1,404,794
-	-	-	12,313,000
370,830	691,770	1,648	2,194,050
-	473,302	-	858,843
-	-	70	20,661
-	-	2,404,243	2,405,618
-	-	397,662	397,662
<u>959,652</u>	<u>1,231,090</u>	<u>2,996,273</u>	<u>40,230,757</u>
-	-	292,686	2,448,292
32,957,475	103,454,407	14,724,767	159,148,932
-	-	-	9,809,968
-	-	-	31,874,440
-	-	(3,827)	8,059,979
<u>32,957,475</u>	<u>103,454,407</u>	<u>15,013,626</u>	<u>211,341,611</u>
<u>\$ 33,917,127</u>	<u>\$ 104,685,497</u>	<u>\$ 18,009,899</u>	<u>\$ 251,572,368</u>

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**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Total Fund Balances - Governmental Funds **\$ 211,341,611**

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. 636,530,253

The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in government-wide statements, but is not reported in the governmental funds. 1,049,672

Deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are reported in the statement of net position, but not in the governmental funds.

Deferred Outflows	\$ 79,348,702	
Deferred Inflows	<u>(18,027,320)</u>	61,321,382

Deferred outflows of resources and deferred inflows of resources related to other postemployment healthcare benefits costs are applicable to future period and; therefore, are reported in the statement of net position, but not in the governmental funds.

Deferred Outflows	1,757,067	
Deferred Inflows	<u>(2,018,073)</u>	(261,006)

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 less depreciable assets, net of accumulated depreciation. 43,282,074

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 year-end consist of:

	Bonds Payable	(40,205,632)	
	Certificates of Participation Payable	(65,575,000)	
	Unamortized Premiums on Certificates of Participation	(2,405,317)	
	Compensated Absences Payable	(29,666,952)	
	Postemployment Healthcare Benefits Payable	(31,490,918)	
	Net Pension Liability	<u>(185,157,845)</u>	<u>(354,501,664)</u>

Total Net Position - Governmental Activities **\$ 598,762,322**

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Debt Service - Other Debt Service Fund	Capital Projects - Sections 1011.14/1011.15 Loan Fund
Revenues			
Federal Direct Sources	\$ 222,663	\$ -	\$ -
Federal Through State and Local Sources	1,802,122	-	-
State Sources	182,050,212	-	-
Local Sources:			
Property Taxes	129,606,705	-	-
Local Sales Taxes	-	5,695,500	-
Charges for Services - Food Service	-	-	-
Impact Fees	-	-	-
Concurrency Proportionate Share Mitigation	-	-	-
Other	17,750,281	15,281	323,090
Total Revenues	331,431,983	5,710,781	323,090
Expenditures			
Current - Education:			
Instruction	194,824,004	-	-
Student Personnel Services	24,190,800	-	-
Instructional Media Services	5,210,926	-	-
Instruction and Curriculum Development	4,922,186	-	-
Instructional Staff Training Services	3,750,255	-	-
Instruction-Related Technology	8,919,947	-	-
School Board	964,298	-	-
General Administration	360,879	-	-
School Administration	19,441,722	-	-
Facilities Acquisition and Construction	5,301,760	-	92,085
Fiscal Services	2,218,462	-	-
Food Services	-	-	-
Central Services	3,198,168	-	-
Student Transportation Services	14,507,201	-	-
Operation of Plant	25,466,026	-	-
Maintenance of Plant	9,332,652	-	-
Administrative Technology Services	853,397	-	-
Community Services	4,528,226	-	-
Capital Outlay:			
Facilities Acquisition and Construction	585,107	-	10,460,909
Other Capital Outlay	1,209,369	-	96,213
Debt Service:			
Retirement of Principal	-	16,125,000	-
Interest and Fiscal Charges	-	4,566,087	391,191
Total Expenditures	329,785,385	20,691,087	11,040,398
Excess (Deficiency) of Revenues Over Expenditures	1,646,598	(14,980,306)	(10,717,308)
Other Financing Sources (Uses)			
Transfers In	5,768,720	15,081,415	3,178,191
Transfers Out	-	-	-
Loss Recoveries	485,421	-	-
Issuance of Refunding Bonds	-	-	-
Premium on Refunding Bonds	-	-	-
Total Other Financing Sources (Uses)	6,254,141	15,081,415	3,178,191
Net Change in Fund Balances	7,900,739	101,109	(7,539,117)
Fund Balances - Beginning	54,931,346	4,786,086	(264,060)
Fund Balances - Ending	\$ 62,832,085	\$ 4,887,195	\$ (7,803,177)

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,185,710	\$ 2,408,373
1,372	86,974	18,358,511	20,248,979
229	1,616,132	2,227,591	185,894,164
40,681,849	-	-	170,288,554
-	15,945,589	-	21,641,089
-	-	8,885,546	8,885,546
-	17,217,299	-	17,217,299
-	11,050,657	-	11,050,657
810,169	3,066,209	510,591	22,475,621
41,493,619	48,982,860	32,167,949	460,110,282
-	-	6,390,256	201,214,260
-	-	3,178,046	27,368,846
-	-	-	5,210,926
-	-	1,985,448	6,907,634
-	-	949,220	4,699,475
-	-	-	8,919,947
-	-	-	964,298
-	-	746,888	1,107,767
-	-	-	19,441,722
9,419,310	8,571,407	8,077	23,392,639
-	-	-	2,218,462
-	-	13,279,792	13,279,792
-	-	35,754	3,233,922
-	-	110,073	14,617,274
-	-	176	25,466,202
-	-	-	9,332,652
-	-	-	853,397
-	-	435,505	4,963,731
4,710,958	11,454,674	551,131	27,762,779
1,094,429	1,645,142	304,150	4,349,303
-	-	394,000	16,519,000
-	-	1,424,459	6,381,737
15,224,697	21,671,223	29,792,975	428,205,765
26,268,922	27,311,637	2,374,974	31,904,517
-	-	901,246	24,929,572
(19,956,893)	(4,972,679)	-	(24,929,572)
-	-	69,010	554,431
-	-	424,000	424,000
-	-	67,071	67,071
(19,956,893)	(4,972,679)	1,461,327	1,045,502
6,312,029	22,338,958	3,836,301	32,950,019
26,645,446	81,115,449	11,177,325	178,391,592
\$ 32,957,475	\$ 103,454,407	\$ 15,013,626	\$ 211,341,611

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**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Governmental Funds **\$ 32,950,019**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital outlays and other capital outlay adjustments, in excess of depreciation expense in the current period:

Capital Outlay Expenditures	\$ 32,112,082	
Depreciation Expense	(21,107,754)	
Other Donations and Adjustments	<u>78,159</u>	11,082,487

Issuing long-term bonded debt is an other financing source in the governmental funds, but issuing new debt increases long-term liabilities in the statement of net position. Refunding debt is an expenditure in the governmental funds, but decreases liabilities in the statement of net position. This is the amount of long-term debt that was issued and refunded during the current fiscal year:

State Board of Education Refunding Bonds Issued	(424,000)	
State Board of Education Bonds Defeased	<u>480,000</u>	56,000

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. The following details the amount of long-term debt principal repaid in the current period:

Certificates of Participation Payable	12,270,000	
Bonds Payable	<u>4,249,000</u>	16,519,000

Premiums on bond issues are amortized over the life of the debt in the statement of activities, but are reported as revenue in the governmental funds in the year debt is issued. This is the amount of the current amortization:

Certificates of Participation Payable	1,202,659	
Sales Tax Revenue Bonds Payable	<u>771,772</u>	1,974,431

Loss on Refundings is amortized over the life of the debt in the statement of activities, but is reported as expense in the governmental funds in the year debt is refunded. This is the amount of the loss and the current amortization: (524,837)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the compensated absences. This is the net amount of compensated absences (i.e., vacation and sick leave) earned in excess of the amount used in the current period: (1,118,981)

Pension benefit costs are recorded in the statement of activities under the full accrual basis of accounting, but are recorded in the governmental funds when contributions to the plan are paid. This is the net amount of pension benefits earned in excess of contributions made during the period:

FRS Pension Contribution	12,898,762	
HIS Pension Contribution	3,427,973	
FRS Pension Expense	(21,546,018)	
HIS Pension Expense	<u>(5,536,460)</u>	(10,755,743)

Other postemployment healthcare 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 amount of other postemployment healthcare benefits earned in excess of contributions made during the period:

OPEB Contribution	1,757,067	
OPEB Expense	<u>(2,399,155)</u>	(642,088)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities, except that depreciation is reported with governmental activities depreciation expense above: 7,653,254

Change in Net Position of Governmental Activities **\$ 57,193,542**

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 49,372,282
Accounts Receivable	39,977
Total Current Assets	<u>49,412,259</u>
Noncurrent Assets:	
Building and Fixed Equipment	299,292
Less, Accumulated Depreciation	(132,187)
Furniture, Fixtures, and Equipment	153,700
Less, Accumulated Depreciation	<u>(153,700)</u>
Total Noncurrent Assets	<u>167,105</u>
Total Assets	<u>49,579,364</u>
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	3,264
Payroll Deductions and Withholdings Payable	841
Accounts Payable	3,059,587
Estimated Insurance Claims Payable	<u>2,835,422</u>
Total Current Liabilities	<u>5,899,114</u>
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	<u>231,071</u>
Total Noncurrent Liabilities	<u>231,071</u>
Total Liabilities	<u>6,130,185</u>
Net Position	
Investment in Capital Assets	167,105
Unrestricted	<u>43,282,074</u>
Total Net Position	<u><u>\$ 43,449,179</u></u>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds
Operating Revenues	
Insurance Premiums	\$ 56,596,641
Other Operating Revenues	156,786
Total Operating Revenues	<u>56,753,427</u>
Operating Expenses	
Insurance Claims	40,690,289
Fees and Other	5,873,353
Salaries	452,180
Employee Benefits	142,455
Purchased Services	2,737,667
Depreciation	14,964
Total Operating Expenses	<u>49,910,908</u>
Operating Income	<u>6,842,519</u>
Nonoperating Revenues	
Investment Income	<u>795,772</u>
Change in Net Position	7,638,291
Net Position - Beginning	<u>35,810,888</u>
Net Position - Ending	<u><u>\$ 43,449,179</u></u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from Board Funds and Participants	\$ 56,753,427
Cash Payments to Suppliers for Goods and Services	(8,041,828)
Cash Payments to Employees	(594,635)
Cash Payments for Insurance Claims	(40,823,275)
Net Cash Provided by Operating Activities	<u>7,293,689</u>
Cash Flows from Investing Activities	
Investment Income	<u>795,772</u>
Net Increase in Cash and Cash Equivalents	8,089,461
Cash and Cash Equivalents, Beginning of Year	<u>41,282,821</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 49,372,282</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income	<u>\$ 6,842,519</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	14,964
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(39,710)
Increase in Salaries and Benefits Payable	1,694
Increase in Payroll Deductions and Withholdings Payable	672
Increase in Accounts Payable	606,536
Decrease in Estimated Insurance Claims Payable	(132,986)
Total Adjustments	<u>451,170</u>
Net Cash Provided by Operating Activities	<u><u>\$ 7,293,689</u></u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
Assets	
Cash and Cash Equivalents	<u>\$ 4,742,650</u>
Liabilities	
Accounts Payable	\$ 53,703
Internal Accounts Payable	<u>4,688,947</u>
Total Liabilities	<u>\$ 4,742,650</u>

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

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Notes to Financial Statements

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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 are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the St. Johns 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 is allocated to the various functions.

B. Reporting Entity

The St. Johns 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 appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of St. Johns County, Florida (County).

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The 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 primary District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The St. Johns County 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 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' column 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 component units consist of the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation), and three charter schools.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest and administer property, and to make expenditures to and for the benefit of public prekindergarten through twelfth grade education in St. Johns County. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The charter schools consist of St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc., and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc. The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These charter schools operate under charters approved by their sponsor, the Board.

In accordance with a ruling by and requirement of the FDOE, the charter schools are included as component units of the District. According to the FDOE, the charter schools are fiscally dependent on the District for their tax levy and the majority of their budget and create a financial burden on the District because the charter schools' full-time equivalent student enrollment is the basis for funding. In addition, the charter schools are considered to be component units because they are considered misleading to exclude and because of the District's oversight responsibility.

The financial data reported on the accompanying statements was derived from the Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2019. The audit reports are filed in the District's administrative offices at 40 Orange Street, St. Augustine, Florida 32084.

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

- 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.
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Certificates of Participation, the 2010 Qualified School Construction Bond (QSCB), and the 2016 District Sales Tax Revenue Bonds.
- Capital Projects – Section 1011.14/1011.15 Loan Fund – to account for the financial resources generated by the District's Revenue Anticipation Note, Series 2018, in the amount of \$15,100,000 borrowed on April 13, 2018, under the provisions of Section 1011.14, Florida Statutes, of which the proceeds are to be used for the acquisition, construction, installation, and equipping of various capital improvements related to educational facilities within the District, including, but not limited to, the renovation and expansion of Mill Creek Elementary to Mill Creek Academy, a K-8 school.
- 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 renovation and remodeling projects, motor vehicle purchases, and debt service payments.
- Capital Projects – Other Capital Projects Fund – to account mainly for the financial resources received from certificates of participation proceeds, sales tax revenue bond proceeds, one-half cent local sales tax receipts, local impact fees, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and debt service payments.

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

- Internal Service Funds – to account for the District's self-insured health and hospitalization programs, which includes medical, dental, and vision plans, and the District's self-insured workers' compensation program (for claims incurred prior to June 30, 2008).
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

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. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the 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 transfers between the funds included in governmental activities are eliminated in the 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 in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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 when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the

expenditure is made. 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 60 days of year-end). Interest associated with the current fiscal period is considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The Foundation is accounted for under the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

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. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME and investments made locally with the Florida Public Assets for Liquidity Management (FL PALM), formerly known as the Florida Education Investment Trust Fund.

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 the SBA debt service accounts which are restricted for debt service purposes, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, and amounts placed in FL PALM. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which meets all of the necessary criteria to elect to measure their investments at amortized cost, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at amortized cost, which approximates fair value.

Investments made locally consist of amounts placed in the FL PALM, a qualifying external investment pool. These investments are reported at amortized cost, which approximates fair value.

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

3. Restricted Cash and Cash Equivalents

Certain assets, held by a trustee in the name of the District, or invested by the District, in connection with certificates of participation financing arrangements, are classified as restricted cash and cash equivalents on the statement of net position because they are set aside for repayment of debt as required by applicable debt covenants; represent proceeds from the sale of certificates of participation; revenue from the one-half cent local sales tax receipts; or proceeds from the revenue anticipation note.

These assets consist of \$13,689,113 restricted for the repayment of certificates of participation principal and interest payable, of which \$13,674,794 is payable on July 1, 2019, and reported as current liabilities on the statement of net position; \$7,721,127 restricted for the repayment of QSCBs principal that is maintained in a sinking fund account; \$3,251,417 restricted for the repayment of sales tax revenue bonds principal and interest; \$4,048,195 of sales tax revenue bond cash restricted for the cost of construction and equipping a new K-8 school and a new elementary school; \$18,432,468 of one-half cent local sales tax receipts restricted for new construction, reconstruction and improvement of school facilities, including safety and security improvements and technology upgrades; and \$5,888,906 revenue anticipation note cash restricted for capital improvements to educational facilities within the District, specifically the renovation and expansion of Mill Creek Elementary to Mill Creek Academy, a K-8 school.

4. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at last invoice price, which approximates the first-in, first-out basis, except that 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 when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. 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 improvements other than buildings which are defined as those costing more than \$250,000. Such assets are recorded at 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:

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

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

6. Pensions

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

7. Contingencies

A grantee's administration of federal funds is subject to review by grantor agencies for compliance with applicable federal regulations. Any findings of noncompliance as a result of the review may constitute a liability and require the funds to be restored to the program.

Due to a deteriorating financial condition, on July 1, 2016, First Coast Technical College (FCTC) ceased to exist as a charter school owned and operated by First Coast Technical Institute, Inc. (FCTI) and the St. Johns County School Board began operating the school as a part of the St. Johns County School District. In December 2017, the U.S. Department of Education (ED) conducted a program review of the Student Financial Assistance Cluster – Federal Pell Grant Program (Pell Program) administered by FCTC for the period July 1, 2016 through November 30, 2017 (last cash draw down). As a result of the program review, effective December 13, 2017, FCTC was placed on Heightened Cash Monitoring 2 (HCM2). Under the HCM2, FCTC continues to obligate funds under the Pell Program to eligible students and requests reimbursement from the ED through documentation of student eligibility. In a letter dated May 30, 2018, from the ED, findings of noncompliance were noted in reference to FCTC's administration of the Pell Program. FCTC's response to the program review was submitted to the ED on February 14, 2019. To date, the District has not received a response from the ED and any amounts due the ED, as a result of their program review, are uncertain at this time. As such, a liability is not recorded in the financial statements.

8. 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 bonds using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

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

9. 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

three items that qualify for reporting in this category. The net carrying amount for loss on debt refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized, as a component of interest expense, over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pensions and Other Postemployment Benefits (OPEB) are discussed in subsequent notes.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

10. Net Position Flow Assumption

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

11. Fund Balance Flow Assumptions

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

12. 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 District reports its governmental fund balances in the following categories:

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. The District classifies its amounts reported as inventories and prepaid items as nonspendable.

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. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances as restricted, other than those in the General Fund. In the General Fund, unspent State Required Carryover (Categorical) Programs and earmarked educational funding that is legally or otherwise restricted are reported as restricted fund balance.

Committed 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, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported the following as committed fund balance in its General Fund:

- **Economic Stabilization Arrangement.** The District has established an economic stabilization arrangement in Board Rule 7.01, *School District Budget System*, which provides that the Board shall commit an amount equal to 3 percent of its estimated revenue from the first Florida Education Finance Program calculation under a stabilization arrangement for the use in an emergency. The District classified the stabilization arrangement moneys as committed fund balance and defines the circumstances that constitute an emergency are non-routine in nature and specifically include the following:
 - Failure to pay loans or debt service when due as a result of lack of funds;
 - Failure to pay uncontested claims to creditors within 90 days due to lack of funds;
 - Failure to transfer taxes, social security or retirement/benefits for employees; and
 - Failure for one pay period to pay wages, salaries, or retirement benefits to employees.

At June 30, 2019, the stabilization balance was \$9,783,963.

- **Discretionary Millage.** In accordance with Section 1011.71(1), Florida Statutes, the District levied an additional 0.25 discretionary millage for critical operating needs. The School Board adopted the additional discretionary millage on September 28, 2010, and

specified that the moneys be used to support the maintenance and equipment needs of its educational facilities. The unspent portion of the additional discretionary millage moneys, totaling \$26,005 at June 30, 2019, is classified as committed fund balance.

Assigned Fund Balance. 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. Board Rule 7.01 authorizes the Superintendent or Superintendent's designee 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 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.

Unassigned Fund Balance. The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. This balance represents amounts that have not been restricted, committed, or assigned for specific purposes.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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 Florida Department of Education (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 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 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 FDOE.

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.

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

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

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the St. Johns 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. 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.

5. Sales Tax Revenue

On November 3, 2015, in a special referendum election, the citizens of St. Johns County authorized a half-cent sales surtax to fund the capital needs of the District, under the authority of Section 212.055(6), Florida Statutes. The sales surtax was effective beginning January 2016 and will continue through December 2025. Revenues will be used to fund critical needs of an increasing student population in St. Johns County as it relates to new construction, facility renovations, remodeling projects, technology, and security.

6. Educational Impact Fees

The County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1987. This ordinance was most recently amended in April 2018 when Ordinance 2018-16 established, in part, revised rates to be collected. The educational impact fee is collected by the County for most new residential construction. The fees can only be used to acquire, construct, expand, and equip the educational sites and educational capital facilities necessitated by new development and to pay for certain collection and legal defense costs.

7. Concurrency Proportionate Share Mitigation

Pursuant to Section 163.3180(6)(a), Florida Statutes, the District entered into an interlocal agreement with the County and three local municipalities effective October 3, 2008, to implement school concurrency for the purpose of ensuring adequate public school facilities are available to serve the residents of new residential developments. Concurrency requires that necessary infrastructure be planned for and available at the time of development impacts and requires an infrastructure review to determine whether adequate school capacity either already exists, will be in place, or under construction within three years. School capacity is provided through proportionate share mitigation from developers in the form of school construction, land contributions or cash payments for school construction or land acquisition. The District has six concurrency service areas based on adopted Board high school attendance boundaries. If there is not sufficient capacity in the affected concurrency service area, or the adjacent concurrency service area, and the developer elects to proceed with the project, proportionate share mitigation will be required to address the impacts of the proposed development. Developers receive a credit toward the payment of local educational impact fees based on the amount of proportionate share mitigation

provided, and the proportionate share mitigation revenue is recognized when payment is made to the District. The County or municipality then approves final construction plans.

8. 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 using the vesting method. Under this method, the liability amount is estimated based on the accumulated leave at fiscal year-end for employees who are currently eligible, or expected to become eligible, to receive 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.

9. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. ACCOUNTING CHANGE

Governmental Accounting Standards Board Statement No. 88. The District implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

III. PRIOR PERIOD ADJUSTMENT

The June 30, 2019 audit report for the Foundation disclosed certain errors resulting in understatement of amounts previously reported for scholarship contracts. As a result, beginning net position for the Foundation was restated (increased) by \$800,374.

IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Net Position in Major Capital Projects Fund

The following major capital projects fund has a deficit net position balance at June 30, 2019:

<u>Fund</u>	<u>Beginning Net Position</u>	<u>Change in Net Position</u>	<u>Ending Net Position</u>
Capital Projects - Sections 1011.14/1011.15 Loan	\$ (264,060)	\$ (7,539,117)	\$ (7,803,177)

The deficit reported in the Capital Projects – Section 1011.14/1011.15 Loan Fund is attributed to the reported liability of \$12,313,000 generated by the issuance of Revenue Anticipation Note, Series 2018. These proceeds are for the acquisition, construction, installation and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school. The deficit will be eliminated during the subsequent years as the pledged proceeds are received and the note is paid in full.

V. 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.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on average daily balances.

B. Investments

Fair Value Measurement

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

The District's investments at June 30, 2019, are reported as follows:

Investments by Fair Value Level	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SBA - Debt Service Accounts	\$ 60,520	\$ 60,520	\$ -	\$ -
Investments Reported at Amortized Cost				
Florida PRIME	161,792,104			
FL PALM	5,295,465			
Total Investments Reported at Amortized Cost	167,087,569			
Total Investments	\$ 167,148,089			

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 authorizes the investment of temporarily idle funds to earn the maximum return for the period available. The policy also indicates a high priority shall be placed on the safety and liquidity of the funds. The trust agreement in connection with certificates of participation financing arrangements does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Florida PRIME and FL PALM use a weighted-average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

The District's investments at June 30, 2019, have the following maturities:

Investments	Maturities	Fair Value
SBA		
Florida PRIME (1) (2) (3) (4)	29 Day Average	\$ 161,792,104
Debt Service Accounts	6 months	60,520
FL PALM (1)	52 Day Average	5,295,465
		\$ 167,148,089

Notes: (1) Investments with original maturities of three months or less are considered cash equivalents for financial reporting purposes.

(2) Investments totaling \$7,735,446 are held under a trust agreement in connection with the Certificates of Participation, Series 2010 (Qualified School Construction Bond), 2013, and 2015 financing agreements, and are reported as restricted cash equivalents for financial reporting purposes.

(3) Investments totaling \$25,732,079 related to receipt of the one-half cent local sales tax and the sales tax revenue bonds are reported as restricted cash equivalents for financial reporting purposes.

(4) Investments totaling \$5,888,906 related to the proceeds of the District's Revenue Anticipation Note, borrowed on April 13, 2018, are reported as restricted cash equivalents for financial reporting purposes.

For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that “the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust funds. 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 funds, 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 Trustee, 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, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA’s Florida PRIME, or any other 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 does not further limit its investment choices.

The District’s investment in the FL PALM and Florida PRIME is rated AAAm by Standard & Poor’s.

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 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.

C. Due From Other Agencies

The \$8,892,439 reported as due from other agencies primarily consists of \$3,836,052 due from the Florida Department of Revenue related to the one-half cent local sales tax; \$2,920,295 due from the FDOE for reimbursement of Federal and State grant expenditures; and \$753,626 due from the St. Johns County Board of County Commissioners for the collection of educational impact fees.

D. 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	\$ 59,855,257	\$ -	\$ -	\$ 59,855,257
Construction in Progress	70,582,269	12,003,957	71,016,139	11,570,087
Total Capital Assets Not Being Depreciated	130,437,526	12,003,957	71,016,139	71,425,344
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,175,813	204,572	-	25,380,385
Buildings and Fixed Equipment	696,916,923	86,570,390	-	783,487,313
Furniture, Fixtures, and Equipment	27,180,406	3,619,961	894,860	29,905,507
Motor Vehicles	26,768,992	627,731	863,351	26,533,372
Audio Visual Materials and Computer Software	4,266,349	179,769	13,926	4,432,192
Total Capital Assets Being Depreciated	780,308,483	91,202,423	1,772,137	869,738,769
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	17,452,088	541,036	-	17,993,124
Buildings and Fixed Equipment	226,164,013	17,036,731	-	243,200,744
Furniture, Fixtures, and Equipment	21,533,652	1,965,406	894,860	22,604,198
Motor Vehicles	15,966,569	1,481,346	863,351	16,584,564
Audio Visual Materials and Computer Software	4,181,921	83,235	13,926	4,251,230
Total Accumulated Depreciation	285,298,243	21,107,754	1,772,137	304,633,860
Total Capital Assets Being Depreciated, Net	495,010,240	70,094,669	-	565,104,909
Governmental Activities Capital Assets, Net	\$ 625,447,766	\$ 82,098,626	\$ 71,016,139	\$ 636,530,253

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 12,562,742
Student Personnel Services	1,707,441
Instructional Media Services	342,972
Instruction and Curriculum Development Services	467,331
Instructional Staff Training Services	268,930
Instruction-Related Technology	363,995
School Board	25,202
General Administration	22,060
School Administration	1,303,261
Facilities Acquisition and Construction	96,305
Fiscal Services	127,416
Food Services	480,784
Central Services	213,254
Student Transportation Services	1,481,346
Operation of Plant	878,396
Maintenance of Plant	468,776
Administrative Technology Services	24,392
Community Services	273,151
Total Depreciation Expense - Governmental Activities	\$ 21,107,754

E. Retirement Plans

1. Florida Retirement System (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 Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility,

contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site www.dms.myflorida.com.

The District's FRS and HIS pension expense totaled \$27,082,478 for the fiscal year ended June 30, 2019.

FRS Pension Plan

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

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

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

Class	Percent of Gross Salary	
	Employee	Employer ⁽¹⁾
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management Service	3.00	24.06
DROP - Applicable to		
Members from All of the Above Classes	0.00	14.03
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 \$12,898,762 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a liability of \$122,447,774 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.406526119 percent, which was a decrease of 0.000001004 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized the Plan pension expense of \$21,546,018. 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	\$ 10,373,167	\$ 376,497
Change of assumptions	40,009,978	-
Net difference between projected and actual earnings on FRS pension plan investments	-	9,460,583
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,876,984	1,453,465
District FRS contributions subsequent to the measurement date	12,898,762	-
Total	\$ 65,158,891	\$ 11,290,545

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$12,898,762 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2020	\$ 16,214,168
2021	10,916,471
2022	1,275,002
2023	7,051,550
2024	4,804,512
Thereafter	707,881
Total	\$ 40,969,584

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

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

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2018 valuation was updated from 7.1 percent to 7.0 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 223,472,324	\$ 122,447,774	\$ 38,540,914

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

Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$2,078,500 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2019.

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 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 \$3,427,973 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a net pension liability of \$62,710,071 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.592492494 percent, which was an increase of 0.000019094 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized the HIS Plan pension expense of \$5,536,460. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 960,063	\$ 106,542
Change of assumptions	6,974,135	6,630,233
Net difference between projected and actual earnings on HIS pension plan investments	37,853	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	2,789,787	-
District HIS contributions subsequent to the measurement date	3,427,973	-
Total	<u><u>\$ 14,189,811</u></u>	<u><u>\$ 6,736,775</u></u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,427,973 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 1,733,111
2021	1,729,920
2022	1,200,706
2023	403,870
2024	(707,393)
Thereafter	(335,151)
Total	\$ 4,025,063

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

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2018 valuation was updated from 3.58 percent to 3.87 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using

a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	Decrease (2.87%)	Discount Rate (3.87%)	Increase (4.87%)
District's proportionate share of the net pension liability (asset)	<u>\$ 71,423,096</u>	<u>\$ 62,710,071</u>	<u>\$ 55,447,259</u>

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

Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$433,247 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2019.

2. 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, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2018-19 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$3,045,619 for the fiscal year ended June 30, 2019.

Payables to the Investment Plan. At June 30, 2019, the District reported a payable of \$489,167 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2019.

F. Other Postemployment Benefit Plan – OPEB Plan

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

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental, and vision coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees.

These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or entity. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	310
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	3,528
Total	<u>3,838</u>

Total OPEB Liability. The District's total OPEB liability of \$31,490,918 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017.

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

Inflation	2.5 percent
Salary Increases	3.7 percent to 7.8 percent, including inflation as used in the July 1, 2016 actuarial valuation of the Florida Retirement System
Discount Rate	3.56 at the beginning of the measurement period to 3.62 percent as of June 30, 2018
Healthcare Cost Trend Rates	7.00 percent decreasing to an ultimate trend rate of 4.24 percent plus .39 percent increase for excise tax

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

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

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, et.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Changes in the Total OPEB Liability

	Amount
Balance at June 30, 2018	\$ 30,120,974
Changes for the year:	
Service Cost	1,518,557
Interest	1,107,725
Changes in Assumptions or Other Inputs	(209,026)
Benefit Payments	(1,047,312)
Net Changes	1,369,944
Balance at June 30, 2019	\$ 31,490,918

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	\$ 35,209,683	\$ 31,490,918	\$ 28,285,388

Sensitivity of the District's Total OPEB Plan Liability to the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.24 percent) or 1 percentage point higher (8.00 percent decreasing to 5.24 percent) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.24%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.24%)	1% Increase (8.00% decreasing to 5.24%)
Total OPEB Liability	\$ 26,882,111	\$ 31,490,918	\$ 37,275,929

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$2,399,155. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions or Other Inputs	\$ -	\$ 2,018,073
Benefits Paid Subsequent to the Measurement Date	1,757,067	-
Total	\$ 1,757,067	\$ 2,018,073

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,757,067 resulting from benefits paid subsequent to the measurement date, and before the end of the fiscal year, will be included as a reduction of the total OPEB liability in the year ended June 30, 2020. Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Fiscal Year Ending June 30	Total
2020	\$ (227,127)
2021	(227,127)
2022	(227,127)
2023	(227,127)
2024	(227,127)
Thereafter	(882,438)
Total	\$ (2,018,073)

G. Special Termination Benefits

The Board provides for the payment of special retirement benefits to qualifying employees as follows:

The Board provides for the payment of a special termination incentive to administrative, managerial, and confidential employees hired prior to January 2, 2002. The incentive is equal to 1 percent of final salary times the number of years of St. Johns County District School Board service or \$10,000, whichever is greater, provided that the employee retires by the end of the first fiscal year of eligibility. Employees hired on or after January 2, 2002, are not eligible for the retirement incentive, and employees hired before that date and reclassified from another category are eligible for an incentive equal to 1 percent of final salary times the number of years of St. Johns County District School Board service or \$10,000, whichever is less, provided that the employee retires by the end of the first fiscal year of eligibility.

The Board's collective bargaining agreement with St. Johns Education Association provides for the payment of a special retirement incentive of 30 percent of final salary or \$10,000, whichever is greater, for instructional employees who retire with a minimum of 10 years of service, provided that the employee retires by the end of the first fiscal year of eligibility.

The Board's collective bargaining agreement with the St. Johns Educational Support Professional Association provides for the payment of special retirement benefits to noninstructional employees upon retirement of \$3,000 for employees with 15 years of services and an additional \$250 for each year of service beyond 15 years, up to a maximum of 30 years of service.

In addition to payments for accrued leave and regular termination benefits, the District reported expenditures for special termination benefits, totaling \$690,175 during the 2018-19 fiscal year.

H. Construction and Other Significant Commitments

Encumbrances. Appropriations in governmental funds 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, 2019. The major Debt Service – Other Debt Service Fund had no encumbrances at June 30, 2019.

Major Funds					
General	Capital Projects - Sections 1011.14/1011.15 Loan Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,265,786	\$ 985,775	\$ 10,576,328	\$ 7,958,579	\$ 606,820	\$ 24,393,288

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

Project	Contract Amount	Completed to Date	Balance Committed
Mill Creek K-8 Conversion	\$ 10,610,559	\$ 9,963,229	\$ 647,330
Mill Creek K-8 Remodel	2,461,671	581,548	1,880,123
Total	\$ 13,072,230	\$ 10,544,777	\$ 2,527,453

I. 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 has established self-insurance programs for its employee health and hospitalization and its workers' compensation liability coverage. For workers' compensation and most of its other insurance coverage, effective July 1, 2008, the District participates in a group self-insurance program administered by the Florida School Boards Association, Inc. The District's covered risks relating to property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members are included in the group program.

Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The program is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. The Board of Directors for the program is composed of one board member from each participating district and a superintendent and district-level business officer selected from one of the participating districts.

The District's health and hospitalization self-insurance program, which includes medical, dental, and vision coverage, is being provided on a self-insured basis up to specified limits. The District has entered into an agreement with an insurance company to provide specific excess coverage for claims amounts above \$375,000 per insured per year, and laser coverage on two members for \$775,000 and \$1,000,000 per year. The program's administrator has been approved by the Florida Office of Insurance Regulation. The funds for these coverages were established in accordance with Chapter 112, Florida Statutes. The program is administered through the Internal Service Funds.

A liability in the amount of \$2,808,261 was actuarially determined for estimated insurance claims payable for claims incurred but not reported (IBNR) for health and hospitalization coverage.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insured health and hospitalization program:

Fiscal Year	Balance at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017-18	\$ 2,432,314	\$ 38,224,381	\$ (37,707,251)	\$ 2,949,444
2018-19	2,949,444	40,654,931	(40,796,114)	2,808,261

The Board established a self-insurance program to provide workers' compensation coverage for its employees for claims incurred prior to June 30, 2008. The District's liability was limited by excess insurance to \$150,000 or \$250,000 per occurrence, depending on the year of

occurrence, and by aggregate excess insurance per plan year, ranging from \$1,000,000 to \$3,211,800, except for the 2004-05 plan year, for which aggregate excess insurance was not purchased. For claims incurred on or after July 1, 2008, the District's workers' compensation coverage is administered by the Florida School Boards Association program.

A liability in the amount of \$258,232 was actuarially determined for estimated insurance claims payable for claims IBNR for workers' compensation coverage.

The following schedule represents the changes in the liability for the past two fiscal years for the District's workers' compensation program:

Fiscal Year	Balance at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017-18	\$ 398,161	\$ (116,035)	\$ (32,091)	\$ 250,035
2018-19	250,035	35,358	(27,161)	258,232

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

J. Long-Term Liabilities

1. Notes Payable

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

Note Description	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
RAN from Direct Borrowings Revenue Anticipation Note, Series 2018	<u>\$ 12,313,000</u>	2.68	2020	<u>\$ 15,100,000</u>

On April 13, 2018, the District entered a financing arrangement under the provisions of Section 1011.14, Florida Statutes, which authorizes district school boards to create obligations for a period of one year, in anticipation of budgeted revenues accruing on a current basis, without pledging the credit of the District or requiring future levy of taxes for certain purposes. These obligations may be extended from year to year, with the consent of the lender, for a period not to exceed four years, for a total of five years, including the initial year of the loan. The Revenue Anticipation Note, Series 2018, was undertaken for the acquisition, construction, installation, and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school.

Amounts payable for the planned extended repayment of the Section 1011.14, Florida Statutes, bank loan is as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 3,286,988	\$ 2,957,000	\$ 329,988
2021	3,287,741	3,037,000	250,741
2022	3,287,349	3,118,000	169,349
2023	3,286,787	3,201,000	85,787
Total	\$ 13,148,865	\$ 12,313,000	\$ 835,865

2. Certificates of Participation

Certificates of Participation outstanding at June 30, 2019, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
COPs from Direct Borrowings:				
Series 2010-QSCB	\$ 16,000,000	4.94 ⁽¹⁾	2027	\$ 16,000,000
Total COPs from Direct Borrowings	16,000,000			
Other COP Issuances:				
Series 2013	26,020,000	3.00 - 5.00	2033	33,480,000
Series 2015, Refunding	23,555,000	5.00	2021	54,845,000
Total Other COP Issuances	49,575,000			
Unamortized Premium	2,405,317			
Total Certificates of Participation	\$ 67,980,317			\$ 104,325,000

Note: (1) Series 2010-QSCBs (Qualified School Construction Bonds) is primarily principal only bonds, repaid by the District. The QSCBs were issued as direct subsidy bonds, whereby the District pays the full amount of taxable interest to the lender and then files for a direct cash subsidy payment from the United States Treasury. Beginning with the 2013-14 fiscal year, the direct subsidy interest payments from the United States Treasury were reduced by 8.7 percent, from 4.94 percent to 4.51 percent.

The District entered into a master financing arrangement on November 15, 2003, characterized as a lease-purchase agreement, with the St. Johns County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation by the Leasing Corporation to third-party investors, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District gave a ground lease on District properties to the Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the

leases and to provide for the rent payments through to term, the District may be required to surrender the properties included under the Ground Lease Agreements for the benefit of the securers of the certificates for the remaining term of the ground leases or until the certificates are paid in full.

The QSCBs were issued through the ARRA on September 20, 2010. For the Series 2010-QSCB, the principal portion of the basic lease payment, \$16,000,000, is due on September 1, 2027. The sinking fund payments are due annually on September 1, commencing on September 1, 2011. The Series 2010-QSCB sinking fund payments made by the District will be deposited by the Trustee into the Series 2010 Sinking Fund Account pursuant to the Trust Agreement. Such funds will be invested in permitted investments in accordance with the Trust Agreement. The Board may offset sinking fund payments with the interest earnings on amounts in the Sinking Fund Account and must make supplemental payments to the Sinking Fund Account to cure any deficiency between the amount on deposit and the required scheduled amount. Sinking fund payments on deposit in the Sinking Fund Account will be retained therein until transferred to the Series 2010 Principal Account and applied to the payment of the \$16,000,000 principal component due on the Series 2010-QSCB Certificates at maturity (September 1, 2027) or upon earlier payment. The QSCBs are primarily issued as principal only and provide for a direct cash subsidy payment from the United States Treasury for the interest. Beginning with the 2013-14 fiscal year, the direct subsidy interest payments from the United States Treasury was reduced by 8.7 percent, from 4.94 percent to 4.51 percent.

A summary of the lease terms are as follows:

Certificates	Lease Term
Series 2010-QSCB	Earlier of the date paid in full or September 1, 2027
Series 2013	Earlier of the date paid in full or July 1, 2033
Series 2015, Refunding	Earlier of the date paid in full or July 1, 2021

The District properties included in the ground lease under this arrangement include:

Certificates	Description of Properties
Series 2010-QSCB	Construction of Palencia Elementary
Series 2013	Construction of Patriot Oaks Academy and Valley Ridge Academy
Series 2015, Refunding	Construction of Wards Creek Elementary School; Pacetti Bay Middle School; a Ninth Grade Center at the existing Bartram Trail High School; Ponte Vedra High School and Creekside High School

Except for the QSCBs, the lease payments are payable by the District semiannually, on July 1 and January 1, and must be remitted as of the 15th day of the month preceding the payment dates. The QSCB lease payments are payable March 1 and September 1. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	Total	Other Certificates of Participation		Certificates of Participation from Direct Borrowings	
		Principal	Interest	Principal	Interest
2020	\$ 15,876,488	\$ 12,890,000	\$ 2,196,088	\$ -	\$ 790,400
2021	15,871,988	13,530,000	1,551,588	-	790,400
2022	3,205,488	1,540,000	875,088	-	790,400
2023	3,208,487	1,620,000	798,087	-	790,400
2024	3,207,487	1,700,000	717,087	-	790,400
2025-2029	30,840,338	9,405,000	3,459,338	16,000,000	1,976,000
2030-2033	9,664,437	8,890,000	774,437	-	-
Total Minimum Lease Payments	81,874,713	49,575,000	10,371,713	16,000,000	5,928,000
Unamortized Premium	2,405,317	2,405,317	-	-	-
Total Certificates of Participation Payable	\$ 84,280,030	\$ 51,980,317	\$ 10,371,713	\$ 16,000,000	\$ 5,928,000

Annual requirements to amortize the premium related to the Series 2015, Refunding Certificates of Participation is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2020	\$ 1,202,659
2021	1,202,658
Total	\$ 2,405,317

3. Bonds Payable

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

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2010A	\$ 560,000	3.5 - 5.0	2030
Series 2011A, Refunding	165,000	3.0 - 5.0	2023
Series 2014A, Refunding	355,000	3.0 - 5.0	2025
Series 2014B, Refunding	61,000	2.0 - 5.0	2020
Series 2017A, Refunding	1,070,000	3.0 - 5.0	2028
Series 2019A, Refunding	424,000	5	2029
Total State School Bonds	2,635,000		
District Sales Tax Revenue Bonds:			
Series 2016	32,940,000		
Unamortized Premium	4,630,632		
Total District Sales Tax Revenue Bonds	37,570,632		
Total Bonds Payable	\$ 40,205,632		

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, investments of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

District Sales Tax Revenue Bonds. These bonds are generally referred to as Sales Tax Revenue Bonds, Series 2016, and are authorized by Chapter 212, 1001, and 1013, Florida Statutes, and a resolution of the District School Board dated January 12, 2016, authorizing the bond issue. These bonds are secured by a one-half cent local sales surtax, authorized on November 3, 2015, by majority voter approval of a District School Board resolution dated June 30, 2015, proposing the discretionary sales surtax. As provided by the bond resolution, the District is not required to maintain a reserve account.

The District has pledged a total of \$39,025,000 of sales surtax revenue in connection with the Sales Tax Revenue Bonds, Series 2016, described above. During the 2018-19 fiscal year, the District recognized sales surtax revenue totaling \$21,641,089 and expended \$5,598,375 (26 percent) of these revenues for debt service directly collateralized by these

revenues. The pledged revenues are committed until final maturity of the debt on October 1, 2025. Approximately 30 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds, and \$4,874,250 is restricted for future debt service requirements as of June 30, 2019.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2020	\$ 421,379	\$ 302,000	\$ 119,379
2021	372,050	265,000	107,050
2022	378,800	285,000	93,800
2023	389,450	309,000	80,450
2024	359,300	293,000	66,300
2025-2029	1,255,190	1,106,000	149,190
2030	78,000	75,000	3,000
Total State School Bonds	3,254,169	2,635,000	619,169
District Sales Tax Revenue Bonds, Series 2016			
2020	5,590,875	4,045,000	1,545,875
2021	5,588,500	4,250,000	1,338,500
2022	5,580,750	4,460,000	1,120,750
2023	5,577,125	4,685,000	892,125
2024	5,567,125	4,915,000	652,125
2025-2026	11,120,625	10,585,000	535,625
Subtotal	39,025,000	32,940,000	6,085,000
Unamortized Premium	4,630,632	4,630,632	-
Total District Sales Tax Revenue Bonds, Series 2016	43,655,632	37,570,632	6,085,000
Total Bonds Payable	\$ 46,909,801	\$ 40,205,632	\$ 6,704,169

Annual requirements to amortize the premium related to the Series 2016, Sales Tax Revenue Bond are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Interest</u>
2020	\$ 771,772
2021	771,772
2022	771,772
2023	771,772
2024	771,772
2025	771,772
Total	\$ 4,630,632

4. Defeased Debt

Refunding State School Bonds. On January 17, 2019, the FDOE issued SBE, Capital Outlay Refunding Bonds, Series 2019A. The District's portion of the refunding SBE Capital Outlay Bonds, Series 2019A, was \$424,000. The refunding bonds were issued to refund callable portions of the District's State School Bonds, Series 2009A. The \$480,000 principal amount of the District's State School Bonds, Series 2009A, was considered defeased in substance and the liability was removed from the government-wide financial statements as of June 30, 2019.

The Capital Outlay Refunding Bonds, Series 2019A, were issued to reduce the total debt service payments over the next 11 years by \$56,000 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$40,748.

5. 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:					
Certificates of Participation	\$ 77,845,000	\$ -	\$ 12,270,000	\$ 65,575,000	\$ 12,890,000
Unamortized Premium	3,607,976	-	1,202,659	2,405,317	1,202,659
Total Certificates of Participation Payable	81,452,976	-	13,472,659	67,980,317	14,092,659
Bonds Payable:					
District Sales Tax Revenue Bonds	36,795,000	-	3,855,000	32,940,000	4,045,000
Unamortized Premium	5,402,404	-	771,772	4,630,632	771,772
Total District Sales Tax Revenue Bonds	42,197,404	-	4,626,772	37,570,632	4,816,772
State School Bonds	3,085,000	424,000	874,000	2,635,000	302,000
Total Bonds Payable	45,282,404	424,000	5,500,772	40,205,632	5,118,772
Other Long-Term Liabilities:					
Estimated Insurance Claims Payable	250,035	35,358	27,161	258,232	27,161
Compensated Absences Payable	28,547,971	3,088,083	1,969,102	29,666,952	1,969,102
Other Postemployment Benefits Payable	30,120,974	4,435,329	3,065,385	31,490,918	1,047,312
Net Pension Liability	183,425,248	99,343,442	97,610,845	185,157,845	1,535,947
Total Governmental Activities	\$ 369,079,608	\$ 107,326,212	\$ 121,645,924	\$ 354,759,896	\$ 23,790,953

For the governmental activities, compensated absences, other postemployment benefits, and pensions are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary fund.

K. Net Position – Net Investment in Capital Assets

In the government-wide statement of net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is net position. Generally accepted accounting principles require that net position be subdivided into the following three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The composition of net investment in capital assets as of June 30, 2019, is shown in the table below:

Description	Amount
Total Capital Assets, Net of Accumulated Depreciation	\$ 636,530,253
Plus Deferred Outflow for Net Carrying Amount of Debt Refunding	1,049,672
Less Related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 67,980,317
Bonds Payable	40,205,632
Notes Payable	12,313,000
Construction and Retainage Payable	3,052,893
Unspent Debt Proceeds	(7,185,788)
Total Related Debt, Net of Unspent Proceeds	(116,366,054)
Total Net Investment in Capital Assets	\$ 521,213,871

L. Fund Balance Reporting

The following is a schedule of fund balances by category at June 30, 2019:

	Major Funds						Total Governmental Funds
	General	Debt Service - Other Debt Service	Capital Projects - Sections 1011.14/1011.15 Loan Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances:							
Nonspendable:							
Inventories	\$ 862,154	\$ -	\$ -	\$ -	\$ -	\$ 288,859	\$ 1,151,013
Prepays	1,293,452	-	-	-	-	3,827	1,297,279
Total Nonspendable	2,155,606	-	-	-	-	292,686	2,448,292
Restricted for:							
State Required Carryover Programs	1,016,971	-	-	-	-	-	1,016,971
Full Service Schools	150,171	-	-	-	-	-	150,171
Hurricane Shelter Retrofit Project	1,026,816	-	-	-	-	-	1,026,816
Division of Vocational Rehabilitation	201,611	-	-	-	-	-	201,611
Immediate Aid to Restart School Operations Grant	728,660	-	-	-	-	-	728,660
AVID	859	-	-	-	-	-	859
Food Service	-	-	-	-	-	3,537,312	3,537,312
Debt Service	-	4,887,195	-	-	-	7,781,647	12,668,842
Capital Projects	-	-	-	32,957,475	103,454,407	3,405,808	139,817,690
Total Restricted Fund Balance	3,125,088	4,887,195	-	32,957,475	103,454,407	14,724,767	159,148,932
Committed for:							
Economic Stabilization	9,783,963	-	-	-	-	-	9,783,963
0.25 Discretionary Millage	26,005	-	-	-	-	-	26,005
Total Committed Fund Balance	9,809,968	-	-	-	-	-	9,809,968
Assigned for:							
2019-20 Budget Shortfalls	13,223,889	-	-	-	-	-	13,223,889
School Programs and Services	7,702,213	-	-	-	-	-	7,702,213
Extended Day Programs	4,601,745	-	-	-	-	-	4,601,745
District Programs and Services	3,289,161	-	-	-	-	-	3,289,161
Department Operations	1,563,197	-	-	-	-	-	1,563,197
First Coast Technical College	1,391,863	-	-	-	-	-	1,391,863
School Concurrency	102,372	-	-	-	-	-	102,372
Total Assigned Fund Balance	31,874,440	-	-	-	-	-	31,874,440
Unassigned Fund Balance	15,866,983	-	(7,803,177)	-	-	(3,827)	8,059,979
Total Fund Balances	\$ 62,832,085	\$ 4,887,195	\$ (7,803,177)	\$ 32,957,475	\$ 103,454,407	\$ 15,013,626	\$ 211,341,611

The fund balance categories are discussed in the **Fund Balance Policies** note disclosure.

M. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 2,405,618	\$ -
Debt Service - Other Debt Service Fund	-	1,375
Nonmajor Governmental	-	2,404,243
Total	\$ 2,405,618	\$ 2,405,618

Interfund balances generally arise due to the District's General Fund paying for goods or services on behalf of other District funds. The interfund amounts represent temporary loans from one fund to another and are expected to be repaid within one year.

N. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

Source	Amount
Florida Education Finance Program (FEFP):	
Transportation	\$ 9,738,108
Supplemental Academic Instruction	8,084,576
Instructional Materials	3,437,156
Safe Schools	2,033,948
Comprehensive Reading Plan	1,893,275
Digital Classrooms Allocation	1,017,752
Mental Health Assistance Allocation	1,011,711
Florida Teachers Lead	782,446
Other FEFP	95,744,849
Categorical Educational Program - Class Size Reduction	44,833,644
Workforce Development Program	4,341,488
Best and Brightest Teacher Scholarship Program	3,433,280
School Recognition	3,229,751
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,654,425
Safety and Security of Schools	1,403,058
Voluntary Prekindergarten Program	1,157,459
Gross Receipts Tax (Public Education Capital Outlay)	532,159
Window Upgrade for Hurricane Shelter Project	320,184
Sales Tax Distribution (Formerly Racing Commission Funds)	206,750
Workforce Education Performance Incentives	190,556
Discretionary Lottery Funds	144,245
FEMA Reimbursable - State Portion	118,286
Charter School Capital Outlay	99,582
Mobile Home License Tax	69,185
Food Service Supplement	63,658
Miscellaneous	352,633
Total	\$ 185,894,164

Accounting policies relating to certain State revenue sources are described in the **State Revenue Sources** note disclosure.

2. Property Taxes

The following is a summary of millages and taxes levied on the 2018 tax roll for the 2018-19 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
General Fund		
Nonvoted School Tax:		
Required Local Effort	4.030	\$ 113,291,412
Basic Discretionary Local Effort	0.748	21,027,786
Capital Projects -		
Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	42,168,019
Total	<u>6.278</u>	<u>\$ 176,487,217</u>

Actual property taxes collected totaled 96 percent of total taxes levied. The St. Johns County Tax Collector is not required by law to make an accounting to the School Board of the difference between taxes levied and taxes collected. However, because of discounts allowed for early payments and other reasons for non-collection, the School Board budget estimates an anticipated 4 percent shortfall between taxes levied and taxes collected.

O. Interfund Transfers

The following is a summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2019:

	<u>Interfund</u>	
Funds	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 5,768,720	\$ -
Other Debt Service	15,081,415	-
Capital Projects:		
Section 1011.14/1011.15 Loan Fund	3,178,191	-
Local Capital Improvement	-	19,956,893
Other Capital Projects	-	4,972,679
Nonmajor Governmental	901,246	-
Total	<u>\$ 24,929,572</u>	<u>\$ 24,929,572</u>

Interfund transfers represent permanent transfers of moneys between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments, property insurance premiums, and to fund certain expenditures of the District's facilities and maintenance departments. The transfers out of the Capital Projects – Other

Capital Projects Fund were to transfer revenue to the General Fund for subsequent disbursement to charter schools and to provide for debt service payments.

VI. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the internal service funds for the 2018-19 fiscal year.

	Group Health and Hospitalization Insurance	Group Dental Insurance	Group Vision Insurance	Workers' Compensation Liability Insurance	Total
Total Assets	<u>\$ 41,402,631</u>	<u>\$ 1,196,656</u>	<u>\$ 2,052,298</u>	<u>\$ 4,927,779</u>	<u>\$ 49,579,364</u>
Liabilities and Net Position:					
Salaries and Benefits Payable	\$ 1,717	\$ -	\$ -	\$ 1,547	\$ 3,264
Payroll Deductions and Withholdings Payable	624	-	-	217	841
Accounts Payable	2,985,697	-	73,177	713	3,059,587
Estimated Insurance Claims Payable	2,468,826	283,477	55,958	258,232	3,066,493
Net Position:					
Investment in Capital Assets	167,105	-	-	-	167,105
Unrestricted Net Position	<u>35,778,662</u>	<u>913,179</u>	<u>1,923,163</u>	<u>4,667,070</u>	<u>43,282,074</u>
Total Liabilities and Net Position	<u>\$ 41,402,631</u>	<u>\$ 1,196,656</u>	<u>\$ 2,052,298</u>	<u>\$ 4,927,779</u>	<u>\$ 49,579,364</u>
Revenues:					
Operating Revenues	\$ 50,900,115	\$ 3,104,349	\$ 888,138	\$ 1,860,825	\$ 56,753,427
Investment Income	<u>663,822</u>	<u>21,854</u>	<u>33,261</u>	<u>76,835</u>	<u>795,772</u>
Total Revenues	51,563,937	3,126,203	921,399	1,937,660	57,549,199
Total Expenses	<u>(44,024,839)</u>	<u>(3,356,337)</u>	<u>(632,952)</u>	<u>(1,896,780)</u>	<u>(49,910,908)</u>
Increase (Decrease) in Net Position	<u>\$ 7,539,098</u>	<u>\$ (230,134)</u>	<u>\$ 288,447</u>	<u>\$ 40,880</u>	<u>\$ 7,638,291</u>

VII. LITIGATION

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

VIII. SUBSEQUENT EVENT

The District issued Certificates of Participation, Series 2019A, dated November 8, 2019, in the amount of \$84,095,000. The proceeds will be used to finance the acquisition and construction of a new High School, "HHH", which is located on International Golf Parkway in northwest St. Johns County and will accommodate approximately 2,134 students, as well as the construction of a classroom wing at a new K-8 School, "MM", which is located on Pine Island Road in northeast St. Johns County and will accommodate approximately 1,496 students. The Certificates of Participation were issued with a true interest cost of 2.683 percent.

Required Supplementary Information

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal Direct Sources:				
Reserve Officers Training Corps	\$ 200,000	\$ 200,995	\$ 222,663	\$ 21,668
Federal Through State Sources:				
Other Federal Through State	-	1,252,697	1,802,122	549,425
State Sources:				
Florida Education Finance Program	122,051,522	123,743,821	123,743,821	-
Workforce Development Program	4,341,488	4,341,488	4,341,488	-
CO&DS Withheld for Administrative Expense	-	24,348	24,348	-
Discretionary Lottery Funds	73,191	144,245	144,245	-
Class Size Reduction - Operating Funds	44,100,741	44,833,644	44,833,644	-
School Recognition Funds	2,990,608	3,229,751	3,229,751	-
Voluntary Prekindergarten Program	-	1,157,459	1,157,459	-
State License Tax	67,000	67,000	69,185	2,185
Miscellaneous State Revenue	206,750	4,285,795	4,506,271	220,476
Total State Sources	173,831,300	181,827,551	182,050,212	222,661
Local Sources:				
District School Taxes	128,856,601	128,856,601	129,365,007	508,406
Tax Redemptions	250,000	250,000	241,698	(8,302)
Rent	125,000	1,381,385	1,381,385	-
Investment Income	305,000	305,000	1,467,766	1,162,766
Net Increase in Fair Value of Investments	-	-	125,332	125,332
Gifts, Grants, and Bequests	-	1,189,870	1,874,074	684,204
Other Student Fees	229,500	229,500	234,977	5,477
Preschool Program Fees	-	457,591	457,591	-
Prekindergarten Early Intervention	-	-	101,605	101,605
School Age Child Care Fees	-	5,429,169	5,429,169	-
Other Schools Courses Classes	-	623,106	623,106	-
Bus Fees	-	105,269	29,780	(75,489)
Field Trips	-	465,567	643,447	177,880
Sale of Junk	-	50,000	99,493	49,493
Federal Indirect Cost Rate	-	600,000	746,888	146,888
Miscellaneous Local Revenues	3,378,086	3,364,010	4,535,668	1,171,658
Total Local Sources	133,144,187	143,307,068	147,356,986	4,049,918
Total Revenues	307,175,487	326,588,311	331,431,983	4,843,672

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures				
Current Education:				
Instruction:				
Salaries	\$ 129,747,962	\$ 133,280,208	\$ 130,505,315	\$ 2,774,893
Employee Benefits	45,834,268	49,075,714	45,278,705	3,797,009
Purchased Services	3,437,414	8,967,378	7,589,179	1,378,199
Energy Services	3,000	9,203	8,940	263
Materials and Supplies	17,052,464	13,669,221	7,006,566	6,662,655
Capital Outlay	24,606	2,249,197	1,308,407	940,790
Other	2,784,580	3,467,232	3,126,892	340,340
Total Instruction	198,884,294	210,718,153	194,824,004	15,894,149
Student Personnel Services:				
Salaries	14,431,069	15,967,249	15,766,227	201,022
Employee Benefits	5,474,416	6,191,749	5,800,799	390,950
Purchased Services	3,119,653	3,480,356	2,510,912	969,444
Materials and Supplies	120,478	125,624	102,042	23,582
Capital Outlay	6,545	13,029	9,913	3,116
Other	3,300	3,010	907	2,103
Total Student Personnel Services	23,155,461	25,781,017	24,190,800	1,590,217
Instructional Media Services:				
Salaries	3,491,580	3,508,708	3,475,861	32,847
Employee Benefits	1,422,755	1,520,248	1,440,344	79,904
Purchased Services	30,459	48,418	39,912	8,506
Energy Services	-	225	225	-
Materials and Supplies	156,552	114,896	86,464	28,432
Capital Outlay	73,007	187,122	165,726	21,396
Other	1,030	4,978	2,394	2,584
Total Instructional Media Services	5,175,383	5,384,595	5,210,926	173,669
Instruction and Curriculum Development:				
Salaries	3,693,023	3,736,707	3,684,367	52,340
Employee Benefits	1,234,271	1,207,066	1,143,259	63,807
Purchased Services	170,031	138,628	69,337	69,291
Materials and Supplies	29,712	21,500	17,824	3,676
Capital Outlay	1,900	5,749	5,290	459
Other	5,731	3,815	2,109	1,706
Total Instruction and Curriculum Development	5,134,668	5,113,465	4,922,186	191,279
Instructional Staff Training Services:				
Salaries	270,268	2,457,823	2,380,060	77,763
Employee Benefits	85,933	842,862	817,808	25,054
Purchased Services	297,778	719,838	460,870	258,968
Materials and Supplies	2,798	38,304	34,415	3,889
Other	2,000	79,990	57,102	22,888
Total Instructional Staff Training Services	658,777	4,138,817	3,750,255	388,562
Instruction-Related Technology:				
Salaries	3,772,695	4,029,277	3,928,495	100,782
Employee Benefits	1,307,627	1,348,404	1,289,043	59,361
Purchased Services	4,059,915	4,100,706	3,688,939	411,767
Energy Services	2,000	4,000	3,657	343
Materials and Supplies	-	67,015	186	66,829
Capital Outlay	16,790	123,983	9,627	114,356
Total Instruction-Related Technology	9,159,027	9,673,385	8,919,947	753,438

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Current Education (continued):				
Board of Education:				
Salaries	\$ 230,000	\$ 236,905	\$ 236,905	\$ -
Employee Benefits	124,200	129,557	124,344	5,213
Purchased Services	730,650	744,570	596,142	148,428
Materials and Supplies	3,200	8,353	6,907	1,446
Other	18,500	1,724	-	1,724
Total Board of Education	1,106,550	1,121,109	964,298	156,811
General Administration:				
Salaries	132,362	232,945	232,944	1
Employee Benefits	46,989	83,985	83,273	712
Purchased Services	7,300	31,726	29,044	2,682
Materials and Supplies	12,000	7,105	2,801	4,304
Other	9,000	13,817	12,817	1,000
Total General Administration	207,651	369,578	360,879	8,699
School Administration:				
Salaries	14,104,177	14,362,612	14,056,473	306,139
Employee Benefits	4,754,554	4,915,196	4,624,613	290,583
Purchased Services	425,119	464,615	324,625	139,990
Energy Services	-	343	343	-
Materials and Supplies	459,339	774,464	245,840	528,624
Capital Outlay	919	125,956	92,735	33,221
Other	36,842	98,778	97,093	1,685
Total School Administration	19,780,950	20,741,964	19,441,722	1,300,242
Facilities Acquisition and Construction:				
Salaries	1,037,594	1,029,862	1,028,590	1,272
Employee Benefits	363,039	356,946	351,851	5,095
Purchased Services	3,001,473	3,154,497	2,912,510	241,987
Energy Services	11,450	10,150	5,354	4,796
Materials and Supplies	7,600	88,465	6,065	82,400
Capital Outlay	3,175	1,474,006	972,803	501,203
Other	21,865	24,977	24,587	390
Total Facilities Acquisition and Construction	4,446,196	6,138,903	5,301,760	837,143
Fiscal Services:				
Salaries	1,454,835	1,427,625	1,369,802	57,823
Employee Benefits	507,178	480,731	456,601	24,130
Purchased Services	185,200	322,323	316,388	5,935
Materials and Supplies	20,062	13,866	11,713	2,153
Capital Outlay	-	2,216	2,216	-
Other	63,410	64,360	61,742	2,618
Total Fiscal Services	2,230,685	2,311,121	2,218,462	92,659
Central Services:				
Salaries	2,097,636	2,172,090	2,126,048	46,042
Employee Benefits	753,135	735,993	716,265	19,728
Purchased Services	318,472	342,714	296,322	46,392
Energy Services	3,500	4,000	3,139	861
Materials and Supplies	47,706	48,256	39,064	9,192
Capital Outlay	3,200	9,490	6,113	3,377
Other	6,760	14,222	11,217	3,005
Total Central Services	3,230,409	3,326,765	3,198,168	128,597

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Education (concluded):				
Student Transportation Services:				
Salaries	\$ 7,271,124	\$ 7,456,124	\$ 7,440,256	\$ 15,868
Employee Benefits	3,854,288	3,669,288	3,651,992	17,296
Purchased Services	683,520	643,573	511,517	132,056
Energy Services	1,955,711	2,058,818	1,573,398	485,420
Materials and Supplies	1,115,000	1,032,273	804,075	228,198
Capital Outlay	-	68,401	68,265	136
Other	490,304	753,466	457,698	295,768
Total Student Transportation Services	15,369,947	15,681,943	14,507,201	1,174,742
Operation of Plant:				
Salaries	8,754,319	8,596,325	8,521,552	74,773
Employee Benefits	4,480,170	4,200,436	4,069,480	130,956
Purchased Services	4,753,165	5,070,346	4,719,612	350,734
Energy Services	6,655,076	6,564,229	6,154,970	409,259
Materials and Supplies	1,674,429	1,456,652	1,379,692	76,960
Capital Outlay	79,932	187,923	164,356	23,567
Other	-	458,412	456,364	2,048
Total Operation of Plant	26,397,091	26,534,323	25,466,026	1,068,297
Maintenance of Plant:				
Salaries	4,796,282	4,929,481	4,920,593	8,888
Employee Benefits	1,847,345	1,830,435	1,798,898	31,537
Purchased Services	830,248	987,986	991,801	(3,815)
Energy Services	117,039	122,474	122,474	-
Materials and Supplies	670,261	941,083	714,187	226,896
Capital Outlay	683,488	988,910	781,949	206,961
Other	-	2,750	2,750	-
Total Maintenance of Plant	8,944,663	9,803,119	9,332,652	470,467
Administrative Technology Services:				
Salaries	332,558	328,342	251,736	76,606
Employee Benefits	120,552	120,549	97,896	22,653
Purchased Services	250,778	281,501	232,617	48,884
Materials and Supplies	6,750	6,245	4,699	1,546
Capital Outlay	273,866	271,686	266,449	5,237
Other	475	475	-	475
Total Administrative Technology Services	984,979	1,008,798	853,397	155,401
Community Services:				
Salaries	90,908	3,734,932	2,783,949	950,983
Employee Benefits	37,349	1,931,587	1,074,909	856,678
Purchased Services	61,156	208,890	42,594	166,296
Materials and Supplies	6,000	2,221,568	277,209	1,944,359
Capital Outlay	2,000	113,498	40,489	73,009
Other	-	344,174	309,076	35,098
Total Community Services	197,413	8,554,649	4,528,226	4,026,423
Capital Outlay:				
Facility Acquisition and Construction	-	1,616,994	585,107	1,031,887
Other Capital Outlay	8,500	2,699,804	1,209,369	1,490,435
Total Capital Outlay	8,500	4,316,798	1,794,476	2,522,322
Total Expenditures	325,072,644	360,718,502	329,785,385	30,933,117

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONCLUDED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Deficiency of Revenues Over Expenditures	<u>\$ (17,897,157)</u>	<u>\$ (34,130,191)</u>	<u>\$ 1,646,598</u>	<u>\$ 35,776,789</u>
Other Financing Sources				
Transfers In	6,169,138	6,268,720	5,768,720	(500,000)
Transfers Out	-	-	-	-
Loss Recoveries	-	-	485,421	485,421
Total Other Financing Sources	<u>6,169,138</u>	<u>6,268,720</u>	<u>6,254,141</u>	<u>(14,579)</u>
Net Change in Fund Balance	(11,728,019)	(27,861,471)	7,900,739	35,762,210
Fund Balance - Beginning	<u>54,931,346</u>	<u>54,931,346</u>	<u>54,931,346</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 43,203,327</u>	<u>\$ 27,069,875</u>	<u>\$ 62,832,085</u>	<u>\$ 35,762,210</u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS⁽¹⁾

Measurement Year Ended June 30,	Service Cost	Interest on the Total OPEB Liability	Changes in benefit terms	Difference between expected and actual experience of the Total OPEB Liability	Changes in assumptions and other inputs
2018	\$ 1,518,557	\$ 1,107,725	\$ -	\$ -	\$ (209,026)
2017	1,661,807	946,718	-	-	(2,243,947)

Note:

(1) The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years of information as available.

Benefit Payments	Net change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Estimated Covered- Employee Payroll	Total OPEB liability as a percentage of Covered- Employee Payroll
\$ (1,047,312)	\$ 1,369,944	\$ 30,120,974	\$ 31,490,918	\$ 200,578,596	15.70%
(2,007,259)	(1,642,681)	31,763,655	30,120,974	152,336,960	19.77%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾

<u>Fiscal Year Ending June 30,</u>	<u>District's Proportion of the FRS Net Pension Liability</u>	<u>District's Proportionate Share of the FRS Net Pension Liability</u>	<u>District's Covered Payroll ⁽³⁾</u>	<u>District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll</u>	<u>FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2018	0.406526119%	\$ 122,447,774	\$ 193,442,819	63.30%	84.26%
2017	0.406626478%	120,277,383	186,572,661	64.47%	83.89%
2016	0.403122705%	101,788,799	182,142,038	55.88%	84.88%
2015	0.422344002%	54,551,392	175,337,962	31.11%	92.00%
2014	0.406030045%	24,773,804	164,428,190	15.07%	96.09%
2013	0.389856442%	67,111,642	152,046,642	44.14%	88.54%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾

Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll ⁽³⁾	FRS Contributions as a Percentage of Covered Payroll
2019	\$ 12,898,762	\$ 12,898,762	\$ -	\$ 206,497,862	6.25%
2018	11,585,668	11,585,668	-	193,442,819	5.99%
2017	10,585,488	10,585,488	-	186,572,661	5.67%
2016	9,965,075	9,965,075	-	182,142,038	5.47%
2015	10,297,105	10,297,105	-	175,337,962	5.87%
2014	8,893,781	8,893,781	-	164,428,190	5.41%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾

Fiscal Year Ending June 30,	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll ⁽³⁾	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2018	0.592492494%	\$ 62,710,071	\$ 193,442,819	32.42%	2.15%
2017	0.590583056%	63,147,865	186,572,661	33.85%	1.64%
2016	0.584182280%	68,084,025	182,142,038	37.38%	0.97%
2015	0.577379055%	58,883,581	175,337,962	33.58%	0.50%
2014	0.551221367%	51,540,543	164,428,190	31.35%	0.99%
2013	0.523120679%	45,544,533	152,046,642	29.95%	1.78%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾

<u>Fiscal Year Ending June 30,</u>	<u>HIS Contractually Required Contribution</u>	<u>HIS Contributions in Relation to the Contractually Required Contribution</u>	<u>HIS Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll ⁽³⁾</u>	<u>HIS Contributions as a Percentage of Covered Payroll</u>
2019	\$ 3,427,973	\$ 3,427,973	\$ -	\$ 206,497,862	1.66%
2018	3,213,102	3,213,102	-	193,442,819	1.66%
2017	3,125,536	3,125,536	-	186,572,661	1.68%
2016	2,994,840	2,994,840	-	182,142,038	1.64%
2015	2,207,102	2,207,102	-	175,337,962	1.26%
2014	1,888,299	1,888,299	-	164,428,190	1.15%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

I. BUDGETARY BASIS OF ACCOUNTING

The Board follows procedures established by State statutes and 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 personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

II. SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN LIABILITY AND SCHEDULE OF CHANGE IN OPEB PLAN LIABILITY

- Changes in assumptions and other inputs include the change in the discount rate from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.
- There are no assets accumulated in a trust to pay related benefits.

III. SCHEDULE OF NET POSITION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN

Changes in assumptions. The long-term expected rate of return was decreased from 7.10 percent to 7.00 percent.

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

Changes in assumptions. The municipal bond rate used to determine total pension liability was increased from 3.58 percent to 3.87 percent.

Other Supplementary Information
Combining and Individual Fund
Statements and Schedules

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Other Supplementary Information

Combining Statements

Included in the Other Supplementary Schedules are combining statements for nonmajor governmental funds. These statements provide information on each individual nonmajor governmental fund that aggregates to the total presented as nonmajor governmental funds in the basic financial statements.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue		Debt Service	
	Food Service Fund	Other Federal Programs Fund	State Board of Education COBI Bonds Fund	ARRA Debt Service Fund
Assets				
Cash and Cash Equivalents	\$ 3,982,235	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	-	-	-	7,721,127
Investments	-	-	60,520	-
Accounts Receivable	3,598	2	-	-
Due From Other Agencies	-	2,338,897	-	-
Prepaid Items	-	3,827	-	-
Inventories	288,859	-	-	-
Total Assets	\$ 4,274,692	\$ 2,342,726	\$ 60,520	\$ 7,721,127
Liabilities and Fund Balances				
Liabilities				
Salaries and Benefits Payable	\$ 31,804	\$ 69,200	\$ -	\$ -
Payroll Deductions and Withholdings Payable	9,644	20,684	-	-
Accounts Payable	9,411	51,907	-	-
Construction Contracts Payable	-	-	-	-
Due to Other Agencies	-	70	-	-
Due to Other Funds	-	2,200,865	-	-
Deposits Payable	397,662	-	-	-
Total Liabilities	448,521	2,342,726	-	-
Fund Balances:				
Nonspendable	288,859	3,827	-	-
Restricted	3,537,312	-	60,520	7,721,127
Unassigned	-	(3,827)	-	-
Total Fund Balances	3,826,171	-	60,520	7,721,127
Total Liabilities and Fund Balances	\$ 4,274,692	\$ 2,342,726	\$ 60,520	\$ 7,721,127

Capital Projects		
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
\$ 5,508	\$ 3,033,911	\$ 7,021,654
-	-	7,721,127
-	-	60,520
-	-	3,600
542,888	28,527	2,910,312
-	-	3,827
-	-	288,859
<u>\$ 548,396</u>	<u>\$ 3,062,438</u>	<u>\$ 18,009,899</u>
\$ -	\$ -	\$ 101,004
-	-	30,328
-	-	61,318
1,648	-	1,648
-	-	70
203,378	-	2,404,243
-	-	397,662
<u>205,026</u>	<u>-</u>	<u>2,996,273</u>
-	-	292,686
343,370	3,062,438	14,724,767
-	-	(3,827)
<u>343,370</u>	<u>3,062,438</u>	<u>15,013,626</u>
<u>\$ 548,396</u>	<u>\$ 3,062,438</u>	<u>\$ 18,009,899</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Special Revenue		Debt Service	
	Food Service Fund	Other Federal Programs Fund	State Board of Education COBI Bonds Fund	ARRA Debt Service Fund
Revenues				
Federal Direct Sources	\$ -	\$ 1,445,895	\$ -	\$ 739,815
Federal Through State and Local Sources	5,831,840	12,526,671	-	-
State Sources	65,355	-	518,338	-
Local Sources:				
Charges for Services - Food Service	8,885,546	-	-	-
Other	292,379	-	-	180,275
Total Revenues	15,075,120	13,972,566	518,338	920,090
Expenditures				
Current Education:				
Instruction	-	6,390,256	-	-
Student Personnel Services	-	3,178,046	-	-
Instruction and Curriculum Development	-	1,985,448	-	-
Instructional Staff Training Services	-	949,220	-	-
General Administration	-	746,888	-	-
Facilities Acquisition and Construction	-	-	-	-
Food Services	13,279,792	-	-	-
Central Services	-	35,754	-	-
Student Transportation Services	-	110,073	-	-
Operation of Plant	-	176	-	-
Community Services	-	435,505	-	-
Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	162,950	141,200	-	-
Debt Service:				
Retirement of Principal	-	-	394,000	-
Interest and Fiscal Charges	-	-	629,376	793,525
Total Expenditures	13,442,742	13,972,566	1,023,376	793,525
Excess (Deficiency) of Revenues Over Expenditures	1,632,378	-	(505,038)	126,565
Other Financing Sources (Uses)				
Transfers In	-	-	-	901,246
Loss Recoveries	69,010	-	-	-
Issuance of Refunding Bonds	-	-	424,000	-
Premium on Refunding Bonds	-	-	67,071	-
Total Other Financing Sources (Uses)	69,010	-	491,071	901,246
Net Change in Fund Balances	1,701,388	-	(13,967)	1,027,811
Fund Balances - Beginning	2,124,783	-	74,487	6,693,316
Fund Balances - Ending	\$ 3,826,171	\$ -	\$ 60,520	\$ 7,721,127

Capital Projects		
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
\$ -	\$ -	\$ 2,185,710
-	-	18,358,511
532,159	1,111,739	2,227,591
-	-	8,885,546
2,731	35,206	510,591
534,890	1,146,945	32,167,949
-	-	6,390,256
-	-	3,178,046
-	-	1,985,448
-	-	949,220
-	-	746,888
8,077	-	8,077
-	-	13,279,792
-	-	35,754
-	-	110,073
-	-	176
-	-	435,505
551,131	-	551,131
-	-	304,150
-	-	394,000
-	1,558	1,424,459
559,208	1,558	29,792,975
(24,318)	1,145,387	2,374,974
-	-	901,246
-	-	69,010
-	-	424,000
-	-	67,071
-	-	1,461,327
(24,318)	1,145,387	3,836,301
367,688	1,917,051	11,177,325
<u>\$ 343,370</u>	<u>\$ 3,062,438</u>	<u>\$ 15,013,626</u>

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Other Supplementary Information Individual Budgetary Comparison Schedules

Also included in the other supplementary schedules are budgetary schedules for all governmental funds.

For nonmajor special revenue funds, all debt service funds, and all capital project funds, budgetary comparison statements were not presented as part of the basic financial statements. Budgetary comparison schedules are presented as part of the other supplementary schedule for each of these funds to demonstrate the District's compliance with its budget in each fund.

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Other Debt Service Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	
Revenues			
Local Sources:			
Local Sales Taxes	\$ 5,601,875	\$ 5,601,875	\$ 5,695,500
Interest on Investments	-	8,296	15,281
Total Revenues	<u>5,601,875</u>	<u>5,610,171</u>	<u>5,710,781</u>
Expenditures			
Debt Service:			
Retirement of Principal	16,125,000	16,125,000	16,125,000
Interest and Fiscal Charges	4,562,463	4,568,212	4,566,087
Total Expenditures	<u>20,687,463</u>	<u>20,693,212</u>	<u>20,691,087</u>
Deficiency of Revenues Over Expenditures	<u>(15,085,588)</u>	<u>(15,083,041)</u>	<u>(14,980,306)</u>
Other Financing Sources			
Transfers In	15,085,588	15,081,415	15,081,415
Net Change in Fund Balance	-	(1,626)	101,109
Fund Balance - Beginning	<u>4,786,086</u>	<u>4,786,086</u>	<u>4,786,086</u>
Fund Balance - Ending	<u>\$ 4,786,086</u>	<u>\$ 4,784,460</u>	<u>\$ 4,887,195</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS - SECTIONS 1011.14/1011.15 LOAN FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sections 1011.14/1011.15 Loan Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	
Revenues			
Local Sources:			
Interest on Investments	\$ -	\$ -	\$ 321,264
Other	-	-	1,826
Total Revenues	-	-	323,090
Expenditures			
Current Education:			
Facilities Acquisition and Construction	88,361	778,476	92,085
Debt Service:			
Retirement of Principal	2,787,000	-	-
Interest and Fiscal Charges	391,191	391,191	391,191
Capital Outlay:			
Facilities Acquisition and Construction	14,724,292	13,951,596	10,460,909
Other Capital Outlay	23,287	105,868	96,213
Total Expenditures	18,014,131	15,227,131	11,040,398
Deficiency of Revenues Over Expenditures	(18,014,131)	(15,227,131)	(10,717,308)
Other Financing Sources			
Transfers In	3,178,191	3,178,191	3,178,191
Net Change in Fund Balance	(14,835,940)	(12,048,940)	(7,539,117)
Fund Balance - Beginning	14,835,940	(264,060)	(264,060)
Fund Balance - Ending	\$ -	\$ (12,313,000)	\$ (7,803,177)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Local Capital Improvement Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	
Revenues			
Federal Through State Sources:	\$ -	\$ -	\$ 1,372
State Sources:	-	-	229
Local Sources:			
Property Taxes	40,453,098	40,453,098	40,681,849
Interest on Investments	150,000	150,000	671,183
Other	-	-	138,986
Total Local Sources	40,603,098	40,603,098	41,492,018
Total Revenues	40,603,098	40,603,098	41,493,619
Expenditures			
Current Education:			
Facilities Acquisition and Construction	31,808,941	33,335,027	9,419,310
Capital Outlay:			
Facilities Acquisition and Construction	7,760,585	7,818,775	4,710,958
Other Capital Outlay	7,552,569	6,072,305	1,094,429
Total Expenditures	47,122,095	47,226,107	15,224,697
Excess (Deficiency) of Revenues Over Expenditures	(6,518,997)	(6,623,009)	26,268,922
Other Financing Sources (Uses)			
Transfers Out	(20,060,905)	(19,956,893)	(19,956,893)
Total Other Financing Sources (Uses)	(20,060,905)	(19,956,893)	(19,956,893)
Net Change in Fund Balance	(26,579,902)	(26,579,902)	6,312,029
Fund Balance - Beginning	26,645,446	26,645,446	26,645,446
Fund Balance - Ending	\$ 65,544	\$ 65,544	\$ 32,957,475

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Other Capital Projects Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	
Revenues			
Federal Through State Sources:	\$ -	\$ -	\$ 86,974
State Sources:	-	1,517,135	1,616,132
Local Sources:			
Local Sales Taxes	13,581,674	13,581,674	15,945,589
Impact Fees	12,000,000	12,000,000	17,217,299
Concurrency Proportionate Share Mitigation	-	-	11,050,657
Interest on Investments	-	-	1,754,238
Other	-	-	1,311,971
Total Local Sources	25,581,674	25,581,674	47,279,754
Total Revenues	25,581,674	27,098,809	48,982,860
Expenditures			
Current Education:			
Facilities Acquisition and Construction	16,794,616	18,780,432	8,571,407
Capital Outlay:			
Facilities Acquisition and Construction	85,374,689	84,065,273	11,454,674
Other Capital Outlay	1,871,950	2,772,756	1,645,142
Total Expenditures	104,041,255	105,618,461	21,671,223
Deficiency of Revenues Over Expenditures	(78,459,581)	(78,519,652)	27,311,637
Other Financing Uses			
Transfers Out	(4,873,097)	(4,972,679)	(4,972,679)
Net Change in Fund Balance	(83,332,678)	(83,492,331)	22,338,958
Fund Balance - Beginning	83,547,168	81,115,449	81,115,449
Fund Balance - Ending	\$ 214,490	\$ (2,376,882)	\$ 103,454,407
			\$ 105,831,289

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Federal Through State Sources:				
National School Lunch Program	\$ 4,596,200	\$ 4,667,141	\$ 5,104,040	\$ 436,899
USDA Donated Foods	603,189	603,189	568,140	(35,049)
Summer Food Service Program	90,000	105,000	91,142	(13,858)
Miscellaneous Federal Through State	-	-	68,518	68,518
Total Federal Through State Sources	5,289,389	5,375,330	5,831,840	456,510
State Sources:				
School Breakfast Supplement	23,670	23,670	25,294	1,624
School Lunch Supplement	38,779	38,779	38,364	(415)
Miscellaneous State Revenue	-	-	1,697	1,697
Total State Sources	62,449	62,449	65,355	2,906
Local Sources:				
Food Sales	7,461,000	8,479,417	8,885,546	406,129
Interest on Investments	30,000	30,000	58,305	28,305
Other	250,000	250,000	234,074	(15,926)
Total Local Sources	7,741,000	8,759,417	9,177,925	418,508
Total Revenues	13,092,838	14,197,196	15,075,120	877,924
Expenditures				
Current:				
Food Services:				
Salaries	4,232,000	4,671,868	4,525,384	146,484
Employee Benefits	2,200,640	2,385,640	2,366,220	19,420
Purchased Services	237,450	230,897	182,716	48,181
Energy Services	115,000	125,000	72,309	52,691
Materials and Supplies	5,504,027	6,170,465	5,547,028	623,437
Capital Outlay	17,000	242,121	219,676	22,445
Other	333,000	434,616	366,459	68,157
Capital Outlay:				
Other Capital Outlay	203,500	274,693	162,950	111,743
Total Expenditures	12,842,617	14,535,300	13,442,742	1,092,558
Excess of Revenues Over Expenditures	250,221	(338,104)	1,632,378	1,970,482
Other Financing Uses				
Transfers Out	(500,000)	-	-	-
Loss Recoveries	-	-	69,010	(69,010)
Total Other Financing Uses	(500,000)	-	69,010	(69,010)
Net Change in Fund Balance	(249,779)	(338,104)	1,701,388	2,039,492
Fund Balances - Beginning	2,124,783	2,124,783	2,124,783	-
Fund Balances - Ending	\$ 1,875,004	\$ 1,786,679	\$ 3,826,171	\$ 2,039,492

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Other Federal Programs Fund			
	Budgeted Amounts			Variance with Final Budget Positive Negative
	Original	Final	Actual	
Revenues				
Federal Direct Sources	\$ 1,088,905	\$ 1,445,895	\$ 1,445,895	\$ -
Federal Through State and Local Sources:				
Individuals with Disabilities Education Act	6,469,010	6,552,746	6,552,746	-
Title I and School Improvement Grants	3,458,513	3,580,700	3,580,700	-
Other Federal Through State and Local Sources	2,274,332	2,393,228	2,393,225	(3)
Total Federal Through State and Local Sources	12,201,855	12,526,674	12,526,671	(3)
Total Revenues	13,290,760	13,972,569	13,972,566	(3)
Expenditures				
Current Education:				
Instruction:				
Salaries	3,193,597	3,083,337	3,083,337	-
Employee Benefits	1,203,815	1,208,380	1,208,380	-
Purchased Services	839,866	836,302	836,302	-
Materials and Supplies	208,964	347,550	347,550	-
Capital Outlay	130,645	259,317	259,317	-
Other	183,410	655,370	655,370	-
Total Instruction	5,760,297	6,390,256	6,390,256	-
Student Personnel Services:				
Salaries	2,111,634	2,191,484	2,191,484	-
Employee Benefits	789,237	716,132	716,132	-
Purchased Services	226,384	196,670	196,670	-
Materials and Supplies	55,535	60,692	60,692	-
Capital Outlay	11,806	10,595	10,595	-
Other	5,600	2,473	2,473	-
Total Student Personnel Services	3,200,196	3,178,046	3,178,046	-
Instruction and Curriculum Development:				
Salaries	1,473,828	1,432,279	1,432,279	-
Employee Benefits	585,437	438,866	438,866	-
Purchased Services	118,922	91,902	91,902	-
Materials and Supplies	31,324	14,924	14,924	-
Capital Outlay	14,663	6,182	6,182	-
Other	850	1,295	1,295	-
Total Instruction and Curriculum Development	2,225,024	1,985,448	1,985,448	-

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONCLUDED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Expenditures (concluded)	Other Federal Programs Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff Training Services:				
Salaries	\$ 420,340	\$ 548,674	\$ 548,674	\$ -
Employee Benefits	113,397	108,336	108,336	-
Purchased Services	227,612	255,630	255,630	-
Materials and Supplies	13,490	20,015	20,015	-
Capital Outlay	600	-	-	-
Other	39,082	16,565	16,565	-
Total Instructional Staff Training Services	814,521	949,220	949,220	-
General Administration:				
Other	729,793	746,891	746,888	3
Facilities Acquisition and Construction:				
Purchased Services	8,400	-	-	-
Central Services:				
Purchased Services	33,400	35,754	35,754	-
Student Transportation Services:				
Purchased Services	199,647	87,080	87,080	-
Other	-	22,993	22,993	-
Total Student Transportation Services	199,647	110,073	110,073	-
Operation of Plant:				
Purchased Services	-	95	95	-
Materials and Supplies	-	81	81	-
Total Operation of Plant	-	176	176	-
Community Services:				
Salaries	42,279	43,087	43,087	-
Employee Benefits	13,107	13,430	13,430	-
Purchased Services	25,750	29,747	29,747	-
Materials and Supplies	4,383	19,574	19,574	-
Capital Outlay	-	7,027	7,027	-
Other	-	322,640	322,640	-
Total Community Services	85,519	435,505	435,505	-
Capital Outlay:				
Other Capital Outlay	233,963	141,200	141,200	-
Total Expenditures	13,290,760	13,972,569	13,972,566	3
Excess of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	State Board of Education COBI Bonds Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State Sources:				
Debt Service for State Board of Education/COBI Bonds	\$ -	\$ 517,223	\$ 517,223	\$ -
State Board of Education/COBI Bond Interest	-	1,115	1,115	-
Total Revenues	-	518,338	518,338	-
Expenditures				
Debt Service:				
Retirement of Principal	-	394,000	394,000	-
Interest and Fiscal Charges	-	629,376	629,376	-
Total Expenditures	-	1,023,376	1,023,376	-
Deficiency of Revenues Over Expenditures	-	(505,038)	(505,038)	-
Other Financing Sources				
Issuance of Refunding Bonds	-	424,000	424,000	-
Premium on Refunding Bonds	-	67,071	67,071	-
Total Other Financing Sources	-	491,071	491,071	-
Net Change in Fund Balance	-	(13,967)	(13,967)	-
Fund Balance - Beginning	-	74,487	74,487	-
Fund Balance - Ending	\$ -	\$ 60,520	\$ 60,520	\$ -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ARRA Debt Service Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	
Revenues			
Federal Direct Sources	\$ 733,491	\$ 733,366	\$ 739,815
Local Sources:			
Interest on Investments	-	-	180,275
Total Revenues	733,491	733,366	920,090
Expenditures			
Debt Service:			
Interest and Fiscal Charges	793,400	793,525	793,525
Deficiency of Revenues Over Expenditures	(59,909)	(60,159)	126,565
Other Financing Sources			
Transfers In	1,001,085	901,246	901,246
Net Change in Fund Balance	941,176	841,087	1,027,811
Fund Balance - Beginning	6,693,316	6,693,316	6,693,316
Fund Balance - Ending	\$ 7,634,492	\$ 7,534,403	\$ 7,721,127

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Public Education Capital Outlay Fund			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
	Budget	Budget		Positive
				(Negative)
Revenues				
State Sources:				
Public Education Capital Outlay	\$ 521,177	\$ 532,159	\$ 532,159	\$ -
Local Sources:				
Other	-	-	2,731	2,731
Total Revenues	<u>521,177</u>	<u>532,159</u>	<u>534,890</u>	<u>2,731</u>
Expenditures				
Current Education:				
Facilities Acquisition and Construction	11,320	11,320	8,077	3,243
Capital Outlay:				
Facilities Acquisition and Construction	877,545	888,527	551,131	337,396
Total Expenditures	<u>888,865</u>	<u>899,847</u>	<u>559,208</u>	<u>340,639</u>
Deficiency of Revenues Over Expenditures	<u>(367,688)</u>	<u>(367,688)</u>	<u>(24,318)</u>	<u>343,370</u>
Net Change in Fund Balance	(367,688)	(367,688)	(24,318)	343,370
Fund Balance - Beginning	<u>367,688</u>	<u>367,688</u>	<u>367,688</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,370</u>	<u>\$ 343,370</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Capital Outlay and Debt Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
State Sources:				
CO&DS Distributed	\$ 510,956	\$ 510,956	\$ 1,081,655	\$ 570,699
Interest Undistributed CO&DS	-	30,084	30,084	-
Total State Sources	510,956	541,040	1,111,739	570,699
Local Sources:				
Interest on Investments	-	-	35,206	35,206
Total Revenues	510,956	541,040	1,146,945	605,905
Expenditures				
Current Education:				
Facilities Acquisition and Construction	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction:	2,428,007	2,428,007	-	2,428,007
Debt Service:				
Interest and Fiscal Charges	-	1,558	1,558	-
Total Expenditures	2,428,007	2,429,565	1,558	2,428,007
Excess (Deficiency) of Revenues Over Expenditures	(1,917,051)	(1,888,525)	1,145,387	3,033,912
Net Change in Fund Balance	(1,917,051)	(1,888,525)	1,145,387	3,033,912
Fund Balance - Beginning	1,917,051	1,917,051	1,917,051	-
Fund Balance - Ending	\$ -	\$ 28,526	\$ 3,062,438	\$ 3,033,912

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Internal Service Funds

Internal Service Funds are used to account for the District's individual self-insurance programs, including health and hospitalization, dental, vision and workers' compensation insurance coverage.

Health and Hospitalization Insurance Fund

To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Dental Insurance Fund

To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Vision Insurance Fund

To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Workers' Compensation Fund

To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

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COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 41,197,039	\$ 1,195,392	\$ 2,052,072	\$ 4,927,779	\$ 49,372,282
Accounts Receivable	38,487	1,264	226	-	39,977
Total Current Assets	41,235,526	1,196,656	2,052,298	4,927,779	49,412,259
Noncurrent Assets:					
Capital Assets:					
Capital Assets Being Depreciated, Net	167,105	-	-	-	167,105
Total Assets	41,402,631	1,196,656	2,052,298	4,927,779	49,579,364
Liabilities					
Current Liabilities:					
Salaries and Benefits Payable	1,717	-	-	1,547	3,264
Payroll Deductions and Withholdings Payable	624	-	-	217	841
Accounts Payable	2,985,697	-	73,177	713	3,059,587
Estimated Health Insurance Claims Payable	2,468,826	283,477	55,958	27,161	2,835,422
Total Current Liabilities	5,456,864	283,477	129,135	29,638	5,899,114
Long-term Liabilities:					
Estimated Insurance Claims Payable	-	-	-	231,071	231,071
Total Long-term Liabilities	-	-	-	231,071	231,071
Total Liabilities	5,456,864	283,477	129,135	260,709	6,130,185
Net Position					
Investment in Capital Assets	167,105	-	-	-	167,105
Unrestricted	35,778,662	913,179	1,923,163	4,667,070	43,282,074
Total Net Position	\$ 35,945,767	\$ 913,179	\$ 1,923,163	\$ 4,667,070	\$ 43,449,179

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
Operating Revenues					
Insurance Premiums	\$ 50,743,329	\$ 3,104,349	\$ 888,138	\$ 1,860,825	\$ 56,596,641
Other Operating Revenues	156,786	-	-	-	156,786
Total Operating Revenues	<u>50,900,115</u>	<u>3,104,349</u>	<u>888,138</u>	<u>1,860,825</u>	<u>56,753,427</u>
Operating Expenses					
Insurance Claims	36,968,128	3,111,537	575,266	35,358	40,690,289
Fees and Other	3,932,327	244,800	57,686	1,638,540	5,873,353
Salaries	286,189	-	-	165,991	452,180
Employee Benefits	85,564	-	-	56,891	142,455
Purchased Services	2,737,667	-	-	-	2,737,667
Depreciation	14,964	-	-	-	14,964
Total Operating Expenses	<u>44,024,839</u>	<u>3,356,337</u>	<u>632,952</u>	<u>1,896,780</u>	<u>49,910,908</u>
Operating Income (Loss)	<u>6,875,276</u>	<u>(251,988)</u>	<u>255,186</u>	<u>(35,955)</u>	<u>6,842,519</u>
Nonoperating Revenue					
Investment Income	663,822	21,854	33,261	76,835	795,772
Change in Net Position	<u>7,539,098</u>	<u>(230,134)</u>	<u>288,447</u>	<u>40,880</u>	<u>7,638,291</u>
Net Position - Beginning	<u>28,406,669</u>	<u>1,143,313</u>	<u>1,634,716</u>	<u>4,626,190</u>	<u>35,810,888</u>
Net Position - Ending	<u>\$ 35,945,767</u>	<u>\$ 913,179</u>	<u>\$ 1,923,163</u>	<u>\$ 4,667,070</u>	<u>\$ 43,449,179</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
Cash Flows from Operating Activities					
Cash Received from Board Funds and Participants	\$ 50,900,115	\$ 3,104,349	\$ 888,138	\$ 1,860,825	\$ 56,753,427
Cash Payments to Suppliers for Goods and Services	(6,138,509)	(246,125)	(19,559)	(1,637,635)	(8,041,828)
Cash Payments to Employees	(371,753)	-	-	(222,882)	(594,635)
Cash Payments for Insurance Claims	(37,126,243)	(3,096,683)	(573,188)	(27,161)	(40,823,275)
Net Cash Provided (Used) by Operating Activities	<u>7,263,610</u>	<u>(238,459)</u>	<u>295,391</u>	<u>(26,853)</u>	<u>7,293,689</u>
Cash Flows from Investing Activities					
Investment Income	663,822	21,854	33,261	76,835	795,772
Net Increase (Decrease) in Cash and Cash Equivalents	7,927,432	(216,605)	328,652	49,982	8,089,461
Cash and Cash Equivalents, Beginning of Year	33,269,607	1,411,997	1,723,420	4,877,797	41,282,821
Cash and Cash Equivalents, End of Year	<u>\$ 41,197,039</u>	<u>\$ 1,195,392</u>	<u>\$ 2,052,072</u>	<u>\$ 4,927,779</u>	<u>\$ 49,372,282</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>					
Operating Income (Loss)	\$ 6,875,276	\$ (251,988)	\$ 255,186	\$ (35,955)	\$ 6,842,519
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	14,964	-	-	-	14,964
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(38,220)	(1,264)	(226)	-	(39,710)
Increase in Salaries and Benefits Payable	1,280	-	-	414	1,694
Increase in Payroll Deductions and Withholdings Payable	458	-	-	214	672
Increase (Decrease) in Accounts Payable	567,967	(61)	38,353	277	606,536
Increase (Decrease) in Estimated Insurance Claims Payable	(158,115)	14,854	2,078	8,197	(132,986)
Total Adjustments	<u>388,334</u>	<u>13,529</u>	<u>40,205</u>	<u>9,102</u>	<u>451,170</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,263,610</u>	<u>\$ (238,459)</u>	<u>\$ 295,391</u>	<u>\$ (26,853)</u>	<u>\$ 7,293,689</u>

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Fiduciary Funds - Agency Funds

Agency Funds are Fiduciary Funds which are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, class, club, and athletic activities.

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STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Internal Accounts - Student Activity Funds				
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Assets				
Cash and Cash Equivalents	<u>\$ 4,667,889</u>	<u>\$ 15,767,372</u>	<u>\$ 15,692,611</u>	<u>\$ 4,742,650</u>
Liabilities				
Accounts Payable	\$ 168,656	\$ 53,703	\$ 168,656	\$ 53,703
Internal Accounts Payable	<u>4,499,233</u>	<u>15,713,669</u>	<u>15,523,955</u>	<u>4,688,947</u>
Total Liabilities	<u>\$ 4,667,889</u>	<u>\$ 15,767,372</u>	<u>\$ 15,692,611</u>	<u>\$ 4,742,650</u>

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Combining Financial Statements Component Units

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2019

	St. Johns County Education Foundation, Inc.	St. Augustine Public Montessori School	Therapeutic Learning Center Charter School	St. Johns Community Campus Charter School	Total
ASSETS					
Cash and Cash Equivalents	\$ 740,841	\$ 113,896	\$ 500,679	\$ 1,008,814	\$ 2,364,230
Restricted Cash and Cash Equivalents	736	-	-	-	736
Accounts Receivable	45,447	3,342	-	-	48,789
Deposits Receivable	923,930	2,460	-	-	926,390
Due from Primary Government	-	-	-	-	-
Prepaid Items	3,874	11,167	-	4,305	19,346
Capital Assets Being Depreciated, Net	1,280	9,792	59,304	51,740	122,116
Total Assets	<u>1,716,108</u>	<u>140,657</u>	<u>559,983</u>	<u>1,064,859</u>	<u>3,481,607</u>
LIABILITIES					
Current Liabilities:					
Salaries and Benefits Payable	26,958	29,264	13,162	31,260	100,644
Accounts Payable	15,694	664	36,205	118,111	170,674
Notes Payable	-	60,000	-	-	60,000
Due to Primary Government	21	-	-	-	21
Total Current Liabilities	<u>42,673</u>	<u>89,928</u>	<u>49,367</u>	<u>149,371</u>	<u>331,339</u>
NET POSITION					
Investment in Capital Assets	-	9,792	59,304	51,740	120,836
Restricted for Special Revenue - Other	-	-	-	-	-
Unrestricted	1,673,435	40,937	451,312	863,748	3,029,432
Total Net Position	<u>\$ 1,673,435</u>	<u>\$ 50,729</u>	<u>\$ 510,616</u>	<u>\$ 915,488</u>	<u>\$ 3,150,268</u>

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	St. Johns County Education Foundation, Inc.	St. Augustine Public Montessori School	Therapeutic Learning Center Charter School	St. Johns Community Campus Charter School	Total
Expenses					
Instruction	\$ 869,972	\$ 816,998	\$ 235,309	\$ 560,791	\$ 2,483,070
Student Support Services	-	7,610	-	-	7,610
Instruction and Curriculum Development Services	-	-	2,049	20,078	22,127
School Administration	-	338,373	30,568	91,991	460,932
Facilities Acquisition and Construction	-	-	42,000	115,173	157,173
Central Services	269,208	-	-	-	269,208
Student Transportation Services	-	-	-	42,669	42,669
Operation of Plant	-	-	6,649	13,182	19,831
Maintenance of Plant	-	64,336	15,634	12,426	92,396
Administrative Technology Services	-	-	200	2,765	2,965
Community Services	-	55,168	-	-	55,168
Depreciation - Unallocated	-	-	8,776	15,148	23,924
Unallocated Interest on Long-term Debt	-	18,538	-	-	18,538
Total Expenses	1,139,180	1,301,023	341,185	874,223	3,655,611
Program Revenues					
Charges for Services	-	78,960	-	-	78,960
Operating Grants and Contributions	150,550	-	-	-	150,550
Capital Grants and Contributions	-	64,960	-	-	64,960
Total Program Revenues	150,550	143,920	-	-	294,470
Net Program Expense	(988,630)	(1,157,103)	(341,185)	(874,223)	(3,361,141)
General Revenues					
Grants and Contributions Not Restricted to Specific Programs	1,213,745	1,135,658	376,856	1,007,974	3,734,233
Unrestricted Interest Earnings	4,048	-	-	-	4,048
Total General Revenues	1,217,793	1,135,658	376,856	1,007,974	3,738,281
Change in Net Position	229,163	(21,445)	35,671	133,751	377,140
Net Position - Beginning; as restated	1,444,272	72,174	474,945	781,737	2,773,128
Net Position - Ending	\$ 1,673,435	\$ 50,729	\$ 510,616	\$ 915,488	\$ 3,150,268

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STATISTICAL



CAREER ACADEMIES *feature*
An advisory board of local business leaders
within each career cluster.

Statistical

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

Financial Trends

162

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

Revenue Capacity

175

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

Debt Capacity

182

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

Demographic and Economic Information

192

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

Operating Information

194

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

**NET POSITION BY COMPONENT GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Primary Government:				
Governmental Activities:				
Net Investment in Capital Assets	\$ 367,627,073	\$ 381,731,717	\$ 386,087,241	\$ 385,966,274
Restricted	86,518,843	71,477,555	60,943,371	63,672,508
Unrestricted	<u>16,671,195</u>	<u>15,237,326</u>	<u>(753,280)</u>	<u>(8,521,151)</u>
Total Net Position	<u>\$ 470,817,111</u>	<u>\$ 468,446,598</u>	<u>\$ 446,277,332</u>	<u>\$ 441,117,631</u>

Source: District Records - Audited Statement of Net Assets/Statement of Net Position

TABLE 1

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 400,396,915	\$ 395,238,425	\$ 418,591,280	\$ 454,071,103	\$ 499,241,608	\$ 521,213,871
63,258,637	84,324,801	102,448,777	122,864,096	126,456,614	159,814,719
(19,927,295)	(127,620,395)	(118,656,185)	(112,816,634)	(84,129,442)	(82,266,268)
<u>\$ 443,728,257</u>	<u>\$ 351,942,831</u>	<u>\$ 402,383,872</u>	<u>\$ 464,118,565</u>	<u>\$ 541,568,780</u>	<u>\$ 598,762,322</u>

**CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Expenses				
Governmental Activities:				
Instruction	\$ 149,605,024	\$ 160,281,144	\$ 154,917,563	\$ 157,997,830
Student Personnel Services	14,664,107	15,648,973	15,666,971	16,255,387
Instructional Media Services	4,403,526	4,665,654	4,482,159	4,624,282
Instruction and Curriculum Development Services	6,905,514	6,918,909	6,724,688	6,650,112
Instructional Staff Training Services	4,119,292	4,231,265	5,537,121	4,589,316
Instruction-Related Technology	4,125,375	4,585,612	4,858,653	5,348,639
School Board	611,608	828,837	776,477	811,347
General Administration	1,239,831	911,113	802,006	857,608
School Administration	14,307,319	14,770,442	14,085,674	14,196,372
Facilities Services - Non-Capitalized	13,329,194	14,570,383	16,169,015	11,401,141
Fiscal Services	1,709,074	1,809,452	1,940,256	1,885,777
Food Services	10,099,703	10,190,739	10,330,383	10,942,673
Central Services	9,872,040	10,704,206	10,620,862	11,439,124
Student Transportation Services	11,601,230	12,635,262	12,778,049	12,789,656
Operation of Plant	19,687,578	20,507,802	19,738,298	20,031,090
Maintenance of Plant	8,321,679	8,365,885	8,173,519	8,088,888
Administrative Technology Services	989,902	1,276,100	1,122,670	915,741
Community Services	3,199,704	3,434,471	3,442,864	3,429,051
Unallocated Interest on Long-Term Debt	5,976,322	6,538,768	6,459,711	5,130,125
Total Governmental Activities Expenses	284,768,022	302,875,017	298,626,939	297,384,159
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	774,672	928,607	979,611	972,222
Food Services	6,672,953	6,781,231	6,887,399	7,313,047
Central Services	6,957,622	7,649,455	7,654,626	8,153,733
Student Transportation Services	611,252	594,259	687,218	536,743
Community Services	3,040,347	3,435,011	3,477,107	3,655,614
Operating Grants and Contributions	10,627,344	11,176,025	11,611,790	11,740,415
Capital Grants and Contributions	4,241,963	3,100,334	1,338,497	1,359,299
Total Government Program Revenues	32,926,153	33,664,922	32,636,248	33,731,073
Total Government Activities Net Expenses	(251,841,869)	(269,210,095)	(265,990,691)	(263,653,086)
General Revenues:				
Governmental Activities:				
Property Taxes Levied for Operational Purposes	134,871,191	124,940,872	117,952,145	109,605,169
Property Taxes Levied for Debt Services	80,220	9,358	1,540	161
Property Taxes Levied for Capital Projects	32,345,363	28,559,447	27,311,388	26,586,165
Local Sales Tax	-	-	-	-
Impact Fees	4,199,095	3,696,569	6,533,308	11,252,793
Concurrency Proportionate Share Mitigation	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	88,050,130	104,710,192	87,959,836	105,766,468
Unrestricted Investment Earnings	658,962	378,848	382,110	358,579
Miscellaneous	4,807,778	4,544,296	3,681,097	4,924,050
Total Governmental Activities General Revenues	265,012,739	266,839,582	243,821,424	258,493,385
Total Governmental Activities Changes in Net Position	\$ 13,170,870	\$ (2,370,513)	\$ (22,169,267)	\$ (5,159,701)

(1) Beginning with the 2009-10 fiscal year, the District allocated depreciation expense to the various functions.

Source: District Records - Audited Statement of Activities

TABLE 2

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 169,143,833	\$ 173,507,627	\$ 175,748,352	\$ 187,540,860	\$ 202,277,076	\$ 217,280,491
18,267,087	20,093,904	20,408,021	22,952,254	24,663,188	29,546,846
4,873,199	4,814,789	4,737,300	4,935,265	5,292,377	5,648,419
5,914,184	6,271,030	6,113,077	6,917,491	7,340,407	7,503,759
5,415,067	5,806,845	5,656,429	5,030,613	4,394,698	5,042,522
5,809,924	6,515,405	7,376,343	8,314,188	9,172,168	9,384,256
984,863	1,131,053	1,333,544	1,053,151	1,018,794	996,446
984,561	967,496	946,079	1,111,417	1,079,020	1,135,906
15,758,884	16,444,564	16,717,692	18,959,332	20,180,295	21,104,153
11,944,402	17,234,877	16,937,677	15,663,417	18,756,749	23,515,483
1,951,820	1,833,604	2,000,883	2,129,474	2,161,532	2,380,993
11,294,658	10,786,652	10,719,025	11,336,864	12,508,993	13,893,077
12,079,000	13,673,785	14,939,898	15,405,980	15,854,739	15,738,641
13,480,462	13,111,533	13,187,377	14,816,533	16,200,947	16,311,884
21,103,349	21,548,382	21,947,067	23,761,404	24,958,641	26,586,679
8,383,597	8,509,014	8,278,732	9,178,014	9,428,942	9,930,619
669,036	689,818	586,180	675,389	652,932	884,510
3,466,553	3,787,343	4,163,622	6,230,419	5,963,267	5,312,161
6,481,995	5,674,732	4,579,224	5,536,490	4,973,452	4,385,072
318,006,474	332,402,453	336,376,522	361,548,555	386,878,217	416,581,917
899,448	828,625	1,007,858	2,906,508	2,773,576	2,423,153
7,601,358	6,829,933	6,611,349	6,685,453	6,999,606	8,885,546
8,669,662	10,044,757	11,365,620	11,344,144	11,619,739	12,236,816
637,884	571,486	614,016	659,226	691,665	673,227
4,051,792	4,840,604	5,298,595	5,469,391	5,477,699	5,429,169
12,282,754	13,178,882	13,836,488	14,089,939	15,584,317	15,565,088
6,088,899	5,987,597	16,739,207	12,630,451	2,972,154	3,104,139
40,231,797	42,281,884	55,473,133	53,785,112	46,118,756	48,317,138
(277,774,677)	(290,120,569)	(280,903,389)	(307,763,443)	(340,759,461)	(368,264,779)
110,543,223	113,363,873	121,875,344	124,230,710	125,817,426	129,606,705
590	-	-	-	-	-
27,436,618	29,106,294	31,911,983	34,713,042	37,414,585	40,681,849
-	-	8,791,558	18,703,292	19,693,454	21,641,089
14,353,236	10,874,315	14,768,255	14,772,417	16,425,242	17,217,299
2,219,581	5,798,873	8,672,782	13,031,153	12,422,554	11,050,657
120,979,009	131,468,770	138,868,615	154,674,221	169,390,142	189,960,448
355,206	344,555	806,500	1,501,027	2,798,952	5,454,513
4,497,840	4,812,559	5,649,393	7,872,274	7,082,501	9,845,761
280,385,303	295,769,239	331,344,430	369,498,136	391,044,856	425,458,321
\$ 2,610,626	\$ 5,648,670	\$ 50,441,041	\$ 61,734,693	\$ 50,285,395	\$ 57,193,542

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
General Fund				
Nonspendable	\$ 348,808	\$ 405,047	\$ 417,950	\$ 408,686
Restricted	570,331	511,686	432,531	411,842
Committed	-	10,416,995	9,744,667	9,840,195
Assigned	45,520,392	25,867,464	28,212,720	34,230,880
Unassigned	10,926,622	32,160,733	28,197,928	22,533,440
Total General Fund	57,366,153	69,361,925	67,005,796	67,425,043
All Other Governmental Funds				
Nonspendable	153,636	135,929	115,079	240,416
Restricted	86,389,942	87,054,166	64,964,333	94,220,308
Assigned	2,905,932	3,118,121	1,977,943	1,985,311
Unassigned	-	-	-	-
Total All Other Governmental Funds	89,449,510	90,308,216	67,057,355	96,446,035
Combined Governmental Funds	\$ 146,815,663	\$ 159,670,141	\$ 134,063,151	\$ 163,871,078

Note: The District implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

Source: District Records - Audited Balance Sheet - Governmental Funds

TABLE 3

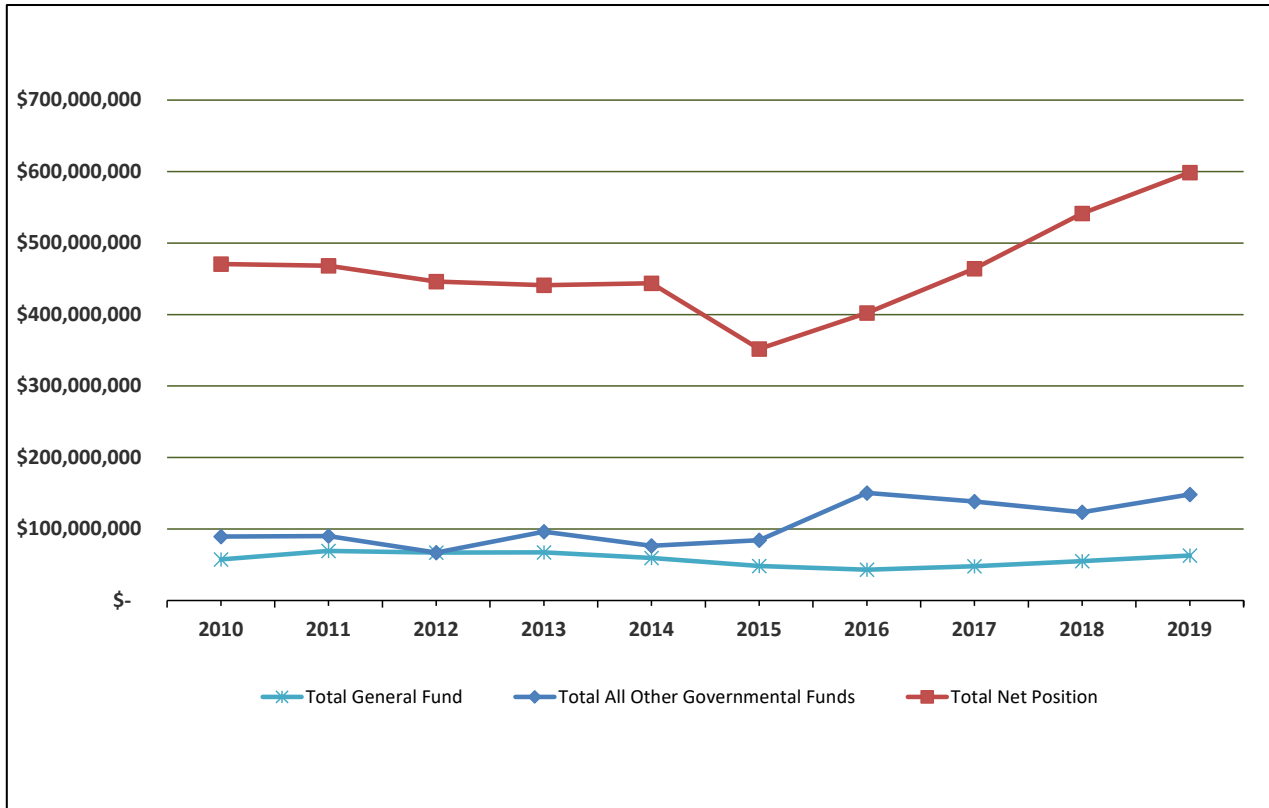
Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053	\$ 691,787	\$ 2,155,606
504,966	558,519	736,839	770,891	1,951,081	3,125,088
10,083,976	9,343,316	8,496,499	8,802,174	9,200,723	9,809,968
44,866,279	31,916,339	27,589,718	24,608,338	27,890,816	31,874,440
3,719,159	5,954,561	5,802,555	12,813,866	15,196,939	15,866,983
59,630,403	48,229,738	43,084,215	47,827,322	54,931,346	62,832,085
247,117	534,025	294,285	289,201	405,400	292,687
76,388,394	84,090,387	150,338,131	138,214,709	123,351,008	156,023,843
-	-	-	-	-	-
-	(245,470)	(80,160)	(18,115)	(296,162)	(7,807,004)
76,635,511	84,378,942	150,552,256	138,485,795	123,460,246	148,509,526
\$ 136,265,914	\$ 132,608,680	\$ 193,636,471	\$ 186,313,117	\$ 178,391,592	\$ 211,341,611

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**FUND BALANCES OF GOVERNMENTAL FUNDS AND ENTITY-WIDE NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 4



**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Revenues:				
Federal Direct Sources	\$ 1,376,428	\$ 1,712,363	\$ 2,063,113	\$ 2,063,315
Federal Through State and Local Sources	27,569,835	33,614,193	15,880,593	16,492,355
State Sources	71,329,746	83,219,037	82,819,288	100,198,339
Local Sources	<u>187,965,821</u>	<u>173,884,147</u>	<u>167,774,751</u>	<u>165,089,569</u>
Total Revenues	<u>288,241,830</u>	<u>292,429,740</u>	<u>268,537,745</u>	<u>283,843,578</u>
Expenditures:				
Current:				
Instruction	133,854,033	143,683,378	136,589,812	141,722,015
Student Personnel Services	12,996,768	13,783,619	13,605,240	14,384,677
Instructional Media Services	3,903,255	4,128,627	3,902,185	4,099,002
Instruction and Curriculum				
Development Services	6,106,328	6,087,616	5,854,593	5,881,386
Instructional Staff Training Services	3,679,990	3,780,661	4,851,618	4,126,647
Instruction-Related Technology	3,751,307	4,192,252	4,447,798	4,956,272
School Board	573,530	788,653	732,108	771,199
General Administration	1,199,390	868,489	758,688	816,256
School Administration	12,641,011	13,012,941	12,234,529	12,540,468
Facilities Acquisition and Construction	13,174,859	14,342,022	15,994,499	11,251,810
Fiscal Services	1,528,169	1,613,804	1,708,202	1,690,579
Food Service	9,448,373	9,566,283	9,589,834	10,258,058
Central Services	2,609,331	2,703,091	2,569,821	2,897,297
Student Transportation Services	10,047,099	10,797,519	10,803,374	10,957,226
Operation of Plant	18,590,272	19,305,767	18,360,752	18,786,364
Maintenance of Plant	7,614,377	7,617,122	7,365,550	7,376,191
Administrative Technology Services	916,162	1,238,683	1,081,440	879,687
Community Services	2,816,474	3,062,495	3,027,835	3,069,720
Capital Outlay:				
Facilities Acquisition and Construction	8,685,616	17,886,977	22,743,648	12,237,879
Charter School Local Capital Improvement	-	-	-	-
Other Capital Outlay	967,603	809,813	492,267	453,923
Debt Service:				
Retirement of Principal	14,038,124	10,586,055	11,029,112	20,842,301
Interest and Fiscal Charges	<u>6,541,271</u>	<u>6,592,354</u>	<u>6,500,662</u>	<u>7,119,524</u>
Total Expenditures	<u>275,683,342</u>	<u>296,448,221</u>	<u>294,243,567</u>	<u>297,118,481</u>
Excess of Revenues over (under) Expenditures	<u>12,558,488</u>	<u>(4,018,481)</u>	<u>(25,705,822)</u>	<u>(13,274,903)</u>
Other Financing Sources (Uses)				
Transfers In	24,532,439	25,403,957	25,821,616	26,599,543
Transfers Out	(24,532,439)	(25,403,957)	(25,821,616)	(28,593,311)
Sale of Capital Assets	28,039	-	2,350	-
Loss Recoveries	3,619	79,374	95,531	97,198
Issuance of Bonds	560,000	740,000	-	-
Issuance of Refunding Bonds	980,000	-	320,000	-
Issuance of Certificates of Participation	-	16,000,000	-	33,480,000
Issuance of Refunding Certificates of Participation	-	-	-	9,510,000
Premiums on Issuance of Long-Term Debt	108,355	53,586	48,683	1,989,400
Payment to Refunding Bonds Escrow Agent	(1,003,470)	-	(367,732)	-
Inception of Note	<u>480,063</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,156,606</u>	<u>16,872,960</u>	<u>98,832</u>	<u>43,082,830</u>
Net Change in Fund Balances	<u>\$ 13,715,094</u>	<u>\$ 12,854,479</u>	<u>\$ (25,606,990)</u>	<u>\$ 29,807,927</u>
Debt Service as a percentage of non-capital expenditures	7.74%	6.18%	6.47%	9.83%

Source: District Records - Audited Statement of Revenues, Expenditures, and Changes in Fund Balance

TABLE 5

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 1,969,171	\$ 2,016,511	\$ 2,012,722	\$ 3,247,061	\$ 2,588,716	\$ 2,408,373
16,156,919	16,301,292	15,979,733	16,032,220	17,788,759	20,248,979
123,190,493	132,111,564	137,407,516	152,528,640	167,459,449	185,894,164
172,544,842	177,312,413	205,858,156	229,577,539	237,086,369	251,558,766
313,861,425	327,741,780	361,258,127	401,385,460	424,923,293	460,110,282
154,956,534	166,285,130	173,713,352	177,071,071	187,448,973	201,214,260
16,575,149	19,163,308	20,146,810	21,600,040	22,757,898	27,368,846
4,428,460	4,596,139	4,678,354	4,649,185	4,884,761	5,210,926
5,370,095	5,986,021	6,036,971	6,516,212	6,768,761	6,907,634
4,970,645	5,577,666	5,593,630	4,770,762	4,103,956	4,699,475
5,444,025	6,325,529	7,318,543	8,006,521	8,740,035	8,919,947
948,786	1,113,640	1,328,934	1,030,837	987,297	964,298
950,822	951,078	941,696	1,084,904	1,051,455	1,107,767
14,283,564	15,676,630	16,501,219	17,834,742	18,605,209	19,441,722
11,812,811	17,169,829	16,919,645	15,582,576	18,632,364	23,392,639
1,789,279	1,754,238	1,977,453	2,013,798	2,008,493	2,218,462
10,728,782	10,499,785	10,639,904	10,940,838	11,952,996	13,279,792
3,073,100	3,433,160	3,490,984	3,802,148	3,904,324	3,233,922
11,753,442	11,936,633	11,975,689	12,621,274	13,867,073	14,617,274
20,066,380	21,022,508	21,797,943	23,029,103	23,941,309	25,466,202
7,798,237	8,217,320	8,199,549	8,762,090	8,867,238	9,332,652
636,452	673,692	581,874	653,557	623,092	853,397
3,168,268	3,622,644	4,113,841	5,953,015	5,614,125	4,963,731
36,272,988	4,084,979	10,541,644	54,328,964	57,397,572	27,762,779
-	-	-	-	78,378	-
3,880,880	3,498,969	4,163,905	7,119,390	5,256,350	4,349,303
13,266,952	13,640,000	14,116,000	16,068,000	18,191,000	16,519,000
6,563,411	6,439,901	6,028,818	7,469,704	6,289,224	6,381,737
338,739,062	331,668,799	350,806,758	410,908,731	431,971,883	428,205,765
(24,877,637)	(3,927,019)	10,451,369	(9,523,271)	(7,048,590)	31,904,517
24,726,295	25,006,073	25,669,215	24,748,812	24,510,385	24,929,572
(27,666,345)	(25,006,073)	(25,669,215)	(24,748,812)	(24,510,385)	(24,929,572)
-	-	-	-	-	-
35,107	50,088	103,702	848,297	182,508	554,431
-	-	42,755,000	-	-	-
581,000	1,526,000	-	1,173,000	-	424,000
-	-	-	-	-	-
-	54,845,000	-	-	-	-
92,853	8,563,675	7,717,720	178,620	-	67,071
(496,437)	(64,714,978)	-	-	(1,055,443)	-
-	-	-	-	-	-
(2,727,527)	269,785	50,576,422	2,199,917	(872,935)	1,045,502
\$ (27,605,164)	\$ (3,657,234)	\$ 61,027,791	\$ (7,323,354)	\$ (7,921,525)	\$ 32,950,019
6.64%	6.20%	5.99%	6.74%	6.63%	5.78%

**SUMMARY OF REVENUES, EXPENDITURES (BY MAJOR OBJECT), AND
CHANGES IN FUND BALANCES - GENERAL FUND
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Revenues:				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 225,262	\$ 238,825	\$ 239,518	\$ 238,907
Miscellaneous Federal Direct	94,778	75,961	65,292	40,830
Total Federal Sources	320,040	314,786	304,810	279,737
Federal Through State and Local Sources:				
Other Federal Through State and Local Sources	-	-	-	-
State Sources:				
Florida Education Finance Program (FEFP)	14,397,724	23,119,734	23,559,090	39,490,108
Class Size Reduction	31,340,215	32,899,241	33,645,694	34,429,631
Supplemental Academic Instruction	5,846,834	5,984,541	5,908,410	6,252,795
Transportation	7,110,044	7,569,262	7,653,948	7,743,836
Instructional Materials	2,563,766	2,487,103	2,388,363	2,489,872
Other Restricted State Sources	7,960,231	8,292,998	7,891,457	8,085,316
District Discretionary Lottery Funds	83,726	114,448	101,503	-
CO&DS Withheld for SBE/COBI Bonds	17,024	17,196	17,685	18,468
Other State Sources	372,749	302,897	279,989	277,634
Total State Sources	69,692,313	80,787,420	81,446,139	98,787,660
Local Sources:				
Ad Valorem Property Taxes	134,871,191	124,940,872	117,952,144	109,605,170
Investment Income	260,715	169,759	201,672	186,552
Other Local Sources	8,636,852	9,286,579	8,581,680	9,841,714
Total Local Sources	143,768,758	134,397,210	126,735,496	119,633,436
Total Revenues	213,781,111	215,499,416	208,486,445	218,700,833
Expenditures: (by object)				
Salaries	121,206,446	123,883,922	137,453,762	138,752,008
Employee Benefits	42,253,912	43,858,568	40,156,123	43,147,301
Purchased Services	20,252,383	21,419,388	22,193,670	22,572,884
Energy Services	7,126,031	7,334,990	7,365,458	6,949,387
Material and Supplies	5,903,146	8,402,751	7,166,959	8,426,609
Capital Outlay	3,682,938	5,865,164	3,236,547	3,239,560
Other Expenditures	2,412,852	2,556,775	2,591,770	2,839,712
Total Expenditures	202,837,708	213,321,558	220,164,289	225,927,461
Excess of Revenues over (under) Expenditures	10,943,403	2,177,858	(11,677,844)	(7,226,628)
Other Financing Sources (Uses), Net	8,109,581	9,817,914	9,321,715	7,645,875
Net Change in Fund Balances	19,052,984	11,995,772	(2,356,129)	419,247
Beginning Fund Balances	38,313,169	57,366,153	69,361,925	67,005,796
Ending Fund Balances	\$ 57,366,153	\$ 69,361,925	\$ 67,005,796	\$ 67,425,043
Breakdown of Fund Balances				
Nonspendable	\$ 348,808	\$ 405,047	\$ 417,950	\$ 408,686
Spendable:				
Restricted	570,331	511,686	432,531	411,842
Committed	-	10,416,995	9,744,667	9,840,195
Assigned	45,520,392	25,867,464	28,212,720	34,230,880
Unassigned	10,926,622	32,160,733	28,197,928	22,533,440
Total Fund Balances	\$ 57,366,153	\$ 69,361,925	\$ 67,005,796	\$ 67,425,043
Fund Balance as Percentage of Revenue:				
Assigned and Unassigned	26.40%	26.93%	27.06%	25.96%
Unassigned	5.11%	14.92%	13.53%	10.30%

Source: District Records - Audited Statement of Revenues, Expenditures, and Changes in Fund Balance

TABLE 6

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 241,660	\$ 222,452	\$ 212,987	\$ 207,912	\$ 235,288	\$ 222,663
-	-	-	-	-	-
241,660	222,452	212,987	207,912	235,288	222,663
-	-	27,950	-	53,433	1,802,122
54,652,035	63,180,234	68,835,145	78,931,079	90,017,272	102,483,981
35,491,525	37,283,259	38,373,022	40,443,832	42,060,125	44,833,644
6,370,592	6,510,859	6,890,657	7,523,430	7,691,931	8,084,576
8,018,856	8,430,294	8,681,526	9,016,927	9,550,553	9,738,108
2,656,408	2,895,407	2,963,504	3,231,781	3,302,721	3,437,156
7,506,071	8,232,088	8,593,368	8,411,325	8,693,481	9,202,369
328,168	125,216	-	641,470	70,618	144,245
18,865	20,160	20,889	22,216	23,215	24,348
688,770	253,187	957,634	1,869,139	3,794,502	4,101,785
115,731,290	126,930,704	135,315,745	150,091,199	165,204,418	182,050,212
110,543,223	113,363,873	121,875,344	124,230,710	125,817,426	129,606,705
186,513	166,706	331,801	344,880	772,602	1,593,098
9,784,688	10,736,067	11,879,712	14,702,207	15,420,664	16,157,183
120,514,424	124,266,646	134,086,857	139,277,797	142,010,692	147,356,986
236,487,374	251,419,802	269,643,539	289,576,908	307,503,831	331,431,983
153,027,950	163,853,801	171,430,899	180,885,979	189,429,213	202,709,177
50,165,202	56,119,308	61,654,503	64,691,035	67,577,992	72,820,079
22,121,988	24,142,444	24,977,487	21,652,409	23,105,568	25,332,318
7,441,411	7,202,909	6,415,498	6,869,373	7,432,498	7,872,499
7,708,894	9,371,862	8,309,090	8,507,857	10,170,658	10,739,750
3,599,090	4,819,129	4,824,377	5,694,659	3,905,715	5,688,814
3,084,078	3,454,189	4,053,821	4,096,324	5,342,300	4,622,748
247,148,613	268,963,642	281,665,675	292,397,636	306,963,944	329,785,385
(10,661,239)	(17,543,840)	(12,022,136)	(2,820,728)	539,887	1,646,598
2,866,599	6,143,175	6,876,613	7,563,835	6,564,137	6,254,141
(7,794,640)	(11,400,665)	(5,145,523)	4,743,107	7,104,024	7,900,739
67,425,043	59,630,403	48,229,738	43,084,215	47,827,322	54,931,346
\$ 59,630,403	\$ 48,229,738	\$ 43,084,215	\$ 47,827,322	\$ 54,931,346	\$ 62,832,085
\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053	\$ 691,787	\$ 2,155,606
504,966	558,519	736,839	770,891	1,951,081	3,125,088
10,083,976	9,343,316	8,496,499	8,802,174	9,200,723	9,809,968
44,866,279	31,916,339	27,589,718	24,608,338	27,890,816	31,874,440
3,719,159	5,954,561	5,802,555	12,813,866	15,196,939	15,866,983
\$ 59,630,403	\$ 48,229,738	\$ 43,084,215	\$ 47,827,322	\$ 54,931,346	\$ 62,832,085
20.54%	15.06%	12.38%	12.92%	14.01%	14.40%
1.57%	2.37%	2.15%	4.43%	4.94%	4.79%

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GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 7

Fiscal Year Ending	Property Tax			Total Property Taxes	Impact Fees	Sales Surtax ⁽²⁾
	Operational Purposes	Debt Service ⁽¹⁾	Capital Projects			
June 30, 2019	\$ 129,606,705	\$ -	\$ 40,681,849	\$ 170,288,554	\$ 17,217,299	\$ 21,641,089
June 30, 2018	125,817,426	-	37,414,585	163,232,011	16,425,242	19,693,454
June 30, 2017	124,230,710	-	34,713,042	158,943,752	14,772,417	18,703,292
June 30, 2016	121,875,344	-	31,911,983	153,787,327	14,768,255	8,791,558
June 30, 2015	113,363,873	-	29,106,294	142,470,167	10,874,315	N/A
June 30, 2014	110,543,223	590	27,436,618	137,980,431	14,353,236	N/A
June 30, 2013	109,605,169	161	26,586,165	136,191,495	11,252,793	N/A
June 30, 2012	117,952,145	1,540	27,311,388	145,265,073	6,533,308	N/A
June 30, 2011	124,940,872	9,358	28,559,447	153,509,677	3,696,569	N/A
June 30, 2010	134,871,191	80,220	32,345,363	167,296,774	4,199,095	N/A

(1) The final payment for the General Obligation Refunding Bonds, Series 2003, was made on December 1, 2009. The collection of delinquent property taxes received in subsequent years related to this debt were to satisfy prior years' unpaid taxes.

(2) A one half-cent local sales surtax was voted in by the citizens of St. Johns County effective January 1, 2016, for a period of ten years.

Source: Audited Statement of Activities and District Records

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Taxable Assessed Value				
	Real Property ⁽¹⁾				
	Residential	Commercial	Industrial	Other	Total
2018-19	\$ 23,903,453,734	\$ 2,285,031,291	\$ 370,863,416	\$ 531,447,274	\$ 27,090,795,715
2017-18	21,912,849,723	2,068,828,851	358,896,307	546,735,103	24,887,309,984
2016-17	20,289,798,888	1,928,457,303	326,009,022	534,568,223	23,078,833,436
2015-16	18,661,845,889	1,833,884,423	269,876,387	484,502,489	21,250,109,188
2014-15	N/A	N/A	N/A	N/A	19,375,395,555
2013-14	N/A	N/A	N/A	N/A	18,184,098,691
2012-13	N/A	N/A	N/A	N/A	17,593,945,549
2011-12	N/A	N/A	N/A	N/A	17,998,416,825
2010-11	N/A	N/A	N/A	N/A	18,861,886,431
2009-10	N/A	N/A	N/A	N/A	20,902,052,307

(1) Real property is required to be reported by major component beginning with the 2014-15 fiscal year.

(2) Personal property values are net of certain allowable exemptions, primarily for government property.

(3) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.

(4) Tax rates are per \$1,000 of assessed value.

(5) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.011, Florida Statutes.

Source: St. Johns County Property Appraiser's Office, Department of Revenue, and District Records

TABLE 8

Personal Property ⁽²⁾	Centrally Assessed ⁽³⁾	Total Taxable Value	Total Direct Rate ⁽⁴⁾	Estimated Actual Values ⁽⁵⁾	Ratio of Assessed to Actual Values
\$ 983,598,778	\$ 37,618,440	\$ 28,112,012,933	6.2780	\$ 36,457,404,578	77.11%
919,720,891	36,939,670	25,843,970,545	6.5430	33,598,950,865	76.92%
829,777,860	34,986,118	23,943,597,414	6.8670	31,458,495,123	76.11%
743,519,629	31,909,281	22,025,538,098	7.2280	28,823,781,972	76.41%
706,397,144	30,734,931	20,112,527,630	7.3420	25,732,438,120	78.16%
695,055,988	23,129,846	18,902,284,525	7.5440	24,103,300,375	78.42%
695,545,687	21,844,470	18,311,335,706	7.6830	23,281,282,992	78.65%
717,828,512	25,197,373	18,741,442,710	7.9790	24,121,331,116	77.70%
762,436,149	24,253,580	19,648,576,160	8.0690	25,496,837,638	77.06%
794,162,750	27,277,134	21,723,492,191	7.8010	28,933,068,224	75.08%

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 ASSESSED VALUATION)
(UNAUDITED)**

	Fiscal Year			
	2009-10	2010-11	2011-12	2012-13
Direct				
St. Johns County School District				
General Fund (Required Local Effort)	5.3030	5.5710	5.7310	5.4350
General Fund (Discretionary)	0.9980	0.9980	0.7480	0.7480
Debt Service Fund	0.0000	0.0000	0.0000	0.0000
Capital Projects Fund	1.5000	1.5000	1.5000	1.5000
Total School District	<u>7.8010</u>	<u>8.0690</u>	<u>7.9790</u>	<u>7.6830</u>
Overlapping				
Board of County Commissioners				
General Fund	4.8000	4.9000	5.2900	5.3900
Transportation Trust	0.7300	0.6300	0.6300	0.5300
County Health Unit Debt Service	0.0171	0.0171	0.0171	0.0171
Total General County	<u>5.5471</u>	<u>5.5471</u>	<u>5.9371</u>	<u>5.9371</u>
Total County-Wide	<u>13.3481</u>	<u>13.6161</u>	<u>13.9161</u>	<u>13.6201</u>
Municipalities				
City of St. Augustine	7.5000	7.5000	7.5000	7.5000
Town of Hastings	8.0000	8.0000	8.0000	9.2397
City of St. Augustine Beach	2.2875	2.3992	2.3992	2.3992
St. Augustine Beach Bond	0.5000	0.2000	0.0787	0.0787
Special Districts				
Water Management	0.4158	0.4158	0.3313	0.3313
Fire	1.3000	1.2000	1.4000	1.4000
Anastasia Mosquito Control	0.1325	0.1325	0.1325	0.1325
St. Augustine Airport Authority	0.1697	0.0000	0.0000	0.0000
St. Augustine Port, Waterway and Beach District	0.0539	0.0614	0.0614	0.0638
Vilano Street Lighting	0.0500	0.0500	0.0500	0.0500
St. Augustine South Lighting	0.2100	0.2100	0.2100	0.2100
Ponte Vedra Beach MSD	0.2750	0.2750	0.3430	0.3430
Florida Inland Navigation	0.0345	0.0345	0.0345	0.0345
Summer Haven MSTU	10.0000	10.0000	10.0000	10.0000

Source: St. Johns County Tax Collector's Office and District Records

TABLE 9

<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
5.2960	5.0940	4.9800	4.6190	4.2950	4.0300
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
<u>7.5440</u>	<u>7.3420</u>	<u>7.2280</u>	<u>6.8670</u>	<u>6.5430</u>	<u>6.2780</u>
5.3900	5.3900	5.1475	5.1200	5.1000	5.1000
0.5300	0.5300	0.7100	0.7300	0.7500	0.7500
0.0171	0.0171	0.0171	0.0171	0.0171	0.0171
<u>5.9371</u>	<u>5.9371</u>	<u>5.8746</u>	<u>5.8671</u>	<u>5.8671</u>	<u>5.8671</u>
<u>13.4811</u>	<u>13.2791</u>	<u>13.1026</u>	<u>12.7341</u>	<u>12.4101</u>	<u>12.1451</u>
7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
8.6000	8.6000	8.5375	8.3552	7.9922	0.0000
2.3992	2.3992	2.3992	2.3992	2.3992	2.3992
0.0787	0.0800	0.5000	0.5000	0.5000	0.5000
0.3313	0.3164	0.3023	0.2885	0.2724	0.2562
1.4000	1.4000	1.4625	1.4700	1.4700	1.4700
0.1325	0.2450	0.1773	0.2150	0.2150	0.2200
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0638	0.0638	0.0638	0.0638	0.0638	0.0638
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
0.3750	0.3750	0.3750	0.3750	0.3750	0.3750
0.0345	0.0345	0.0320	0.0320	0.0320	0.0320
8.5000	8.5000	8.5000	8.5000	8.5000	8.5000

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

TABLE 10

Taxpayer	Fiscal Year June 30, 2019			Fiscal Year June 30, 2010		
	Rank	Taxable Assessed Value	Percentage of Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	1	\$ 248,841,936	0.89%	1	\$ 137,178,846	0.63%
CWI Sawgrass Hotel LLC	2	137,193,100	0.49%			
Northrop Grumman Systems	3	112,112,532	0.40%	7	17,361,316	0.08%
Ponte Vedra Corp	4	81,360,627	0.29%	2	68,037,040	0.31%
2018-IH Borrower LP	5	42,498,799	0.15%			
BellSouth Telecommunications	6	38,875,886	0.14%	3	57,084,542	0.26%
Bluegreen Vacations Unlimited	7	37,039,881	0.13%	4	39,819,335	0.18%
CPG Partners	8	36,871,572	0.13%			
Stonegate LLC	9	35,368,800	0.13%			
Florida East Coast RY	10	34,844,448	0.12%			
RQB Resort LP				5	35,472,317	0.16%
St. Joe Company				6	19,271,202	0.09%
Toll Jacksonville LTD Partnership				9	16,844,804	0.08%
World Golf Resort				8	17,212,046	0.08%
Ring Power Corporation				10	15,928,163	0.07%
Total Principal Taxpayers		805,007,581	2.86%		424,209,611	1.95%
Total		\$ 28,112,012,933	97.14%		\$ 21,723,492,191	98.05%

Source: St Johns County Tax Collector's Office and St. Johns County Property Appraiser's Office

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 11

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Levy		Amount	Percent of Levy
2018-19	\$ 176,487,217	\$ 169,977,713	96.31%	\$ 310,841	\$ 170,288,554	96.49%
2017-18	169,097,099	162,891,737	96.33%	340,274	163,232,011	96.53%
2016-17	164,420,683	158,554,391	96.43%	389,361	158,943,752	96.67%
2015-16	159,200,589	153,365,191	96.33%	422,136	153,787,327	96.60%
2014-15	147,666,178	142,283,108	96.35%	187,059	142,470,167	96.48%
2013-14	142,598,834	137,490,154	96.42%	490,277	137,980,431	96.76%
2012-13	140,685,992	135,707,925	96.46%	483,570	136,191,495	96.81%
2011-12	149,537,971	144,064,894	96.34%	1,200,179	145,265,073	97.14%
2010-11	158,544,361	152,664,070	96.29%	845,607	153,509,677	96.82%
2009-10	169,464,963	163,492,324	96.48%	3,804,450	167,296,774	98.72%

Source: St. Johns County Tax Collector's Office and District Records

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities ⁽¹⁾			
	Sales Tax Revenue Bonds	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation ⁽²⁾
2018-19	\$ 37,570,632	\$ -	\$ 2,635,000	\$ 67,980,317
2017-18	42,197,404	-	3,085,000	81,452,976
2016-17	46,709,176	-	4,891,000	96,300,635
2015-16	49,700,948	-	4,781,000	110,593,294
2014-15	N/A	-	5,487,000	125,205,953
2013-14	N/A	-	6,461,000	135,260,000
2012-13	N/A	-	7,035,000	147,790,000
2011-12	N/A	-	8,035,000	124,925,000
2010-11	N/A	-	8,325,000	135,270,000
2009-10	N/A	-	8,160,000	129,210,000

Source:

- (1) District Records - Audited Notes to the Basic Financial Statements
- (2) Restatement of Certificate of Participation balances to include premiums and discounts
- (3) Total Primary Government Debt divided by Personal Income and Population from Statistical Table "Demographic and Economic Statistics"

TABLE 12

Capital Leases	Total Primary Government	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
\$ -	\$ 108,185,949	0.624%	\$ 425.24
-	126,735,380	0.791%	519.81
-	147,900,811	1.018%	629.24
-	165,075,242	1.191%	728.56
-	130,692,953	1.009%	599.57
-	141,721,000	1.169%	676.54
66,952	154,891,952	1.312%	766.50
144,253	133,104,253	1.231%	678.83
218,365	143,813,365	1.428%	752.02
289,420	137,659,420	1.494%	738.99

**RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Gross General Obligation Bonded Debt ⁽³⁾	Less Respective Debt Service Funds ⁽⁴⁾
2018-19	254,412	\$ 28,112,012,933	\$ -	\$ -
2017-18	243,812	25,843,970,545	-	-
2016-17	235,046	23,943,597,414	-	-
2015-16	226,576	22,025,538,098	-	-
2014-15	217,977	20,112,527,630	-	-
2013-14	209,479	18,902,284,525	-	590
2012-13	202,077	18,311,335,706	-	161
2011-12	196,079	18,741,442,710	-	1,540
2010-11	191,236	19,648,576,160	-	9,358
2009-10	186,281	21,723,492,191	-	80,220

Source:

- (1) Population from Statistical Table "Demographic and Economic Statistics". Due to revision by the Bureau of Economic Analysis, Population has been restated for all prior years.
- (2) Assessed Value from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"
- (3) Includes General Obligation Bonds Only from Statistical Table "Ratios of Outstanding Debt by Type"
- (4) Restricted for Debt Service - General Obligation Bonds Only from Statistical Table "Government Activities Tax Revenue by Source"

TABLE 13

Net General Obligation Bonded Debt	Percentage of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
\$ -	0.00%	\$0.00
-	0.00%	0.00
-	0.00%	0.00
-	0.00%	0.00
-	0.00%	0.00
(590)	0.00%	0.00
(161)	0.00%	0.00
(1,540)	0.00%	(0.01)
(9,358)	0.00%	(0.05)
(80,220)	0.00%	(0.43)

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DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019
(UNAUDITED)

TABLE 14

Name of Governmental Unit	Debt Outstanding	Direct Debt		Direct and Overlapping Debt	
		Percentage Applicable to School Board of St. Johns County	Amount Applicable to School Board of St. Johns County	Percentage Applicable to St. Johns County	Amount Applicable to St. Johns County
St. Johns County Board of County Commissioners					
Capital Improvement Revenue Bonds	\$ 22,957,000			100%	\$ 22,957,000
Sales Tax Revenue Bonds	104,790,000			100%	104,790,000
Transportation Improvement Revenue Bonds	44,355,000			100%	44,355,000
Other Debt	26,778,196			100%	26,778,196
Subtotal St. Johns County Board of County Commissioners	198,880,196				198,880,196
City of St. Augustine Beach					
Serial Bonds	6,636,124	8%	536,124	0%	-
Subtotal City of St. Augustine Beach	6,636,124		536,124		-
City of St. Augustine					
Revenue Bonds	23,294,165				
Other Debt	46,283				
Subtotal City of St. Augustine	23,340,448				
Subtotal Overlapping Debt	228,856,768				
St. Johns County School District					
Certificates of Participation	67,980,317	100%	67,980,317	100%	67,980,317
State School Bonds	2,635,000	100%	2,635,000	100%	2,635,000
Sales Tax Revenue Bonds	37,570,632	100%	37,570,632	100%	37,570,632
Subtotal Direct Debt	108,185,949		108,185,949		108,185,949
Totals	\$ 337,042,717		\$ 108,722,073		\$ 307,066,145

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

Source: Debt outstanding data obtained from each governmental unit's Comprehensive Annual Financial Report dated September 30, 2018.

**CALCULATION OF LEGAL DEBT MARGIN ON BONDED DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Assessed Value	\$ 21,723,492,191	\$ 19,648,576,160	\$ 18,741,442,710	\$ 18,311,335,706
Debt Limit on Assessed Value	N/A	N/A	N/A	N/A
Voter Approved Debt Limit:				
Bonds Payable	\$ -	\$ -	\$ -	\$ -
Less: Amount Available for Debt Service	-	-	-	-
Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ -	\$ -	\$ -	\$ -
Applicable Debt as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Note: The District does not have a legal debt limit. The District is authorized to issue up to the amount of debt approved by the voters of the District. The District currently has no voter approved debt.

Source: St. Johns County Property Appraiser's Office

TABLE 15

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
\$ 18,902,284,525	\$ 20,112,527,630	\$ 22,025,538,098	\$ 23,943,597,414	\$ 25,843,970,545	\$ 28,112,012,933
N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 16

Fiscal Year	Sales Tax Revenue Bonds ⁽¹⁾				
	Sales Tax Revenue	Debt Service			Coverage ⁽²⁾
		Principal	Interest		
2018-19	\$ 21,641,089	\$ 3,855,000	\$ 1,743,375	3.87	
2017-18	19,693,454	3,740,000	1,895,850	3.49	
2016-17	18,703,292	2,220,000	2,173,785	4.26	
2015-16	8,791,558	N/A	N/A	N/A	
2014-15	N/A	N/A	N/A	N/A	
2013-14	N/A	N/A	N/A	N/A	
2012-13	N/A	N/A	N/A	N/A	
2011-12	N/A	N/A	N/A	N/A	
2010-11	N/A	N/A	N/A	N/A	
2009-10	N/A	N/A	N/A	N/A	

(1) On February 3, 2016, the District issued Sales Tax Revenue Bonds Series 2016, in the amount of \$50,472,720, as authorized by Chapter 212, 1001, and 1013, Florida Statutes, and as authorized by a resolution of the District School Board, dated January 12, 2016. These bonds were issued to finance the cost of construction and equipping of a new K-8 school and a new elementary school. The first principal and interest payment were due in the 2016-17 fiscal year.

(2) The additional bonds test requires 1.75 coverage

Source: District Records

**ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 17

Fiscal Year	Taxable Assessed Valuation ⁽⁴⁾	Principal Payments ⁽²⁾	Interest Payments ⁽³⁾	Total Annual Lease Payments	Millage Levy to Provide 1.00x Coverage ⁽¹⁾
2018-19	\$ 28,112,012,933	\$ 12,270,000	\$ 3,599,987	\$ 15,869,987	0.588 mills
2017-18	25,843,970,545	13,645,000	4,180,782	17,825,782	0.718 mills
2016-17	23,943,597,414	13,090,000	4,735,310	17,825,310	0.775 mills
2015-16	22,025,538,098	13,410,000	8,063,892	21,473,892	1.016 mills
2014-15	20,112,527,630	12,955,000	5,772,485	18,727,485	0.970 mills
2013-14	18,902,284,525	12,530,000	6,198,795	18,728,795	1.032 mills
2012-13	18,311,335,706	10,805,000	5,634,306	16,439,306	0.935 mills
2011-12	18,741,442,710	11,286,176	6,088,616	17,374,792	0.966 mills
2010-11	19,648,576,160	9,940,000	5,706,546	15,646,546	0.829 mills
2009-10	21,723,492,191	9,585,000	6,063,634	15,648,634	0.750 mills

(1) Millage rate calculated using 95% of the taxable assessed valuation; 96% beginning in fiscal year 2010-11.

(2) Does not include the sinking fund payment of \$941,176.47. Principal payment of \$16,000,000 from the sinking fund will be made in the 2026-27 fiscal year for repayment of outstanding debt.

(3) Interest payment of \$790,400 is net of Qualified School Construction Bond Federal interest subsidy.

(4) Taxable Assessed Valuation from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"

Source: District Records

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 18

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts in thousands) ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Unemployment Rate ⁽²⁾	School Enrollment ⁽³⁾	Government-Wide Governmental Activities Expenses ⁽⁴⁾	Cost per Student ⁽⁵⁾
2018-19	254,412	\$ 17,327,679	\$ 68,149	42.7	2.9%	41,119	\$ 416,581,917	\$ 10,131
2017-18	243,812	16,016,214	65,660	42.7	3.1%	39,585	386,878,217	9,773
2016-17	235,046	14,529,659	61,829	42.8	3.3%	38,034	361,548,555	9,506
2015-16	226,576	13,855,763	61,183	42.8	3.7%	36,240	336,376,522	9,282
2014-15	217,977	12,948,693	59,434	42.6	4.0%	34,840	332,402,452	9,541
2013-14	209,479	12,125,413	57,892	42.4	4.8%	33,371	318,006,474	9,529
2012-13	202,077	11,804,578	58,421	42.4	5.8%	32,357	297,384,159	9,191
2011-12	196,079	10,810,535	55,131	42.2	6.8%	31,297	298,626,939	9,542
2010-11	191,236	10,072,888	52,671	42.2	8.0%	30,353	302,875,017	9,979
2009-10	186,281	9,211,753	49,451	42.7	8.7%	29,549	284,768,022	9,637

Source:

(1) Florida Legislature Office of Economic and Demographic Research, 2019 population is projected

(2) U.S. Bureau of Labor Statistics (FRED)

(3) School Enrollment from Statistical Table "School Building Information & Full-Time Equivalent Enrollment Data"

(4) Government-wide Governmental Activities Expenses from Statistical Table "Changes in Net Position - Government-Wide"

Note:

(5) Calculated by dividing government-wide governmental activities expenses by student enrollment

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

TABLE 19

Employer	Fiscal Year 2018-2019			Fiscal Year 2009-2010		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
St. Johns County School District ⁽¹⁾	1	5,039	3.86%	1	3,357	3.37%
St. Johns County	2	1,988	1.52%	2	1,990	2.00%
Flagler Hospital	3	1,564	1.20%	3	1,400	1.40%
Northrup Grumman	4	1,110	0.85%	5	900	0.90%
Florida Army National Guard	5	900	0.69%	4	1,300	1.30%
PGA Tour/Tournament Players Club	6	800	0.61%	8	650	0.65%
Florida School for the Deaf & Blind	7	682	0.52%	6	750	0.75%
Carlisle Interconnect Technologies	8	644	0.49%			
Ring Power	9	548	0.42%			
Ponte Vedra Inn & Club	10	525	0.40%			
Community Hospice of N.E. Florida				7	700	0.70%
Sawgrass Marriott Golf Resort & Spa				9	632	0.63%
Hydro Aluminum				10	350	0.35%
Total Principal Employers		<u>13,800</u>	<u>10.56%</u>		<u>12,029</u>	<u>12.06%</u>
Total County Workforce		<u>130,702</u>			<u>99,709</u>	

(1) Includes full and part-time employees

Source: St. Johns County Chamber of Commerce, District Records and U.S. Bureau of Labor Statistics (FRED)

SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

	Placed in Service	Square Footage	Portables	Capacity	2009-10	2010-11
Elementary Schools						
John A. Crookshank Elementary	1959	109,946	10	1,189	628	653
Cunningham Creek Elementary	1995	118,604	8	806	784	789
Durbin Creek Elementary	2003	125,954	17	858	941	1,043
W.D. Hartley Elementary	1980	119,106	0	729	644	661
Hickory Creek Elementary	2005	109,076	0	760	636	619
R.B. Hunt Elementary	1955	86,704	6	699	647	656
Julington Creek Elementary	1972	130,242	8	1,118	1,014	975
Ketterlinus Elementary	1924	73,961	1	485	462	460
Otis A. Mason Elementary	1992	79,896	0	669	530	543
Ocean Palms Elementary	1996	105,777	11	865	813	774
Osceola Elementary	1991	110,278	6	856	657	665
Palencia Elementary	2012	129,442	6	839	0	0
Picolata Crossing Elementary	2017	110,384	0	986	0	0
PV/PV Rawlings Elementary (1)	1958	160,124	3	1,387	1,140	1,152
South Woods Elementary	2005	112,673	8	814	570	557
Timberlin Creek Elementary	2005	134,714	17	1,030	820	877
Wards Creek Elementary	2007	126,361	12	984	715	740
The Webster School	1959	123,880	1	995	542	561
Total Elementary				16,069	11,543	11,725
Kindergarten - Grade 8 Schools						
Freedom Crossing Academy	2018	195,441	0	1,457	0	0
Liberty Pines Academy	2008	181,872	24	1,609	1,067	1,152
Mill Creek Elementary (7)	1991	187,261	0	1,065	1,033	1,038
Palm Valley Academy	2018	207,730	18	1,807	0	0
Patriot Oaks Academy	2014	173,414	21	1,551	0	0
Valley Ridge Academy	2014	187,114	21	1,575	0	0
Total Kindergarten - Grade 8				9,064	2,100	2,190
Middle Schools						
Fruit Cove Middle	2001	146,125	13	1,278	1,258	1,358
Gamble Rogers Middle	1994	127,078	0	904	921	870
Alice B. Landrum Middle	1991	151,838	11	1,161	1,146	1,168
R.J. Murray Middle	1953	126,022	0	983	639	670
Pacetti Bay Middle	2007	198,988	26	1,578	751	857
Sebastian Middle	1991	136,282	0	815	620	631
Switzerland Point Middle	1991	147,105	8	1,041	979	969
Total Middle				7,760	6,314	6,523

TABLE 20

Full-Time Equivalent Enrollment Data

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
686	660	676	747	733	787	782	753
761	761	813	895	935	934	1,009	587
1,092	887	932	522	571	673	755	803
622	654	689	713	681	664	664	627
592	793	824	591	621	657	770	717
693	694	694	662	652	608	622	636
974	1,062	1,066	1,016	977	981	1,000	972
476	441	468	441	434	466	468	408
584	591	573	596	584	614	590	608
765	817	897	707	830	963	1,175	528
711	668	643	614	616	668	688	679
0	536	601	681	703	797	842	843
0	0	0	0	0	0	593	690
1,212	1,251	1,311	1,032	1,023	1,036	1,027	1,018
570	568	583	576	579	599	611	631
916	924	925	918	914	923	935	970
756	800	816	896	890	866	782	699
577	512	525	572	561	491	441	462
11,987	12,619	13,036	12,179	12,302	12,727	13,754	12,631
0	0	0	0	0	0	0	1,027
1,243	1,326	1,367	1,375	1,413	1,482	1,553	1,589
1,054	787	913	1,015	1,092	1,132	779	1,006
0	0	0	0	0	0	0	1,305
0	0	0	1,045	1,342	1,505	1,594	1,431
0	0	0	1,084	1,443	1,578	1,622	1,395
2,297	2,113	2,280	4,519	5,289	5,697	5,548	7,753
1,449	1,392	1,323	1,232	1,159	1,182	1,183	1,265
876	847	835	813	830	875	914	911
1,225	1,252	1,293	1,141	1,087	1,152	1,267	1,211
693	752	765	739	704	740	832	750
956	1,011	1,044	1,084	1,223	1,370	1,470	1,462
669	645	626	622	620	677	676	727
960	1,168	1,256	1,265	1,211	1,277	1,348	1,297
6,828	7,067	7,142	6,896	6,834	7,273	7,690	7,623

(Continued)

SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

	Placed in Service	Square Footage	Portables	Capacity	2009-10	2010-11
High Schools						
Bartram Trail High (2)	2000	308,933	18	2,112	1,506	1,547
Creekside High	2008	245,215	26	2,130	1,404	1,496
Pedro Menendez High	2000	216,172	2	1,488	1,385	1,319
Allen D. Nease High	1980	284,396	29	2,801	1,441	1,510
Ponte Vedra High	2008	261,683	4	1,655	1,269	1,439
St. Augustine High	1959	221,638	1	1,805	1,520	1,574
St. Johns Technical High (3)	1971	51,726	8	344	215	201
Total High				12,335	8,740	9,086
Charter Schools						
The ABLE School (4)	N/A	N/A	N/A	N/A	136	156
St. Augustine Public Montessori	N/A	N/A	N/A	N/A	0	0
St. Johns Community Campus (ARC)	N/A	N/A	N/A	N/A	0	13
St. Paul School of Excellence (4)	N/A	N/A	N/A	N/A	0	0
Therapeutic Learning Center (ARC)	N/A	N/A	N/A	N/A	23	14
Total Charter				0	159	183
Specialty Schools						
First Coast Technical College (5)	1971	232,569	0	1,404	139	38
Hastings Youth Academy	N/A	N/A	N/A	N/A	218	213
St. Johns County Detention Center	N/A	N/A	N/A	N/A	0	0
St. Johns Juvenile Residential	N/A	N/A	N/A	N/A	51	62
St. Johns Youth Academy	N/A	N/A	N/A	N/A	47	52
St. Johns County Jail	N/A	N/A	N/A	N/A	0	0
Gaines Alternative	1924	44,129	8	356	34	41
Transitions (6)	N/A	N/A	N/A	N/A	28	17
K8 Virtual	N/A	N/A	N/A	N/A	14	29
St. Johns Virtual School	N/A	N/A	N/A	N/A	82	101
St. Johns Virtual Instruction	N/A	N/A	N/A	N/A	0	0
McKay Scholarship	N/A	N/A	N/A	N/A	80	93
ESE Contract Placements/Speech	N/A	N/A	N/A	N/A	N/A	N/A
Total Specialty				1,760	693	646
Total District				46,988	29,549	30,353

(1) Ponte Vedra-Palm Valley Elementary School was constructed and placed in service in 1958. Subsequently a new school, Marjorie K. Rawlings Elementary School was constructed and placed in service in 1992. These two schools were merged into one facility as of July 2008.

(2) The 9th grade center at Bartram was added in 2007, figures are included.

(3) St. Johns Technical High School is housed at First Coast Technical College.

(4) The charter school ceased operations at the end of the 2015-16 school year.

(5) Prior to July 1, 2016, First Coast Technical College was a conversion Charter School residing in a District facility.

(6) Transitions program and Gaines Alternative School are located at the Evelyn B. Hamlin Center

(7) Mill Creek Elementary changed to Mill Creek Academy 2018-19 school year. K-6 in 2018-19.

Source: District Records

TABLE 20

Full-Time Equivalent Enrollment Data

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1,606	1,650	1,718	1,874	1,971	2,156	2,312	2,467
1,632	1,756	1,828	1,876	1,909	1,949	2,018	2,137
1,363	1,313	1,285	1,286	1,321	1,310	1,288	1,243
1,580	1,655	1,707	1,778	1,947	2,157	2,281	2,416
1,483	1,487	1,513	1,526	1,532	1,614	1,653	1,692
1,635	1,657	1,600	1,632	1,606	1,678	1,665	1,679
143	141	157	212	257	279	276	284
9,442	9,659	9,808	10,184	10,542	11,143	11,493	11,918
132	125	102	85	55	N/A	N/A	N/A
0	35	47	59	92	99	118	133
12	10	16	22	31	31	34	40
0	44	60	60	56	N/A	N/A	N/A
16	18	15	13	18	15	11	17
160	232	240	239	252	145	163	190
54	59	15	25	32	14	24	16
124	117	152	142	136	145	63	125
0	0	0	0	0	0	0	0
65	64	59	86	96	91	91	78
45	47	44	6	0	0	0	0
0	1	1	1	2	1	1	1
48	52	45	38	27	40	35	47
19	19	28	30	31	38	59	79
34	26	56	4	3	3	2	1
75	109	236	206	404	399	285	269
0	0	0	44	37	39	112	123
119	173	229	241	253	272	260	261
N/A	N/A	N/A	N/A	N/A	7	5	4
583	667	865	823	1,020	1,049	937	1,004
31,297	32,357	33,371	34,840	36,240	38,034	39,585	41,119

**NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 21

Fiscal Year	Instructional ⁽¹⁾	Administrative ⁽²⁾	Support Services ⁽³⁾	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
2018-19	2,785	180	2,074	5,039	14.76	15.47
2017-18	2,642	189	1,905	4,736	14.98	13.98
2016-17	2,513	181	1,840	4,534	15.13	13.88
2015-16	2,428	186	1,774	4,388	14.93	13.05
2014-15	2,194	158	1,694	4,046	15.88	13.89
2013-14	2,051	154	1,533	3,738	16.27	13.32
2012-13	1,991	143	1,464	3,598	16.25	13.92
2011-12	1,987	137	1,491	3,615	15.75	14.50
2010-11	1,856	134	1,459	3,449	16.35	13.85
2009-10	1,797	131	1,494	3,422	16.44	13.72

(1) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists, Other Professional Instructional Staff

(2) Principals, Assistant Principals, Deans, Superintendent, Assistant/Area Superintendents, Directors/Managers/Coordinators

(3) Bus Drivers/Attendants, Cafeteria, Custodial, Executive/Administrative/Professional, Clerical, Crafts and Services

Source: District Records

**TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 22

Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	St. Johns Average Salary ⁽²⁾
2018-19	\$38,000	\$66,150	\$46,632
2017-18	38,000	66,150	45,607
2016-17	38,000	66,150	46,707
2015-16	38,000	66,150	47,130
2014-15	38,000	66,150	47,266
2013-14	38,000	63,250	47,100
2012-13	38,000	63,250	46,127
2011-12	38,000	63,250	46,052
2010-11	38,000	63,250	46,673
2009-10	38,000	63,250	46,370

(1) District Records

(2) FDOE Bureau of Education Information & Accountability Services

**FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Days Meals were Served	218	210	217	219
Average Number of Free and Reduced Meals Served Daily	5,405	5,925	6,044	5,792
Number of Free and Reduced Meals Served	1,178,358	1,244,220	1,311,554	1,268,553
Average Daily Subsidy Received	\$ 15,781	\$ 17,175	\$ 18,239	\$ 18,249
Total Subsidy Received	\$ 3,440,319	\$ 3,606,762	\$ 3,957,842	\$ 3,996,579
Average Number of Meals Served Daily	8,896	9,650	9,844	9,055
Number of Meals Served	1,939,365	2,026,541	2,136,214	1,983,048
Percentage of Free and Reduced Meals Served to Total Meals Served	61%	61%	61%	64%
Average Daily Revenues	\$ 46,623	\$ 50,130	\$ 50,672	\$ 52,331
Total Revenues	\$ 10,163,846	\$ 10,527,291	\$ 10,995,823	\$ 11,460,586
Average Daily Costs	\$ 43,438	\$ 45,618	\$ 44,887	\$ 47,010
Total Expenditures	\$ 9,469,423	\$ 9,579,791	\$ 9,740,566	\$ 10,295,116

Source: District Records

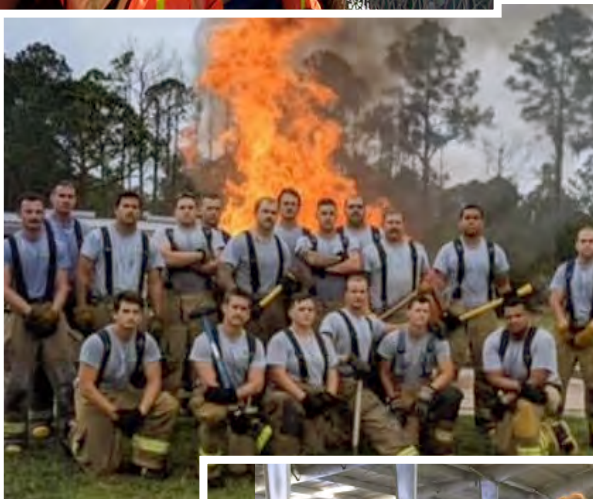
Table 23

Fiscal Year					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
221	216	220	220	216	219
5,981	6,424	6,592	6,430	6,366	5,899
1,321,829	1,387,658	1,450,329	1,414,522	1,375,097	1,291,946
\$ 19,294	\$ 21,984	\$ 22,613	\$ 23,059	\$ 27,934	\$ 26,928
\$ 4,263,898	\$ 4,748,588	\$ 4,974,962	\$ 5,073,012	\$ 6,033,764	\$ 5,897,195
9,128	10,089	10,563	10,567	11,344	10,318
2,017,242	2,179,226	2,323,878	2,324,713	2,450,224	2,259,590
66%	64%	62%	61%	56%	57%
\$ 54,409	\$ 54,206	\$ 53,566	\$ 54,289	\$ 61,363	\$ 68,836
\$ 12,024,372	\$ 11,708,530	\$ 11,784,567	\$ 11,943,525	\$ 13,254,487	\$ 15,075,120
\$ 49,448	\$ 49,520	\$ 49,298	\$ 49,992	\$ 55,814	\$ 61,382
\$ 10,927,929	\$ 10,696,356	\$ 10,845,581	\$ 10,998,158	\$ 12,055,854	\$ 13,442,742

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SINGLE AUDIT



CAREER ACADEMIES *require*
A capstone project, a research project, and
work-site experience within the career cluster
of the academy.

Federal Reports and Schedules

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

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>Federal CFDA Number</u>	<u>Pass - Through Entity Identifying Number</u>	<u>Total Expenditures</u>
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	18002	\$ 959,929
National School Lunch Program	10.555	18001, 18003	4,712,250
Summer Food Service Program for Children	10.559	17006, 17007, 18006, 18007	91,143
Total Child Nutrition Cluster			<u>5,763,322</u>
WIOA Cluster			
United States Department of Labor:			
First Coast Workforce Development, Inc.:			
WIOA Youth Activities	17.259	FCWD 2018-2019-01 (O)	<u>670,961</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>341,115</u>
Special Education Cluster			
United States Department of Education:			
Special Education - Grants to States:			
Florida Department of Education	84.027	263	6,447,867
Special Education - Preschool Grants:			
Florida Department of Education	84.173	267	<u>107,272</u>
Total Special Education Cluster			<u>6,555,139</u>
Not Clustered			
United States Department of Defense:			
Army Junior Reserve Officers Training Corps	12.U01	N/A	67,572
Air Force Junior Reserve Officers Training Corps	12.U02	N/A	55,854
Navy Junior Reserve Officers Training Corps	12.U03	N/A	<u>134,646</u>
Total United States Department of Defense			<u>258,072</u>
United States Department of Education:			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	266,072
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	3,580,700
Career and Technical Education - Basic Grants to States	84.048	161	425,420
Education for Homeless Children and Youth	84.196	127	65,673
English Language Acquisition State Grants	84.365	102	87,691
Improving Teacher Quality State Grants	84.367	224	690,920
Student Support and Academic Enrichment	84.424	241	184,095
Hurricane Education Recovery	84.938	105	571,507
Total United States Department of Education			<u>5,872,078</u>
United States Department of Health and Human Services:			
Head Start	93.600	N/A	<u>1,036,484</u>
Corporation for National and Community Service:			
Retired and Senior Volunteer Program	94.002	N/A	<u>68,296</u>
United States Department of Homeland Security:			
Florida Division of Emergency Management:			
Disaster Grants - Public Assistance	97.036	N/A	<u>857,728</u>
Total Expenditures of Federal Awards			<u>\$ 21,423,195</u>

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the St. Johns County School Board under programs of the Federal government for the fiscal year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

III. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

IV. NONCASH ASSISTANCE: NATIONAL SCHOOL LUNCH PROGRAM

Includes \$568,140 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

V. FEDERAL PELL GRANT PROGRAM

On December 13, 2017, the District was placed on HCM2, which provides that the District will only receive reimbursement of Pell funds for properly documented disbursements. As such, the Education Department approved \$341,115 of eligible Pell expenditures. Of this amount, \$280,236 was incurred prior to fiscal year ending June 30, 2019.

VI. HEAD START

Expenditures include \$1,036,484 for grant number/program year 04CH010529-01-00.

VII. FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Following a Presidential declaration of a major disaster or emergency, FEMA (CFDA 97.06) awards grants to assist affected entities with the response to, and recovery from, such disasters. In fiscal year 2019, FEMA approved \$857,728 of eligible expenditures for Hurricane Matthew and Hurricane Irma, events that occurred in October 2016 and September 2017, respectively. Of this amount, \$683,727 was incurred prior to fiscal year ending June 30, 2019.

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Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Members of the School Board
St. Johns County School District
St. Augustine, Florida

Report on Compliance for Each Major Federal Program

We have audited the St. Johns County School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Honorable Members of the School Board
St. Johns County School District
Page 2

Report on Internal Control over Compliance

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

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

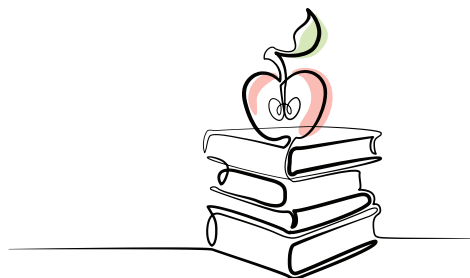
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material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

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



Orlando, Florida
December 4, 2019

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ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS*FOR THE YEAR ENDED JUNE 30, 2019***Part I - Summary of Auditor's Results****Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	<u> </u> yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards Section

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	<u> </u> yes	<u> x </u> none reported	
Type of auditor's report on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<u> x </u> yes	<u> </u> no	

ST. JOHNS COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

Part I - Summary of Auditor's Results (continued)

Federal Awards Section (continued)

Identification of major federal programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Education	
Student Financial Assistance Cluster	84.063
Special Education Cluster	84.027/84.173
U.S. Department of Health and Human Services	
Head Start	93.600
U.S. Department of Homeland Security	
Disaster Grants - Public Assistance	97.036

Dollar threshold used to determine Type A programs:

Federal	\$	750,000
---------	----	---------

Auditee qualified as low-risk auditee for federal purposes?

_____ yes x no

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

ST. JOHNS COUNTY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

Part III - Federal Award Findings and Questioned Costs

FINDING #2019-001

U.S. Department of Education - CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Program

Immaterial Noncompliance

Reporting (Common Origination and Disbursement)

Criteria: Title 2 CFR 690.82 requires institutions to submit accurate data for each student through the Common Origination and Disbursement (COD) system.

Condition: Student files that were approved by the DOE under the Heightened Cash Monitoring Level 2 (HCM2) method of reimbursement for the period July 1, 2018 through June 30, 2019 consisted of 146 disbursements totaling \$304,226 for award year 2018, and 34 disbursements totaling \$39,349 for award year 2019. From this population, we examined District records supporting disbursements for 16 disbursements totaling \$35,641 related to award year 2018, and 2 disbursements totaling \$4,866 related to award year 2019. Of the disbursements examined, we found that the District reports to COD included incorrect Cost of Attendance (COA) for all of the 16 disbursements related to award year 2018. All 2019 award year disbursements in our sample were reported correctly.

Questioned Costs: None.

Context: During fiscal year 2018, the U.S. Department of Education (DOE) conducted a program review of the District's First Coast Technical College's (FCTC) expenditures under the Federal Pell Grant Program (Pell). As a result of the findings of the DOE's program review, FCTC's Pell program was placed on the HCM2 method of reimbursement effective December 13, 2017. Under HCM2, FCTC continues to obligate funds under the Pell program to eligible students and requests reimbursements from the DOE through documentation of student eligibility. As a result, obligated Pell funds processed by FCTC in an earlier award year are subjected to approval by the DOE, and if approved, may not be recorded on the SEFA until a later fiscal year.

The COA information related to award year 2018 was entered into COD by FCTC personnel during or prior to award year 2018. District personnel administering the Pell program were new to their positions and were still being trained during the 2018 award year. Prior to receiving proper training, the personnel responsible for administering the Pell program did not always report the proper COA in COD. Although District personnel administering the Pell program have now received necessary training and began reporting correct information as of the 2019 award year, corrections to information already entered into COD were not made.

Cause: Personnel responsible for administering the Pell program did not know whether information entered in a prior year or earlier could or should be changed while under HCM2, which has strict submission guidelines. In addition, the personnel responsible for administering the Pell program did not consider correction necessary since the COA information that was entered incorrectly into COD did not affect the calculation of awards or the amounts ultimately disbursed to students. The actual COA, which was properly used for the award calculations, and the COA that was entered into COD are both well above the highest threshold in the Pell Payment Schedules provided by the DOE.

Effect: Information entered incorrectly in prior award years was not corrected prior submission of the report in the current year. There was no effect on the calculation of awards or disbursements to be provided to students.

Recommendation: We recommend the District consult with the DOE to determine whether the prior year COD reports should be corrected.

ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

Part III - Federal Award Findings and Questioned Costs (continued)

FINDING #2019-001 (continued)

Views of Responsible Officials: As indicated in the finding, District personnel administering the Pell program were new to their positions as a result of the transition of First Coast Technical College (FCTC) from a charter school to a District operated school. In conjunction with this transition, FCTC was placed on HCM2. Furthermore, as indicated in the finding, while the Cost of Attendance (COA) was incorrect in COD for the 2018 award year, the COA is correct for the 2019 award year. In addition, the COA for the 2018 and 2019 award years was correctly reported under HCM2 for the required student information. At the direction of the DOE, District personnel can correct the COA in COD for the 2018 award year.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
June 30, 2018 Federal Awards Finding No. 2018-001	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Verification	The District did not obtain all required documentation to properly verify income, number of members of the household, and number of members in the household attending college for certain students. As a result, the District did not always perform the required verifications, resulting in \$16,636 questioned costs.	Corrected.	No similar findings were noted for fiscal year ending June 30, 2019.
June 30, 2018 Federal Awards Finding No. 2018-002	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Disbursements	Certain post-withdrawal disbursements were not provided to students within the required time.	Corrected.	No similar findings were noted for fiscal year ending June 30, 2019.
June 30, 2018 Federal Awards Finding No. 2018-003	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Return of Title IV Funds	Verification and cost of attendance (COA) information was not accurately reported through the COD system for certain students.	Corrected.	
June 30, 2018 Federal Awards Finding No. 2018-004	Student Financial Assistance Cluster – Federal Pell Grant Program – Cash Management - Reconciliations	Notification of student status changes did not reach the NSLDS or did not reach the NSLDS within the required time frame for certain students sampled.	Corrected.	No similar findings were noted for fiscal year ending June 30, 2019.



Tim Forson
Superintendent of Schools

40 Orange Street
St. Augustine, Florida 32084
(904) 547-7500
www.stjohns.k12.fl.us

SCHOOL BOARD

Beverly Slough
District 1

Tommy Allen
District 2

Bill Mignon
District 3

Kelly Barrera
District 4

Patrick Canan
District 5

MANAGEMENT'S CORRECTIVE ACTION PLAN

Federal Awards Finding Number:	2019-001 U.S. Department of Education CFDA 84.063 - Student Financial Assistance Cluster Federal Pell Grant Program Reporting (Common Origination and Disbursement)
Planned Corrective Action:	As indicated in the finding, District personnel administering the Pell program were new to their positions as a result of the transition of First Coast Technical College (FCTC) from a charter school to a District operated school. In conjunction with this transition, FCTC was placed on HCM2. Furthermore, as indicated in the finding, while the Cost of Attendance (COA) was incorrect in COD for the 2018 award year, the COA is correct for the 2019 award year. In addition, the COA for the 2018 and 2019 award years was correctly reported under HCM2 for the required student information. At the direction of the DOE, District personnel can correct the COA in COD for the 2018 award year.
Anticipated Completion Date:	September 19, 2018
Responsible Contact Person:	Chris Force, Principal, First Coast Technical College and Dawn Posey, Director, Accounting and Payroll

The St. Johns County School District will inspire good character and a passion for lifelong learning in all students, creating educated and caring contributors to the world.

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OTHER REPORTS



CAREER ACADEMIES *include*
A recommended sequence of courses along
with hands-on, project-based learning
throughout the four years of the program

OTHER REPORTS

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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Members of the School Board
St. Johns County School District
St. Augustine, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Johns County School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2019. Our report includes reference to other auditors who audited the financial statements of the discretely presented component units and fiduciary funds, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Honorable Members of the School Board
St. Johns County School District
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, reading "Cheryl Behrman" followed by a stylized monogram or initials.

Orlando, Florida
December 4, 2019



**Report of Independent Accountant on Compliance
With Local Government Investment Policies**

Honorable Members of the School Board
St. Johns County School District
St. Augustine, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, the District complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2019.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

A handwritten signature in black ink that reads 'Cherry Bekaert LLP'.

Orlando, Florida
December 4, 2019

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Independent Auditor's Management Letter

Honorable Chairman and Members of the
St. Johns County District School Board
St. Augustine, Florida

Report of the Financial Statements

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Johns County School District (the "District") as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2019. We did not audit the financial statements of the discretely presented component units nor the fiduciary funds; those financial statements were audited by other auditors.

Auditor's Responsibility

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

Other Reporting Required by *Government Auditing Standards*

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Report of Independent Accountant on Compliance with Local Government Investment Policies; and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 4, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the findings and recommendations made in the preceding annual financial audit report.

Financial Condition and Management

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the District met any of the conditions described in Section 218.503(1), Florida Statutes.

Honorable Members of the School Board
St. Johns County School District
Page 2

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

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

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

Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. We have identified a matter described in the schedule of findings and questioned costs that is relevant to those charged with governance. We did not audit the District's response to this matter and, accordingly, we express no opinion on it.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.800, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.



Orlando, Florida
December 4, 2019

ST. JOHNS COUNTY SCHOOL DISTRICT AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Michael Degutis, who being duly sworn, deposes and says on oath that:

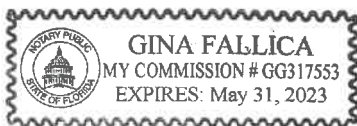
1. I am the Chief Financial Officer of St. Johns County School District which is a district school board of the State of Florida;
2. St. Johns County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1987. This ordinance was most recently amended in April 2018, when Ordinance 2018-16 established, in part, revised rates to be collected. The educational impact fee is collected by the St. Johns County for most new residential construction. The fees can only be used to acquire, construct, expand, and equip the educational sites and educational capital facilities necessitated by new development and to pay for certain collection and legal defense costs.
3. St. Johns County School District has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Michael Degutis, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF ST. JOHNS

SWORN TO AND SUBSCRIBED before me this 8th day of January, 2020.




NOTARY PUBLIC
Print Name Gina Fallica

Personally known ☒ or produced identification _____

Type of identification produced: n/a

My Commission Expires:

May 31, 2023



CAREER AND TECHNICAL EDUCATION

— of St. Johns County —



AT NEASE HIGH SCHOOL



St. Johns County
Academy of
Future Teachers



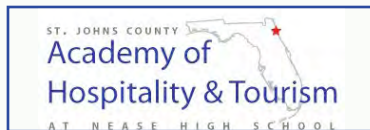
Academy of
Emerging
Technology



Academy of
Engineering
& Environmental
Sciences



Academy of
Coastal
and Water
Resources



2019

St. Johns County School District