Providing a world-class education for all students.

Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2016

Pasco County Schools

Kurt S. Browning, Superintendent of Schools

Land O' Lakes, Florida

www.pascoschools.org

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

Comprehensive Annual Financial Report

of the

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

for the

Fiscal Year Ended June 30, 2016

Issued by:
Finance Services Department

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

District School Board of Pasco County
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

INTRODUCTORY SECTION

Pasco County Schools
Kurt S. Browning, Superintendent of Schools
7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

December 16, 2016

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

State law requires that all local governments publish after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the District School Board of Pasco County, Florida (District) for the fiscal year ended June 30, 2016.

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

The Florida Auditor General has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the School District

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

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

The geographic boundaries of the District are those of Pasco County. During the 2015-2016 fiscal year, the District operated 79 schools, including 47 elementary schools, 15 middle schools, 13 high schools, Pasco eSchool and 3 specialized schools; and sponsored 9 charter schools. The District reported serving 69,611 full-time equivalent students for the 2015-2016 fiscal year and projects it will enroll 71,306 students for the 2016-2017 school year.

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

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population is predominately white (65 percent). Other ethnicities include: Hispanic (21 percent), black (7 percent), and Asian/American Indian/Pacific Islander/Alaskan Native/Other (7 percent).

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

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

This report includes all funds of the District, the Pasco County School Board Leasing Corporation (the "Leasing Corporation"), nine (9) charter schools and the Pasco Education Foundation, Inc. (the "Foundation"), which comprise the reporting entity. The Leasing Corporation was formed to facilitate financing for the acquisition of educational facilities and equipment. Charter schools are public schools operating under performance contracts with the District. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Pasco County. The charter schools and Foundation are included in the CAFR as discretely presented component units.

Economic Condition and Outlook

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

Since calendar year 2007, the population of Pasco County increased 14.61 percent to an estimated 497,909 in calendar year 2016. For the calendar year 2015, the Florida Price Level Index for School Personnel, which is prepared by the Florida Polytechnic University under the direction of the Florida Department of Education, ranked Pasco County 21st of 67 counties in the State with a value of 98.27.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 98.27 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (100.97) and Pinellas (100.81), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 10,344 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Financial Information

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

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

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

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance (assigned and unassigned fund balance) at June 30, 2016, in the general fund is $51,477,815 or 9.91 percent of total general fund expenditures. The District has appropriated $5,399,767 of this amount for spending in the 2016-2017 fiscal year.

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

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

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

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

Accomplishments

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

We currently offer the International Baccalaureate Program at Gulf and Land O' Lakes High schools, and are in the candidacy process for a middle years program at Pine View Middle School. We continue to expand our career and technical programs, and students can take honors, Advanced Placement, and Dual Enrollment classes at the middle and high school levels. We also offer the nationally-recognized college readiness program, AVID, at four high schools, five middle schools, and four elementary schools. Our Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program. In 2015, we re-opened Sanders Memorial Elementary School as the District's first magnet school with a focus on STEAM (Science, Technology, Engineering, Arts, and Math) education, and in the 2016-2017 year we will add STEM magnet programs at Bayonet Point and Centennial middle schools. Finally, we continue to expand charter school options.

Expanded choices include a regional Embry-Riddle Aeronautics Academy at Sunlake High School, and aeronautical programs at Hudson and Zephyrhills High schools. The rigorous Cambridge Education program is offered at Pasco Middle and Pasco High schools, and a gaming technology academy is available at Gulf High School.

The Infinity Program that started in 2013-2014 at Paul R. Smith Middle School also is offered at Raymond B. Stewart Middle School and Zephyrhills High School. Infinity Academy uses a blended learning environment that allows tech-savvy students to own their learning and education. Each student is given a computer to use at school and at home while they are enrolled in the academy.

Our Pasco eSchool is one of Florida's premier online education programs, boasting some of the highest completion rates and assessment scores in the state and the second highest enrollment of any Florida school district virtual education program.

Finally, in 2015, we implemented a Success Plan to guide our work. This Plan includes 4 key strategic pillars: Excellence in Student Achievement, Employee Success, Taxpayer Value, and Connecting to the Community. Each pillar is backed up with strategies and tactics to achieve success. We review our success on quarterly, mid-year, and annually toward meeting identified goals. This is a bona fide, actionable plan that the District and 12 pilot schools followed in 2015-2016, and which will be expanded to all District schools in pursuit of our vision to provide a world class education for all students.

On measures of student achievement, such as the District's graduation and drop-out rates, Pasco continues to exceed the state average. Graduation rates are released by the State in late Fall each year. Last year, under the Florida calculation rate, Pasco had a 78.6 percent graduation rate, compared to the state average 77.9 percent. This achievement is a reflection of Pasco's vision to provide a world class education for all students.

Studies clearly indicate that student success is linked to teacher quality. The District School Board of Pasco County has demonstrated a commitment to recruiting and retaining the brightest individuals to work with our children. In 2015-2016, 36.5 percent of teachers in Pasco had earned a Master's Degree or higher and we expect that trend to continue in 2016-2017. Additionally, during the 2014-15 year, the District embarked upon a new comprehensive teacher evaluation system that is based upon an evaluation of a teacher's use of research-based best professional practices (65 percent) and student achievement data (35 percent). This will provide a more thorough evaluation of how a teacher performs and will allow the District to provide targeted staff development in areas of need. The District's goal is to help each teacher and student reach their highest potential.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the “GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the “ASBO”) awarded its Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the fifteenth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,

Mr. Kurt S. Browning
Superintendent of Schools

Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer

Ms. Joanne Millovitsch
Director of Finance Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board of Pasco County

Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2015

Jeffrey R. Emer

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award is presented to

District School Board of Pasco County

for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015.

The CAFR has been reviewed and met or exceeded ASBO International's Certificate of Excellence standards.

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso, CAE, RSBA
Executive Director

List of Principal Officials
As of June 30, 2016

Principal Officials – Elected

Mr. Kurt S. Browning, Superintendent of Schools	
Present Term Expires	November 2016
Ms. Joanne Hurley, Chairman, Member from District 2	
Present Term Expires	November 2016
Mr. Allen Altman, Vice-Chairman, Member from District 1	
Present Term Expires	November 2018
Ms. Cynthia Armstrong, Member from District 3	
Present Term Expires	November 2018
Ms. Alison Crumbley, Member from District 4	
Present Term Expires	November 2016
Mr. Steve Luikart, Member from District 5	
Present Term Expires	November 2018

Principal Officials – Appointed

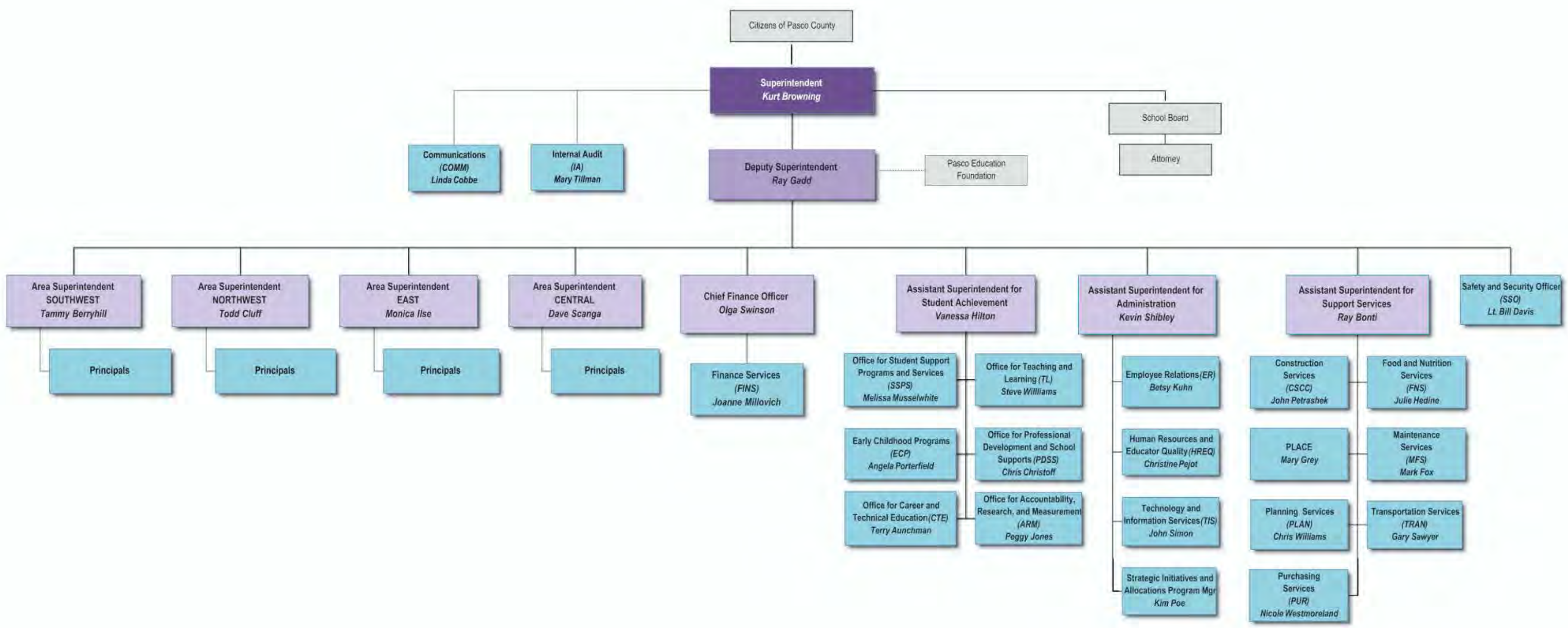
ADMINISTRATORS

Ray Gadd, Deputy Superintendent

Olga Swinson, CPA, CGFM, Chief Finance Officer

Vanessa Hilton, Assistant Superintendent for Student Achievement
Kevin Shibley, Esq., Assistant Superintendent for Administration
Ray Bonti, Assistant Superintendent for Support Services
Tammy Berryhill, Area Superintendent-Southwest
Dr. Dave Scanga, Area Superintendent-Central
Todd Cluff, Area Superintendent-Northwest
Dr. Monica Ilse, Area Superintendent-East

ORGANIZATIONAL CHART
District School Board of Pasco County



FINANCIAL SECTION

INDEPENDENT AUDITOR'S
REPORT ON FINANCIAL STATEMENTS

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

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

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, **Schedule of Changes in the District School Board's Net Pension Liability and Related Ratios – Early Retirement Plan**, **Schedule of Contributions – Early Retirement Plan**, **Schedule of Investment Returns – Early Retirement Plan**, **Schedule of Funding Progress – Other Post-Employment Benefits**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of the District's Contributions – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**, and **Schedule of the District's Contributions – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
December 16, 2016
Audit Report No. 2017-082

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MANAGEMENT'S DISCUSSION AND ANALYSIS

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

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

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

Financial Highlights

Key financial highlights for the 2015-2016 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2016, by $588,840,432. Of this amount, $9,061,936 may be used to meet the District's ongoing obligations to citizens and creditors and represents unrestricted net position exclusive of the impact of FRS Pension Amounts.

- The District's total net position increased by $7,985,835.

- Total revenues of $698,490,975 were comprised of general revenues in the amount of $617,490,581 or 88.4 percent, and program specific revenues from charges for services, grants and contributions in the amount of $81,000,394 or 11.6 percent.

- For the year ended June 30, 2016, the District had $690,505,140 in expenses related to governmental and business-type activities; $81,000,394 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of $617,490,581 were sufficient to provide the District's programs.

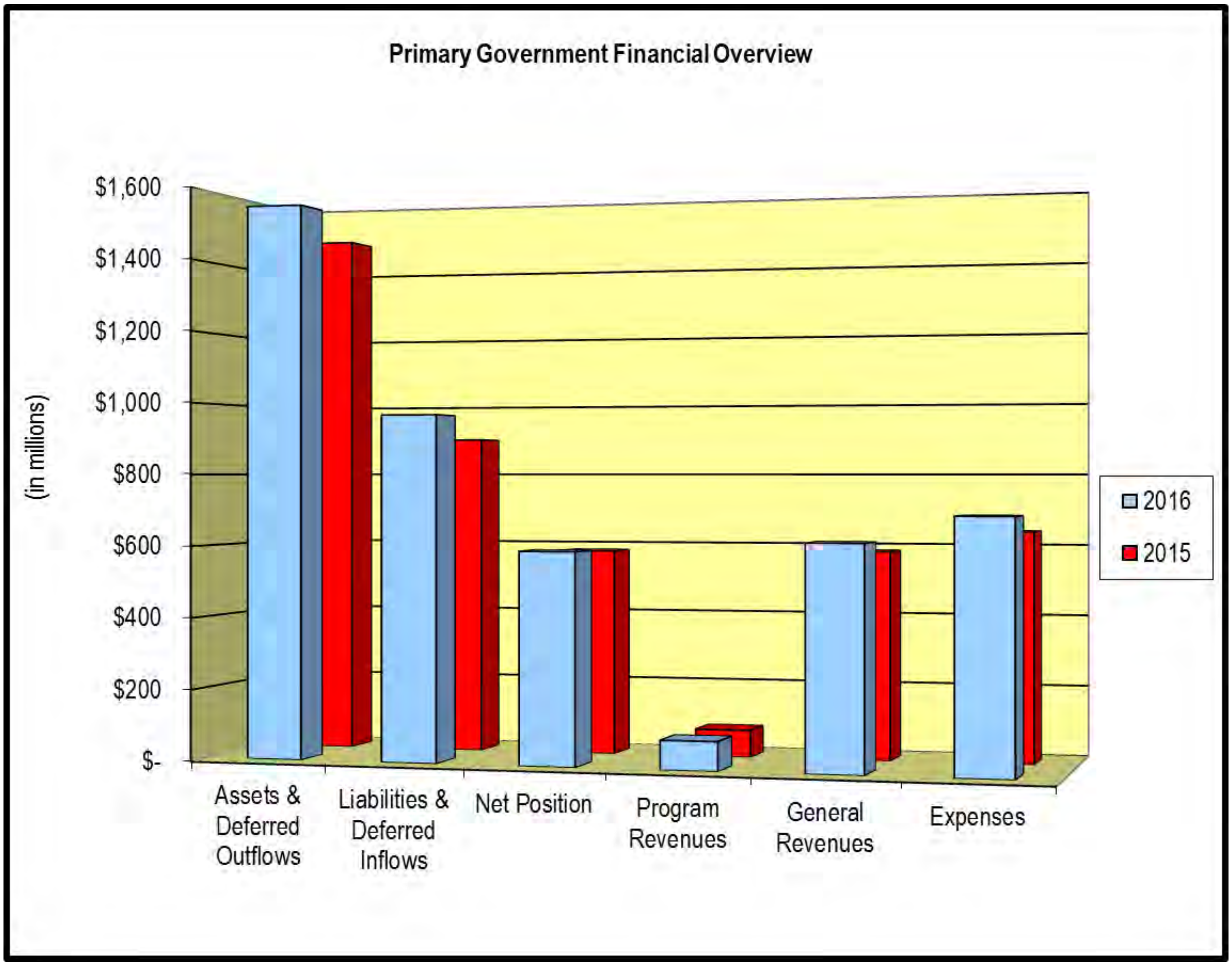
- The Business-type activities had total revenues of $10,992,537 which exceeded total expenses and transfers out by $579,195.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $271,127,459 a decrease of $18,258,255 in comparison with the prior fiscal year. Approximately 18.99 percent of this total amount, or $51,477,815, is available for spending at the District's discretion for the purposes defined for each governmental fund *(assigned and unassigned fund balance).*

- At the end of the 2015-2016 fiscal year, unassigned fund balance for the General Fund was $26,132,916 or 5.03 percent of total General Fund expenditures.

- The District's total long-term debt for bonds, COP's and capital leases increased by $47,139,351 or 9.96 percent, during the current fiscal year.

The primary government financial overview for the 2014-2015 and 2015-2016 fiscal years is shown below:

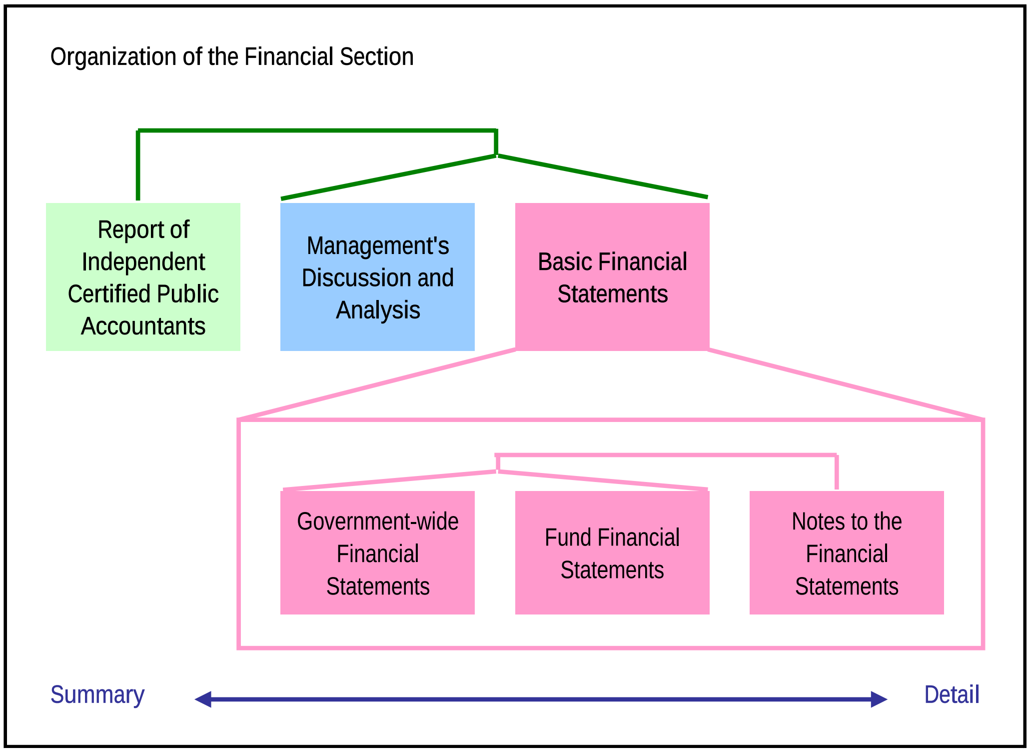


Overview of the Financial Statements

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

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

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



The basic financial statements consist of three components:

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

Government-Wide Financial Statements

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

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

- Governmental Activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions, such as operation and maintenance of plant, pupil transportation, and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

- Business-Type Activity – The District charges fees to cover the cost of certain services it provides. The Pasco Learning and Activity Centers of Enrichment (the "PLACE"), a before and after-school child care program, is reported as a business-type activity. Also reported as a business-type activity is the Vending Program, which operates food and beverage machines through the District.

- Component Units – The District presents nine charter schools (Academy at the Farm, Inc.; Athenian Academy of Pasco County, Inc.; Classical Preparatory School; Countryside Montessori Charter School, Inc.; Dayspring Academy for Education and the Arts; Florida Virtual Academy at Pasco; Imagine School at Land O'Lakes; Learning Lodge Academy, Inc.; and Pepin Academies of Pasco County, Inc.) and the Pasco Education Foundation, Inc. (the "Foundation") as separate legal entities in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by accounting principles generally accepted in the United States ("GAAP").

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

Fund Financial Statements

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

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

- Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year.

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

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

- Proprietary Funds – Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:

  - Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its before and after-school child care and vending programs. The District's major enterprise fund is the PLACE Fund.

  - Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses internal service funds to account for its fully insured employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee benefits program; the energy management program; and exclusive agreements administered by the School Board. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

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

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

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

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide Other Post-Employment Benefits (OPEB) to its employees.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $588,840,432 at June 30, 2016. The following is a summary of the District's net position as of June 30, 2016, compared to net position as of June 30, 2015:

Net Position, End of Year

	Governmental Activities		Business-Type Activities		Total		Percentage
	6/30/2016	6/30/2015	6/30/2016	6/30/2015	6/30/2016	6/30/2015	Change
Current and Other Assets	$ 373,197,196	$ 392,394,012	$ 4,428,838	$ 3,611,201	$ 377,626,034	$ 396,005,213	
Capital Assets	1,081,233,518	1,004,300,051	166,042	206,739	1,081,399,560	1,004,506,790	
Total Assets	1,454,430,714	1,396,694,063	4,594,880	3,817,940	1,459,025,594	1,400,512,003	4.18%
Deferred Outflows of Resources	99,763,324	79,623,879	1,112,496	891,860	100,875,820	80,515,739	
Long-Term Liabilities	875,098,080	720,189,883	5,115,210	3,732,088	880,213,290	723,921,971	
Other Liabilities	52,548,625	78,638,515	101,666	150,522	52,650,291	78,789,037	
Total Liabilities	927,646,705	798,828,398	5,216,876	3,882,610	932,863,581	802,711,008	16.21%
Deferred Inflows of Resources	37,741,537	96,090,388	455,864	1,371,749	38,197,401	97,462,137	
Net Position:							
Net Investment in Capital Assets	631,191,690	623,953,695	166,042	206,739	631,357,732	624,160,434	
Restricted	140,732,338	141,051,030	-	-	140,732,338	141,051,030	
Unrestricted - FRS/HIS Pensions	(189,446,442)	(196,510,342)	(2,865,132)	(2,871,041)	(192,311,574)	(199,381,383)	
Unrestricted - Other	6,328,210	12,904,773	2,733,726	2,119,743	9,061,936	15,024,516	
Total Net Position	$ 588,805,796	$ 581,399,156	$ 34,636	$ (544,559)	$ 588,840,432	$ 580,854,597	1.37%

The largest portion of the District's net position (80.82 percent), exclusive of Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) pension amounts, reflects its net investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

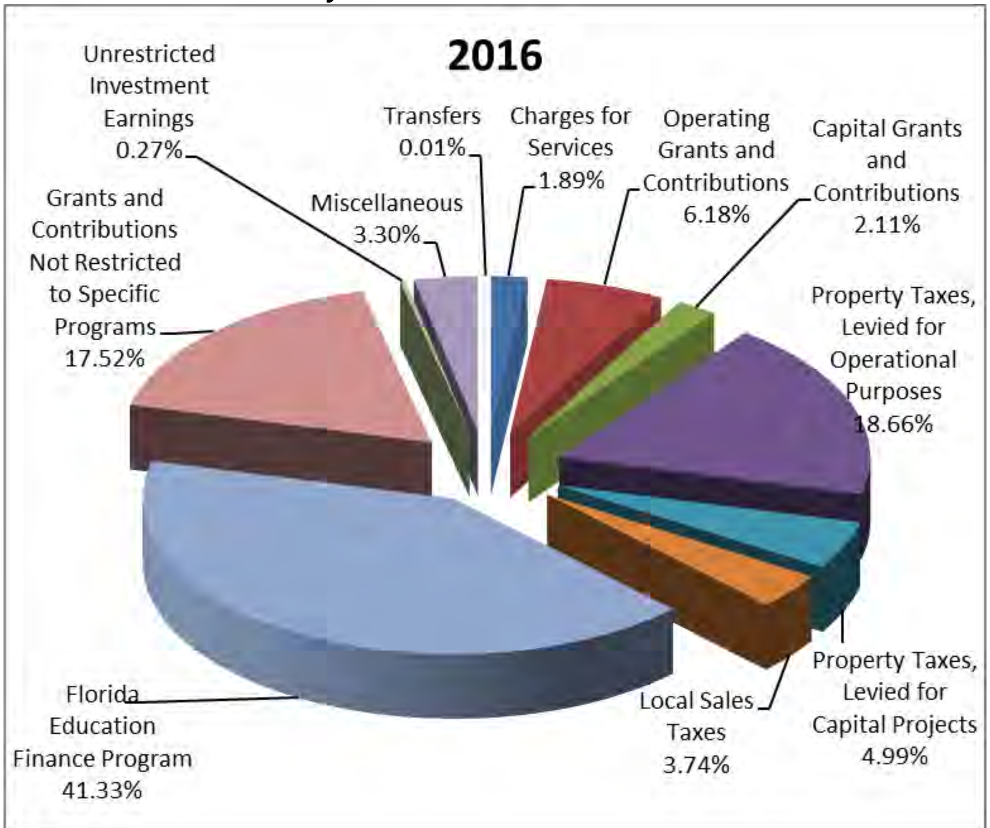
The restricted portion of the District's net position (18.02 percent), exclusive of FRS and HIS pension amounts, represents resources which are subject to external restrictions on how they may be used. The portion of unrestricted net position (1.16 percent), exclusive of FRS and HIS pension amounts, may be used to meet the government's ongoing obligations to students, employees and creditors.

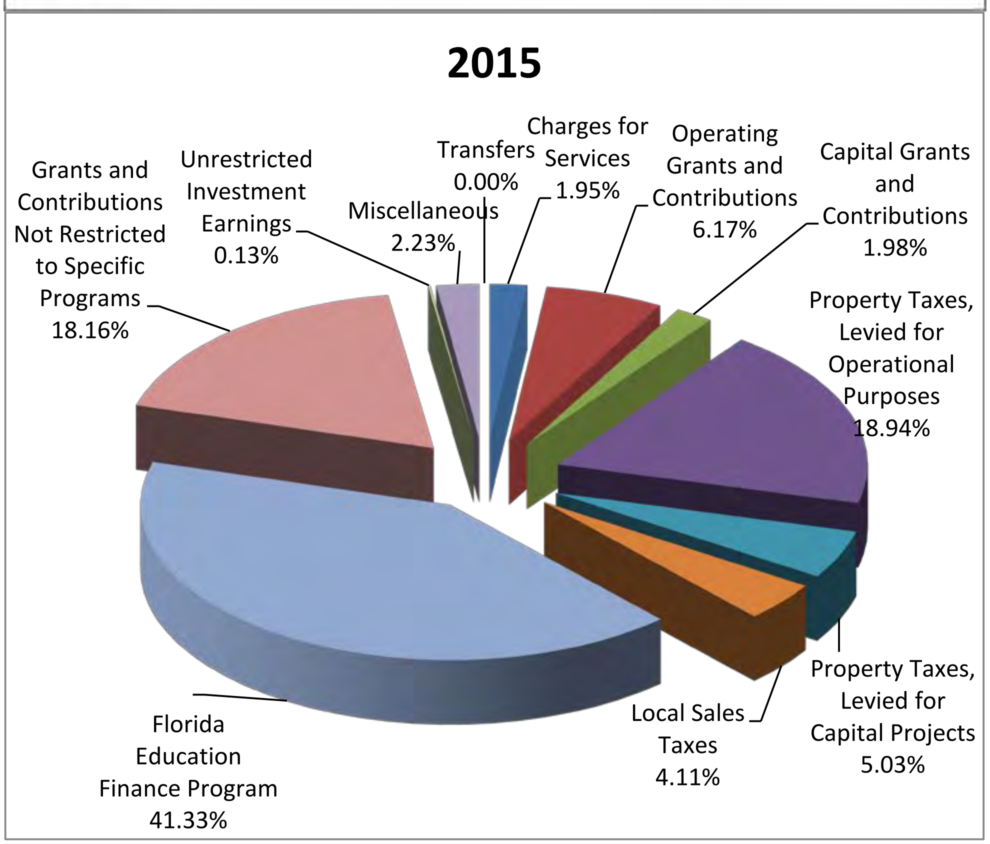
The key elements of the changes in the District's net position for the fiscal year ended June 30, 2016, and June 30, 2015 are as follows:

Operating Results for the Year

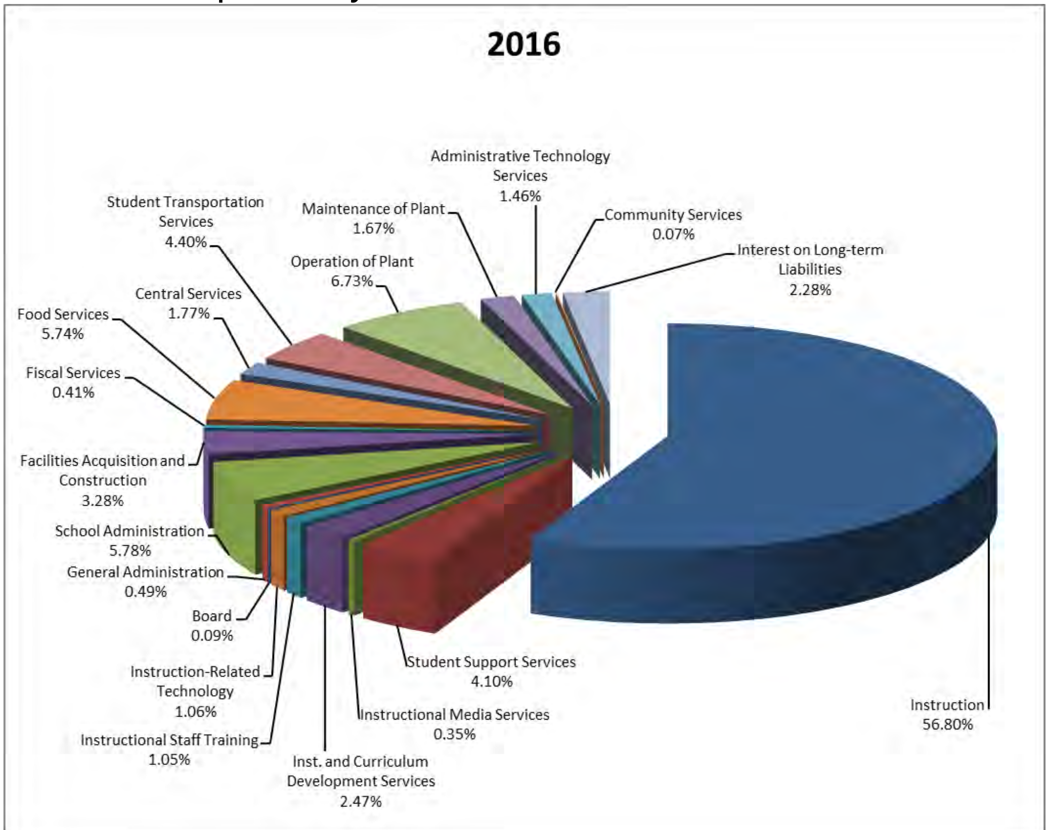
	Governmental Activities		Business-type Activity		Total School District		%
	2016	2015	2016	2015	2016	2015	Change
Revenues:							
Program Revenues:							
Charges for Services	$ 12,979,579	$ 12,651,314	$ 10,981,588	$ 9,990,177	$ 23,961,167	$ 22,641,491	5.83%
Operating Grants and Contributions	42,499,928	40,056,713	-	-	42,499,928	40,056,713	6.10%
Capital Grants and Contributions	14,539,299	12,852,412	-	-	14,539,299	12,852,412	13.13%
General Revenues:							
Property Taxes, Levied for Operational Purposes	128,319,631	123,010,141	-	-	128,319,631	123,010,141	4.32%
Property Taxes, Levied for Capital Projects	34,313,082	32,660,786			34,313,082	32,660,786	5.06%
Local Sales Taxes	25,738,211	26,680,307	-	-	25,738,211	26,680,307	-3.53%
Florida Education Finance Program	284,094,218	268,469,393	-	-	284,094,218	268,469,393	5.82%
Grants and Contributions not Restricted to Specific Programs	120,489,916	117,956,450	-	-	120,489,916	117,956,450	2.15%
Unrestricted Investment Earnings	1,824,994	816,253	10,665	20,578	1,835,659	836,831	119.36%
Miscellaneous	22,699,580	14,454,399	284	309	22,699,864	14,454,708	57.04%
Transfers	56,634	-	(56,634)	-	-	-	0.00%
Total Revenues and Transfers	687,555,072	649,608,168	10,935,903	10,011,064	698,490,975	659,619,232	5.89%
Program Expenses:							
Instruction	386,321,690	362,962,619	-	-	386,321,690	362,962,619	6.44%
Student Support Services	27,878,254	26,801,838	-	-	27,878,254	26,801,838	4.02%
Instructional Media Services	2,395,795	2,343,060	-	-	2,395,795	2,343,060	2.25%
Inst. and Curriculum Development Services	16,807,274	15,800,130	-	-	16,807,274	15,800,130	6.37%
Instructional Staff Training	7,168,371	7,324,613	-	-	7,168,371	7,324,613	-2.13%
Instruction-Related Technology	7,181,975	6,888,825			7,181,975	6,888,825	4.26%
Board	593,665	530,109	-	-	593,665	530,109	11.99%
General Administration	3,366,050	2,407,270	-	-	3,366,050	2,407,270	39.83%
School Administration	39,320,749	37,661,405	-	-	39,320,749	37,661,405	4.41%
Facilities Acquisition and Construction	22,312,816	17,381,716	-	-	22,312,816	17,381,716	28.37%
Fiscal Services	2,789,717	2,792,302	-	-	2,789,717	2,792,302	-0.09%
Food Services	39,016,954	35,477,047	-	-	39,016,954	35,477,047	9.98%
Central Services	12,010,763	8,227,505	-	-	12,010,763	8,227,505	45.98%
Student Transportation Services	29,927,606	29,695,863	-	-	29,927,606	29,695,863	0.78%
Operation of Plant	45,765,410	42,537,525	-	-	45,765,410	42,537,525	7.59%
Maintenance of Plant	11,374,941	10,565,620	-	-	11,374,941	10,565,620	7.66%
Administrative Technology Services	9,929,967	6,047,282	-	-	9,929,967	6,047,282	64.21%
Community Services	475,657	867,512	10,356,708	9,915,866	10,832,365	10,783,378	0.45%
Interest on Long-term Liabilities	15,510,778	15,059,988	-	-	15,510,778	15,059,988	2.99%
Total Expenses	680,148,432	631,372,229	10,356,708	9,915,866	690,505,140	641,288,095	7.67%
Change in Net Position	7,406,640	18,235,939	579,195	95,198	7,985,835	18,331,137	-56.44%
Net Position, Beginning	581,399,156	778,593,655	(544,559)	2,385,706	580,854,597	780,979,361	-25.62%
Adjustment to Beginning Net Position	-	(215,430,438)	-	(3,025,463)	-	(218,455,901)	
Net Position, Ending	$ 588,805,796	$ 581,399,156	$ 34,636	$ (544,559)	$ 588,840,432	$ 580,854,597	1.37%

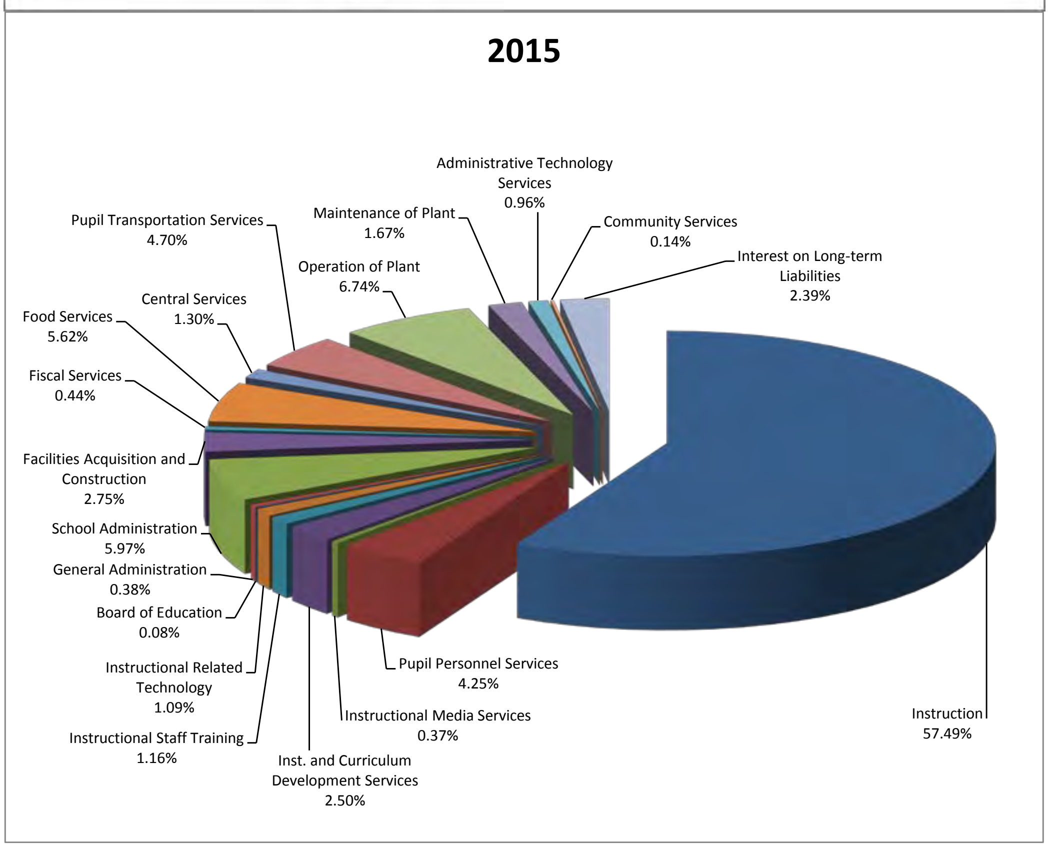
Governmental Activities
Revenue by Source – Statement of Activities





Governmental Activities
Expenses by Function – Statement of Activities





Total revenues increased by $38,871,743, primarily due to an increase in Florida Education Finance Program revenues received during the fiscal year. This $15,624,825 increase was related to an increase in State funding per student and an increase in student FTE. Other increases include: E-Rate funds provided for telecommunication upgrades at 71 schools in the amount of $7,346,725 and an increase in Property Tax revenues of $6,961,786.

Total expenses increased by $49,217,045, primarily due to a rise in instructional costs during the fiscal year. The portion of this overall increase related to salary adjustments and the related benefits was $22,031,958.

The Business-type activities had total revenues of $10,992,537 which exceeded total expenses and transfers out by $579,195.

Financial Analysis of the Government Funds

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

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

As of the end of the 2015-2016 fiscal year, the District's governmental funds reported combined ending fund balances of $271,127,459, a decrease of $18,258,255, in comparison with the prior fiscal year. Approximately 18.99 percent of this total amount, or $51,477,815, constitutes total assigned and unassigned fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2016, and June 30, 2015.

Fund Balance	2016	2015	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	$ 56,742,004	$ 56,019,672	$ 722,332	1.29%
Debt Service - Other Funds	-	11,641,906	(11,641,906)	-100.00%
Capital Projects - Other Funds	166,202,915	182,447,759	(16,244,844)	-8.90%
Special Revenue - Economic Stimulus Funds	-	-	-	0.00%
Other Governmental Funds (nonmajor)	48,182,540	39,276,377	8,906,163	22.68%
Total Fund Balances	$ 271,127,459	$ 289,385,714	$ (18,258,255)	-6.31%

The General Fund is the chief operating fund of the District. At the end of the 2015-2016 fiscal year, the unassigned fund balance of the General Fund was $26,132,916, while total fund balance reached $56,742,004. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.03 percent of total General Fund expenditures, while total fund balance represents 10.92 percent. Fund balance of the District's General Fund increased by $722,332 during the 2015-2016 fiscal year.

The following schedule shows the changes in General Fund revenues and other financing sources for the fiscal years ended June 30, 2016 and June 30, 2015:

General Fund Revenues and Other Financing Sources	2016	2015	Increase (Decrease)	Percentage Change
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	$ 660,110	$ 517,824	$ 142,286	27.48%
Federal Through State Sources:				
Other Federal Through State Sources	3,489,774	5,339,316	(1,849,542)	-34.64%
State Sources				
Florida Education Finance Program (FEFP)	284,094,218	268,469,393	15,624,825	5.82%
Other Restricted State Sources	87,352,266	83,937,686	3,414,580	4.07%
Local Sources:				
Ad Valorem Taxes	128,319,631	123,010,141	5,309,490	4.32%
Interest Income	257,281	207,804	49,477	23.81%
Other Local Sources	15,401,639	14,373,902	1,027,737	7.15%
Other Financing Sources	722,837	1,081,597	(358,760)	-33.17%
Total General Fund Revenues and Other Financing Sources	$ 520,297,756	$ 496,937,663	$ 23,360,093	4.70%

During the 2015-2016 fiscal year, Revenues and Other Financing Sources increased by $23,360,093, or 4.70 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students on the fourth calculation.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2016 and June 30, 2015:

General Fund - Expenditures by Object	2016	2015	Increase (Decrease)	Percentage Change
Salaries	$ 323,057,774	$ 308,972,265	$ 14,085,509	4.56%
Employee Benefits	105,851,880	101,343,894	4,507,986	4.45%
Purchased Services	54,376,511	47,957,503	6,419,008	13.38%
Energy Services	12,171,181	13,805,465	(1,634,284)	-11.84%
Materials and Supplies	15,998,547	14,495,607	1,502,940	10.37%
Capital Outlay	1,738,381	3,295,406	(1,557,025)	-47.25%
Other Expenditures	6,381,150	5,831,493	549,657	9.43%
Total General Fund Expenditures	$ 519,575,424	$ 495,701,633	$ 23,873,791	4.82%

General Fund expenditures increased by $23,873,791 or 4.82 percent. The following are some of the highlights:

- Salaries and Employee Benefits expenditures increased by $14,085,509 and $4,507,986 respectively which reflects salary increases, additional allocations and the related increase in benefits
- Purchased Services increased by $6,419,008 primarily due to an increase in Charter School enrollment and an increase in workers' compensation claims
- Energy Services decreased by $1,634,284 due to a decrease in diesel fuel expenditures during the year
- Materials and Supplies costs increased by $1,502,940 due primarily to new textbook adoptions

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2016 and June 30, 2015:

General Fund Expenditures by Function	2016	2015	Increase (Decrease)	Percentage Change
Instruction	$ 323,188,032	$ 308,693,209	$ 14,494,823	4.70%
Student Support Services	24,344,499	23,318,004	1,026,495	4.40%
Instructional Media Services	2,587,708	2,612,249	(24,541)	-0.94%
Inst. and Curriculum Development Services	11,260,532	10,920,557	339,975	3.11%
Instructional Staff Training Services	2,639,403	2,370,033	269,370	11.37%
Instruction-Related Technology	6,901,007	6,387,191	513,816	8.04%
Board	488,912	490,170	(1,258)	-0.26%
General Administration	1,199,612	895,879	303,733	33.90%
School Administration	38,195,861	36,843,694	1,352,167	3.67%
Facilities Acquisition and Construction	2,532,726	2,719,854	(187,128)	-6.88%
Fiscal Services	2,694,374	2,679,848	14,526	0.54%
Food Services	287,694	242,793	44,901	18.49%
Central Services	7,536,836	7,416,799	120,037	1.62%
Student Transportation Services	29,121,095	29,076,167	44,928	0.15%
Operation of Plant	45,418,565	42,337,996	3,080,569	7.28%
Maintenance of Plant	10,953,816	10,475,300	478,516	4.57%
Administrative Technology Services	9,217,589	5,808,009	3,409,580	58.70%
Community Services	434,922	856,821	(421,899)	-49.24%
Capital Outlay	572,241	1,557,060	(984,819)	-63.25%
Total General Fund Expenditures	$ 519,575,424	$ 495,701,633	$ 23,873,791	4.82%

The *Capital Projects Other Fund*, which is used to account for capital project activity funded by sources such as Certificates of Participation, Sales Tax, Impact Fees and capital leases, has a total fund balance of $166,202,915, of which $154,319,916 is restricted for specific capital projects and $11,882,999 is nonspendable inventory. The net decrease in fund balance in the Capital Projects Other Fund was $16,244,844 and resulted primarily from expenditures to open the new Elementary School, Wiregrass Elementary, and the completion of major renovations to Anclote Elementary and Bayonet Point Middle, all to open in the 2016-2017 school year. In addition, expenditures were made towards the construction of the new Cypress Creek Middle/High School (High School “GGG”) and toward the facility modernization of Marchman Technical College. It should also be noted that $67,845,079 of the total fund balance has been encumbered under specific engineering and construction contracts in progress at year-end.

General Fund Budgetary Highlights

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

General Fund Revenues and Other Financing Sources	Original Budget	Final Budget	Actual 2016	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	$ 534,063	$ 581,689	$ 660,110	$ 47,626	$ 78,421
Federal Through State Sources:					
Other Federal Through State Sources	3,200,000	3,200,000	3,489,774	-	289,774
State Sources					
Florida Education Finance Program (FEFP)	288,044,273	289,364,243	284,094,218	1,319,970	(5,270,025)
Other Restricted State Sources	84,533,962	87,672,264	87,352,266	3,138,302	(319,998)
Local Sources:					
Ad Valorem Taxes	127,052,957	127,052,957	128,319,631	-	1,266,674
Interest Income	500,000	500,000	257,281	-	(242,719)
Other Local Sources	12,536,404	13,105,041	15,401,639	568,637	2,296,598
Other Financing Sources	698,928	606,099	722,837	(92,829)	116,738
Total General Fund Revenues and Other Financing Sources	$ 517,100,587	$ 522,082,293	$ 520,297,756	$ 4,981,706	$ (1,784,537)

The General Fund actual revenues were less than the final budgeted revenues, excluding Other Financing Sources, by $1,901,275. This difference primarily was a reduction in funds received for various local projects and a reduction in VPK program revenues due to a reduction in enrollment in the program. The General Fund final budget revenues, excluding Other Financing Sources, increased by $5,074,535 over the original budget due primarily to state provided funds for Best & Brightest supplements and increased funds for School Recognition.

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

General Fund Expenditures by Function	Original Budget	Final Budget	Actual 2016	Final -Original Budget Inc (Dec)	Actual - Final Budget Inc (Dec)
Instruction	$ 327,893,718	$ 334,743,936	$ 323,188,032	$ 6,850,218	$ (11,555,904)
Student Support Services	24,984,755	25,152,390	24,344,499	167,635	(807,891)
Instructional Media Services	2,955,706	3,192,013	2,587,708	236,307	(604,305)
Inst. and Curriculum Development Services	12,606,918	12,395,754	11,260,532	(211,164)	(1,135,222)
Instructional Staff Training Services	3,575,011	2,963,787	2,639,403	(611,224)	(324,384)
Instruction-Related Technology	7,145,438	7,278,521	6,901,007	133,083	(377,514)
Board	2,847,655	610,303	488,912	(2,237,352)	(121,391)
General Administration	970,566	1,105,998	1,199,612	135,432	93,614
School Administration	36,327,594	39,022,356	38,195,861	2,694,762	(826,495)
Facilities Acquisition and Construction	2,643,245	2,692,482	2,532,726	49,237	(159,756)
Fiscal Services	3,717,337	3,861,688	2,694,374	144,351	(1,167,314)
Food Services	-	287,931	287,694	287,931	(237)
Central Services	8,674,570	8,949,646	7,536,836	275,076	(1,412,810)
Student Transportation Services	28,834,271	33,575,316	29,121,095	4,741,045	(4,454,221)
Operation of Plant	44,120,954	44,756,459	45,418,565	635,505	662,106
Maintenance of Plant	10,804,781	11,663,111	10,953,816	858,330	(709,295)
Administrative Technology Services	7,836,334	9,039,001	9,217,589	1,202,667	178,588
Community Services	627,263	669,823	434,922	42,560	(234,901)
Capital Outlay	-	869,632	572,241	869,632	(297,391)
Total General Fund Expenditures	$ 526,566,116	$ 542,830,147	$ 519,575,424	$ 16,264,031	$ (23,254,723)

The General Fund actual expenditures were less than the final budgeted appropriations by $23,254,723. There were many approved but unfilled teaching and transportation positions. Diesel fuel was $3.6 million below budget. The General Fund final budget appropriations increased by $16,264,031 over the original budget due primarily to salary and benefit increases and textbook adoptions.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2016, amounts to $1,081,233,518. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials, and computer software. Major capital asset events during the current fiscal year ended June 30, 2016, including construction of Wiregrass Elementary, opening for the 2016-2017 school year, as well as continuing progress on the following items that were included in Construction in Progress at fiscal year-end: the renovations of Anclote Elementary, Bayonet Point Middle, and Marchman Technical College as well as construction of Cypress Creek Middle/High School (High School "GGG").

The following is a summary of the District's capital assets as of June 30, 2016:

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activity		Total School District		Percentage
	2016	2015	2016	2015	2016	2015	Change
Land	$ 81,505,202	$ 81,617,607	$ -	$ -	$ 81,505,202	$ 81,617,607	-0.14%
Construction in Progress	95,388,252	62,807,408	-	-	95,388,252	62,807,408	51.87%
Improvements Other Than Buildings	22,199,480	21,421,852	19,061	18,763	22,218,541	21,440,615	3.63%
Buildings and Fixed Equipment	826,820,471	788,925,845	14,825	16,381	826,835,296	788,942,226	4.80%
Furniture, Fixtures and Equipment	33,297,833	30,158,260	124,861	165,973	33,422,694	30,324,233	10.22%
Motor Vehicles	14,243,670	11,430,753	-	-	14,243,670	11,430,753	24.61%
Audio Visual Materials	17,004	32,051	-	-	17,004	32,051	-46.95%
Computer Software	7,761,606	7,906,275	7,295	5,622	7,768,901	7,911,897	-1.81%
Total	$ 1,081,233,518	$ 1,004,300,051	$ 166,042	$ 206,739	$ 1,081,399,560	$ 1,004,506,790	7.65%

Additional information on the District's capital assets can be found in the notes to the financial statements in Note 5 - Changes in Capital Assets on pages 58 and 59.

Long-term Debt

As of June 30, 2016, the District has total long-term debt outstanding of $520,329,687. This amount is comprised of $139,794,130 of bonds payable, $369,048,086 of certificates of participation and $11,487,471 of obligations under capital leases.

The following is a summary of the District's long-term debt as of June 30, 2016:

Outstanding Long-Term Debt

	Total School District		Increase	Percentage
	2016	2015	(Decrease)	Change
Obligations Under Capital Leases	$ 11,487,471	$ -	$ 11,487,471	
SBE Bonds	9,887,266	12,068,756	$ (2,181,490)	-18.08%
District Revenue Bonds	2,545,807	2,643,796	(97,989)	-3.71%
Sales Tax Revenue Bonds	127,361,057	106,873,977	20,487,080	19.17%
Certificates of Participation	369,048,086	351,603,807	17,444,279	4.96%
Total	$ 520,329,687	$ 473,190,336	$ 47,139,351	9.96%

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

Additional information on the District's long-term debt can be found in the notes to the financial statements in Note 11 – Changes in Long Term Liabilities on page 70.

Outlook for the Future

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

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

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

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

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District School Board of Pasco County
Statement of Net Position
June 30, 2016

Exhibit A

	Primary Government: Governmental Activities	Primary Government: Business-type Activity	Primary Government: Total	Component Units
ASSETS:				
Cash	$ 49,093,547	$ 1,243,714	$ 50,337,261	$ 3,063,205
Cash with Fiscal Agent	4,662,399	-	4,662,399	-
Investments	272,753,021	3,088,155	275,841,176	2,068,308
Accounts Receivable	5,221,615	95,317	5,316,932	261,210
Accrued Interest Receivable	239,462	1,652	241,114	-
Deposits Receivable	-	-	-	20,000
Due From Other Agencies	15,962,515	-	15,962,515	443,119
Inventories	16,795,099	-	16,795,099	-
Prepaid Items	126,456	-	126,456	1,946,661
Capital Credits Receivable	4,841,486	-	4,841,486	-
Net Pension Asset - SERP	3,501,596	-	3,501,596	-
Capital Assets (net of accumulated depreciation):				
Land	81,505,202	-	81,505,202	1,439,534
Construction in Progress	95,388,252	-	95,388,252	2,142,652
Improvements Other Than Buildings	22,199,480	19,061	22,218,541	221,700
Leasehold Property and Improvements	-	-	-	763,753
Buildings and Fixed Equipment	826,820,471	14,825	826,835,296	5,245,260
Furniture, Fixtures, and Equipment	33,297,833	124,861	33,422,694	818,196
Motor Vehicles	14,243,670	-	14,243,670	361,751
Audio Visual Materials	17,004	-	17,004	-
Computer Software	7,761,606	7,295	7,768,901	41,812
Total Assets	1,454,430,714	4,594,880	1,459,025,594	18,837,161
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Hedging Derivatives	23,013,707	-	23,013,707	-
Deferred Amount - Bond Refunding	6,852,789	-	6,852,789	-
Deferred Amount - Pension SERP	1,231,412	-	1,231,412	-
Deferred Amount - Pension FRS / HIS	68,665,416	1,112,496	69,777,912	-
Total Deferred Outflows of Resources	99,763,324	1,112,496	100,875,820	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,554,194,038	$ 5,707,376	$ 1,559,901,414	$ 18,837,161

(continued)

	Primary Government			
	Governmental Activities	Business-type Activity	Total	Component Units
LIABILITIES:				
Salaries and Benefits Payable	$ 8,287,902	$ -	$ 8,287,902	$ 833,066
Payroll Deductions and Withholdings Payable	3,573,561	-	3,573,561	-
Accounts Payable	27,676,069	21,791	27,697,860	1,146,415
Construction Contracts Payable	2,445,712	-	2,445,712	-
Construction Contracts Payable-Retainage	4,218,159	-	4,218,159	-
Due to Other Agencies	1,031	-	1,031	-
Sales Tax Payable	3,010	1,791	4,801	-
Deposits Payable	52,498	-	52,498	-
Accrued Interest Payable	4,758,941	-	4,758,941	34,414
Advanced Revenue	1,531,742	78,084	1,609,826	48,002
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	1,729,533
Bonds Payable	13,537,399	-	13,537,399	-
Certificates of Participation Payable	14,111,534	-	14,111,534	-
Obligations Under Capital Leases	3,060,127	-	3,060,127	158,922
Estimated Insurance Claims Payable	2,791,000	-	2,791,000	-
Compensated Absences Payable	2,009,145	-	2,009,145	90,236
Net Pension Liability - FRS / HIS	4,243,279	-	4,243,279	-
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	6,525,051
Bonds Payable	126,256,731	-	126,256,731	-
Certificates of Participation Payable	354,936,552	-	354,936,552	-
Obligations Under Capital Leases	8,427,344	-	8,427,344	102,989
Estimated Insurance Claims Payable	4,891,000	-	4,891,000	-
Compensated Absences Payable	36,399,487	539,382	36,938,869	-
Other Post-Employment Benefits Obligation	61,104,415	1,054,064	62,158,479	-
Net Pension Liability - FRS / HIS	220,316,360	3,521,764	223,838,124	-
Derivatives Swap Liability	23,013,707	-	23,013,707	-
Total Liabilities	927,646,705	5,216,876	932,863,581	10,668,628
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount - Pension SERP	4,169,318	-	4,169,318	-
Deferred Amount - Pension FRS / HIS	33,572,219	455,864	34,028,083	-
Total Deferred Inflows of Resources	37,741,537	455,864	38,197,401	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	965,388,242	5,672,740	971,060,982	10,668,628
NET POSITION:				
Net Investment in Capital Assets	631,191,690	166,042	631,357,732	2,476,351
Restricted for:				
State Categorical Programs	1,393,683	-	1,393,683	-
Debt Service	8,493,920	-	8,493,920	-
Capital Projects	121,784,322	-	121,784,322	-
Special Revenue-Food Service	9,060,413	-	9,060,413	-
Other Purposes	-	-	-	1,946,977
Non-expendable-Permanent Endowment	-	-	-	2,002,076
Unrestricted	(183,118,232)	(131,406)	(183,249,638)	1,743,129
Total Net Position	588,805,796	34,636	588,840,432	8,168,533
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 1,554,194,038	$ 5,707,376	$ 1,559,901,414	$ 18,837,161

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

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	$ 386,321,690	$ 524,903	$ -	$ -
Student Support Services	27,878,254	-	-	-
Instructional Media Services	2,395,795	-	-	-
Instruction and Curriculum Development Services	16,807,274	-	-	-
Instructional Staff Training Services	7,168,371	-	-	-
Instruction-Related Technology	7,181,975	-	-	-
Board	593,665	-	-	-
General Administration	3,366,050	-	-	-
School Administration	39,320,749	-	-	-
Facilities Acquisition and Construction	22,312,816	-	-	11,653,492
Fiscal Services	2,789,717	-	-	-
Food Services	39,016,954	11,312,259	26,714,565	-
Central Services	12,010,763	-	-	-
Student Transportation Services	29,927,606	1,142,417	15,785,363	-
Operation of Plant	45,765,410	-	-	-
Maintenance of Plant	11,374,941	-	-	-
Administrative Technology Services	9,929,967	-	-	-
Community Services	475,657	-	-	-
Interest on Long-term Liabilities	15,510,778	-	-	2,885,807
Total Governmental Activities	680,148,432	12,979,579	42,499,928	14,539,299
Business-Type Activities:				
PLACE Program	9,850,333	10,454,332	-	-
Vending Program	506,375	527,256	-	-
Total Business-Type Activities	10,356,708	10,981,588	-	-
Total Primary Government	$ 690,505,140	$ 23,961,167	$ 42,499,928	$ 14,539,299
Component Units:				
Educational Foundation/Charter Schools	$ 30,478,160	$ 641,586	$ 1,131,849	$ 571,178

General Revenues:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Capital Projects
Local Sales Taxes
Grants and Contributions not Restricted to Specific Programs
Unrestricted Investment Earnings
Miscellaneous
Transfers

Total General Revenues and Transfers

Change in Net Position
Net Position, July 1, 2015

Net Position, June 30, 2016

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (385,796,787)	$ -	$ (385,796,787)	$ -
(27,878,254)	-	(27,878,254)	-
(2,395,795)	-	(2,395,795)	-
(16,807,274)	-	(16,807,274)	-
(7,168,371)	-	(7,168,371)	-
(7,181,975)	-	(7,181,975)	-
(593,665)	-	(593,665)	-
(3,366,050)	-	(3,366,050)	-
(39,320,749)	-	(39,320,749)	-
(10,659,324)	-	(10,659,324)	-
(2,789,717)	-	(2,789,717)	-
(990,130)	-	(990,130)	-
(12,010,763)	-	(12,010,763)	-
(12,999,826)	-	(12,999,826)	-
(45,765,410)	-	(45,765,410)	-
(11,374,941)	-	(11,374,941)	-
(9,929,967)	-	(9,929,967)	-
(475,657)	-	(475,657)	-
(12,624,971)	-	(12,624,971)	-
(610,129,626)	-	(610,129,626)	-
-	603,999	603,999	-
-	20,881	20,881	-
-	624,880	624,880	-
(610,129,626)	624,880	(609,504,746)	-
-	-	-	(28,133,547)
128,319,631	-	128,319,631	-
34,313,082	-	34,313,082	-
25,738,211	-	25,738,211	-
404,584,134	-	404,584,134	28,429,296
1,824,994	10,665	1,835,659	(152,793)
22,699,580	284	22,699,864	-
56,634	(56,634)	-	-
617,536,266	(45,685)	617,490,581	28,276,503
7,406,640	579,195	7,985,835	142,956
581,399,156	(544,559)	580,854,597	8,025,577
$ 588,805,796	$ 34,636	$ 588,840,432	$ 8,168,533

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds							
	General		Capital Projects					
	Primary Operating Fund		Other Funds		Nonmajor Governmental Funds		Total Governmental Funds	
ASSETS:								
Cash	$	10,361,830	$	16,380,086	$	13,588,464	$	40,330,380
Cash with Fiscal Agent		-		4,715		4,657,684		4,662,399
Investments		49,058,878		143,327,848		30,022,944		222,409,670
Accounts Receivable		4,972,302		-		63,238		5,035,540
Accrued Interest Receivable		11,575		187,693		13,256		212,524
Due from Other Funds		6,796,032		1,217,245		-		8,013,277
Due from Other Agencies		768,011		5,969,849		9,224,655		15,962,515
Inventories		3,744,050		11,882,999		1,168,050		16,795,099
Prepaid Items		126,456		-		-		126,456
TOTAL ASSETS	$	75,839,134	$	178,970,435	$	58,738,291	$	313,547,860
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Salaries and Benefits Payable	$	8,284,934	$	-	$	2,954	$	8,287,888
Payroll Deductions and Withholdings Payable		3,569,392		-		-		3,569,392
Accounts Payable		7,132,099		6,304,112		1,103,983		14,540,194
Construction Contracts Payable		-		2,292,876		152,836		2,445,712
Construction Contracts Payable-Retainage		-		4,170,532		47,627		4,218,159
Due to Other Funds		-		-		8,013,277		8,013,277
Due to Other Agencies		-		-		1,031		1,031
Sales Tax Payable		3,010		-		-		3,010
Deposits Payable		52,498		-		-		52,498
Advanced Revenue		55,197		-		1,234,043		1,289,240
Total Liabilities		19,097,130		12,767,520		10,555,751		42,420,401
Fund Balances:								
Nonspendable:								
Inventories:								
General Fund		3,744,050		-		-		3,744,050
Capital Projects Other		-		11,882,999		-		11,882,999
Special Revenue-Food Service		-		-		1,168,050		1,168,050
Prepaid Items:								
General Fund		126,456		-		-		126,456
Restricted:								
Categorical Programs		1,393,683		-		-		1,393,683
Special Revenue-Food Service		-		-		7,892,363		7,892,363
Debt Service		-		-		13,252,861		13,252,861
Capital Projects		-		154,319,916		25,869,266		180,189,182
Assigned:								
School Operations:								
School and Local Programs		19,945,132		-		-		19,945,132
Next Year Budget		5,399,767		-		-		5,399,767
Unassigned Fund Balance		26,132,916		-		-		26,132,916
Total Fund Balances		56,742,004		166,202,915		48,182,540		271,127,459
TOTAL LIABILITIES AND FUND BALANCES	$	75,839,134	$	178,970,435	$	58,738,291	$	313,547,860

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

District School Board of Pasco County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total fund balances for total governmental funds (page 26).		$ 271,127,459
Amounts reported for governmental activities in the statement of net position (page 23) are different because:		
Non-current assets do not represent current financial resources and, therefore, are not reported in the governmental funds.		
Non-current assets at year-end consist of:		
Capital Credits Receivable	$ 4,841,486	
Net Pension Asset - SERP	3,501,596	
Capital Assets (net of accumulated depreciation)	1,081,233,518	1,089,576,600
Deferred outflows of resources are reported as a result of:		
Changes in fair value of Hedging Derivatives	23,013,707	
Deferred Amounts on Bond Refundings	6,852,789	
Deferred Amounts for Pension - SERP	1,231,412	
Deferred Amounts for Pension - FRS / HIS	68,665,416	99,763,324
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		(4,758,941)
Long-tern liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Long-term liabilities at year-end consist of:		
Bonds Payable	(139,794,130)	
Certificates of Participation Payable	(369,048,086)	
Obligations Under Capital Leases	(11,487,471)	
Compensated Absences Payable	(38,408,632)	
Other Post-employment Benefits Obligation	(61,104,415)	
Net Pension Liability FRS / HIS	(224,559,639)	
Derivative Swap Liability	(23,013,707)	(867,416,080)
Deferred inflows of resources are reported as a result of :		
Deferred Amounts for Pension - SERP	(4,169,318)	
Deferred Amounts for Pension - FRS / HIS	(33,572,219)	(37,741,537.00)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		38,254,971
Total Net Position - Governmental Activities		$ 588,805,796

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Major Funds			
	General	Capital Projects		
	Primary Operating Fund	Other Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Federal Sources:				
Federal Direct	$ 660,110	$ -	$ 7,953,462	$ 8,613,572
Federal Through State	3,489,774	-	62,958,246	66,448,020
State Sources:				
Florida Education Finance Program	284,094,218	-	-	284,094,218
Public Education Capital Outlay	-	-	2,445,259	2,445,259
Food Services	-	-	395,520	395,520
SBE/COBI Bond Interest	-	-	485	485
CO & DS Withheld for State Education Bonds	-	-	2,545,912	2,545,912
CO & DS Interest	-	-	8,407	8,407
CO & DS Distributed	-	-	288,219	288,219
Racing Commission Funds	-	-	223,250	223,250
State Grants and Other	87,352,266	-	-	87,352,266
Local Sources:				
Property Taxes	128,319,631	-	34,313,082	162,632,713
Local Sales Taxes	-	25,738,211	-	25,738,211
Impact Fees	-	9,208,233	-	9,208,233
Food Services	-	-	10,571,030	10,571,030
Investment Earnings	257,281	821,459	746,254	1,824,994
Local Grants and Other	15,401,639	7,531,625	1,375,884	24,309,148
Total Revenues	519,574,919	43,299,528	123,825,010	686,699,457
Expenditures:				
Current-Education:				
Instruction	323,188,032	-	25,634,609	348,822,641
Student Support Services	24,344,499	-	3,718,611	28,063,110
Instructional Media Services	2,587,708	-	79,036	2,666,744
Inst. and Curriculum Development Services	11,260,532	-	5,044,186	16,304,718
Instructional Staff Training Services	2,639,403	-	5,250,897	7,890,300
Instruction-Related Technology	6,901,007	-	301,048	7,202,055
Board	488,912	-	13,061	501,973
General Administration	1,199,612	-	1,974,343	3,173,955

	Major Funds			
	General	Capital Projects		
	Primary Operating Fund	Other Funds	Nonmajor Governmental Funds	Total Governmental Funds
Expenditures (continued):				
School Administration	38,195,861	-	139,635	38,335,496
Facilities Acquisition and Construction	2,532,726	3,868,899	1,377,397	7,779,022
Fiscal Services	2,694,374	-	88,173	2,782,547
Food Services	287,694	-	38,315,048	38,602,742
Central Services	7,536,836	-	173,400	7,710,236
Student Transportation Services	29,121,095	-	331,516	29,452,611
Operation of Plant	45,418,565	-	100,993	45,519,558
Maintenance of Plant	10,953,816	-	50,753	11,004,569
Administrative Technology Services	9,217,589	-	112,860	9,330,449
Community Services	434,922	-	-	434,922
Capital Outlay:				
Facilities Acquisition and Construction	32,266	115,941,813	15,119,958	131,094,037
Other Capital Outlay	539,975	-	848,729	1,388,704
Debt Service:				
Principal	-	-	24,451,976	24,451,976
Interest	-	-	16,400,738	16,400,738
Fiscal Charges	-	-	643,131	643,131
Total Expenditures	519,575,424	119,810,712	140,170,098	779,556,234
Excess (Deficiency) of Revenues Over Expenditures	(505)	(76,511,184)	(16,345,088)	(92,856,777)
Other Financing Sources (Uses):				
Proceeds of Bonds Issued	-	30,000,000	75,000	30,075,000
Premiums on Certificates of Participation Issued	-	4,398,965	-	4,398,965
Proceeds Of Certificates of Participation Issued	-	25,995,000	-	25,995,000
Capital Leases	-	13,739,423	32,500	13,771,923
Proceeds from the Sale of Capital Assets	116,000	-	-	116,000
Transfers In	1,851,440	-	39,988,513	41,839,953
Transfers Out	(1,244,603)	(13,867,048)	(26,486,668)	(41,598,319)
Total Other Financing Sources (Uses)	722,837	60,266,340	13,609,345	74,598,522
Net Change in Fund Balances	722,332	(16,244,844)	(2,735,743)	(18,258,255)
Fund Balances, July 1, 2015	56,019,672	182,447,759	50,918,283	289,385,714
Fund Balances, June 30, 2016	$ 56,742,004	$ 166,202,915	$ 48,182,540	$ 271,127,459

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

District School Board of Pasco County
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balances - Governmental Funds (page 29).			$ (18,258,255)
Amounts reported for governmental activities on the statement of activities (pages 24 & 25) are different because:			
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Expenditures for capital assets	$	132,482,741	
Less current year depreciation		(54,482,102)	78,000,639
Capital assets donated to the District increase net assets on the statement of activities. However, they do not provide current financial resources and are not reported as revenues in the governmental funds.			120,549
The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the assets disposed of.			(1,185,740)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of SERP pension benefits earned is reported as a pension expense.			238,368
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of FRS/HIS pension benefits earned net of employee contributions is reported as a pension expense.			7,475,656
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.			
Principal payments		24,451,976	
New Sales Tax Bonds Issued		(30,075,000)	
New Certificates of Participation Issues		(25,995,000)	
Capital Leases Issued		(13,771,923)	
Net decrease in deferred charges		(622,007)	
Net increase in premiums and discounts		(1,749,404)	(47,761,358)
Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period.			241,023
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 not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.			(1,199,481)
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.			(494,463)
The net change in liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements.			(6,319,229)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities.			(3,451,069)
Change in Net Position - Governmental Activities (pages 24 & 25).			$ 7,406,640

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	$ 534,063	$ 581,689	$ 660,110	$ 78,421
Federal Through State	3,200,000	3,200,000	3,489,774	289,774
State Sources:				
Florida Education Finance Program	288,044,273	289,364,243	284,094,218	(5,270,025)
State Grants and Other	84,533,962	87,672,264	87,352,266	(319,998)
Local Sources:				
Property Taxes	127,052,957	127,052,957	128,319,631	1,266,674
Investment Earnings	500,000	500,000	257,281	(242,719)
Local Grants and Other	12,536,404	13,105,041	15,401,639	2,296,598
Total Revenues	516,401,659	521,476,194	519,574,919	(1,901,275)
Expenditures:				
Current-Education:				
Instruction				
Salaries	$ 216,346,847	$ 213,974,151	$ 210,987,614	$ 2,986,537
Employee Benefits	59,346,663	64,977,116	65,130,512	(153,396)
Purchased Services	36,799,692	36,491,570	29,713,663	6,777,907
Materials and Supplies	11,234,651	13,944,507	12,361,391	1,583,116
Capital Outlay	420,685	533,182	336,150	197,032
Other Expenses	3,745,180	4,823,410	4,658,702	164,708
Student Support Services				
Salaries	16,845,205	16,964,023	16,606,798	357,225
Employee Benefits	5,481,107	5,595,328	5,415,699	179,629
Purchased Services	2,338,920	2,368,027	2,160,393	207,634
Materials and Supplies	199,156	173,845	124,109	49,736
Capital Outlay	119,917	8,742	8,740	2
Other Expenses	450	42,425	28,760	13,665
Instructional Media Services				
Salaries	1,018,399	1,027,355	975,802	51,553
Employee Benefits	465,718	475,284	420,919	54,365
Purchased Services	125,000	424,830	302,168	122,662
Materials and Supplies	1,035,916	449,469	346,035	103,434
Capital Outlay	305,673	812,075	540,922	271,153
Other Expenses	5,000	3,000	1,862	1,138
Instruction and Curriculum Development Services				
Salaries	9,269,844	8,999,621	8,290,508	709,113
Employee Benefits	2,698,968	2,837,239	2,621,933	215,306
Purchased Services	134,417	309,398	244,699	64,699
Materials and Supplies	470,627	173,883	39,534	134,349
Capital Outlay	12,500	22,540	22,188	352
Other Expenses	20,562	53,073	41,670	11,403

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	2,157,616	1,925,023	1,777,159	147,864
Employee Benefits	457,331	501,696	431,107	70,589
Purchased Services	159,118	389,267	318,242	71,025
Materials and Supplies	789,166	88,571	73,891	14,680
Capital Outlay	750	4,308	3,568	740
Other Expenses	11,030	54,922	35,436	19,486
Instruction-Related Technology				
Salaries	5,473,869	5,543,263	5,214,294	328,969
Employee Benefits	1,671,494	1,717,168	1,669,073	48,095
Purchased Services	-	18,090	17,640	450
Materials and Supplies	75	-	-	-
Capital Outlay	-	-	-	-
Board				
Salaries	225,313	229,313	228,127	1,186
Employee Benefits	2,435,951	139,639	136,645	2,994
Purchased Services	158,820	193,780	84,619	109,161
Materials and Supplies	3,255	3,255	1,214	2,041
Capital Outlay	935	935	-	935
Other Expenses	23,381	43,381	38,307	5,074
General Administration				
Salaries	624,880	704,880	695,225	9,655
Employee Benefits	203,355	238,544	230,925	7,619
Purchased Services	106,581	122,616	74,394	48,222
Materials and Supplies	8,800	8,573	3,791	4,782
Capital Outlay	3,250	3,560	1,060	2,500
Other Expenses	23,700	27,825	194,217	(166,392)
School Administration				
Salaries	24,971,636	26,411,334	26,372,004	39,330
Employee Benefits	9,212,703	9,724,058	9,406,719	317,339
Purchased Services	1,359,398	1,494,517	1,201,681	292,836
Materials and Supplies	547,616	530,235	445,514	84,721
Capital Outlay	141,386	173,729	138,438	35,291
Other Expenses	94,855	688,483	631,505	56,978
Facilities Services				
Salaries	1,214,511	1,214,511	1,179,724	34,787
Employee Benefits	339,249	422,995	412,909	10,086
Purchased Services	913,460	1,033,551	929,659	103,892
Materials and Supplies	11,625	11,625	7,015	4,610
Capital Outlay	162,400	7,800	1,865	5,935
Other Expenses	2,000	2,000	1,554	446

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Fiscal Services				
Salaries	1,861,544	1,861,726	1,703,833	157,893
Employee Benefits	576,547	588,784	570,689	18,095
Purchased Services	578,044	592,912	222,833	370,079
Materials and Supplies	25,982	24,320	7,686	16,634
Capital Outlay	3,190	10,840	8,495	2,345
Other Expenses	672,030	783,106	180,838	602,268
Food Services				
Salaries	-	247,113	247,113	-
Employee Benefits	-	23,064	23,003	61
Materials and Supplies	-	16,848	16,672	176
Capital Outlay	-	906	906	-
Central Services				
Salaries	4,624,853	4,624,347	4,315,503	308,844
Employee Benefits	1,498,830	1,575,934	1,492,540	83,394
Purchased Services	2,028,815	2,208,854	1,332,184	876,670
Materials and Supplies	105,616	113,028	47,985	65,043
Capital Outlay	28,593	40,119	20,093	20,026
Other Expenses	390,863	387,364	328,531	58,833
Student Transportation Services				
Salaries	15,296,782	16,801,522	16,784,556	16,966
Employee Benefits	6,986,545	7,363,533	7,340,893	22,640
Purchased Services	986,694	1,013,140	1,090,422	(77,282)
Energy Services	4,110,000	6,863,194	2,570,416	4,292,778
Materials and Supplies	1,439,050	1,424,392	1,237,778	186,614
Capital Outlay	4,700	9,035	5,600	3,435
Other Expenses	10,500	100,500	91,430	9,070
Operation of Plant				
Salaries	16,400,650	16,614,951	16,379,947	235,004
Employee Benefits	6,719,360	6,859,437	6,904,161	(44,724)
Purchased Services	9,624,884	9,763,293	11,575,016	(1,811,723)
Energy Services	10,476,500	10,498,500	9,600,765	897,735
Materials and Supplies	873,493	953,055	898,627	54,428
Capital Outlay	23,042	30,459	27,256	3,203
Other Expenses	3,025	36,764	32,793	3,971
Maintenance of Plant				
Salaries	5,940,902	5,940,902	5,580,672	360,230
Employee Benefits	1,911,594	1,953,393	1,847,278	106,115
Purchased Services	2,577,395	3,382,177	3,167,765	214,412
Materials and Supplies	361,400	372,800	348,020	24,780
Capital Outlay	11,015	11,724	8,366	3,358
Other Expenses	2,475	2,115	1,715	400

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts: Original	Budgeted Amounts: Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures (continued):				
Administrative Technology Services				
Salaries	4,790,701	5,540,701	5,619,540	(78,839)
Employee Benefits	1,475,103	1,715,658	1,768,840	(53,182)
Purchased Services	1,455,770	1,666,976	1,769,800	(102,824)
Materials and Supplies	46,635	40,125	25,161	14,964
Capital Outlay	21,125	28,541	22,742	5,799
Other Expenses	47,000	47,000	11,506	35,494
Community Services				
Salaries	69,280	117,659	99,355	18,304
Employee Benefits	36,244	41,177	28,035	13,142
Purchased Services	241,866	234,863	171,333	63,530
Materials and Supplies	22,795	19,979	14,124	5,855
Capital Outlay	22,672	21,589	19,751	1,838
Other Expenses	234,406	234,556	102,324	132,232
Capital Outlay:				
Facilities Acquisition and Construction	-	187,266	32,266	155,000
Other Capital Outlay	-	682,366	539,975	142,391
Total Expenditures	526,569,116	542,830,147	519,575,424	23,254,723
Excess (Deficiency) of Revenues Over Expenditures	(10,167,457)	(21,353,953)	(505)	21,353,448
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	-	-	116,000	116,000
Transfers In	1,842,462	1,851,440	1,851,440	-
Transfers Out	(1,143,534)	(1,245,341)	(1,244,603)	738
Total Other Financing Sources (Uses)	698,928	606,099	722,837	116,738
Net Change in Fund Balance	(9,468,529)	(20,747,854)	722,332	21,470,186
Fund Balance, Beginning	56,019,672	56,019,672	56,019,672	-
Fund Balance, Ending	$ 46,551,143	$ 35,271,818	$ 56,742,004	$ 21,470,186

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

District School Board of Pasco County
Statement of Fund Net Position
Proprietary Funds
June 30, 2016

Exhibit H

	Business-Type Activity — Major Fund: Pasco Learning and Activity Centers of Enrichment (PLACE)	Business-Type Activity — Nonmajor: Vending Program	Total Enterprise Funds	Governmental Activities: Internal Service Funds
ASSETS:				
Current Assets:				
Cash	$ 1,218,679	$ 25,035	$ 1,243,714	$ 8,763,167
Investments	3,088,155	-	3,088,155	50,343,351
Accounts Receivable	95,317	-	95,317	186,075
Accrued Interest Receivable	1,652	-	1,652	26,938
Total Current Assets	4,403,803	25,035	4,428,838	59,319,531
Noncurrent Assets:				
Improvements Other Than Buildings, Net	19,061	-	19,061	-
Buildings and Fixed Equipment, Net	14,825	-	14,825	-
Furniture, Fixtures, and Equipment, Net	124,861	-	124,861	10,836
Computer Software, Net	7,295	-	7,295	-
Total Noncurrent Assets	166,042	-	166,042	10,836
Total Assets	4,569,845	25,035	4,594,880	59,330,367
DEFERRED OUTFLOWS OF RESOURCES:				
Pension FRS/HIS	1,112,496	-	1,112,496	1,170,074
Total Deferred Outflows of Resources	1,112,496	-	1,112,496	1,170,074
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 5,682,341	$ 25,035	$ 5,707,376	$ 60,500,441
LIABILITIES:				
Current Liabilities:				
Salaries and Benefits Payable	$ -	$ -	$ -	$ 14
Payroll Deductions and Withholdings Payable	-	-	-	4,169
Accounts Payable	21,791	-	21,791	13,135,875
Sales Tax Payable	-	1,791	1,791	-
Advanced Revenues	78,084	-	78,084	242,502
Current portion of long-term liabilities:			-	
Compensated Absences Payable	-	-	-	27,041
Estimated Insurance Claims Payable	-	-	-	2,791,000
Total Current Liabilities	99,875	1,791	101,666	16,200,601
Noncurrent Liabilities:				
Compensated Absences Payable	539,382	-	539,382	303,157
Estimated Insurance Claims Payable	-	-	-	4,891,000
Other Post-Employment Benefits Obligation	1,054,064	-	1,054,064	234,837
Net Pension Liability - FRS / HIS	3,521,764	-	3,521,764	1,720,694
Total Noncurrent Liabilities	5,115,210	-	5,115,210	7,149,688
Total Liabilities	5,215,085	1,791	5,216,876	23,350,289
DEFERRED INFLOWS OF RESOURCES:				
Pension FRS/HIS	455,864	-	455,864	338,012
Total Deferred Inflows of Resources	455,864	-	455,864	338,012
NET POSITION:				
Net Investment in Capital Assets	166,042	-	166,042	10,836
Unrestricted	(154,650)	23,244	(131,406)	36,801,304
Total Net Position	11,392	23,244	34,636	36,812,140
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 5,682,341	$ 25,035	$ 5,707,376	$ 60,500,441

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

Exhibit I

District School Board of Pasco County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activity			Governmental Activities
	Major Fund	Nonmajor		
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for Services Provided	$ 10,454,332	$ -	$ 10,454,332	$ 12,708,000
Charges for Sales	-	527,256	527,256	-
Insurance Premiums:				
Board Contributions	-	-	-	69,599,896
Employees	-	-	-	4,816,809
Retirees	-	-	-	4,533,325
Other Operating Revenues	-	284	284	684,020
Total Operating Revenues	10,454,332	527,540	10,981,872	92,342,050
Operating Expenses:				
Salaries	5,703,877	-	5,703,877	1,027,122
Employee Benefits	2,292,171	-	2,292,171	906,861
Purchased Services	357,842	-	357,842	17,310,528
Insurance Premiums	-	-	-	6,723,794
Energy Services	407,883	-	407,883	10,817,972
Materials and Supplies	330,483	6,395	336,878	61,432
Capital Outlay	49,751	-	49,751	4,421
Insurance Claims	-	-	-	59,105,124
Other	655,561	499,980	1,155,541	259,011
Depreciation	45,725	-	45,725	-
Total Operating Expenses	9,843,293	506,375	10,349,668	96,216,265
Operating Income (Loss)	611,039	21,165	632,204	(3,874,215)
Nonoperating Revenues (Expenses):				
Investment Earnings	10,665	-	10,665	195,450
Gifts, Grants, and Bequests	-	-	-	102,830
Insurance Loss Recoveries	-	-	-	311,847
Loss on Disposition of Assets	(7,040)	-	(7,040)	(1,981)
Total Nonoperating Revenues (Expenses)	3,625	-	3,625	608,146
Income (Loss) Before Transfers	614,664	21,165	635,829	(3,266,069)
Transfers In	-	-	-	779,848
Transfers Out	(56,634)	-	(56,634)	(964,848)
Change in Net Position	558,030	21,165	579,195	(3,451,069)
Total Net Position, July 1, 2015	(546,638)	2,079	(544,559)	40,263,209
Total Net Position, June 30, 2016	$ 11,392	$ 23,244	$ 34,636	$ 36,812,140

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

District School Board of Pasco County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activity			Governmental Activities
	Major Fund	Nonmajor		
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Sales and Services	$ 10,492,060	$ 527,256	$ 11,019,316	$ 12,708,000
Cash Received from Premiums	-	-	-	79,161,860
Cash Received from Other Operating Revenues	-	284	284	662,020
Cash Payments to Suppliers for Goods and Services	(1,797,045)	(562,082)	(2,359,127)	(35,772,864)
Cash Payments to Employees for Services	(7,757,507)	-	(7,757,507)	(1,622,607)
Cash Payments for Insurance Claims	-	-	-	(58,297,124)
Net Cash Provided (Used) by Operating Activities	937,508	(34,542)	902,966	(3,160,715)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Insurance Loss Recoveries	-	-	-	311,847
Gifts, Grants and Bequests	-	-	-	102,830
Transfers In	-	-	-	779,848
Transfers Out	(56,634)	-	(56,634)	(964,848)
Net Cash Provided (Used) by Noncapital Financing Activities	(56,634)	-	(56,634)	229,677
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(12,068)	-	(12,068)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,068)	-	(12,068)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	12,077	-	12,077	218,509
Purchase and Sale of Investments	(10,665)	-	(10,665)	1,107,963
Net Cash Provided (Used) by Investing Activities	1,412	-	1,412	1,326,472
Net Change in Cash	870,218	(34,542)	835,676	(1,604,566)
Cash, Beginning	348,461	59,577	408,038	10,367,733
Cash, Ending	$ 1,218,679	$ 25,035	$ 1,243,714	$ 8,763,167
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 611,039	$ 21,165	$ 632,204	$ (3,874,215)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	45,725	-	45,725	-
Change in Assets and Liabilities:			-	
Decrease in Accounts Receivable	27,292	-	27,292	202,657
Increase (Decrease) in Accounts Payable	4,475	(56,602)	(52,127)	(595,706)
Increase in Sales Tax Payable	-	895	895	-
(Decrease) in Payroll Deductions and Withholdings Payable	(3,316)	-	(3,316)	(109,845)
Increase (Decrease) in Advanced Revenues	10,436	-	10,436	(12,827)
Increase (Decrease) in Compensated Absences Payable	132,144	-	132,144	(35,082)
Increase in Other Post-Employment Benefits Obligation	115,622	-	115,622	24,547
Increase (Decrease) in Pension Amounts	(5,909)	-	(5,909)	431,756
Increase in Estimated Insurance Claims Payable	-	-	-	808,000
Total Adjustments	326,469	(55,707)	270,762	713,500
Net Cash Provided (Used) by Operating Activities	$ 937,508	$ (34,542)	$ 902,966	$ (3,160,715)

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

Exhibit K

District School Board of Pasco County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	$ 588,454	$ 4,108	$ 8,301,381
Collateralized Mortgage Obligations	646,593	-	-
Corporate Bonds	202,518	-	-
Government and Municipal Bonds	9,033,313	-	-
Domestic Equity Mutual Funds	2,422,860	-	-
International Equity Mutual Funds	618,207	-	-
Domestic Fixed Income Mutual Funds	2,461,118	-	-
Alternative Equity Mutual Funds	401,368	-	-
Government Sponsored Enterprise Securities	193,630	34,622	72,745
Money Market Funds	1,481,170	-	-
Accounts Receivable	-	-	8,716
Interest Receivable	157,319	19	39
Inventories	-	-	17,798
TOTAL ASSETS	$ 18,206,550	$ 38,749	$ 8,400,679
LIABILITIES:			
Accounts Payable	$ 4,315	$ -	$ 749,404
Internal Accounts Payable	-	-	7,571,518
ABC Program Payable	-	-	79,757
Total Liabilities	4,315	-	$ 8,400,679
NET POSITION:			
Restricted for Pension Benefits	18,202,235	-	
Restricted for Medical Benefits	-	25,056	
Restricted for Educational Support	-	13,693	
Total Net Position	18,202,235	38,749	
TOTAL LIABILITIES AND NET POSITION	$ 18,206,550	$ 38,749	

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

District School Board of Pasco County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Contributions:		
Employer	$ -	$ -
Gifts, Grants and Bequests	-	-
Total Contributions	-	-
Investment Earnings:		
Interest, Dividends and Other	1,000,647	134
Net Investment Income	1,000,647	134
Total Additions	1,000,647	134
DEDUCTIONS:		
Benefit Payments	1,189,185	-
Purchased Services	-	1,230
Administrative Expenses	27,263	3,971
Total Deductions	1,216,448	5,201
Change in Net Position	(215,801)	(5,067)
Net Position, July 1, 2015	18,418,036	43,816
Net Position, June 30, 2016	$ 18,202,235	$ 38,749

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➢ Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Pursuant to Section 1002.33(17), Florida Statutes, students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the school district. Accordingly, charter schools' full-time equivalent (FTE) student enrollment is the basis for school districts to provide funding to charter schools. Funding is provided to the charter schools by the District. Furthermore, Article IX, Section 4(b) of the Florida Constitution states that, "The school board shall operate, control and supervise all free public schools within the school district and determine the rate of school district taxes within the limits prescribed herein." Because the District is financially accountable for charter schools, and charter schools create a financial burden on school districts, charter schools are considered component units of the school districts.

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

- Blended Component Unit. The Pasco County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, nine charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District

since they impose a financial burden on the District. The component units are as follows:

- ◊ Academy at the Farm, Inc., is a K through 8th grade school focusing on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.
- ◊ Athenian Academy of Pasco County, Inc., is a K through 8th grade school offering students a program that incorporates the Greek language and culture.
- ◊ Classical Preparatory School is a K through 10th grade school providing a classical style education.
- ◊ Countryside Montessori Charter School, Inc., is a 1st through 8th grade school providing an alternative education program.
- ◊ Dayspring Academy for Education and the Arts is a K through 10th grade school emphasizing the fine arts, offering students specialized instruction in dance, music, and art.
- ◊ Florida Virtual Academy at Pasco is a K through 11th grade school providing curriculum in an on-line educational environment.
- ◊ Imagine School at Land O'Lakes is a K through 8th grade school providing an alternative education program.
- ◊ Learning Lodge Academy, Inc., is a K through 5th grade school providing an alternative elementary education program.
- ◊ Pepin Academies of Pasco County, Inc., is a 3rd through 10th grade school providing an alternative education program for special needs students.

The School Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2016.

The Pasco Education Foundation (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. The financial data reported on the accompanying statements was derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2016.

Audits of the charter schools and Foundation for the fiscal year ended June 30, 2016, were conducted by independent certified public accountants and are filed at the District's administrative office at 7227 Land O' Lakes Boulevard, Land O' Lakes, Florida 34638.

- Basis of Presentation

The basic financial statements include the government-wide financial statements and fund financial statements.

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

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

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

The District reports the following major governmental funds:

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

Additionally, the District reports the following major proprietary funds:

- Enterprise Fund – Pasco Learning and Activity Centers of Enrichment (PLACE) Fund – to account for the financial resources of the District's PLACE program, a before and after-school child care program.

The District also reports the following fiduciary funds and nonmajor proprietary fund:

- Internal Service Funds – to account for the District's fully-insured program for employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee benefits program; the energy management program; and exclusive agreements administered by the School Board.

- Pension Trust Fund – to account for resources used to finance the early retirement program.

- Private-Purpose Trust Fund – to account for resources legally held by the District in a trustee capacity or as an agent for individuals or private organizations.

- Agency Funds – to account for resources held by the District in a trustee capacity, primarily for the benefit of various schools and their activity funds.

- Enterprise Fund – Vending Program – to account for the operation of food and beverage machines throughout the District.

➢ Basis of Accounting

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to functions/programs of the primary government.

Additionally, the government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

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

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities. The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

- Recently Issued and Adopted Pronouncements

The District adopted new accounting guidance GASB Statement 72, *Fair Value Measurement and Application*. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Additionally, the standard establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The District is required to report its investments as well as the investments of its Early Retirement Plan using this hierarchy in Notes 3 and 17, respectively.

- Deposits and Investments

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

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service money with the SBA for participation in the Florida PRIME investment pool created by Sections 218.405 and 215.47, Florida Statutes; and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2016, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at fair value, which is amortized cost.

Investments made locally consist of United States Treasury Securities and Federal Agency Securities, money market and bond mutual funds, corporate debt obligations, commercial paper and collateralized mortgage obligations and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

- Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at cost. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, telecommunications, technology services, and transportation items are based on a weighted average. Fuel inventories are stated at last quoted price at June 30, 2016. The United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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 purchase method is used to account for prepaid items.

- Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing $750 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1972, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, $1,348,251 of stated land values and $15,047,877 of stated building values are based on these estimates.

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

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

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

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

- Compensated Absences

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

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

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

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

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

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

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

- Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. They are the accumulated decrease in the fair value of hedging derivatives, the deferred amount on refunding reported in the government-wide statement of net position, and the deferred amount for pensions. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount for pension. The deferred inflows of resources related to pensions are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

Deferred outflows/ inflows for pensions for the current year are further described in Notes 16 and 17.

- Net Position Flow Assumption

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

- Fund Balance Flow Assumptions

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

- Program Revenues

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the General Fund of the District.

- State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (FLDOE) 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 FLDOE. The FLDOE 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 five (5) months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FLDOE 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 year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The FLDOE 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 Outley 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 FLDOE. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received.

A schedule of revenue from State sources for the current year is further described in Note 14.

- District Property Taxes

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

The School Board adopted the 2015 tax levy on September 15, 2015. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Millage rates and taxes levied for the current year are further described in Note 15.

- <u>School Capital Outlay Surtax (Local Sales Tax)</u>

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

- <u>Proprietary Funds Operating and Nonoperating Revenues and Expenses</u>

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise and internal service funds are from services provided for before and after-school child care and charges for employee health insurance premiums. The principal operating expenses for the enterprise and internal service funds include salaries and benefits, administrative expenses, claims, energy services and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

- 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.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and State Board of Education 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 State Board of Education rules.

- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student support services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.

- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued.

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

- The reported budgetary data consists of the original budget as well as the final appropriated budget after amendments approved by the Board.

3. INVESTMENTS

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

Money market funds are held with Fidelity Investments Prime Money Market Fund and maintain a constant NAV $1.00 at all times, have no unfunded commitments, and invests in U.S. dollar-denominated money market securities of domestic and foreign issuers, U.S. Government securities, and repurchase agreements. This fund does not institute liquidity fees or redemption gates.

Intergovernmental investment pool funds are held with Florida Prime and Florida Education Investment Trust Fund (FEITF) and are valued using an NAV of $1.00 per share based on amortized cost. This fund has no unfunded commitments and allows unlimited daily redemptions and investments with a 1-day minimum holding period.

Investments at June 30, 2016, are shown below:

			Fair Value Measurements Using		
Investments by Fair Value Level	Maturities	Fair Value	Quoted Prices in Active Markets for (Level 1)	Significant Other Observable (Level 2)	Significant Unobservable Inputs (Level 3)
SBA-Debt Service Account	6 months	$ 218,828	$ 218,828	$ -	$ -
Wertz York - Florida Fixed Income Trust - 1-3 Year	2.18 Years Average	82,277,844	82,277,844	-	-
Commercial Paper	71 Days Average	30,226,810	30,226,810	-	-
United States Treasury Securities	2.25 Years Average	15,594,437	15,594,437	-	-
Government Sponsored Enterprises (2)	279 Days Average	71,571,611	71,571,611	-	-
State and/or Local Governments	130 Days Average	2,702,330	2,702,330	-	-
Corporate Notes	200 Days	13,097,288	13,097,288	-	-
Total Investments by Fair Value Level		$ 215,689,148	$215,689,148	$ -	$ -
Investments Measured at $1 Per Share Net Asset Value (NAV)					
Local Government Investment Pools					
Florida PRIME	39 Days Average	$ 526,372			
Florida Education Investment Trust Fund	41 Days Average	5,026,945			
Money Market Funds					
Fidelity Institutional Prime	16 Days Average	28,236,797			
Wertz York - Florida Fixed Income Trust - Commercial Paper Pool	47 Day Average	26,469,281			
Total Investments Measured at $1 Per Share NAV		60,259,395			
Total Investments		$ 275,948,543			

(1) Pension Trust Fund investments are separately disclosed in Note 17.

(2) Amount includes $107,367 held in Fiduciary Funds.

Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments of operating funds to a maximum of eighteen months as a means of managing its exposure to fair value losses arising from an increase in interest rates. Investments of reserves, project funds, debt proceeds and other non-operating funds are limited to a maximum of five years with the average duration of all these funds as a whole not to exceed three years.

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

- Florida PRIME, Chapter 218.409(8)(a), Florida Statues, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Exective Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an exmergency 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 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, 2016, 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.

- FEITF has a daily liquidity with unlimited investments and redemptions. The fund has investments in negotiable certificates of deposits, commercial paper, repurchase agreements, certificate of deposit - FHLB LOC, Federal Agencies, Corporate Notes, and US Treasury Notes. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and market value. The Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency the makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

Credit Risk

- The District's investment policy authorizes the following investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:

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

- The District's investments in the State Board of Administration (SBA) Debt Service Accounts are to provide for debt service payments on bond debt issued by the State

Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate and credit risk for this account.

- The Florida Fixed Income Trust was rated AAf/S1 by Standard & Poor's.
- The District's investments in Commercial Paper were rated A-1 by Standard & Poor's and P-1 by Moody's.
- US Treasury Securities were rated Aaa by Moody's and AA by Standard & Poor's.
- The District's investment in Government Sponsored Enterprise Securities was rated Aaa by Moody's and/or AA+ by Standard & Poor's.
- The District's invesments in State and Local Government Bonds had ratings from A+ to AA- by Standard & Poor's.
- The District's investments in Corporate Notes had ratings from A to AA+ by Standard & Poor's.
- As of June 30, 2016, the District's investment in Florida PRIME was rated AAAm by Standard & Poor's.
- The Florida Education Investment Trust Fund is rated AAAm by Standard & Poor's.
- The District's investments in money market funds were rated AAAm by Standard & Poor's.

Custodial Credit Risk

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

the District. All investments, except for investments in money market funds and the SBA, were held in third-party custodial accounts in the District's name.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.
- More than five (5) percent of the District's investments are in Government Sponsored Enterprise Securities. These securities are made up of investments in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and total 0.36, 10.54, 7.84, and 7.18 percent of total plan investments, respectively.

	Total Investments	General Fund	Capital Projects - Other Funds	Non-Major Governmental Funds	Internal Service Funds	Fiduciary Funds	Business Type Activity
Federal Farm Credit Bank	0.36%	0.00%	0.36%	0.00%	0.00%	0.00%	0.00%
Federal Home Loan Bank	10.54%	0.32%	9.73%	0.14%	0.33%	0.00%	0.02%
Federal Home Loan Mtg. Corp.	7.84%	0.96%	5.39%	0.43%	1.00%	0.00%	0.06%
Federal National Mtg. Assn.	7.18%	0.74%	5.29%	0.33%	0.77%	0.00%	0.05%
Total Investments by Fund	$ 71,571,611	$ 5,575,932	$ 57,323,976	$ 2,520,733	$ 5,783,843	$ 12,335	$ 354,792
Percent of Total Investment		2.02%	20.77%	0.90%	2.10%	0.00%	0.13%

Foreign Currency Risk

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

4. RECEIVABLES AND ADVANCED REVENUE

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

Governmental funds report advanced revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities on the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of June 30, 2016, the various components of advanced revenue reported in the governmental funds were as follows:

General Operating - Advanced Revenue	$ 55,197
Capital Projects - Advanced Revenue	18,970
Special Revenue Other Federal Programs - Advanced Revenue	17,361
Food & Nutrition - Advanced Revenue	1,197,712
Total Advanced Revenue for Government Funds	$ 1,289,240

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2016, are presented in the table below:

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 81,617,607	$ 3,595	$ 116,000	$ 81,505,202
Construction in Progress	62,807,408	111,582,310	79,001,466	95,388,252
Total Capital Assets Not Being Depreciated	144,425,015	111,585,905	79,117,466	176,893,454
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	53,445,324	2,682,949	-	56,128,273
Buildings and Fixed Equipment	1,266,919,295	76,301,336	-	1,343,220,631
Furniture, Fixtures, and Equipment (1)	93,335,967	12,068,004	6,708,008	98,695,963
Motor Vehicles	40,378,067	5,101,094	56,668	45,422,493
Audio Visual Materials	288,375	-	128,423	159,952
Computer Software	20,713,009	3,536,172	1,139	24,248,042
Total Capital Assets Being Depreciated	1,475,080,037	99,689,555	6,894,238	1,567,875,354
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	32,023,472	1,905,321	-	33,928,793
Buildings and Fixed Equipment	477,993,450	38,406,710	-	516,400,160
Furniture, Fixtures, and Equipment (1)	63,177,707	8,199,640	5,979,217	65,398,130
Motor Vehicles	28,947,314	2,287,499	55,990	31,178,823
Audio Visual Materials	256,324	2,205	115,581	142,948
Computer Software	12,806,734	3,680,727	1,025	16,486,436
Total Accumulated Depreciation	615,205,001	54,482,102	6,151,813	663,535,290
Total Capital Assets Being Depreciated, Net	859,875,036	45,207,453	742,425	904,340,064
Governmental Activities Capital Assets, Net	$ 1,004,300,051	$ 156,793,358	$ 79,859,891	$ 1,081,233,518

Note (1) includes Internal Service Fund assets of $108,355 and $97,519 of accumulated depreciation.

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
BUSINESS-TYPE ACTIVITIES				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	$ 25,306	$ 1,825	$ -	$ 27,131
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	452,755	8,518	70,403	390,870
Computer Software	41,531	1,725	-	43,256
Total Capital Assets Being Depreciated	554,167	12,068	70,403	495,832
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	6,543	1,527	-	8,070
Buildings and Fixed Equipment	18,194	1,556	-	19,750
Furniture, Fixtures, and Equipment	286,782	42,590	63,363	266,009
Computer Software	35,909	52	-	35,961
Total Accumulated Depreciation	347,428	45,725	63,363	329,790
Business Type Activities Capital Assets, Net	$ 206,739	$ (33,657)	$ 7,040	$ 166,042

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	$ 39,002,520
Student Support Services	41,954
Instructional Media Services	60,645
Instruction and Curriculum Dev Services	36,038
Instructional Staff Training Services	9,021
Instruction-Related Technology	3,954
School Administration	16,018
Facilities Services	14,639,146
Fiscal Services	101
Food Services	18,549
Central Services	3,191
Student Transportation Services	340,838
Operation of Plant	5,837
Maintenance of Plant	297,187
Community Services	7,103
Total Depreciation Expense - Governmental Activities	$ 54,482,102
BUSINESS - TYPE ACTIVITIES	
PLACE Program	$ 45,725

6. CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2016, are shown below:

Salary and Benefits Payable	$ 8,287,902
Payroll Deductions and Withholdings Payable	3,573,561
Accounts Payable	27,676,069
Construction Contracts Payable	2,445,712
Construction Contracts Payable-Retainage	4,218,159
Due to Other Agencies	1,031
Sales Tax Payable	3,010
Deposits Payable	52,498
Accrued Interest Payable	4,758,941
Advanced Revenue	1,531,742
Total	$ 52,548,625

7. CAPITAL LEASES

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

Asset Description	Asset Balance
Buses	$ 4,341,006
Computer Equipment	7,798,436
Total	$ 12,139,442

The amortization of assets recorded under capital leases is included with depreciation expense in the accompanying financial statements.

Following are the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2016:

	Total	Principal	Interest
Fiscal Year Ending June 30:			
2017	$ 3,243,285	$ 3,060,127	$ 183,158
2018	3,243,284	3,098,659	144,625
2019	2,741,848	2,654,230	87,618
2020	692,265	653,129	39,136
2021	692,265	663,345	28,920
2022-2026	1,384,532	1,357,981	26,551
Total Minimum Lease Payments	11,997,479	11,487,471	510,008
Less Interest	(510,008)	-	-
Present Value of Minimum Payments	$ 11,487,471	$ 11,487,471	$ 510,008

The stated and imputed interest rates range from 1.56 percent to 1.95 percent.

8. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on April 1, 1992, which was characterized as a lease-purchase agreement, with the Florida School Boards Association and supplemental arrangements dated September 15, 2004, July 1, 2005, December 23, 2005, July 1, 2007, June 1, 2008, September 23, 2008, December 16, 2009, July 1, 2013, June 1, 2014, June 30, 2014, December 1, 2014, March 1, 2015, January 1, 2016 with the Pasco County School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing of various educational facilities in the total amounts of $4,546,000, $66,415,000, $785,612, $76,045,000, $74,115,000, $1,170,000, $11,000,000, $45,385,000, $30,655,000, $75,656,458, $13,655,000, $44,145,000, and 25,995,000 respectively.

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

Certificates of Participation payable at June 30, 2016, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004 - QZAB	$ 4,546,000	$ 4,546,000	1.00	2018
Series 2005B (1)	30,500,000	30,500,000	Weekly ARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2007A	76,045,000	6,770,000	4.00 - 5.00	2018
Series 2008C (2)	74,115,000	72,670,000	Weekly	2033
Series 2008 - QZAB	1,170,010	351,003	0.00	2018
Series 2009 - QSCB	11,000,000	11,000,000	2.44	2025
Series 2013A (3)	45,385,000	43,215,000	3.00 - 5.00	2029
Series 2014A (4)	30,655,000	30,485,000	2.98	2030
Series 2014B-1 (5)	72,246,316	70,231,935	2.60	2026
Series 2014 - QSCB	13,655,000	13,655,000	5.00	2038
Series 2015A (6)	44,145,000	44,145,000	5.00	2027
Series 2016A	25,995,000	25,995,000	2.00 - 5.00	2040
Total Certificates of Participation	$ 430,242,938	$ 354,349,550		

Note: (1) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2016, was 0.89 percent.

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

On June 9, 2014, the School Board replaced the expiring letter of credit on the Series 2008C with Bank of America as a floating rate note with interest initially calculated as the SIFMA Index plus a 53 basis point spread. The floating rate note has to be renegotiated in three (3) years.

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

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

(5) On June 30, 2014, the School Board issued Certificates of Participation, Series 2014B-1 & 2014B-2 in the total principal amount of $75,656,458, which was used to refund Certificates of Participation, Series 2008A and to terminate the swap agreement. Series 2014 B-2, the taxable portion of the bond issue in the amount of $3,410,142, was paid off in the 2015-16 year.

(6) On March 31, 2015, the School Board caused the issuance of the Certificates of Participation, Series 2015A in the aggregate principal amount of $44,145,000, which were used to refund portions of the Certificates of Participation, Series 2007A.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of $1 per year. The District has the following ground leases as of June 30, 2016:

	Ground Lease Commencement Date	Run Through
Certificates of Participation		
Series 2004 - QZAB	September 15, 2004	September 15, 2018
Series 2005A	July 1, 2005	August 1, 2015
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2007A	July 1, 2007	August 1, 2017
Series 2008C	July 1, 2007	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018
Series 2009 - QSCB	December 16, 2009	December 15, 2025
Series 2013A	July 1, 2013	August 1, 2029
Series 2014A	June 1, 2014	August 1, 2030
Series 2014B-1	June 30, 2014	August 1, 2026
Seres 2014B-2	June 30, 2014	August 1, 2026
Series 2014 - QSCB	December 1, 2014	December 1, 2037
Series 2015A	March 1, 2015	August 1, 2027
Series 2016A	January 1, 2016	August 1, 2040

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

Certificates of Participation, Series 1992-A
- Cotee River Elementary School
- Seven Springs Middle School
- Hudson Elementary School Media Center Addition
- Mittye P. Locke Elementary School ESE Addition
- R. B. Stewart Middle School ESE Addition
- Lake Myrtle Elementary School ESE Addition
- West Zephyrhills Elementary School Addition

Certificates of Participation, Series 1996
- Sand Pine Elementary School
- Chasco Elementary School
- Wesley Chapel High School, Phases I and II
- James M. Marlowe Elementary School
- J. W. Mitchell High School
- Pine View Elementary School

Certificates of Participation, Series 2004
- Paul R. Smith Middle School
- Wiregrass Ranch High School
- Odessa Elementary School Equipment

Certificates of Participation, Series 2004-QZAB
- Additions and Renovations for the following facilities:
  - Bayonet Point Middle School
  - Chasco Middle School
  - Cypress Elementary School
  - Gulf High School
  - Gulf Middle School
  - Hudson High School
  - Mittye P. Locke Elementary School
  - Lacoochee Elementary School
  - Pasco High School
  - Rodney B. Cox Elementary School
  - Ridgewood High School
  - Sanders Memorial Elementary School
  - Woodland Elementary School
  - T. E. Weightman Middle School
  - Zephyrhills High School

Certificates of Participation, Series 2005-A and B
- Gulf Highlands Elementary School
- Trinity Oaks Elementary School
- Dr. John Long Middle School
- Odessa Elementary School

Certificates of Participation, Series 2005-QZAB
- Additions and Renovations for the following facilities:
  - Fox Hollow Elementary School
  - Dr. Mary Giella Elementary School
  - Moore Mickens Education Center
  - Hudson Elementary School
  - Calusa Elementary School

Certificates of Participation, Series 2007-A and B
- Sunlake High School
- New River Elementary School
- Veterans Elementary School
- Ridgewood High School Classroom Additions
- Charles S. Rushe Middle School
- Gulf Trace Elementary School
- Zephyrhills High School Classroom Additions

Certificates of Participation, Series 2008-QZAB
- Renovations for Pasco High School

Certificates of Participation, Series 2009 QSCB
- Culinary Arts Academy at Land O Lakes High School
- Renovations for Richey Elementary School

Certificates of Participation, Series 2014 QSCB

Repairs and Replacements of HVAC for the following facilities:
- Wesley Chapel High School
- Woodland Elementary School
- San Antonio Elementary School
- T.E. Weightman Middle School
- Pineview Middle School
- Ridgewood High School

Certificates of Participation, Series 2016A
- New High School "GGG"

The lease payments for the Series 2005-A, Series 2007-A, Series 2013-A, Series 2014-A, 2014-B(1) and 2014-B(2) and Series 2015A Certificates are payable by the District, semiannually, on August 1st and February 1st. Interest payments for the Series 2005-B Certificates are payable weekly at current auction interest rates until the final maturity date. Interest payments for the Series 2008-C Certificates are payable monthly. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15th and March 15th. The lease payments for the Series 2005-QZAB and the Series 2008-QZAB are payable by the District, annually, on December 23rd and September 23rd respectively. Interest payments for the Series 2009-QSCB are payable by the District, quarterly, on September 15th, December 15th, March 15th and June 15th. The lease payments for the Series 2014 QSCB are payable by the District, semiannually, on June 1st and December 1st. The lease payments for the Series 2016A are payable by the District, semiannually, on December 30th and June 30th. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30 2016:

	Total	Principal	Interest
Fiscal Year Ending June 30:			
2017	$ 26,802,196	$ 13,015,069	$ 13,787,127
2018	27,742,785	14,442,551	13,300,234
2019	31,080,639	18,299,822	12,780,817
2020	26,838,752	14,618,128	12,220,624
2021	26,852,717	15,199,171	11,653,546
2022-2026	145,202,530	96,412,892	48,789,638
2027-2031	134,334,839	105,986,917	28,347,922
2032-2036	62,365,023	54,665,000	7,700,023
2037-2041	23,781,000	21,710,000	2,071,000
Sub-Total	505,000,481	354,349,550	150,650,931
Add: Unamortized Premium on Debt	14,698,536	14,698,536	-
Total Minimum Lease Payments	$ 519,699,017	$ 369,048,086	$ 150,650,931

9. DERIVATIVE INSTRUMENTS

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

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

On June 9, 2014, the School Board replaced the expiring letter of credit on the Series 2008C with Bank of America as a floating rate note with interest initially calculated as the SIFMA Index plus a 53 basis point spread. The floating rate note must be renegotiated in three (3) years from the issuance of the floating rate note.

The interest rate swap is reported as an investment derivative instrument because it does not meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ended June 30, 2016.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2016 and the changes in fair values of such derivative instruments for the year ended are as follows:

	Changes In Fair Value		Fair Value at June 30, 2016		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Fair value hedges:					
Pay-fixed interest rate swaps	Deferred outflow	$ 6,734,208	Debt	$ (23,013,707)	$ 72,670,000

Terms – The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of $72,670,000 matches the $72,670,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 4.44 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative $23,013,707 for the Certificates of Participation, Series 2008C. Bank of America, N.A. estimated the fair value of the Certificates of Participation, Series 2008C related swap agreement using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market.

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

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

10. BONDS PAYABLE

Bonds payable at June 30, 2016, are as follows:

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2008-A	$ 4,050,000	$ 5,295,000	4.25 - 5.00	2016-2028
Series 2009-A, Refunding	455,000	1,300,000	5.00	2016-2019
Series 2010A	1,225,000	1,450,000	3.50 - 5.00	2016-2030
Series 2011A	1,030,000	1,710,000	3.00 - 5.00	2016-2023
Series 2014A, Refunding	1,514,000	1,724,000	2.00 - 3.00	2016-2025
Series 2014B, Refunding	953,000	2,411,000	2.00 - 5.00	2016-2020
District Revenue Bonds:				
Series 2003, Refunding	2,580,000	3,660,000	4.00 - 4.625	2016-2033
Series 2013, Sales Tax	88,690,000	96,715,000	3.00 - 5.00	2016-2024
Series 2016, Sales Tax	30,075,000	30,075,000	1.99	2016-2024
Subtotal	130,572,000			
Unamortized Premium on Debt	9,256,323			
Unamortized Discount on Debt	(34,193)			
Total Bonds Payable	$ 139,794,130			

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

- District Revenue Bonds

  District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapter 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes, now Section 212.20(6)(d)6.a., Florida Statutes). The approximate amount of pari-mutuel tax proceeds pledged is $3,761,175, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 18 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue until repaid. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account. For the 2015-2016 fiscal year, the District recognized $223,250 in pledged revenue and paid $220,106 of principal and interest.

  Sales Tax Revenue Bonds – Series 2013 and Series 2016 - These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Part I, Florida Statutes, Chapter 2006-340, Laws of Florida, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. The approximate amount of local infrastructure sales surtax pledged is $142,496,490, which represents the total amount of principal and interest still due, and the remaining period of the pledge is nine years. The District pledged approximately 65 percent of the total sales tax revenue until the bonds were repaid. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the major remodeling and infrastructure upgrades of elementary, middle, and high schools within the District. For the 2015-2016 fiscal year, the District recognized pledged revenue of $25,738,211 and paid $12,280,244 in principal and interest for Series 2013 and $103,074 in interest for Series 2016.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2016, are as follows:

	Total	Principal	Interest
State School Bonds:			
2017	$ 1,756,500	$ 1,321,000	$ 435,500
2018	1,292,830	922,000	370,830
2019	1,108,730	784,000	324,730
2020	968,180	682,000	286,180
2021	957,920	705,000	252,920
2022-2026	4,148,030	3,393,000	755,030
2027-2031	1,534,175	1,420,000	114,175
Total State School Bonds	11,766,365	9,227,000	2,539,365
District Revenue Bonds:			
2017	15,239,051	10,535,000	4,704,051
2018	16,231,621	11,880,000	4,351,621
2019	16,180,125	12,290,000	3,890,125
2020	16,187,401	12,805,000	3,382,401
2021	16,156,283	13,305,000	2,851,283
2022-2026	64,718,596	59,235,000	5,483,596
2027-2031	1,105,913	885,000	220,913
2032-2036	438,675	410,000	28,675
Total District Revenue Bonds	146,257,665	121,345,000	24,912,665
Subtotal	158,024,030	130,572,000	27,452,030
Unamortized Discount on Debt	(34,193)	(34,193)	-
Unamortized Premium on Debt	9,256,323	9,256,323	-
Total	$167,246,160	$139,794,130	$27,452,030

11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	$ 110,683,000	$ 30,075,000	$ 10,186,000	$ 130,572,000	$ 11,856,000
Add: Unamortized Premium (Discount) on Debt	10,903,529	-	1,681,399	9,222,130	1,681,399
Total Bonds Payable	121,586,529	30,075,000	11,867,399	139,794,130	13,537,399
Certificates of Participation Payable	340,336,074	25,995,000	11,981,524	354,349,550	13,015,069
Add: Unamortized Premium on Debt	11,267,733	4,398,965	968,162	14,698,536	1,096,465
Total Certificates of Participation Payable	351,603,807	30,393,965	12,949,686	369,048,086	14,111,534
Obligations Under Capital Leases	-	13,771,923	2,284,452	11,487,471	3,060,127
Estimated Insurance Claims Payable	6,874,000	5,808,240	5,000,240	7,682,000	2,791,000
Compensated Absences Payable (1)	37,285,813	15,636,551	14,513,732	38,408,632	2,009,145
Other Post-Employment Benefits Obligation (2)	54,760,639	11,674,548	5,330,772	61,104,415	-
Net Pension Liability - FRS / HIS (3)	160,059,134	89,668,969	25,168,464	224,559,639	4,243,279
Derivatives Swap Liability	16,279,499	6,734,208	-	23,013,707	-
Total Governmental Activities	$ 748,449,421	$ 203,763,404	$ 77,114,745	$ 875,098,080	$ 39,752,484
BUSINESS - TYPE ACTIVITIES					
Compensated Absences Payable	$ 407,238	$ 523,958	$ 391,814	$ 539,382	$ -
Other Post-Employment Benefits Obligation	938,442	212,783	97,161	1,054,064	-
Net Pension Liability - FRS / HIS	2,391,152	1,525,328	394,716	3,521,764	-
Total Business - Type Activities	$ 3,736,832	$ 2,262,069	$ 883,691	$ 5,115,210	$ -

Note (1) includes balances at June 30 2016, of the Internal Service Funds of $330,198 with $27,041 due in one year, and additions and deductions of $122,184 and $198,846, respectively.
Note (2) includes balances at June 30 2016, of the Internal Service Funds of $234,837, and additions and deductions of $45,172 and $20,625, respectively.
Note (3) includes balances at June 30 2016, of the Internal Service Funds of $1,720,694, and additions and deductions of $1,449,654 and $192,855, respectively.

For the governmental activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 22.

12. FUND BALANCE REPORTING

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories totaling $16,795,099 and prepaid items totaling $126,456 that are considered nonspendable. The District does not have nonspendable funds related to endowments.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted, Committed, Assigned, and Unassigned* and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as, unspent State categorical and earmarked education funding that are legally or otherwise restricted. The District's restricted fund balance total is $202,728,089 and represents $1,393,683 in State Categorical programs primarily for Instructional Materials, $7,892,363 in Food Service, $13,252,861 in Debt Service, and $180,189,182 in Capital Projects.

- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). Amounts are committed upon a majority vote of the Board at a public meeting. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.

- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The Board has adopted Policy 6220, which authorizes the Superintendent to assign amounts in fund balance to a specific purpose. At fiscal year-end, based on the Board policy, the assigned fund balances were $19,945,132 for local instructional programs and $5,399,767 was assigned to eliminate a deficit in next year's budget.

- Unassigned: The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. The Board has not adopted a stabilization arrangement or a minimum fund balance policy. Instead, the Board has adopted Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unassigned fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned General Fund balance was $26,132,916 or 5.03 percent of General Fund total expenditures. This indicates a positive financial condition for the District.

The following table represents fund balances at June 30, 2016:

Description	Major Funds			
	General Funds	Capital Projects Other Funds	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Inventories:				
General Fund	$ 3,744,050	$ -	$ -	$ 3,744,050
Capital Projects Other	-	11,882,999	-	11,882,999
Special Revenues - Food Service	-	-	1,168,050	1,168,050
Prepaid Items:				
General Fund	126,456	-	-	126,456
Restricted:				
Categorical Programs	1,393,683	-	-	1,393,683
Special Revenues -Food Service	-	-	7,892,363	7,892,363
Debt Service	-	-	13,252,861	13,252,861
Capital Projects	-	154,319,916	25,869,266	180,189,182
Assigned:				
School Operations				
State and Local Programs	19,945,132	-	-	19,945,132
Next Year Budget	5,399,767	-	-	5,399,767
Unassigned:	26,132,916	-	-	26,132,916
	$ 56,742,004	$ 166,202,915	$ 48,182,540	$ 271,127,459

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 6,796,032	$ -
Capital Funds - Other	1,217,245	-
Nonmajor Governmental Funds	-	8,013,277
Total	$ 8,013,277	$ 8,013,277

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2016-2017 fiscal year.

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

Funds	Interfund Transfers In	Interfund Transfers Out
Major Funds:		
General	$ 1,851,440	$ 1,244,603
Capital Projects - Other	-	13,867,048
Nonmajor Governmental Funds	39,988,513	26,486,668
Internal Service Funds	-	185,000
Enterprise Funds	-	56,634
Total	$ 41,839,953	$ 41,839,953

Interfund transfers represent permanent transfers of monies between funds. In general, funds are transferred from Capital Projects to the Debt Service Funds to make debt service payments for outstanding bond issues and capital leases. The transfers from the Capital Projects Other Fund to the General Fund are for Charter Schools Capital Outlay funds. The transfer from the Internal Service Fund to the General Fund is to cover expenses related to athletic participation. Transfers between Internal Service Funds have been eliminated in this summary.

14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2015-2016 fiscal year:

Florida Education Finance Program	$ 284,094,218
Class Size Reduction	75,660,610
School Recognition	3,853,720
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,885,806
Workforce Development Program	2,737,534
Best and Brightest	1,973,249
Public Education Capital Outlay (PECO)	1,878,819
Voluntary Pre K	1,295,907
Regional STEM - Tampa Bay Region Aeronautics	734,961
Charter School Capital Outlay Funding	566,440
Food Service Supplement	395,520
Mobile Home License Tax	385,818
Fuel Tax Refund	196,734
Full Service Schools	137,325
School Health Supplement	113,412
Miscellaneous	443,463
Total	$ 377,353,536

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

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2015 tax roll for the 2015-2016 fiscal year:

	Millages	Taxes Levied
GENERAL FUND		
Nonvoted School Tax:		
Required Local Effort	4.861	$ 114,652,302
Basic Discretionary Local Effort	0.748	17,642,443
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvements	1.500	35,379,233
Total	7.109	$ 167,673,978

16. FLORIDA RETIREMENT SYSTEM PENSION PLANS

Florida Retirement System (FRS) – Defined Benefit Pension Plans – The Florida Retirement System (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 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. Additionally, Chapter 112, Florida Statutes established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Essentially, all regular employees of the District are eligible to enroll as members of the State-administrered FRS. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. Plan provisions 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. 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' website (www.dms.myflorida.com).

The District's FRS And HIS pension expense totaled $19,121,763 for the fiscal year ended June 30, 2016.

Florida Retirement System (FRS) Defined Benefit Pension Plan

Plan Description – The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Employees in the Plan vest at six years of service if enrolled before July 1, 2011. All employees enrolled in the Plan on or after July 1, 2011, vest at eight years of 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, which may include up to four (4) years of credit for military service. Members who enrolled in the Plan on or after July 1, 2011, and become vested are eligible for normal retirement benefits at age 65 or at any age after 33 years of service, which may include up to four (4) years of credit for military service. The Plan also includes an early retirement provision but there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

DROP, subject to the 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 the 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.

There are three general classes of membership applicable to the District, as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Elected District Officers - Members who are elected officers of the District.

Benefits Provided – Benefits under the FRS Pension 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	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected District Officers	3.00
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statues, the annual cost of living adjustment (COLA) for retirees with an effective retirement date or DROP begin date effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date effective on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions – The Florida Legislature estabilishes the contribution rates for participating employers and employees. During the 2015-2016 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.26
Florida Retirement System, Elected County Officers	3.00	42.27
Florida Retirement System, Senior Management Service	3.00	21.43
Deferred Retirement Option Program, Applicable to Members from All of the Above Classes	0.00	12.88
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note: (A) Employer rates include 1.66 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .04 percent for administrative costs of the Investment Plan.
(B) Contribution rates are dependent upon the retirement class in which reemployed.

The District's contributions to the FRS Pension Plan (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled $20,248,257 for the fiscal year ended June 30, 2016. Employee contributions totaled $8,441,060 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the District reported a liability of $112,469,821 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.8708 percent, which was a decrease of 0.0121 percent from its proportionate share of 0.8829 percent measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of $9,798,016 for the FRS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 11,873,483	$ 2,667,442
Changes in assumptions	7,464,999	-
Net difference between projected and actual earnings on pension plan investments	-	26,855,911
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	9,113,344	1,857,820
District contributions subsequent to the measurement date	20,248,257	-
Total	$ 48,700,083	$ 31,381,173

The deferred outflows of resources related to pensions totaling $20,248,257 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	$ (7,140,156)
2018	(7,140,156)
2019	(7,140,156)
2020	15,016,809
2021	2,892,192
Thereafter	582,120
Total	$ (2,929,347)

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

Valuation date	July 1, 2015
Discount rate	7.65%
Long-term expected rate of return, net of investment expense, including inflation	7.65%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 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.

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the SBA. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. 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. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
Total	100.00%			
Assumed Inflation - Mean		2.60%		1.90%

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 of the FRS Pension Plan calculated using the discount rate of 7.65 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 (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of FRS Pension Plan net pension liability	$ 291,434,744	$ 112,469,821	$ (36,458,390)

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

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description – The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. 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 Division of Retirement within the Department of Management Services.

Benefits Provided – For the fiscal year ended June 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS 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, 2016, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding two (2) 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 Pension Plan totaled $5,923,321 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the District reported a net pension liability of $115,611,582 for its proportionate share of the HIS Pension Plan net pension liability. The current portion of the net pension liability is the District's proportionate share of benefits 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. This current portion will be funded from the District's required contributions to the FRS including the established HIS amount of 1.66 percent. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, and update procedures were used to determine liabilities as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 1.1336 percent, which was a decrease of 0.0277 percent from its proportionate share of 1.1613 percent measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of $9,323,747 for the HIS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 9,095,614	$ -
Net difference between projected and actual earnings on pension plan investments	62,584	-
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	5,996,310	2,646,910
District contributions subsequent to the measurement date	5,923,321	-
Total	$ 21,077,829	$ 2,646,910

The deferred outflows of resources related to pensions totaling $5,923,321 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	$ 2,294,679
2018	2,294,679
2019	2,294,679
2020	2,281,958
2021	2,487,238
Thereafter	854,365
Total	$ 12,507,598

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

Valuation date	July 1, 2015
Discount rate	3.80%
Municipal bond rate	3.80%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of June 30, 2015, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.80 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 (2.80 percent) or 1 percentage-point higher (4.80 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
District's proportionate share of HIS Pension Plan net pension liability	$ 131,734,017	$ 115,611,582	$ 102,167,893

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

Defined Contribution Plan

Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the FRS Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by the SBA as an option to the defined benefit plan, and reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as in the FRS defined-benefit plan. Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment options. Allocations to the investment members' accounts during the 2015-16 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one (1) year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five (5) years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2016, 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 FRS Investment Plan contributions and pension expense (not including the 1.66 percent HIS contributions or employee contributions) totaled $3,840,973 for the fiscal year ended June 30, 2016. Employee contributions totaled $1,560,513 for the same period.

Payables to Pension Plan

At June 30, 2016, the District reported payables of $7,259,136 for the outstanding amount of employee ($2,271,657) and employer ($4,987,479) contributions to the FRS Plans required for the fiscal year ended June 30, 2016. This includes amounts for the FRS Pension Plan, the HIS Pension Plan and the FRS Investment Plan.

17. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the FRS, as described in Note 18, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age.

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

Based on an actuarial report as of July 1, 2015, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	259
Active Plan Participants	587
Total	846

A summary of eligibility and benefits follow:

- Eligibility

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

- Benefits

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

Summary of Significant Accounting Policies

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

Separate statements are not issued for the plan.

Contributions and Reserves

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

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in the 2013-2014, 2014-2015, and 2015-2016 fiscal years, amounted to $1,591,288, $1,662,560, and $0 respectively. The contributions were paid by the Board and were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2015. The percentage of pension cost contributed by the Board was 100 percent for all three (3) fiscal years.

As of June 30, 2016, the actuarial accrued liability for benefits was $14,700,639. The computation of the annual required contribution for the 2015-2016 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous fiscal years.

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

Investments

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

The following was the Board adopted asset allocation as of June 30, 2016:

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

The Plan's cash and investments at June 30, 2016, consisted of the following:

				Fair Value Measurements Using		
				Quoted Prices in Active Markets for Idential Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	Maturity Range	Balance June 30, 2016	Percentage of Plan Net Assets	(Level 1)	(Level 2)	(Level 3)
Domestic Equity Mutual Funds	N/A	$ 2,422,860	13.42%	$ 2,422,860	$ -	$ -
International Equity Mutual Funds	N/A	618,207	3.43%	618,207	-	-
Domestic Fixed Income Mutual Funds	N/A	2,461,118	13.64%	2,461,118	-	-
Alternative Equity Mutual Funds	N/A	401,368	2.22%	401,368	-	-
Collateralized Mortgage Obligations	16.99 Years - 19.82 Years	646,593	3.58%	-	646,593	-
Corporate Bonds	6.83 Years - 17.21 Years	202,518	1.12%	202,518	-	-
Government Sponsored Enterprises	3.99 years - 17.15 Years	193,630	1.07%	-	193,630	-
Government and Municipal Bonds	1.09 Years - 29.71 Years	9,033,313	50.05%	9,033,313	-	-
Total Investments by Fair Value Level		$ 15,979,607	88.53%	$ 15,139,384	$ 840,223	$ -
Investments Measured at $1 Per Share Net Asset Value (NAV)						
Cash and Cash Equivalents		$ 588,454	3.26%			
Money Market Funds		1,481,170	8.21%			
Total Investments Measured at $1 Per Share NAV		2,069,624	11.47%			
Total Investments		$ 18,049,231	100.00%			

Credit Risk

- The District's investment policy authorizes the District to participate in the SBA Florida PRIME. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, money market funds with the Securities and Exchange Commission, and United States government funds registered under the Investment Act of 1940. The policy further provides that the securities shall only be purchased from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida, Florida-based regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1, or from primary security dealers as designated by the Federal Reserve of New York.
- The Plan's investments in Collateralized Mortgage Obligations had ratings of D to AAA by Standard and Poor's or of NR to Baa1 by Moody's.
- The Plan's investments in Corporate Bonds had ratings of BB+ to AA- by Standard and Poor's or of Ba1 to A3 by Moody's.
- The Plan's investments in Government Sponsored Enterprises had a rating of Aaa by Moody's.
- The Plan's investments in Government and Municipal Bonds had ratings of CC to AAA by Standard and Poor's or of WR to Aaa by Moody's.

Concentration of Credit Risk

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

Rate of Return

- For the year ended June 30, 2016, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 5.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

<u>Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

The components of the net pension asset of the District at June 30, 2016, the measurement date, were as follows:

Plan Fiduciary Net Position	$	18,202,235
Total Pension Liability		(14,700,639)
Net Pension Asset	$	3,501,596
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		123.82%

For the fiscal year ended June 30, 2016, the District recognized pension income of $238,368 for the SERP Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 399,722	$ 4,169,318
Net difference between projected and actual earnings on pension plan investments	831,690	-
Total	$ 1,231,412	$ 4,169,318

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

Fiscal Year Ending June 30	Amount
2017	$ (66,463)
2018	(265,962)
2019	(249,328)
2020	(349,258)
2021	(422,505)
Thereafter	(1,584,390)
Total	$ (2,937,906)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return *	6.95%
Projected Salary Increases *	3.00%
*Includes Inflation at:	2.50%
Cost-of-Living Adjustments	None

The actuarial assumptions that determined the total pension liability as of June 30, 2016, were based on expectations as to future plan experience and not the results of a historical actuarial experience study.

Long Term Expected Rate of Return

Best estimates of arithmetic real rate of return on the major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
Domestic Equity	39%	6.48% per annum
International Equity	21%	6.65% per annum
Domestic Fixed Income	40%	3.13% per annum
Total or Weighted Arithmetic Average	100%	5.17% per annum

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

The following presents the District's net pension liability calculated using the discount rate of 7.67 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.67 percent) or 1-percentage- point higher (8.67 percent) than the current rate:

	1% Decrease (6.67%)	Current Discount Rate (7.67%)	1% Increase (8.67%)
Total Pension Liability	$ 16,023,076	$ 14,700,639	$ 13,564,046
Less Fiduciary Net Position	(18,202,235)	(18,202,235)	(18,202,235)
Net Pension Liability	$ (2,179,159)	$ (3,501,596)	$ (4,638,189)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2015	$ 14,323,118	$ 18,418,036	$ (4,094,918)
Changes for the year:			
Service Cost	39,458	-	39,458
Interest	1,058,153	1,000,647	57,506
Benefit payments, including refunds of member contributio	(1,189,185)	(1,189,185)	-
Demographic experience	1,584,308	-	1,584,308
Assumption changes	(1,115,213)	-	(1,115,213)
Administrative Expenses	-	(27,263)	27,263
Net change in total pension liability	377,521	(215,801)	593,322
Balances at 6/30/2016	$ 14,700,639	$ 18,202,235	$ (3,501,596)

18. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Post-Employment Benefits Plan (Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and their eligible dependents, may continue to participate in the District's health plan for medical, prescription drug, mental health/substance abuse, employee assistance program and life insurance. The District subsidizes the premium rates paid by retirees by allowing them to participate in the Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. Additionally, for certain retirees, the District pays a portion of the cost of health and pharmacy insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits. The Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity.

In addition, the District contributed $20 per month toward health insurance premiums for eligible former employees. This contribution will continue as long as the eligible retiree maintains health benefits through the District. New retirees are not eligible for this program.

Funding Policy

The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the plan is financed on a pay-as-you-go basis. For the 2015-2016 fiscal year, 1,917 retirees or their eligible dependents received post-employment benefits. The District provided required contributions of $5,427,933 toward the annual OPEB cost, comprised of medical and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling $1,794,381 or 0.51 percent of covered payroll.

Annual OPEB cost and Net OPEB Obligation

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

The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation for Post-Employment Benefits:

Description	Amount
Normal Cost (Service cost for one year)	$ 4,899,502
Amortization of Unfunded Actuarial Accrued Liability	8,864,199
Annual Required Contribution	13,763,701
Interest on Net OPEB Obligation	2,227,963
Adjustment to Annual Required Contribution	(4,104,333)
Annual OPEB Cost (Expense)	11,887,331
Contribution Toward the OPEB Cost	(5,427,933)
Increase in Net OPEB Obligation	6,459,398
Net OPEB Obligation, Beginning of Year	55,699,081
Net OPEB Obligation, End of Year	$ 62,158,479

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2016, and the two preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013-14	$ 10,911,541	$ 4,323,117	39.62%	$ 47,863,648
2014-15	11,370,008	3,534,573	31.09%	55,699,081
2015-16	11,887,331	5,427,933	45.66%	62,158,479

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $117,958,279, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $117,958,279 and a funded ration of 0 percent. The covered payroll (annual payroll of active participating employees) was $349,610,219, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 33.74 percent. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations of an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan provisions, as understood by the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2016. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.0 percent discount rate. The actuarial assumptions also included an annual healthcare cost trend of 6.5 percent for the calendar year 2016, reduced each year, to an ultimate rate of 4.5 percent in 2040. The actuarial assumptions also included an inflation rate of 2.75 percent and 3.5 percent for payroll growth.

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis over a 14 year period. The remaining amortization period is 14 years.

19. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2016, the accumulated credits to the District's account are $4,841,486. During the 2015-2016 fiscal year, the District earned capital credits of $416,135 and received a cash payment of $175,112, for a net increase of $241,023.

20. CONSTRUCTION CONTRACT AND OTHER COMMITMENTS

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

Project	Contract Amount	Completed to Date	Balance Committed
Bayonet Point Middle			
Campus Redevelopment	$ 10,917,814	$ 9,608,343	$ 1,309,471
New Elementary "B" - Bexley Ranch			
New School Construction	22,974,768	1,047,166	21,927,602
New High School "GGG" Old Pasco Road			
New School Construction	49,880,711	19,751,679	30,129,032
Marchman Technical College			
Campus Redevelopment	11,771,631	8,507,455	3,264,176
Pasco Elementary			
Campus Redevelopment	4,043,565	2,159,465	1,884,100
Wiregrass Elementary			
New School Construction	15,272,558	13,472,983	1,799,575
Total	$ 114,861,047	$ 54,547,091	$ 60,313,956

21. ENCUMBRANCES

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year’s appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2016, the District has recorded $81,363,331 in encumbrances within the District’s governmental funds as follows: $8,769,501 for the General Fund; $67,845,079 for the Capital Projects-Other Fund; $4,748,751 for the Nonmajor Governmental Funds.

22. RISK MANAGEMENT PROGRAMS

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

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

A liability in the amount of $7,682,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2016.

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

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014-2015	$ 7,487,313	$ 53,329,647	$ 53,942,960	$ 6,874,000
2015-2016	6,874,000	59,105,124	58,297,124	7,682,000

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

23. LITIGATION

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

24. SUBSEQUENT EVENTS

On June 21, 2016, the School Board approved a resolution adding Schedules six (6), seven (7), and eight (8) to the Master Lease Agreement with Apple Finance Services. The District financed the purchase of Apple laptops totaling $4,868,521, iPads totaling $268,714, and Dell and HP computers totaling $390,217. The Apple laptops will be paid with four (4) annual payments of $1,248,440 the iPads with three (3) annual payments of $91,103, and the Dell and HP computers with four (4) annual payments of $100,064. These annual payments include interest. The lease commenced with the first payment occurring on August 3, 2016.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

PASCO COUNTY SCHOOLS

A WORLD-CLASS EDUCATION

DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION

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

	2015-2016 fiscal year *	2014-2015 fiscal year *	2013-2014 fiscal year *
Total Pension Liability			
Service Cost	$ 39,458	$ 610,538	$ 610,538
Interest	1,058,153	1,468,046	1,413,259
Demographic Experience	1,584,308	-	-
Benefit payments, including refunds of member contributions	(1,189,185)	(1,058,026)	(998,103)
Changes in benefit terms	-	(8,758,650)	-
Assumption changes	(1,115,213)	(4,541,925)	-
Net change in total pension liability	377,521	(12,280,017)	1,025,694
Total Pension Liability - Beginning	14,323,118	26,603,135	25,577,441
Total Pension Liability - Ending	$ 14,700,639	$ 14,323,118	$ 26,603,135
Plan Fiduciary Net Position			
Contributions- employer	$ -	$ 1,662,560	$ 1,591,288
Net investment income	1,000,647	428,679	929,052
Benefit payments, including refunds of member contributions	(1,189,185)	(1,074,335)	(960,021)
Administrative Expenses	(27,263)	(12,549)	-
Net Change in Plan Fiduciary Net Position	(215,801)	1,004,355	1,560,319
Plan Fiduciary Net Position - Beginning	18,418,036	17,413,681	15,853,362
Plan Fiduciary Net Position - Ending	$ 18,202,235	$ 18,418,036	$ 17,413,681
Net Pension Liability - Ending	$ (3,501,596)	$ (4,094,918)	$ 9,189,454
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.82%	128.59%	65.46%
Covered-employee Payroll	$ 24,925,025	$ 167,496,619	$ 167,496,619
District's Net Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A	5.49%

* Rolled forward based on financial data as of June 30, 2016, June 30, 2015, and June 30, 2014 measurement dates.

Note: The District implemented GASB Statement No. 67 for the fiscal year ended June 30, 2014.
Information for prior years is not available.

SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	$ -	$ 1,662,560	$ 1,591,288	$ 1,578,667	$ 1,509,443	$ 1,380,553	$ 1,314,812	$ 1,437,237	$ 1,368,154	$ 1,264,056
Contributions in relation to the actuarially determined contribution	-	1,662,560	1,591,288	1,578,667	1,509,443	1,380,553	1,314,812	1,437,237	1,368,154	1,264,056
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 24,925,025	$167,496,619	$167,496,619	$167,496,619		$173,775,663		$171,655,074		$152,703,567
Contributions as a percentage of covered-employee payroll	0.00%	0.99%	0.95%	0.94%		0.79%		0.84%		0.83%

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Discount rate	7.67% per annum (2.50% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases	3% per annum
Retirement age	Eligible employees are assumed to retire at the rate of 2% at each of ages 50 through 52, 3% at each of ages 53 and 54, and 10% at each of ages 55 through 61.
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with generational projections using Scale AA.
Other decrements	Assumed employment termination is based on age, ranging from 12% at age 30 to 7% at age 60; assumed disability is based on age and gender, ranging from 0.0600% for males at age 20 or 0.0240% for females at age 20 to 1.3620% for males at age 60 or 0.7504% for females at age 60.
Non-investment expenses	None assumed.
Future contributions	Contributions from the employer are assumed to be made as legally required.
Changes	Since the prior measurement date, the discount rate was increased from 6.95% per annum to 7.67% per annum, the salary increases assumption was decreased from 4% to 3% and the administrative expense assumption was eliminated.

SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Annual money - weighted rate of return, net of investment expense	5.43%	2.46%	5.75%	1.82%	4.33%	5.66%	10.50%	1.90%	6.16%	6.38%

SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Unfunded Actuarial Accrued Liability as Percent of Covered Payroll
January 1, 2012	$ -	$ 109,496,146	$ 109,496,146	0.0%	$ 318,668,211	34.36%
January 1, 2014	-	104,828,064	104,828,064	0.0%	318,422,974	32.92%
January 1, 2016	-	117,958,279	117,958,279	0.0%	349,610,219	33.74%

Notes:
(1) The actuarial method used is the Entry Age Normal Cost Method.
(2) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
(3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.

Notes to Schedule:

The January 1, 2016 unfunded actuarial accrued liability of $117,958,279 was significantly higher than the January 1, 2014, liability of $104,828,064 as a result of:

- Population Changes: The number of retirees currently receiving post-employment health benefits through the District core plan decreased from 575 in the previous valuation to 539 this year. This change had a decreasing effect on the valuation results. At the same time, the number of active employees eligible for any future post-employment benefits increased from 8,672 to 9,311. This population change had an increasing effect on the valuation results.

- Initial Cost of Coverage: The total cost of coverage increased from $575 per subscriber per month (as expected for year beginning January 1, 2014) to $643 per employee per month for year beginning January 1, 2016. This is lower than the projected $668 per employee per month. However, premiums charged to retirees did not increase over that period and the combined effect of these changes in increase in costs and liabilities.

- Short Term Medical Trend Assumption: It was assumed previously that premiums and costs would increase at a rate of 7.0% for the 2017 plan year. We are revising trend rates for costs and premiums applicable to the year beginning January 1, 2017, to increase by 6.5%. This had a decreasing effect on the costs and liabilities.

- Long Term Medical Trend Assumption: The trend rate for the costs of benefits and premiums charged to retirees has been revised to be based on the forecasting model built and published (December 2007, as updated November 2015) in Modeling Long-Term Health Care Cost Trends sponsored by the Society of Actuaries and authored by Prof. Thomas E. Getzen. Under this model, assumed trend rates decline over a 22-year period from 6.25% assumed for the year 2018 to the ultimate level of 4.50%. This had a decreasing effect on the costs and liabilities.

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

	2016	2015	2014
District's proportion of the net pension liability	0.8708%	0.8829%	0.8076%
District's proportionate share of the net pension liability	$ 112,469,821	$ 53,867,811	$ 139,021,758
District's covered-employee payroll	291,200,791	294,102,035	278,165,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.62%	18.32%	49.98%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013

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

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

	2016	2015	2014
Contractually required contribution	$ 20,248,257	$ 21,229,772	$ 19,338,513
Contributions in relation to the contractually required contribution	20,248,257	21,229,772	19,338,513
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 301,546,181	$ 291,200,791	$ 294,102,035
Contributions as a percentage of covered-employee payroll	6.71%	7.29%	6.58%

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

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

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

	2016	2015	2014
District's proportion of the net pension liability	1.1336%	1.1613%	1.0739%
District's proportionate share of the net pension liability	$ 115,611,582	$ 108,582,475	$ 93,494,824
District's covered-employee payroll	343,998,370	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.61%	31.37%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013

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

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

	2016	2015	2014
Contractually required contribution	$ 5,923,321	$ 4,333,408	$ 3,978,153
Contributions in relation to the contractually required contribution	5,923,321	4,333,408	3,978,153
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 357,548,640	$ 343,998,370	$ 346,174,340
Contributions as a percentage of covered-employee payroll	1.66%	1.26%	1.15%

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

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

Notes to Schedule:

Changes of Assumptions: The municipal rate used to determine total pension liability was decreased from 4.29 percent to 3.80 percent.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Combining Schedules of Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Other Federal Programs Fund – To account for the receipt and use of Federal grant proceeds.

Nonmajor Debt Service Funds

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

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

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

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

Nonmajor Capital Projects Funds

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

State Board of Education Bonds Fund – To account for proceeds of bonds, issued on the District's behalf, by the State Board of Education, to be used for the construction and maintenance of schools.

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

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

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

District School Board of Pasco County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

Schedule A

	Special Revenue			Debt Service			
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Assets:							
Cash	$ 5,699,359	$ 48,143	$ 5,747,502	$ -	$ 39,370	$ 2,836,692	$ 2,876,062
Cash with Fiscal Agent	-	-	-	-	-	4,657,684	4,657,684
Investments	-	-	-	218,828	-	8,817,487	9,036,315
Accounts Receivable	14,950	48,288	63,238	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	1,064	1,064
Due from Other Agencies	3,439,882	3,886,984	7,326,866	-	-	-	-
Inventories	1,168,050	-	1,168,050	-	-	-	-
Total Assets	$ 10,322,241	$ 3,983,415	$ 14,305,656	$ 218,828	$ 39,370	$16,312,927	$ 16,571,125
Liabilities and Fund Balances:							
Liabilities:							
Salaries and Benefits Payable	$ -	$ 2,954	$ 2,954	$ -	$ -	$ -	$ -
Accounts Payable	64,116	447,872	511,988	-	-	36,429	36,429
Construction Contracts Payable	-	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-	-
Due to Other Funds	-	3,514,197	3,514,197	-	-	3,281,835	3,281,835
Due to Other Agencies	-	1,031	1,031	-	-	-	-
Advanced Revenue	1,197,712	17,361	1,215,073	-	-	-	-
Total Liabilities	1,261,828	3,983,415	5,245,243	-	-	3,318,264	3,318,264
Fund Balances:							
Nonspendable:							
Inventory	1,168,050	-	1,168,050	-	-	-	-
Restricted:							
Special Revenue-Food Service	7,892,363	-	7,892,363	-	-	-	-
Debt Service	-	-	-	218,828	39,370	12,994,663	13,252,861
Capital Projects	-	-	-	-	-	-	-
Total Fund Balance	9,060,413	-	9,060,413	218,828	39,370	12,994,663	13,252,861
Total Liabilities and Fund Balances	$ 10,322,241	$ 3,983,415	$ 14,305,656	$ 218,828	$ 39,370	$16,312,927	$ 16,571,125

Capital Projects					
State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ 292,246	$ 4,672,654	$ 4,964,900	$ 13,588,464
-	-	-	-	-	4,657,684
-	-	6,468,389	14,518,240	20,986,629	30,022,944
-	-	-	-	-	63,238
-	-	3,461	8,731	12,192	13,256
-	1,878,819	18,970	-	1,897,789	9,224,655
-	-	-	-	-	1,168,050
$ -	$ 1,878,819	$ 6,783,066	$ 19,199,625	$ 27,861,510	$ 58,738,291
$ -	$ -	$ -	$ -	$ -	$ 2,954
-	24,106	181,361	350,099	555,566	1,103,983
-	-	-	152,836	152,836	152,836
-	-	20,272	27,355	47,627	47,627
-	1,217,245	-	-	1,217,245	8,013,277
-	-	-	-	-	1,031
-	-	18,970	-	18,970	1,234,043
-	1,241,351	220,603	530,290	1,992,244	10,555,751
-	-	-	-	-	1,168,050
-	-	-	-	-	7,892,363
-	-	-	-	-	13,252,861
-	637,468	6,562,463	18,669,335	25,869,266	25,869,266
-	637,468	6,562,463	18,669,335	25,869,266	48,182,540
$ -	$ 1,878,819	$ 6,783,066	$ 19,199,625	$ 27,861,510	$ 58,738,291

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Special Revenue			Debt Service			
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Revenues:							
Federal Sources:							
Federal Direct	$ -	$ 7,393,498	$ 7,393,498	$ -	$ -	$ 559,964	$ 559,964
Federal Through State	-	36,639,201	36,639,201	-	-	-	-
Food Services	26,319,045	-	26,319,045	-	-	-	-
State Sources:							
Public Education Capital Outlay	-	-	-	-	-	-	-
Food Services	395,520	-	395,520	-	-	-	-
SBE/COBI Bond Interest	-	-	-	485	-	-	485
CO & DS Withheld for State Education Bonds	-	-	-	2,545,912	-	-	2,545,912
CO & DS Interest	-	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-	-
Racing Commission Funds	-	-	-	-	223,250	-	223,250
Local Sources:							
Property Taxes	-	-	-	-	-	-	-
Food Services	10,571,030	-	10,571,030	-	-	-	-
Investment Earnings	-	-	-	-	-	653,273	653,273
Local Grants and Other	741,229	-	741,229	-	-	-	-
Total Revenues	38,026,824	44,032,699	82,059,523	2,546,397	223,250	1,213,237	3,982,884
Expenditures:							
Current-Education:							
Instruction	-	25,634,609	25,634,609	-	-	-	-
Student Support Services	-	3,718,611	3,718,611	-	-	-	-
Instructional Media Services	-	79,036	79,036	-	-	-	-
Instruction and Curriculum Development Services	-	5,044,186	5,044,186	-	-	-	-
Instructional Staff Training Services	-	5,250,897	5,250,897	-	-	-	-
Instruction-Related Technology	-	301,048	301,048	-	-	-	-
Board	-	13,061	13,061	-	-	-	-

	Special Revenue			Debt Service			
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Debt Service Other Fund	Total Nonmajor Debt Service Funds
Expenditures (continued):							
General Administration	-	1,974,343	1,974,343	-	-	-	-
School Administration	-	139,635	139,635	-	-	-	-
Facilities Services	-	44,039	44,039	-	-	-	-
Fiscal Services	-	88,173	88,173	-	-	-	-
Food Services	38,220,229	94,819	38,315,048	-	-	-	-
Central Services	-	173,400	173,400	-	-	-	-
Student Transportation Services	-	331,516	331,516	-	-	-	-
Operation of Plant	-	100,993	100,993	-	-	-	-
Maintenance of Plant	-	50,753	50,753	-	-	-	-
Administrative Technology Services	-	112,860	112,860	-	-	-	-
Capital Outlay:							
Facilities Acquisition and Construction	-	58,523	58,523	-	-	-	-
Other Capital Outlay	26,532	822,197	848,729	-	-	-	-
Debt Service:							
Principal	-	-	-	2,061,000	100,000	22,290,976	24,451,976
Interest	-	-	-	545,539	120,106	15,735,093	16,400,738
Fiscal Charges	-	-	-	790	345	639,938	641,073
Total Expenditures	38,246,761	44,032,699	82,279,460	2,607,329	220,451	38,666,007	41,493,787
Excess (Deficiency) of Revenues Over Expenditures	(219,937)	-	(219,937)	(60,932)	2,799	(37,452,770)	(37,510,903)
Other Financing Sources (Uses):							
Proceeds of Bonds Issued	-	-	-	-	-	75,000	75,000
Capital Leases	-	-	-	-	-	32,500	32,500
Transfers In	-	-	-	-	-	38,872,722	38,872,722
Transfers Out	(958,608)	-	(958,608)	-	-	(174,695)	(174,695)
Total Other Financing Sources (Uses)	(958,608)	-	(958,608)	-	-	38,805,527	38,805,527
Net Change in Fund Balances	(1,178,545)	-	(1,178,545)	(60,932)	2,799	1,352,757	1,294,624
Fund Balances, July 1, 2015	10,238,958	-	10,238,958	279,760	36,571	11,641,906	11,958,237
Fund Balances, June 30, 2016	$ 9,060,413	$ -	$ 9,060,413	$ 218,828	$ 39,370	$12,994,663	$ 13,252,861

(Continued)

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Capital Projects					
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:						
Federal Sources:						
Federal Direct	$ -	$ -	$ -	$ -	$ -	$ 7,953,462
Federal Through State	-	-	-	-	-	36,639,201
Food Services	-	-	-	-	-	26,319,045
State Sources:						
Public Education Capital Outlay	-	2,445,259	-	-	2,445,259	2,445,259
Food Services	-	-	-	-	-	395,520
SBE/COBI Bond Interest	-	-	-	-	-	485
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,545,912
CO & DS Interest	-	-	8,407	-	8,407	8,407
CO & DS Distributed	-	-	288,219	-	288,219	288,219
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	34,313,082	34,313,082	34,313,082
Food Services	-	-	-	-	-	10,571,030
Investment Earnings	-	-	25,883	67,098	92,981	746,254
Local Grants and Other	-	-	-	634,655	634,655	1,375,884
Total Revenues	-	2,445,259	322,509	35,014,835	37,782,603	123,825,010
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	25,634,609
Student Support Services	-	-	-	-	-	3,718,611
Instructional Media Services	-	-	-	-	-	79,036
Instruction and Curriculum Development Services	-	-	-	-	-	5,044,186
Instructional Staff Training Services	-	-	-	-	-	5,250,897
Instruction-Related Technology	-	-	-	-	-	301,048
Board	-	-	-	-	-	13,061

	Capital Projects					
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Expenditures (continued):						
General Administration	-	-	-	-	-	1,974,343
School Administration	-	-	-	-	-	139,635
Facilities Services	-	4,116	4,622	1,324,620	1,333,358	1,377,397
Fiscal Services	-	-	-	-	-	88,173
Food Services	-	-	-	-	-	38,315,048
Central Services	-	-	-	-	-	173,400
Student Transportation Services	-	-	-	-	-	331,516
Operation of Plant	-	-	-	-	-	100,993
Maintenance of Plant	-	-	-	-	-	50,753
Administrative Technology Services	-	-	-	-	-	112,860
Capital Outlay:						
Facilities Acquisition and Construction	-	1,237,235	3,290,203	10,533,997	15,061,435	15,119,958
Other Capital Outlay	-	-	-	-	-	848,729
Debt Service:						
Principal	-	-	-	-	-	24,451,976
Interest	-	-	-	-	-	16,400,738
Fiscal Charges	-	-	2,058	-	2,058	643,131
Total Expenditures	-	1,241,351	3,296,883	11,858,617	16,396,851	140,170,098
Excess (Deficiency) of Revenues Over Expenditures	-	1,203,908	(2,974,374)	23,156,218	21,385,752	(16,345,088)
Other Financing Sources (Uses):						
Proceeds of Bonds Issued	-	-	-	-	-	75,000
Capital Leases	-	-	-	-	-	32,500
Transfers In	-	-	-	1,115,791	1,115,791	39,988,513
Transfers Out	-	(566,440)	-	(24,786,925)	(25,353,365)	(26,486,668)
Total Other Financing Sources (Uses)	-	(566,440)	-	(23,671,134)	(24,237,574)	13,609,345
Net Change in Fund Balances	-	637,468	(2,974,374)	(514,916)	(2,851,822)	(2,735,743)
Fund Balances, July 1, 2015	-	-	9,536,837	19,184,251	28,721,088	50,918,283
Fund Balances, June 30, 2016	$ -	$ 637,468	$ 6,562,463	$ 18,669,335	$ 25,869,266	$ 48,182,540

Schedule B

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Schedules

of

Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual

Governmental Funds

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Food and Nutrition Services Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Federal Sources:				
Food Service	$ 24,644,186	$ 25,844,186	$ 26,319,045	$ 474,859
State Sources:				
Food Service	270,230	593,991	395,520	(198,471)
Local Sources:				
Food Service Sales	10,214,649	10,514,649	10,571,030	56,381
Local Grants and Other	350,000	450,000	741,229	291,229
Total Revenues	35,479,065	37,402,826	38,026,824	623,998
Expenditures:				
Current-Education:				
Food Services				
Salaries	13,409,864	12,159,864	12,076,168	83,696
Employee Benefits	5,205,582	5,215,582	5,082,466	133,116
Purchased Services	761,800	1,086,536	1,051,467	35,069
Energy Services	500,000	500,000	1,134,698	(634,698)
Materials and Supplies	17,019,000	19,586,000	17,466,469	2,119,531
Capital Outlay	250,000	252,193	176,709	75,484
Other Expenses	768,000	813,000	1,232,252	(419,252)
Capital Outlay:				
Other Capital Outlay	-	28,888	26,532	2,356
Total Expenditures	37,914,246	39,642,063	38,246,761	1,395,302
Excess (Deficiency) of Revenues Over Expenditures	(2,435,181)	(2,239,237)	(219,937)	2,019,300
Other Financing Sources (Uses):				
Transfers Out	(317,512)	(592,167)	(958,608)	(366,441)
Net Change in Fund Balance	(2,752,693)	(2,831,404)	(1,178,545)	1,652,859
Fund Balance, Beginning	10,238,958	10,238,958	10,238,958	-
Fund Balance, Ending	$ 7,486,265	$ 7,407,554	$ 9,060,413	$ 1,652,859

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Federal Sources:				
Federal Direct	$ 6,584,569	$ 8,094,886	$ 7,393,498	$ (701,388)
Federal Through State	36,552,319	42,991,712	36,639,201	(6,352,511)
Total Revenues	43,136,888	51,086,598	44,032,699	(7,053,899)
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,575,037	14,468,412	13,487,733	980,679
Employee Benefits	6,103,223	6,091,228	5,338,813	752,415
Purchased Services	2,534,586	3,356,703	2,704,087	652,616
Materials and Supplies	873,539	2,130,673	1,750,228	380,445
Capital Outlay	844,725	1,179,754	1,025,694	154,060
Other Expenses	583,786	1,440,555	1,328,054	112,501
Student Support Services				
Salaries	2,768,484	2,716,396	2,546,260	170,136
Employee Benefits	1,054,539	899,079	825,696	73,383
Purchased Services	199,666	211,770	141,759	70,011
Materials and Supplies	1,892,529	254,743	185,615	69,128
Capital Outlay	4,700	25,899	17,785	8,114
Other Expenses	19,500	3,474	1,496	1,978
Instructional Media Services				
Salaries	5,172	15,010	14,874	136
Employee Benefits	2,420	6,968	6,867	101
Purchased Services	-	2,039	2,039	
Materials and Supplies	6,244	3,357	1,857	1,500
Capital Outlay	-	62,226	53,399	8,827
Instruction and Curriculum Development Services				
Salaries	3,477,227	3,963,573	3,704,757	258,816
Employee Benefits	964,444	1,090,425	993,541	96,884
Purchased Services	167,195	240,469	173,744	66,725
Materials and Supplies	73,815	198,114	143,110	55,004
Capital Outlay	36,100	21,688	10,881	10,807
Other Expenses	28,400	53,088	18,153	34,935
Instructional Staff Training Services				
Salaries	2,529,705	4,040,204	3,217,507	822,697
Employee Benefits	795,103	1,027,003	787,645	239,358
Purchased Services	852,531	2,027,946	1,078,203	949,743
Materials and Supplies	168,004	134,368	85,389	48,979
Capital Outlay	500	500	-	500
Other Expenses	219,787	389,738	82,153	307,585

(continued)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Expenditures (continued):				
Instruction-Related Technology				
Salaries	326,132	280,718	187,900	92,818
Employee Benefits	98,868	59,978	54,397	5,581
Purchased Services	23,475	96,776	58,751	38,025
Materials and Supplies	3,277	777	-	777
Board				
Purchased Services	-	13,061	13,061	-
General Administration				
Other Expenses	1,769,738	2,187,016	1,974,343	212,673
School Administration				
Salaries	120,247	92,749	84,790	7,959
Employee Benefits	13,450	27,526	25,654	1,872
Purchased Services	500	17,896	16,440	1,456
Capital Outlay	-	12,944	12,751	193
Facilities Services				
Other Capital Outlay	55,000	44,039	44,039	-
Fiscal Services				
Salaries	78,078	76,801	66,879	9,922
Employee Benefits	27,024	26,085	18,935	7,150
Materials and Supplies	2,450	15,055	2,158	12,897
Capital Outlay	500	700	201	499
Food Services				
Purchased Services	48,500	93,375	93,342	33
Materials and Supplies	1,350	1,091	-	1,091
Capital Outlay	2,000	1,504	1,477	27
Central Services				
Salaries	108,172	112,974	104,433	8,541
Employee Benefits	36,466	25,437	24,245	1,192
Purchased Services	-	27,233	38,888	(11,655)
Other Expenses	10,000	14,000	5,834	8,166
Student Transportation Services				
Salaries	63,725	63,725	63,467	258
Employee Benefits	22,250	22,250	18,984	3,266
Purchased Services	193,074	314,155	246,254	67,901
Other Expenses	-	2,811	2,811	-
Operation of Plant				
Purchased Services	19,500	22,690	15,037	7,653
Energy Services	69,000	89,564	76,709	12,855
Materials and Supplies	8,520	12,423	9,247	3,176
Capital Outlay	1,000	-	-	-

(continued)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Expenditures (continued):				
Maintenance of Plant				
Purchased Services	55,950	102,183	50,753	51,430
Capital Outlay	54,171	-	-	-
Administrative Technology Services				
Salaries	111,425	111,425	87,657	23,768
Employee Benefits	31,885	31,885	25,145	6,740
Purchased Services	200	200	58	142
Capital Outlay:				
Facilities Acquisition and Construction	-	88,925	58,523	30,402
Other Capital Outlay	-	941,225	822,197	119,028
Total Expenditures	43,136,888	51,086,598	44,032,699	7,053,899
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	$ -	$ -	$ -	$ -

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
State Sources				
SBE/COBI Bond Interest	$ -	$ -	$ 485	$ 485
CO & DS Withheld for State Education Bonds	2,252,430	2,545,913	2,545,912	(1)
Total Revenues	2,252,430	2,545,913	2,546,397	484
Expenditures:				
Debt Service:				
Principal	1,708,000	2,061,000	2,061,000	-
Interest	543,430	545,539	545,539	-
Fiscal Charges	1,000	1,000	790	210
Total Expenditures	2,252,430	2,607,539	2,607,329	210
Excess (Deficiency) of Revenues Over Expenditures	-	(61,626)	(60,932)	694
Other Financing Sources (Uses):				
Proceeds on Refunding Bonds	-	-	-	-
Premium on Refunding Bonds	-	-	-	-
Payments to Refunding Escrow Agent	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	-	(61,626)	(60,932)	694
Fund Balances, Beginning	279,760	279,760	279,760	-
Fund Balances, Ending	$ 279,760	$ 218,134	$ 218,828	$ 694

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
Racing Commission Funds	$ 223,250	$ 223,250	$ 223,250	$ -
Local Sources:				
Investment Earnings	36	36	-	(36)
Total Revenues	223,286	223,286	223,250	(36)
Expenditures:				
Debt Service:				
Principal	100,000	100,000	100,000	-
Interest	120,106	120,107	120,106	1
Fiscal Charges	1,000	999	345	654
Total Expenditures	221,106	221,106	220,451	655
Excess (Deficiency) of Revenues Over Expenditures	2,180	2,180	2,799	619
Net Change in Fund Balance	2,180	2,180	2,799	619
Fund Balance, Beginning	36,571	36,571	36,571	-
Fund Balance, Ending	$ 38,751	$ 38,751	$ 39,370	$ 619

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Other Funds
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts: Original	Budgeted Amounts: Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Federal Sources:				
Federal Direct	$ -	$ 560,000	$ 559,964	$ (36)
Local Sources:				
Investment Earnings	9,457	573,252	653,273	80,021
Local Grants and Other	-	-	-	-
Total Revenues	9,457	1,133,252	1,213,237	79,985
Expenditures:				
Debt Service:				
Principal	23,384,953	22,943,229	22,290,976	652,253
Interest	16,514,590	17,210,416	15,735,093	1,475,323
Fiscal Charges	116,000	701,516	639,938	61,578
Total Expenditures	40,015,543	40,855,161	38,666,007	2,189,154
Excess (Deficiency) of Revenues Over Expenditures	(40,006,086)	(39,721,909)	(37,452,770)	2,269,139
Other Financing Sources (Uses):				
Proceeds of Bonds Issued	-	75,000	75,000	-
Capital Leases	-	-	32,500	32,500
Transfers In	41,874,653	40,878,846	38,872,722	(2,006,124)
Transfer Out	(174,695)	(174,695)	(174,695)	-
Total Other Financing Sources	41,699,958	40,779,151	38,805,527	(1,973,624)
Net Change in Fund Balance	1,693,872	1,057,242	1,352,757	295,515
Fund Balances, Beginning	11,641,906	11,641,906	11,641,906	-
Fund Balances, Ending	$ 13,335,778	$ 12,699,148	$ 12,994,663	$ 295,515

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
State Sources:				
Public Education Capital Outlay	$ 2,998,406	$ 3,007,384	$ 2,445,259	$ (562,125)
Current-Education:				
Facilities Services	-	-	4,116	(4,116)
Capital Outlay:				
Facilities Acquisition and Construction	1,520,000	1,520,000	1,237,235	282,765
Total Expenditures	1,520,000	1,520,000	1,241,351	278,649
Excess (Deficiency) of Revenues Over Expenditures	1,478,406	1,487,384	1,203,908	(283,476)
Other Financing Uses:				
Transfer Out	(557,462)	(566,440)	(566,440)	-
Proceeds on Refunding Bonds	(557,462)	(566,440)	(566,440)	-
Net Change in Fund Balance	920,944	920,944	637,468	(283,476)
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	$ 920,944	$ 920,944	$ 637,468	$ (283,476)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Capital Outlay and Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
State Sources:				
CO & DS Distributed	$ 588,240	$ 588,240	$ 288,219	$ (300,021)
Interest on Undistributed CO & DS	-	-	8,407	8,407
Local Sources:				
Investment Earnings	10,250	20,250	25,883	5,633
Total Revenues	598,490	608,490	322,509	(285,981)
Expenditures:				
Current-Education:				
Facilities Services	-	4,622	4,622	-
Capital Outlay:				
Facilities Acquisition and Construction	3,732,028	5,785,005	3,290,203	(2,494,802)
Debt Service:				
Dues, Fees and Issuance Costs	-	-	2,058	(2,058)
Total Expenditures	3,732,028	5,789,627	3,296,883	(2,496,860)
Excess (Deficiency) of Revenues Over Expenditures	(3,133,538)	(5,181,137)	(2,974,374)	2,210,879
Net Change in Fund Balance	(3,133,538)	(5,181,137)	(2,974,374)	2,210,879
Fund Balances, Beginning	9,536,837	9,536,837	9,536,837	-
Fund Balances, Ending	$ 6,403,299	$ 4,355,700	$ 6,562,463	$ 2,210,879

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Local Optional Millage Levy Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Property Taxes	$ 33,964,064	$ 33,964,064	$ 34,313,082	$ 349,018
Investment Earnings	31,837	155,387	67,098	(88,289)
Other Local	126,495	627,080	634,655	7,575
Total Revenues	34,122,396	34,746,531	35,014,835	268,304
Expenditures:				
Current-Education:				
Facilities Services	-	633,345	1,324,620	(691,275)
Capital Outlay:				
Facilities Acquisition and Construction	17,062,038	16,604,355	10,533,997	6,070,358
Total Expenditures	17,062,038	17,237,700	11,858,617	5,379,083
Excess of Revenues Over Expenditures	17,060,358	17,508,831	23,156,218	5,647,387
Proceeds on Refunding Bonds				
Transfers In	474,695	749,350	1,115,791	366,441
Transfers Out	(28,588,530)	(26,889,115)	(24,786,925)	2,102,190
Total Other Financing Sources (Uses)	(28,113,835)	(26,139,765)	(23,671,134)	2,468,631
Net Change in Fund Balance	(11,053,477)	(8,630,934)	(514,916)	8,116,018
Fund Balances, Beginning	19,184,251	19,184,251	19,184,251	-
Fund Balances, Ending	$ 8,130,774	$ 10,553,317	$ 18,669,335	$ 8,116,018

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Other Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Local Sources:				
Local Sales Tax	$ 20,160,813	$ 20,160,813	$ 25,738,211	$ 5,577,398
Impact Fees	9,334,250	9,334,250	9,208,233	(126,017)
Other Local	-	7,621,248	7,531,625	(89,623)
Investment Earnings	271,422	523,422	821,459	298,037
Total Revenues	29,766,485	37,639,733	43,299,528	5,659,795
Expenditures:				
Current-Education:				
Facilities Services	-	1,189,859	3,868,899	(2,679,040)
Capital Outlay:				
Facilities Acquisition and Construction	221,451,643	248,940,119	115,941,813	132,998,306
Total Expenditures	221,451,643	250,129,978	119,810,712	130,319,266
Excess (Deficiency) of Revenues Over Expenditures	(191,685,158)	(212,490,245)	(76,511,184)	135,979,061
Other Financing Sources (Uses):				
Proceeds of Bonds Issued	20,000,000	30,000,000	30,000,000	-
Premiums on Certificates of Participation Issued	-	4,398,966	4,398,965	(1)
Proceeds Of Certificates of Participation Issued	30,000,000	25,995,000	25,995,000	-
Capital Leases	12,768,936	13,410,879	13,739,423	328,544
Transfer Out	(13,173,325)	(13,872,051)	(13,867,048)	(5,003)
Total Other Financing Sources (Uses)	49,595,611	59,932,794	60,266,340	323,540
Net Change in Fund Balance	(142,089,547)	(152,557,451)	(16,244,844)	136,302,601
Fund Balances, Beginning	182,447,759	182,447,759	182,447,759	-
Fund Balances, Ending	$ 40,358,212	$ 29,890,308	$ 166,202,915	$ 136,302,601

Combining Statements of Internal Service Funds

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

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

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

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

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

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

Schedule D

District School Board of Pasco County
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2016

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Assets			
Current Assets:			
Cash	$ 144,441	$ 2,850,417	$ 5,091,019
Investments	284,388	28,363,168	18,834,081
Accounts Receivable	788	116,814	68,473
Accrued Interest Receivable	152	15,177	10,078
Total Current Assets	429,769	31,345,576	24,003,651
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	429,769	31,345,576	24,003,651
Deferred Outflows of Resources:			
Pension	953,601	138,501	-
Total Deferred Outflows of Resources	953,601	138,501	-
Total Assets and Deferred Outflows	$ 1,383,370	$ 31,484,077	$ 24,003,651
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	$ 14	$ -	$ -
Payroll Deductions and Withholdings Payable	-	-	4,169
Accounts Payable	3,763	38,445	12,085,456
Advanced Revenue	-	6,144	236,358
Current portion of long-term liabilities:			
Compensated Absences Payable	12,212	12,903	-
Estimated Insurance Claims Payable	-	2,791,000	-
Total Current Liabilities	15,989	2,848,492	12,325,983
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	-	4,891,000	-
Compensated Absences Payable	139,322	40,840	-
Other Post-Employment Benefits Obligation	116,344	82,732	-
Net Pension Liability - FRS / HIS	1,319,500	243,911	-
Total Noncurrent Liabilities	1,575,166	5,258,483	-
Total Liabilities	1,591,155	8,106,975	12,325,983
Deferred Inflows of Resources:			
Pension	250,548	60,920	-
Total Deferred Inflows of Resources	250,548	60,920	-
Net Position			
Investment in Capital Assets	-	-	-
Unrestricted	(458,333)	23,316,182	11,677,668
Total Net Position	(458,333)	23,316,182	11,677,668
Total Liabilities, Deferred Inflows and Net Position	$ 1,383,370	$ 31,484,077	$ 24,003,651

Energy Management Programs	Exclusive Agreement	Totals
$ 644,530	$ 32,760	$ 8,763,167
1,616,877	1,244,837	50,343,351
-	-	186,075
865	666	26,938
2,262,272	1,278,263	59,319,531
-	108,355	108,355
-	(97,519)	(97,519)
-	10,836	10,836
2,262,272	1,289,099	59,330,367
77,972	-	1,170,074
77,972	-	1,170,074
$ 2,340,244	$ 1,289,099	$ 60,500,441
$ -	$ -	$ 14
-	-	4,169
1,008,211	-	13,135,875
-	-	242,502
1,926	-	27,041
-	-	2,791,000
1,010,137	-	16,200,601
-	-	4,891,000
122,995	-	303,157
35,761	-	234,837
157,283	-	1,720,694
316,039	-	7,149,688
1,326,176	-	23,350,289
26,544	-	338,012
26,544	-	338,012
-	10,836	10,836
987,524	1,278,263	36,801,304
987,524	1,289,099	36,812,140
$ 2,340,244	$ 1,289,099	$ 60,500,441

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
June 30, 2016

	Employee Benefits Program	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	$ -	$ 10,286,423	$ 59,313,473
Employees	-	-	4,816,809
Retirees	-	-	4,533,325
Charges for Services Provided	-	-	-
Other Operating Revenues	-	475,154	290
Total Operating Revenues	-	10,761,577	68,663,897
Operating Expense			
Salaries	492,092	275,331	-
Employee Benefits	562,184	90,095	172,514
Purchased Services	58,271	1,674,784	13,066,430
Insurance Premiums	-	4,165,383	2,558,411
Energy Services	-	-	-
Materials and Supplies	3,618	4,039	3,356
Insurance Claims	-	5,808,240	53,296,884
Capital Outlay	-	23	-
Other	1,706	47,766	208,403
Total Operating Expenses	1,117,871	12,065,661	69,305,998
Operating Income (Loss)	(1,117,871)	(1,304,084)	(642,101)
Nonoperating Revenues (Expenses)			
Investment Earnings	982	105,197	78,309
Gifts, Grants and Bequests	1,400	-	101,430
Insurance Loss Recoveries	-	311,847	-
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	2,382	417,044	179,739
Income (Loss) Before Transfers	(1,115,489)	(887,040)	(462,362)
Transfers In	779,848	-	-
Transfers Out	-	(185,000)	(779,848)
Change in Net Position	(335,641)	(1,072,040)	(1,242,210)
Total Net Position, July 1, 2015	(122,692)	24,388,222	12,919,878
Total Net Position, June 30, 2016	$ (458,333)	$ 23,316,182	$ 11,677,668

Energy Management Program	Exclusive Agreement	Totals
$ -	$ -	$ 69,599,896
-	-	4,816,809
-	-	4,533,325
12,708,000	-	12,708,000
-	208,576	684,020
12,708,000	208,576	92,342,050
259,699	-	1,027,122
82,068	-	906,861
2,386,334	124,709	17,310,528
-	-	6,723,794
10,817,972	-	10,817,972
9,975	40,444	61,432
-	-	59,105,124
-	4,398	4,421
1,136	-	259,011
13,557,184	169,551	96,216,265
(849,184)	39,025	(3,874,215)
6,663	4,299	195,450
-	-	102,830
-	-	311,847
-	(1,981)	(1,981)
6,663	2,318	608,146
(842,521)	41,343	(3,266,069)
-	-	779,848
-	-	(964,848)
(842,521)	41,343	(3,451,069)
1,830,045	1,247,756	40,263,209
$ 987,524	$ 1,289,099	$ 36,812,140

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Employee Benefits Program	Property, Casualty and Liability Self-Insurance Plan	Self-Insured Benefit Plans
Cash Flows from Operating Activities:			
Cash Received from Services	$ -	$ -	$ -
Cash Received from Premiums	751	10,294,259	68,866,850
Cash Received from Other Operating Revenues	-	475,154	290
Cash Payments to Suppliers for Goods and Services	(59,832)	(5,949,696)	(16,743,181)
Cash Payments to Employees for Services	(578,119)	(457,305)	(225,566)
Cash Payments to Insurance Claims	-	(5,000,240)	(53,296,884)
Net Cash Provided (Used) by Operating Activities	(637,200)	(637,828)	(1,398,491)
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	311,847	-
Gifts, Grants and Bequests	1,400	-	101,430
Transfers From Other Funds	779,848	-	-
Transfers To Other Funds	-	(185,000)	(779,848)
Net Cash Provided (Used) by Noncapital Financing Activities	781,248	126,847	(678,418)
Cash Flows from Investing Activities:			
Investment Earnings	1,375	118,570	85,226
Purchase and Sale of Investments	(982)	1,897,849	(820,966)
Net Cash Provided (Used) by Investing Activities	393	2,016,419	(735,740)
Net Change in Cash	144,441	1,505,438	(2,812,649)
Cash, Beginning	-	1,344,979	7,903,668
Cash, Ending	$ 144,441	$ 2,850,417	$ 5,091,019
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (1,117,871)	$ (1,304,084)	$ (642,101)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Accounts Receivable	751	9,283	192,623
Accounts Payable	3,763	(57,701)	(906,581)
Payroll Deductions and Withholdings Payable	-	-	(109,845)
Advanced Revenues	-	(1,447)	10,620
Compensated Absences Payable	72,158	(86,324)	-
Other Post-Employment Benefits Obligation	69,609	5,814	(55,398)
Pension Amounts	334,390	(11,369)	112,191
Estimated Insurance Claims Payable	-	808,000	-
Total Adjustments	480,671	666,256	(756,390)
Net Cash Provided (Used) by Operating Activities	$ (637,200)	$ (637,828)	$ (1,398,491)

Energy Management Program	Exclusive Agreement	Totals
$ 12,708,000	$ -	$ 12,708,000
-	-	79,161,860
-	186,576	662,020
(12,843,649)	(176,506)	(35,772,864)
(361,617)	-	(1,622,607)
-	-	(58,297,124)
(497,266)	10,070	(3,160,715)
-	-	311,847
-	-	102,830
-	-	779,848
-	-	(964,848)
-	-	229,677
8,535	4,803	218,509
36,361	(4,299)	1,107,963
44,896	504	1,326,472
(452,370)	10,574	(1,604,566)
1,096,900	22,186	10,367,733
$ 644,530	$ 32,760	$ 8,763,167
$ (849,184)	$ 39,025	$ (3,874,215)
-	-	202,657
371,768	(6,955)	(595,706)
-	-	(109,845)
-	(22,000)	(12,827)
(20,916)	-	(35,082)
4,522	-	24,547
(3,456)	-	431,756
-	-	808,000
351,918	(28,955)	713,500
$ (497,266)	$ 10,070	$ (3,160,715)

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Combining Statements of Agency Funds

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

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

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

District School Board of Pasco County
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2016

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	$ 8,294,408	$ 6,973	$ 8,301,381
Investments	-	72,745	72,745
Accounts Receivable	8,716	-	8,716
Interest Receivable on Investments	-	39	39
Inventories	17,798	-	17,798
Total Assets	$ 8,320,922	$ 79,757	$ 8,400,679
Liabilities:			
Accounts Payable	$ 749,404	$ -	$ 749,404
Internal Accounts Payable	7,571,518	-	7,571,518
ABC Program Payable	-	79,757	79,757
Total Liabilities	$ 8,320,922	$ 79,757	$ 8,400,679

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2016

	School Internal Accounts			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	$ 8,365,915	$ 22,432,237	$ 22,503,744	$ 8,294,408
Accounts Receivable	8,935	30,346	30,565	8,716
Inventories	3,943	45,640	31,785	17,798
Total Assets	$ 8,378,793	$ 22,508,223	$ 22,566,094	$ 8,320,922
Liabilities:				
Accounts Payable	$ 1,091,474	$ 15,543,623	$ 15,885,693	$ 749,404
Internal Accounts Payable	7,287,319	20,012,369	19,728,170	7,571,518
Total Liabilities	$ 8,378,793	$ 35,555,992	$ 35,613,863	$ 8,320,922

	ABC Program			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	$ 3,681	$ 3,471	$ 179	$ 6,973
Investments	72,493	962	710	72,745
Interest Receivable on Investments	68	39	68	39
Total Assets	$ 76,242	$ 4,472	$ 957	$ 79,757
Liabilities:				
ABC Program Payable	$ 76,242	$ 4,144	$ 629	$ 79,757

	Total Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	$ 8,369,596	$ 22,435,708	$ 22,503,923	$ 8,301,381
Investments	72,493	962	710	72,745
Accounts Receivable	8,935	30,346	30,565	8,716
Interest Receivable on Investments	68	39	68	39
Inventories	3,943	45,640	31,785	17,798
Total Assets	$ 8,455,035	$ 22,512,695	$ 22,567,051	$ 8,400,679
Liabilities:				
Accounts Payable	$ 1,091,474	$ 15,543,623	$ 15,885,693	$ 749,404
Internal Accounts Payable	7,287,319	20,012,369	19,728,170	7,571,518
ABC Program Payable	76,242	4,144	629	79,757
Total Liabilities	$ 8,455,035	$ 35,560,136	$ 35,614,492	$ 8,400,679

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Combining Statements of Component Units

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

Academy at the Farm, Inc. – Focuses on creatively integrating equestrian, horticultural and farm animal components into an interactive, inclusive learning environment.

Athenian Academy of Pasco County, Inc. – A kindergarten through 8th grade school offering students a program that incorporates the Greek language and culture.

Classical Preparatory School – A K through 8th grade school providing a classical style education.

Countryside Montessori Charter School, Inc. – A 1st through 8th grade school providing an alternative education program.

Dayspring Academy for Education and the Arts – Emphasizes the fine arts, offering students specialized instruction in dance, music, and art.

Florida Virtual Academy at Pasco - A K through 8th grade school providing curriculum in an on-line educational environment.

Imagine School at Land O' Lakes – A kindergarten through 7th grade school providing an alternative education program.

Learning Lodge Academy, Inc. – A K through 3rd grade school providing an alternative elementary education program.

Pepin Academies of Pasco County, Inc. – A 3rd through 10th grade school providing an alternative education program for special needs students.

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

Schedule I

District School Board of Pasco County
Combining Statement of Net Position
Component Units
June 30, 2016

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Classical Preparatory School	Countryside Montessori Charter School, Inc.
Assets:				
Cash	$ 109,804	$ 356,853	$ 98,622	$ 188,283
Investments	-	-	-	-
Accounts Receivable	11,822	-	-	360
Deposits Receivable	-	-	10,000	10,000
Due From Other Agencies	13,332	-	15,144	10,131
Prepaid Items	-	40,705	-	-
Capital Assets (net of accumulated depreciation)				
Land	788,979	-	-	105,872
Construction in Process	-	-	-	-
Improvements Other Than Buildings	-	-	-	-
Leasehold Property and Improvements	-	-	149,679	164,043
Buildings and Fixed Equipment	3,710,033	218,733	-	139,439
Furniture, Fixtures, and Equipment	84,612	153,070	19,564	39,257
Motor Vehicles	-	-	28,571	-
Computer Software	-	-	-	-
Total Assets	$ 4,718,582	$ 769,361	$ 321,580	$ 657,385
Liabilities:				
Salaries and Benefits Payable	$ -	$ 152,621	$ 105,988	$ -
Accounts Payable	9,868	16,320	6,816	5,015
Due To Other Agencies	-	-	-	-
Accrued Interest Payable	-	-	-	-
Advanced Revenue	-	-	-	-
Total Current Liabilities	9,868	168,941	112,804	5,015
Non-Current Liabilities Due Within One Year:				
Notes Payable	68,793	-	-	14,103
Obligations Under Capital Leases	-	29,642	-	41,548
Compensated Absences Payable	-	-	-	-
Total Due within one year	68,793	29,642	-	55,651
Long-Term Debt and Liabilities:				
Notes Payable	3,981,207	-	-	111,387
Obligations Under Capital Leases	-	49,364	-	32,405
Total Due in more than one year	3,981,207	49,364	-	143,792
Total Liabilities	4,059,868	247,947	112,804	204,458
Net Position:				
Net Investment in Capital Assets	533,624	292,797	197,814	249,168
Restricted for Other Purposes	-	-	-	-
Non-expendable-Permanent Endowment	-	-	-	-
Unrestricted	125,090	228,617	10,962	203,759
Total Net Position	$ 658,714	$ 521,414	$ 208,776	$ 452,927

Dayspring Academy for Education and the Arts	Florida Virtual Academy at Pasco	Imagine School at Land O' Lakes	Learning Lodge Academy, Inc.	Pepin Academies of Pasco County, Inc.	Pasco Education Foundation, Inc.	Total Component Units
$ 171,705	$ 532,624	$ 716,713	$ 74,228	$ 415,298	$ 399,075	$ 3,063,205
-	-	-	-	-	2,068,308	2,068,308
-	-	-	-	249,028	-	261,210
-	-	-	-	-	-	20,000
25,578	40,318	18,101	320,515	-	-	443,119
42,171	-	99,453	25,726	30,563	1,708,043	1,946,661
544,683	-	-	-	-	-	1,439,534
2,142,652	-	-	-	-	-	2,142,652
221,700	-	-	-	-	-	221,700
139,957	-	33,937	30,584	245,553	-	763,753
1,177,055	-	-	-	-	-	5,245,260
3,792	-	172,707	176,261	168,933	-	818,196
400	-	332,780	-	-	-	361,751
-	-	-	-	-	41,812	41,812
$ 4,469,693	$ 572,942	$ 1,373,691	$ 627,314	$ 1,109,375	$ 4,217,238	$ 18,837,161
$ 126,475	$ -	$ 221,246	$ 13,692	$ 212,722	$ 322	$ 833,066
20,281	572,942	16,367	231,977	266,829	-	1,146,415
-	-	-	-	-	-	-
-	-	-	-	34,414	-	34,414
2,692	-	11,465	33,845	-	-	48,002
149,448	572,942	249,078	279,514	513,965	322	2,061,897
1,092,864	-	53,773	-	500,000	-	1,729,533
87,732	-	-	-	-	-	158,922
90,236	-	-	-	-	-	90,236
1,270,832	-	53,773	-	500,000	-	1,978,691
2,193,736	-	238,721	-	-	-	6,525,051
21,220	-	-	-	-	-	102,989
2,214,956	-	238,721	-	-	-	6,628,040
3,635,236	572,942	541,572	279,514	1,013,965	322	10,668,628
834,687	-	246,930	206,845	(85,514)	-	2,476,351
-	-	-	-	-	1,946,977	1,946,977
-	-	-	-	-	2,002,076	2,002,076
(230)	-	585,189	140,955	180,924	267,863	1,743,129
$ 834,457	$ -	$ 832,119	$ 347,800	$ 95,410	$ 4,216,916	$ 8,168,533

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2016

Academy at the Farm, Inc., Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 2,684,524	$ 28,618	$ -	$ -	$ (2,655,906)
Student Support Services	17,143	-	-	-	(17,143)
Instructional Media	243,303	-	-	-	(243,303)
Instruction-Related Technology	-	-	-	-	-
Board	7,000	-	-	-	(7,000)
General Administration	32,317	-	-	-	(32,317)
School Administration	608,585	-	-	-	(608,585)
Facilities Acquisition and Construction	174,017	-	-	143,428	(30,589)
Fiscal Services	46,576	-	-	-	(46,576)
Operation of Plant	242,363	-	-	-	(242,363)
Maintenance of Plant	126,230	-	-	-	(126,230)
Community Service	123,272	394,471	-	-	271,199
Debt Service - Interest	361,155	-	-	-	(361,155)
Depreciation-Unallocated	168,492	-	-	-	(168,492)
Total Academy at the Farm, Inc., Activities	$ 4,834,977	$ 423,089	$ -	$ 143,428	(4,268,460)

General Revenues:	
Grants and Contributions not restricted to Specific Programs	3,878,723
Total General Revenues	3,878,723
Change in Net Position	(389,737)
Net Position, Beginning	1,048,451
Net Position, Ending	$ 658,714

Athenian Academy of Pasco County, Inc., Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Revenue and Changes in Net Position
Instruction	$ 1,355,330	$ -	$ 15,837	$ -	$ (1,339,493)
Student Support Services	35,824	-	-	-	(35,824)
Instructional Media	589	-	-	-	(589)
Instruction and Curriculum Development	46,358	-	-	-	(46,358)
Instruction-Related Technology	5,404	-	-	-	(5,404)
Board	14,284	-	-	-	(14,284)
General Administration	200,076	-	-	-	(200,076)
School Administration	186,721	-	-	-	(186,721)
Fiscal Services	88,159	-	-	-	(88,159)
Food Services	145	-	-	-	(145)
Central Services	21,402	-	-	-	(21,402)
Student Transportation Services	74,954	-	-	-	(74,954)
Operation of Plant	422,564	-	9,000	51,267	(362,297)
Maintenance of Plant	-	-	-	-	-
Administrative Technology	6,554	-	-	-	(6,554)
Community Services	83,604	76,281	-	-	(7,323)
Debt Service-Interest	9,171	-	-	-	(9,171)
Depreciation-Unallocated	70,334	-	-	-	(70,334)
Total Athenian Academy of Pasco County, Inc., Activities	$ 2,621,473	$ 76,281	$ 24,837	$ 51,267	(2,469,088)

General Revenues:	
Grants and Contributions not restricted to Specific Programs	2,431,738
Total General Revenues	2,431,738
Change in Net Position	(37,350)
Net Position, Beginning	558,764
Net Position, Ending	$ 521,414

Classical Preparatory School	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 1,647,009	$ -	$ 165,070	$ -	$ (1,481,939)
Student Support Services	346	-	-	-	(346)
Instructional Media Services	34,298	-	34,298	-	-
Instructional Staff Training	2,022	-	2,022	-	-
Instruction-Related Technology	9,981	-	9,981	-	-
Board	91,250	-	13,338	-	(77,912)
School Administration	483,578	-	2,409	-	(481,169)
Facilities Acquisition and Construction	383,942	-	-	-	(383,942)
Fiscal Services	88,249	-	-	-	(88,249)
Food Services	9,524	-	-	-	(9,524)
Central Services	-	-	-	-	-
Student Transportation Services	21,066	-	-	-	(21,066)
Operation of Plant	276,327	-	-	-	(276,327)
Community Service	57,216	-	-	-	(57,216)
Depreciation-Unallocated	18,802	-	-	-	(18,802)
Total Classical Preparatory School, Activities	$ 3,123,610	$ -	$ 227,118	$ -	(2,896,492)
General Revenues:					
Grants and Contributions not restricted to					
Specific Programs					2,999,081
Total General Revenues					2,999,081
Change in Net Position					102,589
Net Position, Beginning					106,187
Net Position, Ending					$ 208,776

Countryside Montessori Charter School, Inc., Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 1,451,317	$ -	$ -	$ -	$ (1,451,317)
Instructional Media	-	-	-	-	-
Instructional Staff Training	450	-	-	-	(450)
School Administration	335,100	-	-	-	(335,100)
Facilities Acquisition and Construction	168,000	-	-	77,604	(90,396)
Fiscal Services	37,183	-	-	-	(37,183)
Food Services	2,291	-	-	-	(2,291)
Operation of Plant	105,133	-	-	-	(105,133)
Maintenance of Plant	288	-	-	-	(288)
Community Service	182,072	-	-	-	(182,072)
Debt Service-Interest	12,006	-	-	-	(12,006)
Depreciation-Unallocated	70,948	-	-	-	(70,948)
Total Countryside Montessori Charter School, Inc., Activities	$ 2,364,788	$ -	$ -	$ 77,604	(2,287,184)
General Revenues:					
Grants and Contributions not restricted to					
Specific Programs					2,216,662
Total General Revenues					2,216,662
Change in Net Position					(70,522)
Net Position, Beginning					523,449
Net Position, Ending					$ 452,927

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2016

Dayspring Academy for Education and the Arts, Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 2,405,718	$ -	$ 7,144	$ -	$ (2,398,574)
Student Support Services	5,560	-	-	-	(5,560)
Instructional Staff Training	13,580	-	-	-	(13,580)
School Administration	1,000,093	-	-	-	(1,000,093)
Facilities Acquisition & Construction	171,906	-	-	171,906	-
Fiscal Services	42,170	-	-	-	(42,170)
Student Transportation Services	115,833	-	-	-	(115,833)
Operation of Plant	533,190	-	-	21,349	(511,841)
Maintenance of Plant	15,883	-	-	-	(15,883)
Administrative Technology Services	57,248	-	-	-	(57,248)
Community Service	494,417	-	-	-	(494,417)
Debt Service-Interest	186,440	-	-	-	(186,440)
Depreciation-Unallocated	122,716	-	-	-	(122,716)
Total Dayspring Academy for Education and the Arts, Activities	$ 5,164,754	$ -	$ 7,144	$ 193,255	(4,964,355)

General Revenues:	
Grants and Contributions not restricted to	
Specific Programs	4,874,804
Total General Revenues	4,874,804
Change in Net Position	(89,551)
Net Position, Beginning	924,008
Net Position, Ending	$ 834,457

Florida Virtual Academy at Pasco, Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 161,084	$ -	$ -	$ -	$ (161,084)
Student Support Services	9,465	-	-	-	(9,465)
Instructional and Curriculum Development	441,099	-	-	-	(441,099)
Instructional Staff Training	1,158	-	-	-	(1,158)
Instruction-Related Technology	52,359	-	-	-	(52,359)
Board	20,856	-	-	-	(20,856)
General Administration	24,311	-	-	-	(24,311)
School Administration	126,325	-	-	-	(126,325)
Fiscal Services	256	-	-	-	(256)
Operation of Plant	17,723	-	-	-	(17,723)
Maintenance of Plant	24	-	-	-	(24)
Total Florida Virtual Academy at Pasco, Activities	$ 854,660	$ -	$ -	$ -	(854,660)

General Revenues:	
Grants and Contributions not restricted to	
Specific Programs	854,660
Total General Revenues	854,660
Change in Net Position	-
Net Position, Beginning	-
Net Position, Ending	$ -

Imagine School at Land O'Lakes, Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 2,242,986	$ -	$ -	$ -	$ (2,242,986)
Student Support Services	792	-	-	-	(792)
Instructional Media	37,661	-	-	-	(37,661)
Instructional and Curriculum Development	52,686	-	-	-	(52,686)
Instructional Staff Training Services	-	-	-	-	-
Instruction-Related Technology	15,927	-	-	-	(15,927)
Board	7,000	-	-	-	(7,000)
General Administration	592,959	-	-	-	(592,959)
School Administration	338,452	-	-	-	(338,452)
Fiscal Services	110,432	-	-	-	(110,432)
Food Services	21,746	-	-	-	(21,746)
Central Services	809	-	-	-	(809)
Student Transportation Services	125,672	-	-	-	(125,672)
Operation of Plant	1,094,638	-	-	105,624	(989,014)
Maintenance of Plant	90,200	-	-	-	(90,200)
Community Service	45,941	-	-	-	(45,941)
Debt Service - Interest	1,568	-	-	-	(1,568)
Depreciation-Unallocated	83,016	-	-	-	(83,016)
Total Imagine School at Land O'Lakes, Activities	$ 4,862,485	$ -	$ -	$ 105,624	(4,756,861)
General Revenues:					
Grants and Contributions not restricted to Specific Programs					4,992,768
Total General Revenues					4,992,768
Change in Net Position					235,907
Net Position, Beginning					596,212
Net Position, Ending					$ 832,119

Learning Lodge Academy, Inc.	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 1,004,978	$ -	$ 235,167	$ -	$ (769,811)
Student Support Services	2,457	-	-	-	(2,457)
Instructional Media Services	4,396	-	4,108	-	(288)
Instruction and Curriculum Development Services	6,966	-	-	-	(6,966)
Instructional Staff Training	34,612	-	20,916	-	(13,696)
Board	7,663	-	-	-	(7,663)
General Administration	75,335	-	-	-	(75,335)
School Administration	244,302	-	37,294	-	(207,008)
Facilities Acquisition & Construction	130,800	-	-	-	(130,800)
Fiscal Services	24,925	-	-	-	(24,925)
Food Services	1,652	-	-	-	(1,652)
Central Services	945	-	-	-	(945)
Operation of Plant	175,914	-	88,334	-	(87,580)
Community Service	94,241	102,337	-	-	8,096
Depreciation-Unallocated	25,528	-	-	-	(25,528)
Total Learning Lodge Academy, Inc., Activities	$ 1,834,714	$ 102,337	$ 385,819	$ -	(1,346,558)
General Revenues:					
Grants and Contributions not restricted to Specific Programs					1,480,853
Total General Revenues					1,480,853
Change in Net Position					134,295
Net Position, Beginning					213,505
Net Position, Ending					$ 347,800

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2016

Pepin Academies of Pasco County, Inc.	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 2,207,725	$ -	$ 319,434	$ -	$ (1,888,291)
Student Support Services	522,664	-	83,510	-	(439,154)
Instructional Media Services	15,650	-	15,650	-	-
Instructional Staff Training Services	7,478	-	3,683	-	(3,795)
General Administration	80,214	-	2,047	-	(78,167)
School Administration	463,078	-	13,536	-	(449,542)
Fiscal Services	23,264	-	-	-	(23,264)
Food Services	79,009	23,269	49,071	-	(6,669)
Student Transportation Services	38	-	-	-	(38)
Operation of Plant	431,506	-	-	-	(431,506)
Maintenance of Plant	18,314	-	-	-	(18,314)
Community Service	11,724	16,610	-	-	4,886
Debt Service - Interest	16,296	-	-	-	(16,296)
Total Pepin Academies of Pasco County, Inc., Activities	$ 3,876,960	$ 39,879	$ 486,931	$ -	(3,350,150)

General Revenues:	
Grants and Contributions not restricted to Specific Programs	3,621,722
Total General Revenues	3,621,722
Change in Net Position	271,572
Net Position, Beginning	(176,162)
Net Position, Ending	$ 95,410

Pasco Education Foundation, Inc., Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Community Service	$ 939,739	$ -	$ -	$ -	(939,739)

General Revenues:	
Grants and Contributions not restricted to Specific Programs	1,078,285
Unrestricted Investment Earnings	(152,793)
Total General Revenues	925,492
Change in Net Position	(14,247)
Net Position, Beginning	4,231,163
Net Position, Ending	$ 4,216,916

Total Component Units Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Instruction	$ 15,160,671	$ 28,618	$ 742,652	$ -	$ (14,389,401)
Student Support Services	594,251	-	83,510	-	(510,741)
Instructional Media	335,897	-	54,056	-	(281,841)
Instructional and Curriculum Development	547,109	-	-	-	(547,109)
Instructional Staff Training Services	59,300	-	26,621	-	(32,679)
Instruction-Related Technology	83,671	-	9,981	-	(73,690)
Board	148,053	-	13,338	-	(134,715)
General Administration	1,005,212	-	2,047	-	(1,003,165)
School Administration	3,786,234	-	53,239	-	(3,732,995)
Facilities Acquisition and Construction	1,028,665	-	-	392,938	(635,727)
Fiscal Services	461,214	-	-	-	(461,214)
Food Services	114,367	23,269	49,071	-	(42,027)
Central Services	23,156	-	-	-	(23,156)
Student Transportation Services	337,563	-	-	-	(337,563)
Operation of Plant	3,299,358	-	97,334	178,240	(3,023,784)
Maintenance of Plant	250,939	-	-	-	(250,939)
Administrative Technology Services	63,802	-	-	-	(63,802)
Community Service	2,032,226	589,699	-	-	(1,442,527)
Debt Service - Interest	586,636	-	-	-	(586,636)
Depreciation-Unallocated	559,836	-	-	-	(559,836)
Total Component Units Activities	$ 30,478,160	$ 641,586	$ 1,131,849	$ 571,178	(28,133,547)

General Revenues:	
Grants and Contributions not restricted to Specific Programs	28,429,296
Unrestricted Investment Earnings	(152,793)
Total General Revenues	28,276,503
Change in Net Position	142,956
Net Position, Beginning	8,025,577
Net Position, Ending	$ 8,168,533

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STATISTICAL SECTION

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Statistical Section

Introduction

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

Table 10	Ratios of Outstanding Debt by Type
Table 11	Ratio of Net General Bonded Debt Outstanding
Table 12	Direct and Overlapping Governmental Activities Debt
Table 13	Legal Debt Margin Information

Economic and Demographic Information

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

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

Operating Information

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

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

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

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

	For the Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Governmental Activities:				
Net Investment in Capital Assets	$ 464,698,097	$ 477,656,475	$ 532,146,394	$ 609,215,910
Restricted	150,139,097	239,259,651	199,546,968	150,219,796
Unrestricted	36,251,972	30,656,802	35,460,415	29,950,233
Total Governmental Activities Net Position	651,089,166	747,572,928	767,153,777	789,385,939
Business-Type Activities:				
Net Investment in Capital Assets	282,704	228,564	184,707	146,867
Unrestricted	2,677,980	2,484,446	2,766,947	3,678,225
Total Business-Type Activities Net Position	2,960,684	2,713,010	2,951,654	3,825,092
Primary Government:				
Net Investment in Capital Assets	464,980,801	477,885,039	532,331,101	609,362,777
Restricted	150,139,097	239,259,651	199,546,968	150,219,796
Unrestricted	38,929,952	33,141,248	38,227,362	33,628,458
Total Primary Government Net Position	$ 654,049,850	$ 750,285,938	$ 770,105,431	$ 793,211,031

Note (A) The District implemented GASB 68 for fiscal year ended June 30, 2015.
Fiscal years prior to 2015 have not been restated for implementation of GASB 68.

Source: District records
CAFR - Exhibit A

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
$ 610,511,400	$ 587,895,355	$ 590,932,554	$ 599,058,815	$ 623,953,695	$ 615,117,816
156,915,364	177,850,787	172,069,772	164,220,978	141,051,030	156,806,212
42,414,994	29,533,195	28,365,685	15,313,862	(183,605,569)	(183,118,232)
809,841,758	795,279,337	791,368,011	778,593,655	581,399,156	588,805,796
155,131	137,748	166,337	176,128	206,739	166,042
4,609,491	5,387,604	3,013,904	2,209,578	(751,298)	(131,406)
4,764,622	5,525,352	3,180,241	2,385,706	(544,559)	34,636
610,666,531	588,033,103	591,098,891	599,234,943	624,160,434	631,357,732
156,915,364	177,850,787	172,069,772	164,220,978	141,051,030	140,732,338
47,024,485	34,920,799	31,379,589	17,523,440	(184,356,867)	(183,249,638)
$ 814,606,380	$ 800,804,689	$ 794,548,252	$ 780,979,361	$ 580,854,597	$ 588,840,432

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

	For the Fiscal Year Ending									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Expenses										
Governmental Activities										
Instruction	$ 320,279,886	$ 348,572,526	$ 351,559,669	$ 343,287,586	$ 363,757,272	$ 334,933,329	$ 343,554,241	$ 358,768,503	$ 362,962,619	$ 386,321,690
Student Support Services	26,571,094	30,462,893	29,943,982	28,127,494	27,818,587	25,200,500	25,331,587	25,618,232	26,801,838	27,878,254
Instructional Media Services	9,481,851	10,360,657	8,979,508	10,116,970	9,838,612	7,354,703	6,917,067	1,906,905	2,343,060	2,395,795
Instruction and Curriculum Development Services	8,999,208	10,969,233	11,411,106	15,766,876	15,384,400	13,400,395	11,764,667	14,558,446	15,800,130	16,807,274
Instructional Staff Training	9,590,108	9,810,582	8,281,128	14,462,129	13,936,346	10,971,329	11,073,276	9,426,682	7,324,613	7,168,371
Instruction-Related Technology	5,817,654	6,342,050	6,531,075	6,335,019	6,147,471	4,847,994	4,892,506	8,425,406	6,888,825	7,181,975
Board	2,198,040	2,438,957	2,717,695	3,230,392	3,121,338	668,918	610,730	620,416	530,109	593,665
General Administration	2,667,580	2,842,753	1,805,179	3,323,964	3,351,534	1,259,433	1,632,018	2,556,141	2,407,270	3,366,050
School Administration	31,744,739	35,422,367	34,476,174	36,740,305	36,616,082	34,008,721	34,289,049	36,456,573	37,661,405	39,320,749
Facilities Services	13,332,062	14,328,177	17,033,887	15,095,278	14,981,752	12,736,731	14,195,220	14,491,329	17,381,716	22,312,816
Fiscal Services	2,190,039	2,302,729	2,419,295	2,394,604	2,495,234	2,199,577	2,281,430	2,708,890	2,792,302	2,789,717
Food Services	28,045,838	29,733,446	29,605,467	31,228,131	30,842,650	30,476,104	31,884,356	32,787,091	35,477,047	39,016,954
Central Services	8,317,630	1,657,766	6,455,741	7,856,068	848,370	1,734,199	4,024,807	6,030,792	8,227,505	12,010,763
Student Transportation Services	27,696,272	30,352,782	28,153,490	27,870,375	28,495,921	27,912,093	27,623,111	29,162,574	29,695,863	29,927,606
Operation of Plant	40,372,538	45,807,271	43,875,230	46,244,124	46,454,690	46,432,259	42,208,748	45,192,330	42,537,525	45,765,410
Maintenance of Plant	11,512,727	13,161,025	13,258,894	13,349,962	12,712,872	11,012,852	10,903,885	11,583,005	10,565,620	11,374,941
Administrative Technology Services	2,245,453	3,066,415	3,229,763	3,299,616	3,173,777	3,084,540	3,146,509	3,692,101	6,047,282	9,929,967
Community Services	826,818	833,011	816,613	711,668	582,837	618,337	688,852	510,674	867,512	475,657
Interest on Long-term Liabilities	12,066,754	23,240,113	20,698,823	19,193,742	18,650,661	17,827,097	16,680,024	24,315,270	15,059,988	15,510,778
Depreciation-Unallocated	-	-	-	-	-	-	-	-	-	-
Total Government Activities Expenses	563,956,291	621,704,753	621,252,719	628,634,303	639,210,406	586,679,111	593,702,083	628,811,360	631,372,229	680,148,432
Business-Type Activities:										
PLACE Program	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,363,111	9,850,333
Vending Program	-	-	-	-	-	-	-	-	552,755	506,375
Total Business-Type Activities Expenses	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,915,866	10,356,708
Total Primary Government Expenses	$ 572,764,387	$ 631,222,452	$ 630,197,239	$ 636,937,394	$ 647,250,398	$ 594,432,675	$ 601,643,593	$ 637,967,219	$ 641,288,095	$ 690,505,140
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	$ 151,873	$ 3,424,682	$ 1,645,400	$ 3,486,329	$ 254,868	$ 1,511,101	$ 522,095	$ 586,263	$ 407,780	$ 524,903
Food Services	12,582,463	12,995,845	12,998,964	12,249,850	11,824,461	11,697,038	11,441,922	11,086,807	11,033,632	11,312,259
Student Transportation	877,040	1,054,361	859,519	820,661	1,031,745	1,148,279	992,215	1,060,679	1,209,902	1,142,417
Operating grants and contributions	30,662,856	32,184,868	32,957,214	34,949,693	35,241,557	21,417,728	37,633,087	38,821,862	40,056,713	42,499,928
Capital grants and contributions	85,566,489	68,481,567	27,380,354	10,997,212	8,129,586	8,198,949	9,128,908	12,418,525	12,852,412	14,539,299
Total Government Activities Program Revenue	129,840,721	118,141,323	75,841,451	62,503,745	56,482,217	43,973,095	59,718,227	63,974,136	65,560,439	70,018,806

	For the Fiscal Year Ending									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Business-Type Activities:										
Charge for Services Provided	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,435,575	10,454,332
Charge for Sales	-	-	-	-	-	-	-	-	554,602	527,256
Total Business-Type Activities Revenues	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,990,177	10,981,588
Total Primary Government Program Revenues	$ 137,853,116	$ 127,461,525	$ 84,986,160	$ 71,678,011	$ 65,457,998	$ 52,468,259	$ 68,280,949	$ 73,334,950	$ 75,550,616	$ 81,000,394
Net (Expense) Revenues										
Government Activities	$ (434,115,570)	$ (503,563,430)	$ (545,411,268)	$ (566,130,558)	$ (582,728,189)	$ (542,706,016)	$ (533,983,856)	$ (564,837,224)	$ (565,811,790)	$ (610,129,626)
Business-Type Activities	8,012,395	9,320,202	200,189	871,175	935,789	741,600	621,212	204,955	74,311	624,880
Total Primary Government Net (Expenses)Revenues	$ (426,103,175)	$ (494,243,228)	$ (545,211,079)	$ (565,259,383)	$ (581,792,400)	$ (541,964,416)	$ (533,362,644)	$ (564,632,269)	$ (565,737,479)	$ (609,504,746)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes:										
Levied for general purposes	$ 143,633,620	$ 159,132,655	$ 163,132,311	$ 143,328,208	$ 137,589,229	$ 133,136,587	$ 120,318,952	$ 121,552,684	$ 123,010,141	$ 128,319,631
Levied for debt services	5,799,859	5,361,489	-	484	-	-	-	-	-	-
Levied for capital purposes	37,977,156	43,207,373	42,857,117	36,814,096	32,903,497	32,505,792	30,896,444	31,131,186	32,660,786	34,313,082
Sales taxes	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307	25,738,211
Grants and contributions not restricted to Specific Programs	318,247,859	342,888,614	322,280,550	359,835,520	390,434,709	326,929,740	338,910,337	369,957,624	386,425,843	404,584,134
Transfers	-	154,071	-	-	-	-	3,000,000	1,000,000	-	56,634
Miscellaneous	19,279,136	11,549,775	9,890,216	17,536,819	14,463,706	9,702,528	8,129,246	12,125,787	14,454,399	22,699,580
Unrestricted investment earnings	11,720,442	10,595,698	379,403	5,176,446	2,385,946	547,374	1,326,648	580,012	816,253	1,824,994
Total Governmental Activities	563,300,283	600,047,192	564,992,117	588,362,720	603,184,008	528,143,595	530,072,530	565,131,652	584,047,729	617,536,266
Business-Type Activities										
Interest	197,546	103,894	37,709	2,263	3,741	13,223	33,677	121	20,578	10,665
Miscellaneous	-	-	746	-	-	5,907	-	389	309	284
Transfers	-	(154,071)	-	-	-	-	(3,000,000)	(1,000,000)	-	(56,634)
Total Business-Type Activities	197,546	(50,177)	38,455	2,263	3,741	19,130	(2,966,323)	(999,490)	20,887	(45,685)
Total Primary Government	$ 563,497,829	$ 599,997,015	$ 565,030,572	$ 588,364,983	$ 603,187,749	$ 528,162,725	$ 527,106,207	$ 564,132,162	$ 584,068,616	$ 617,490,581
Changes in Net Position										
Governmental activities	$ 129,184,713	$ 96,483,762	$ 19,580,849	$ 22,232,162	$ 20,455,819	$ (14,562,421)	$ (3,911,326)	$ 294,428	$ 18,235,939	$ 7,406,640
Business-Type activities	(598,155)	(247,674)	238,644	873,438	939,530	760,730	(2,345,111)	(794,535)	95,198	579,195
Total Primary Government	$ 128,586,558	$ 96,236,088	$ 19,819,493	$ 23,105,600	$ 21,395,349	$ (13,801,691)	$ (6,256,437)	$ (500,107)	$ 18,331,137	$ 7,985,835

Source: District records - CAFR Exhibit B

Table 2

Table 3

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

	For the Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
General Fund:				
Fund Balance:				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	25,400,645	24,833,534	14,467,726	12,185,376
Unreserved	33,724,599	36,087,039	32,803,154	37,788,339
Total General Fund	$ 59,125,244	$ 60,920,573	$ 47,270,880	$ 49,973,715
All Other Governmental Funds				
Fund Balance:				
Nonspendable				
Special Revenue-Food Service	$ -	$ -	$ -	$ -
Capital Projects Other	-	-	-	-
Restricted				
Special Revenue	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Assigned				
Capital Projects	-	-	-	-
Reserved	67,080,440	111,256,904	87,804,190	32,442,711
Unreserved, reported in:				
Capital Projects funds	122,514,782	191,033,956	159,097,171	144,692,524
Debt Service funds	-	-	-	13,921,942
Special Revenue funds	1,390,340	1,127,901	1,700,634	3,665,452
Total all other government funds	$ 190,985,562	$ 303,418,761	$ 248,601,995	$ 194,722,629

Note: (A) The District implemented GASB 54 for the fiscal year ended June 30, 2011. Fiscal years prior to 2011 have not been restated for implementation of GASB 54.

Source: District records - CAFR Exhibit C

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
$ 3,893,982	$ 4,568,706	$ 3,612,982	$ 3,444,488	$ 3,706,116	$ 3,870,506
7,563,258	5,326,016	3,124,608	6,903,768	4,793,446	1,393,683
26,466,857	15,673,843	17,407,505	11,451,799	21,418,729	25,344,899
22,964,288	22,714,296	23,499,528	32,983,587	26,101,381	26,132,916
-	-	-	-	-	-
-	-	-	-	-	-
$ 60,888,385	$ 48,282,861	$ 47,644,623	$ 54,783,642	$ 56,019,672	$ 56,742,004
$ 1,695,810	$ 1,380,195	$ 1,223,200	$ 1,153,542	$ 1,238,056	$ 1,168,050
-	-	-	-	-	11,882,999
4,383,403	7,183,864	7,100,164	8,774,328	9,000,902	7,892,363
18,525,444	21,389,660	17,001,808	14,026,067	11,958,237	13,252,861
135,332,919	110,020,160	147,001,633	241,878,569	211,168,847	180,189,182
27,091,944	31,775,584	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 187,029,520	$ 171,749,463	$ 172,326,805	$ 265,832,506	$ 233,366,042	$ 214,385,455

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

	For the Fiscal Year Ending June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Revenues:				
Federal Sources:				
Federal Grants	$ 35,062,439	$ 41,047,707	$ 39,525,911	$ 79,516,781
Food Services	14,638,784	15,555,805	17,236,057	19,688,152
Total Federal Sources	49,701,223	56,603,512	56,761,968	99,204,933
State Sources:				
Florida Education Finance Program	210,168,920	212,672,606	195,130,222	213,428,570
Public Education Capital Outlay	16,678,822	20,051,633	19,148,129	1,622,195
Food Services	461,379	488,356	382,031	493,454
State Grants and Other	141,270,054	145,324,059	105,937,551	84,614,338
Total State Sources	368,579,175	378,536,654	320,597,933	300,158,557
Local Sources:				
Property Taxes	187,410,636	216,116,400	211,284,811	180,142,788
Local Sales Taxes	26,642,211	27,157,517	26,452,520	25,671,147
Food Services	12,631,122	12,995,845	12,998,964	12,249,850
Investment Earnings	11,720,442	10,595,698	379,403	5,176,446
Local grants and other	31,862,340	14,407,476	11,409,494	20,931,370
Total local sources	270,266,751	281,272,936	262,525,192	244,171,601
Total Revenues	688,547,149	716,413,102	639,885,093	643,535,091
Expenditures:				
Current-Education:				
Instruction	298,891,425	322,304,412	324,672,253	313,051,706
Student Support Services	26,420,325	29,726,490	29,528,612	28,028,160
Instructional Media Services	9,299,160	9,859,723	9,889,155	9,787,927
Instruction and Curriculum Development Services	9,242,792	10,507,790	10,715,100	15,211,665
Instructional Staff Training	9,487,305	9,612,129	8,283,841	14,045,255
Instruction-Related Technology	5,740,027	6,232,514	6,535,854	6,270,107
Board	2,196,541	2,324,216	2,630,591	3,085,096
General Administration	2,616,659	2,767,340	2,325,305	3,355,050
School Administration	31,362,443	34,253,024	34,093,343	36,185,408
Facilities Services	8,342,020	7,826,662	6,192,119	6,532,646
Fiscal Services	2,300,185	2,211,103	2,422,560	2,316,906
Food Services	27,918,172	29,541,716	29,274,591	31,001,571
Central Services	7,191,057	7,317,591	6,900,844	6,326,380
Student Transportation Services	25,471,695	29,248,215	26,931,416	26,787,809
Operation of Plant	39,315,801	45,123,394	43,075,688	45,838,612
Maintenance of Plant	12,349,335	12,800,678	12,846,399	13,167,442
Administrative Technology Services	2,815,871	3,029,555	3,118,180	3,178,804
Community Services	764,654	816,942	805,803	698,604
Capital Outlay:				
Facilities Acquisition and Construction	202,581,398	143,463,842	106,068,134	97,667,371
Other Capital Outlay	3,084,807	3,614,880	2,176,402	2,212,318
Debt Service:				
Principal	11,115,000	17,470,000	20,115,000	20,987,001
Interest	10,418,172	20,787,539	19,679,686	18,099,076
Fiscal Charges	2,536,961	15,951,113	1,174,013	1,751,549
Total Expenditures	751,461,805	766,790,868	709,454,889	705,586,463
Excess (Deficiency) of Revenues Over Expenditures	(62,914,656)	(50,377,766)	(69,569,796)	(62,051,372)
Other Financing Sources (Uses):				
Proceeds of Bonds Issued	88,590,000	5,295,000	-	1,300,000
Issuance of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Premiums on Bonds Issued	4,051,356	859,010	-	130,248
Proceeds of Certificates of Participation Issued	-	143,605,000	1,170,010	11,000,000
Premiums on Certificates of Participation Issued	-	-	-	-
Proceeds of Refunding Certificates of Participation	-	162,630,000	-	-
Capital Leases	-	-	-	-
Proceeds from the Sale of Capital Assets	169,048	193,213	133,327	63,037
Discounts on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	(147,930,000)	-	(1,418,444)
Transfers In	16,507,160	114,192,061	42,595,724	36,990,185
Transfers Out	(16,707,160)	(114,237,990)	(42,795,724)	(37,190,185)
Total Other Financing Sources (Uses)	92,610,404	164,606,294	1,103,337	10,874,841
Net Change in Fund Balances	$ 29,695,748	$ 114,228,528	$ (68,466,459)	$ (51,176,531)
Debt service as a percentage of noncapital expenditures	3.95%	6.17%	6.62%	6.45%

Table 4

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
$ 96,950,923	$ 42,340,203	$ 42,541,633	$ 46,178,627	$ 48,913,244	$ 48,742,547
20,815,526	20,980,131	22,141,725	23,319,438	24,565,522	26,319,045
117,766,449	63,320,334	64,683,358	69,498,065	73,478,766	75,061,592
222,031,695	204,656,075	229,215,516	256,270,767	268,469,393	284,094,218
3,524,056	703,197	666,291	1,002,216	796,597	2,445,259
426,031	437,597	419,874	424,778	414,356	395,520
85,811,367	82,611,163	84,676,064	85,291,068	86,841,606	90,418,539
311,793,149	288,408,032	314,977,745	342,988,829	356,521,952	377,353,536
170,492,726	165,642,379	151,215,396	152,683,870	155,670,927	162,632,713
25,406,921	25,321,574	27,490,903	28,784,359	26,680,307	25,738,211
11,778,792	11,650,985	11,441,922	11,028,315	10,532,753	10,571,030
2,388,287	590,385	1,267,749	580,012	816,254	1,824,994
19,274,584	16,094,030	15,445,937	21,704,165	24,544,524	33,517,381
229,341,310	219,299,353	206,861,907	214,780,721	218,244,765	234,284,329
658,900,908	571,027,719	586,523,010	627,267,615	648,245,483	686,699,457
325,557,314	296,241,293	299,761,436	314,892,649	333,028,297	348,822,641
27,470,406	24,952,342	25,031,281	25,231,533	26,612,973	28,063,110
9,468,350	7,142,745	6,763,983	2,314,127	2,621,203	2,666,744
15,299,116	13,293,905	11,701,933	14,274,568	15,640,068	16,304,718
13,976,906	10,844,460	10,981,833	9,767,487	7,396,496	7,890,300
6,126,500	4,799,806	4,864,701	8,298,947	6,742,355	7,202,055
2,980,400	487,161	468,772	469,656	500,228	501,973
3,317,673	1,226,250	1,512,137	2,535,795	2,357,187	3,173,955
36,404,238	33,210,176	33,759,267	35,391,965	36,925,142	38,335,496
6,424,831	4,028,151	4,833,626	4,550,999	5,708,614	7,779,022
2,404,739	2,114,358	2,228,720	2,563,383	2,774,726	2,782,547
30,565,745	30,189,633	31,598,711	32,469,486	35,249,881	38,602,742
6,675,392	5,903,365	5,643,763	6,490,365	7,760,284	7,710,236
27,697,245	27,217,617	27,052,856	28,396,338	29,405,350	29,452,611
46,183,311	46,025,891	41,856,266	44,337,010	42,452,205	45,519,558
12,518,437	10,877,222	10,586,881	11,342,028	10,536,743	11,004,569
3,196,306	3,030,764	3,118,929	3,601,933	5,988,463	9,330,449
648,347	622,397	667,873	533,017	856,821	434,922
37,632,689	35,571,766	28,043,055	42,671,034	78,196,590	131,094,037
1,930,515	907,144	1,334,131	1,692,110	3,611,166	1,388,704
21,812,001	22,527,001	23,557,001	24,607,001	21,324,001	24,451,976
17,440,390	17,133,664	16,110,854	25,426,070	15,980,740	16,400,738
1,361,160	721,224	660,328	2,251,649	706,254	643,131
657,092,011	599,068,335	592,138,337	644,109,150	692,375,787	$779,556,234
1,808,897	(28,040,616)	(5,615,327)	(16,841,535)	(44,130,304)	(92,856,777)
1,450,000	1,710,000	-	96,715,000	-	30,075,000
-	-	-	1,724,000	2,411,000	-
-	-	-	272,637	174,776	-
117,416	226,415	-	16,459,978	7,814,270	-
-	-	-	-	13,655,000	25,995,000
-	-	-	-	-	4,398,965
-	-	-	151,696,458	44,145,000	-
-	-	-	-	-	13,771,923
45,248	154,466	8,346	6,651	100,000	116,000
-	-	-	(186,756)	-	-
-	(1,931,399)	-	(150,186,713)	(55,585,176)	-
45,089,857	58,144,210	42,070,126	51,152,626	38,549,554	41,839,953
(45,289,857)	(58,148,657)	(36,524,041)	(50,167,626)	(38,364,554)	(41,598,319)
1,412,664	155,035	5,554,431	117,486,255	12,899,870	74,598,522
$ 3,221,561	$ (27,885,581)	$ (60,896)	$ 100,644,720	$ (31,230,434)	$ (18,258,255)
6.36%	7.05%	7.05%	8.34%	6.11%	6.31%

Table 5

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

	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a	(5)
Fiscal Year	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total	Percentage of Estimated Actual Value	Total Direct Tax Rate
2016	$ 27,320,145	$ 2,914,474	$ 5,409,988	$ 1,206,661	$ 21,910,157	$ 1,707,813	$ 15,499	$ 23,633,469	78.13%	7.11
2015	26,247,234	2,846,669	5,377,106	1,209,922	20,870,128	1,636,747	15,296	22,522,171	77.37%	7.34
2014	25,234,228	2,819,116	5,392,933	1,215,988	19,841,295	1,603,128	14,769	21,459,192	76.45%	7.34
2013	24,978,580	2,876,461	5,389,039	1,203,332	19,589,541	1,673,129	14,013	21,276,683	76.35%	6.86
2012	28,013,760	3,039,322	7,278,503	1,322,493	20,735,257	1,716,829	14,073	22,466,159	72.31%	6.37
2011	29,126,608	3,111,656	7,962,504	1,342,488	21,164,104	1,769,168	12,413	22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.37
2009	39,790,826	3,474,265	12,525,774	1,324,268	27,265,052	2,149,997	12,816	29,427,865	68.00%	5.43
2008	42,731,681	3,026,634	15,219,773	847,859	27,511,908	2,178,775	3,678	29,694,361	64.89%	5.43
2007	37,956,299	2,912,306	14,134,555	843,243	23,821,744	2,069,063	3,186	25,893,993	63.35%	5.99

(1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property. . .". Consequently, estimated actual value, above, is assessed value before exemptions. Pasco County Property Appraiser's Office.

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

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

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

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

Source: Pasco County Property Appraiser

Table 6

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

Fiscal Year	Property Tax General Purposes	Property Tax Debt Service (1)	Property Tax Capital Projects	Sales Tax	Total
2016	$ 128,319,631	$ -	$ 34,313,082	$ 25,738,211	$ 188,370,924
2015	123,010,141	-	32,660,786	26,680,307	182,351,234
2014	121,552,684	-	31,131,186	28,784,359	181,468,229
2013	120,318,952	-	30,896,444	27,490,903	178,706,299
2012	133,136,587	-	32,505,792	25,321,574	190,963,953
2011	137,589,229	-	32,903,497	25,406,921	195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935
2009	163,132,311	-	42,857,117	26,452,520	232,441,948
2008	159,132,655	5,361,489	43,207,373	27,157,517	234,859,034
2007	143,633,620	5,799,859	37,977,156	26,642,211	214,052,846

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

Source: District Records

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2016	$ 168,011,731	$ 162,533,528	96.7%	$ -	$ 162,533,528	96.7%
2015	160,986,519	155,605,008	96.7%	159,639	155,764,647	96.8%
2014	157,875,272	152,490,829	96.6%	161,858	152,652,687	96.7%
2013	156,192,206	151,072,442	96.7%	142,954	151,215,396	96.8%
2012	171,750,509	165,642,379	96.4%	554,161	166,196,540	96.8%
2011	178,353,964	170,468,487	95.6%	24,239	170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%
2009	212,147,737	205,271,904	96.8%	717,524	205,989,428	97.1%
2008	214,038,792	207,240,160	96.8%	461,357	207,701,517	97.0%
2007	191,838,693	180,711,833	94.2%	6,675,656	187,387,489	97.7%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter.
Accordingly, taxes collected usually will not be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

(A) Net of allowable discounts

Sources: District records

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

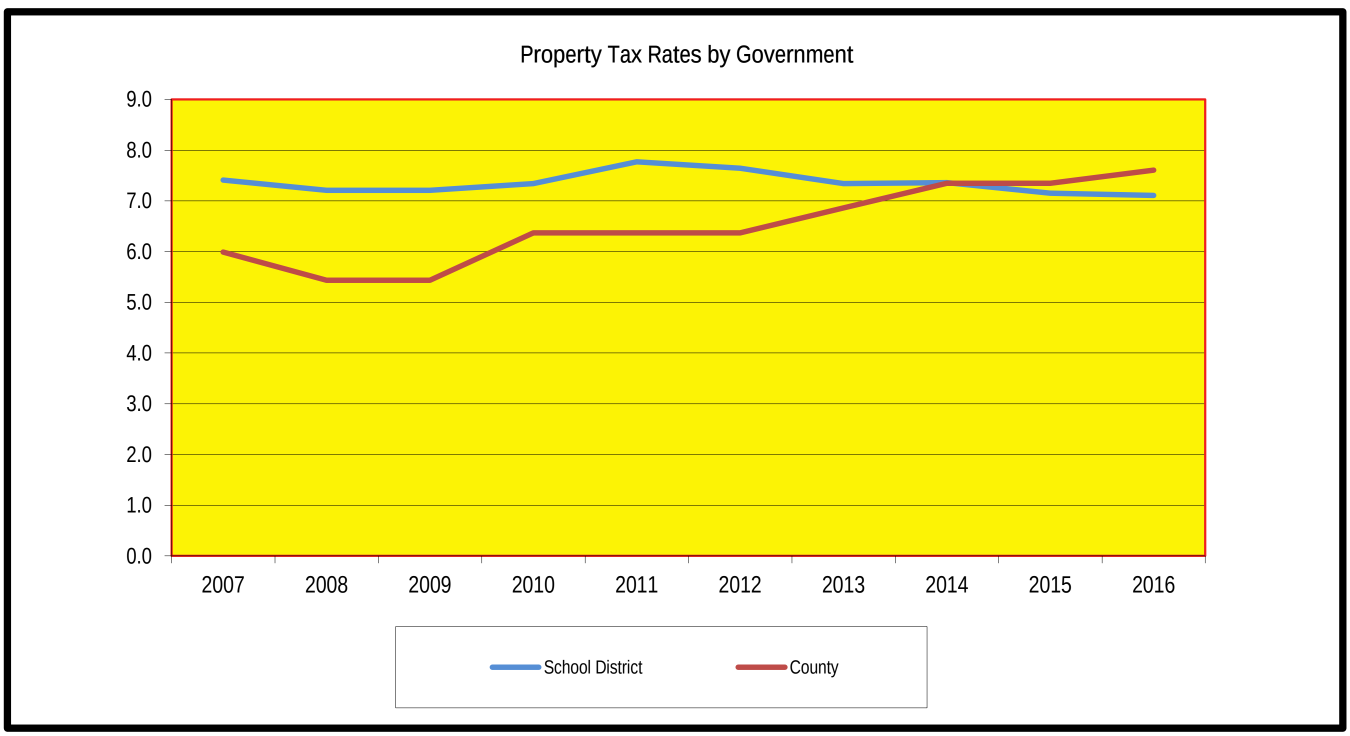
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2016	4.861	0.748	0.000	1.500	0.000	7.109	7.608
2015	4.901	0.748	0.000	1.500	0.000	7.149	7.344
2014	5.109	0.748	0.000	1.500	0.000	7.357	7.344
2013	5.093	0.748	0.000	1.500	0.000	7.341	6.862
2012	5.396	0.748	0.000	1.500	0.000	7.644	6.367
2011	5.519	0.748	0.000	1.500	0.000	7.767	6.367
2010	5.092	0.748	0.000	1.500	0.000	7.340	6.367
2009	4.969	0.498	0.241	1.500	0.000	7.208	5.433
2008	4.781	0.510	0.231	1.500	0.186	7.208	5.433
2007	4.921	0.510	0.250	1.500	0.228	7.409	5.988

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

(2) The voter approved Debt Service Millage expired with the 2007-2008 fiscal year.

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

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



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

	2016			2007		
Taxpayer	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Duke Energy Center (Florida Power Corporation)	1	$ 451,510,860	1.97%	1	$ 290,142,970	0.70%
Withlacoochee River Electric Cooperative	2	242,743,304	1.05%	3	185,484,679	0.45%
HCA Health Services of Florida	3	179,161,340	0.78%	5	115,099,325	0.28%
Frontier Communications Inc. (1)	4	115,400,141	0.50%	2	267,758,723	0.65%
Tampa Premium Outlets	5	98,576,175	0.43%			
FL Gas Transmission Company	6	87,235,815	0.38%			
Wal-Mart Stores	7	83,180,668	0.36%	7	83,048,152	0.20%
Shady Hills Power Company LLC	8	81,802,471	0.35%	4	152,823,989	0.37%
Goodforest LLC	9	78,798,641	0.34%			
Brighthouse Networks	10	72,072,552	0.31%	6	95,946,811	0.23%
Zephyrhills Bottle Water America, Inc.				8	74,101,681	0.18%
Gulf View Associates				9	50,525,630	0.12%
Target Corporation				10	47,223,174	0.11%
Total		$ 1,490,481,967	6.47%		$ 1,362,155,134	2.59%

(1) Formerly Verizon Communications Inc.

Source: Pasco County Property Appraiser

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

	Governmental Activities											
Fiscal Year	State Board of Education Bonds	District Revenue Bonds	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Note Payable	Capital Leases	Total Primary Government	Estimated Population	Per Capita	Personal Income (thousands of dollars)	Ratio of Outstanding Debt To Personal Income (1)
2016	$ 9,887,266	$ 2,545,807	$ -	$ 127,361,057	$ 369,048,086	$ -	$ 11,487,471	$ 520,329,687	497,909	$ 1,045	N/A	N/A
2015	12,068,756	2,643,796	-	106,873,977	351,603,807	-	-	473,190,336	485,331	975	16,478,279	29
2014	13,770,270	2,736,785	-	122,299,509	340,136,322	-	-	478,942,886	475,502	1,007	15,679,803	31
2013	15,498,519	2,829,773	-	27,254,033	342,845,923	-	-	388,428,248	470,391	826	15,735,511	25
2012	18,633,288	2,917,763	-	40,030,452	352,547,848	-	-	414,129,351	466,457	888	14,974,427	28
2011	18,748,406	3,005,751	-	52,221,872	361,874,773	-	-	435,850,802	464,697	938	13,790,695	32
2010	18,687,776	3,088,157	-	63,858,291	371,141,698	-	-	456,775,922	471,709	968	13,635,875	33
2009	20,078,502	3,170,563	-	75,064,711	369,093,623	-	-	467,407,399	439,702	1,063	12,750,465	37
2008	21,412,537	3,247,970	-	85,861,130	376,523,536	-	-	487,045,173	438,668	1,110	12,750,465	38
2007	17,056,632	3,325,376	5,320,000	92,472,550	222,565,627	-	-	340,740,185	434,425	784	13,304,700	26

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements
N/A = Data not currently available
(1) Ratio per thousand dollars of personal income

Source: District records
Pasco County Government
US Census Bureau: http://quickfacts.census.gov/qfd/states/12/12101.html

District School Board of Pasco County
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population (1)	Net Taxable Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (4)	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2016	497,909	$ 23,633,469	$ -	$ -	$ -	0.00%	$ -
2015	485,331	22,522,171	-	-	-	0.00%	-
2014	475,502	21,459,192	-	-	-	0.00%	-
2013	470,391	21,276,683	-	-	-	0.00%	-
2012	466,457	22,466,159	-	-	-	0.00%	-
2011	464,697	22,963,002	-	-	-	0.00%	-
2010	471,709	25,445,098	-	-	-	0.00%	-
2009	439,702	29,432,261	-	-	-	0.00%	-
2008	438,668	29,694,616	-	-	-	0.00%	-
2007	434,425	25,892,657	5,320,000	-	5,320,000	0.02%	12

(1) 2010 Population estimate was obtained from the United States Census Bureau.
(2) Net Taxable Assessed Values are expressed in thousands.
(3) Includes General Obligation Bonds only.
(4) Reserved for Debt Service - General Obligation Bonds only.

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

Source: District records

Table 12

District School Board of Pasco County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016
(Unaudited)

Jurisdiction		Net Debt Outstanding	Percentage Applicable to this Governmental Unit		Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	$	65,949,000	0%	$	-
District School Board of Pasco County Direct Debt		520,329,687	100%		520,329,687
Totals	$	586,278,687		$	520,329,687

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

Source : District records
Pasco County CAFR, September 30, 2015

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

	For the Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Assessed Valuation	$ 25,892,656,671	$ 29,694,362,126	$ 29,432,260,894	$ 25,445,098,119
Debt Limit	$ 2,589,265,667	$ 2,969,436,213	$ 2,943,226,089	$ 2,544,509,812
Less: Net Debt applicable to the limit	340,740,185	487,045,173	467,407,399	456,775,922
Legal debt margin	$ 2,248,525,482	$ 2,482,391,040	$ 2,475,818,690	$ 2,087,733,890
Total net debt applicable to the limit as a percentage of debt	13.16%	16.40%	15.88%	17.95%

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

Source: District Records
Pasco Property Appraisers Office

Table 13

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
$ 22,963,002,249	$ 22,466,159,275	$ 21,276,683,168	$ 21,459,191,534	$ 22,522,171,880	$ 23,633,468,723
$ 2,296,300,225	$ 2,246,615,928	$ 2,127,668,317	$ 2,145,919,153	$ 2,252,217,188	$ 2,363,346,872
435,850,802	414,129,351	388,428,248	478,942,886	473,190,336	520,329,687
$ 1,860,449,423	$ 1,832,486,577	$ 1,739,240,069	$ 1,666,976,267	$ 1,779,026,852	$ 1,843,017,185
18.98%	18.43%	18.26%	22.32%	21.01%	22.02%

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

Fiscal Year	Estimated Population (1)	Personal Income (thousands of dollars) (5)	Per Capita Personal Income (4)	Unemployment Rate (2)	Student Membership (3)
2016	497,909	N/A	N/A	5.3%	70,521
2015	485,331	$ 16,478,279	$ 33,953	6.1%	69,302
2014	475,502	15,679,803	32,975	8.1%	67,230
2013	470,391	15,735,511	33,452	9.9%	66,417
2012	466,457	14,974,427	32,102	9.0%	65,976
2011	464,697	13,790,695	29,236	11.7%	66,162
2010	437,500	13,635,875	29,113	13.2%	66,207
2009	439,702	12,750,465	27,628	12.5%	66,190
2008	438,668	12,750,465	29,066	8.1%	66,313
2007	434,425	13,304,700	30,626	3.4%	64,688

N/A = Data not currently available

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

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

	2016			2007		
Employer	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
District School Board of Pasco County	1	10,344	5.11%	1	8,675	4.73%
Pasco County Government	2	3,851	1.90%	2	2,245	1.22%
HCA Health Services of Florida	3	2,794	1.38%	5	1,000	0.54%
State of Florida Government	4	1,225	0.61%	3	1,281	0.70%
Pasco County Sheriff	5	1,198	0.59%	4	1,149	0.63%
Saint Leo University	6	1,056	0.52%			
Wal-Mart Supercenters	7	1,012	0.50%			
Morton Plant North Bay Hosp./Recovery Center	8	985	0.49%			
Florida Medical Clinic	9	982	0.49%			
Florida Hospital Wesley Chapel	10	915	0.45%			
Regional Medical Center Bayonet Point				6	1,000	0.54%
Community Hospital of New Port Richey				7	1,000	0.54%
Saddlebrook Resort				8	720	0.39%
Florida Hospital Zephyrhills				9	708	0.39%
Pasco-Hernando State College				10	609	0.33%
Total		24,362	12.04%		18,387	10.02%

Source: Pasco Economic Development Council
District School Board of Pasco County 2007 CAFR

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

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Students
2016	5,275	318	4,315	9,908	12.81
2015	5,205	307	4,201	9,713	12.57
2014	5,094	297	3,971	9,362	12.47
2013	5,179	294	3,597	9,070	12.14
2012	5,268	287	3,841	9,396	11.88
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,783	12.10
2009	6,261	329	4,310	9,210	10.04
2008	6,045	324	2,620	8,675	10.41
2007	5,746	321	2,306	8,373	10.66

Source: FL DOE EIAS Publications
District records

Table 17

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2016	$ 38,120	$ 62,560	$ 43,117	$ 48,179
2015	37,560	62,000	43,555	47,950
2014	37,000	64,440	41,824	46,583
2013	36,420	63,870	42,595	46,479
2012	36,420	63,870	42,710	45,723
2011	36,420	63,870	42,710	46,089
2010	36,420	63,870	42,850	46,938
2009	36,420	63,870	43,901	46,655
2008	36,420	63,870	45,211	45,296
2007	35,300	61,750	43,472	42,702

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

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

Fiscal Year	Average Daily Membership	Operating Expenditures (1)	Cost per Student	Percentage Change	Instructional Staff	Student Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2016	71,658	$ 519,575,424	$ 7,251	1.37%	5,275	13.58	56.13%
2015	69,302	495,701,633	7,153	2.34%	5,205	13.31	56.36%
2014	67,230	469,876,446	6,989	3.23%	5,094	13.20	55.53%
2013	66,417	449,649,188	6,770	-1.03%	5,179	12.82	55.00%
2012	65,976	451,316,247	6,841	0.43%	5,268	12.52	57.28%
2011	66,162	450,668,927	6,812	-0.93%	5,412	12.23	52.14%
2010	66,207	455,202,664	6,875	-7.53%	5,133	12.90	48.78%
2009	66,190	492,124,221	7,435	-0.34%	6,261	10.57	44.85%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.36%
2007	64,688	456,679,581	7,060	9.53%	5,746	11.26	44.18%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

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

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2006-2007	2007-2008	2008-2009
Elementary Schools							
Anclote	1973	64,909	4	481	574.48	585.62	568.08
Calusa	1979	75,551	4	657	686.86	682.42	632.04
Centennial	1986	87,837	4	687	713.95	689.60	697.81
Chasco	2000	104,734	7	624	655.34	704.37	652.34
Chester W. Taylor	1996	96,454	12	536	842.44	827.22	599.12
Connerton	2010	118,741	-	762	-	-	-
Cotee River	1993	122,295	1	751	787.20	721.32	657.12
Cypress	1973	70,663	12	708	879.17	904.72	889.03
Deer Park	1988	78,637	7	615	650.38	632.70	648.37
Denham Oaks	1994	130,212	4	870	881.93	868.77	872.12
Double Branch	2008	105,122	6	762	-	723.47	763.21
Fox Hollow	1990	113,120	4	774	704.13	684.15	615.47
Gulf Highlands	2006	124,261	-	762	609.92	634.96	589.40
Gulf Trace	2008	96,625	-	762	-	231.98	563.17
Gulfside	1977	75,658	3	649	642.37	624.43	548.29
Hudson	1966	77,623	15	561	836.59	759.20	675.36
James M. Marlowe	1999	102,826	1	616	638.86	542.67	530.62
Lacoochee	1971	82,667	3	579	406.20	396.10	399.06
Lake Myrtle	1984	98,634	9	754	828.13	825.13	782.83
Longleaf	2005	104,502	15	674	809.65	893.19	943.09
Dr. Mary Giella	1989	89,354	3	634	614.11	656.98	631.46
Mittye P. Locke	1966	85,466	6	746	882.26	856.74	585.38
Moon Lake	1982	74,370	11	602	624.79	674.65	611.51
New River	2008	109,787	-	762	-	256.91	449.63
Northwest	1973	82,160	6	720	698.45	670.47	707.31
Oakstead	2006	126,143	24	762	730.76	1,000.33	1,096.17
Odessa	2010	97,687	-	762	-	-	-
Pasco	1954	92,802	4	715	684.04	661.28	650.22
Pine View	2003	99,191	9	624	725.37	716.19	721.16
Quail Hollow	1975	66,565	2	494	834.19	794.95	390.03
Richey	1958	77,103	10	558	654.02	623.48	600.02
Rodney B. Cox	1925	67,685	8	510	468.17	447.42	460.75
San Antonio	1981	89,860	2	776	694.46	689.54	724.58
Sand Pine	1998	82,033	16	517	1,043.65	749.86	707.03
Sanders Memorial	1944	33,670	1	280	733.34	854.25	745.26
Schrader	1972	90,253	1	749	562.53	569.85	625.07
Seven Oaks	2005	101,322	22	674	1,057.30	1,153.35	887.82
Seven Springs	1987	92,004	-	636	704.47	620.09	579.26
Shady Hills	1973	74,506	2	437	589.66	563.38	536.06
Sunray	2000	98,044	-	629	865.61	577.86	533.01
Trinity	2001	101,287	9	621	653.81	649.54	663.27
Trinity Oaks	2006	116,975	-	762	559.64	650.32	685.86
Veterans	2008	95,730	-	762	-	-	726.44
Watergrass	2009	97,974	-	762	-	-	-
Wesley Chapel	2002	99,856	18	618	1,377.56	1,095.98	1,071.34
West Zephyrhills	1958	83,003	9	758	895.33	818.70	813.51
Woodland	1977	78,211	25	670	938.12	945.82	917.58
Total Elementary Schools					29,739.24	30,229.96	29,746.26
Middle Schools							

Full-Time Equivalent
Enrollment Data

2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
574.60	539.34	512.51	531.84	597.97	576.02	415.40
581.83	597.29	591.85	552.24	614.90	582.90	611.85
653.01	670.28	644.00	581.24	641.11	519.58	481.20
662.78	653.15	663.37	694.27	790.01	674.91	702.24
611.35	532.22	577.48	541.19	567.85	519.93	504.38
-	809.50	847.35	870.13	1,044.52	963.61	801.13
619.73	603.90	540.11	586.82	732.95	622.38	669.98
831.56	810.75	797.54	766.01	826.41	785.44	804.90
677.73	671.86	642.78	604.63	581.30	581.85	579.13
846.44	803.96	744.33	699.39	792.01	685.62	623.62
798.68	808.39	810.32	837.35	965.60	862.23	894.83
609.34	560.06	524.90	537.03	610.18	514.62	498.41
592.77	552.29	532.72	541.09	620.71	535.74	590.86
588.38	590.27	592.26	626.18	677.12	668.68	671.11
554.88	541.33	542.97	527.87	591.28	516.90	465.27
699.77	711.44	717.82	674.55	698.64	595.89	572.61
508.46	498.20	501.41	443.23	453.08	403.20	438.07
410.84	420.72	384.53	375.27	382.82	364.31	347.78
832.77	782.25	730.81	669.57	750.06	647.89	611.50
990.02	651.78	674.12	647.99	721.05	641.33	664.09
649.01	647.39	621.79	614.45	711.56	643.90	657.65
589.00	555.85	526.58	523.80	603.91	567.80	543.45
665.65	726.45	656.84	671.33	726.69	571.53	568.85
510.51	582.75	571.90	594.40	762.82	653.65	683.97
656.62	642.88	624.11	625.89	776.65	665.23	630.06
1,064.34	974.99	1,017.56	1,076.36	1,260.66	1,142.92	1,041.70
-	637.67	691.79	710.82	812.15	836.06	918.61
631.16	638.28	621.12	666.33	716.92	640.24	650.14
737.84	733.38	704.31	735.28	764.97	623.24	550.51
380.95	399.04	370.77	345.23	-	-	385.16
620.77	581.41	580.95	591.52	666.87	605.66	621.79
413.01	378.46	360.75	369.23	411.66	393.74	378.06
646.69	660.75	682.60	636.18	709.08	610.35	625.66
701.02	672.20	661.58	633.56	663.64	573.99	610.31
725.74	-	-	-	-	-	708.28
587.90	552.92	543.04	536.14	587.85	594.09	622.25
928.79	932.35	933.80	950.81	1,088.11	1,083.04	1,112.34
571.16	549.23	530.81	529.89	547.25	514.23	479.25
505.15	459.60	424.80	415.72	-	-	487.26
523.23	541.80	539.64	524.65	538.71	513.55	549.92
699.92	531.68	497.99	524.47	623.14	581.61	607.43
729.63	721.54	707.72	690.95	755.83	713.37	725.04
765.82	815.70	805.46	802.90	884.72	794.85	802.79
472.38	487.05	504.21	563.65	804.81	782.34	615.24
589.01	579.82	591.37	621.56	868.26	812.39	632.85
750.10	767.94	764.74	789.28	864.26	799.37	825.24
924.14	866.69	853.97	850.97	958.35	904.12	946.57
29,684.48	29,446.80	28,963.38	28,903.26	31,768.44	28,884.30	29,928.74

(continued)

Table 19

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

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data 2006-2007	2007-2008	2008-2009
Middle Schools							
Bayonet Point	1973	133,360	5	1,000	985.50	975.00	1,005.52
Centennial	2001	115,614	6	686	652.80	660.36	659.14
Charles S. Rushe	2007	192,785	11	1,494	-	1,223.93	1,279.33
Chasco	2001	134,642	4	944	888.52	855.84	869.92
Crews Lake	2008	192,206	-	1,493	-	-	666.70
Dr. John Long	2006	187,602	23	1,475	1,263.58	1,534.60	1,653.75
Gulf	1964	167,643	3	1,546	949.17	935.59	919.45
Hudson	1984	148,691	5	1,168	1,195.56	1,186.12	892.03
Pasco	1946	136,864	10	1,124	756.11	707.82	720.33
Paul R. Smith	2006	187,602	-	1,430	915.92	899.50	917.81
Pine View	1977	138,136	6	1,280	1,871.85	898.10	885.29
Raymond B. Stewart	1926	186,071	5	1,195	1,003.34	1,017.92	1,014.75
River Ridge (c)	1990	-	12	1,380	1,467.56	1,421.79	1,149.35
Seven Springs	1995	224,939	5	1,500	1,307.65	1,329.30	1,381.79
Thomas E. Weightman	1990	162,472	10	1,083	1,074.60	1,057.25	1,073.09
Total Middle Schools					14,332.16	14,703.12	15,088.25
Education Centers							
Energy & Marine	1964	13,287	-	75	74.72	66.47	82.27
F. K. Marchman Tech	1984	177,967	5	749	450.10	454.04	397.77
Harry Schwettman	1923	28,351	4	155	109.54	128.12	158.17
James Irvin	1995	22,214	20	500	107.25	107.76	110.00
Moore Mickens	1952	73,442	4	513	198.50	207.55	200.73
Other Programs	n/a	n/a	-	n/a	829.14	858.02	893.76
Total Education Centers					1,769.25	1,821.96	1,842.70
High Schools							
Anclote	2009	222,463	-	1,766	-	-	-
Fivay	2010	278,342	-	1,922	-	-	-
Gulf	1971	240,232	7	1,617	1,681.49	1,676.71	1,654.55
Hudson	1973	185,238	5	1,694	1,604.57	1,601.01	1,542.26
J. W. Mitchell	2000	220,930	26	1,951	2,423.92	2,458.87	2,388.46
Land O' Lakes	1973	207,212	16	1,596	2,499.67	1,687.95	1,465.35
Pasco	1964	241,858	18	1,554	1,280.16	1,244.55	1,230.23
Ridgewood	1977	195,139	12	1,542	1,846.46	1,824.09	1,752.22
River Ridge (c)	1990	446,228	7	1,970	1,935.79	1,933.85	1,881.95
Sunlake	2007	218,643	-	1,787	-	1,115.57	1,433.25
Wesley Chapel	1999	217,180	3	1,547	1,789.58	1,569.29	1,290.21
Wiregrass Ranch	2006	218,690	18	1,764	715.01	1,316.77	1,813.07
Zephyrhills	1973	217,998	15	1,444	1,597.89	1,624.66	1,524.86
Total High Schools					17,374.54	18,053.32	17,976.41

Middle Schools

Table 19

Full-Time Equivalent
Enrollment Data

2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
947.24	822.68	781.17	769.27	736.24	700.15	515.28
664.91	668.89	675.20	643.13	629.92	559.65	552.78
1,317.04	1,329.22	1,283.69	1,302.23	1,284.12	1,306.24	1,365.71
791.23	764.44	740.46	741.89	730.59	683.57	819.86
683.16	819.51	792.16	755.10	1,226.87	1,191.32	628.80
1,705.56	1,778.26	1,538.44	1,609.63	1,617.68	1,675.59	1,725.23
878.77	874.74	845.93	823.45	827.18	706.80	780.30
864.90	869.61	850.69	802.90	783.49	733.96	735.64
717.11	725.71	866.67	851.18	922.49	909.30	901.40
937.36	1,017.48	1,050.05	1,054.24	1,080.12	999.58	979.31
877.43	823.42	847.56	903.37	925.71	916.54	895.56
970.64	950.57	1,027.45	1,063.36	992.98	965.99	920.33
1,131.99	1,060.62	1,064.96	1,056.95	1,168.70	1,099.45	1,069.18
1,358.92	1,288.22	1,302.63	1,362.97	1,383.08	1,415.36	1,523.27
1,048.49	1,075.54	1,137.23	1,211.74	1,249.98	1,129.51	1,121.96
14,894.75	14,868.91	14,804.29	14,951.41	15,559.15	14,993.01	14,534.61
-	-	-	-	-	-	-
392.28	335.39	275.55	224.17	258.55	209.59	131.48
86.28	106.80	128.08	126.03	125.15	129.67	131.42
71.09	107.02	103.04	99.24	121.85	90.24	137.96
184.90	163.51	148.80	143.78	150.56	101.94	-
813.09	1,082.05	1,381.08	1,541.93	2,241.33	2,077.25	2,207.33
1,547.64	1,794.77	2,036.55	2,135.15	2,897.44	2,608.69	2,608.19
913.35	1,155.12	1,140.05	1,202.70	1,290.68	1,284.84	1,272.23
-	1,206.52	1,496.63	1,479.13	1,454.15	1,186.25	1,230.19
1,382.12	1,286.34	1,224.47	1,188.19	1,226.20	1,108.02	1,154.81
1,505.06	1,126.44	1,086.02	1,088.98	1,278.34	1,165.70	1,110.44
1,832.02	1,660.55	1,657.86	1,631.13	1,677.98	1,698.09	1,798.21
1,486.85	1,518.99	1,558.24	1,551.39	1,604.11	1,597.88	1,640.06
1,233.96	1,228.31	1,293.52	1,348.07	1,349.65	1,486.56	1,636.45
1,765.37	1,188.49	1,037.44	1,038.30	1,079.88	1,023.36	1,011.42
1,823.88	1,508.65	1,452.96	1,422.63	1,415.17	1,386.23	1,464.42
1,507.19	1,529.25	1,485.55	1,507.45	1,708.11	1,617.98	1,682.89
1,305.37	1,277.51	1,325.06	1,414.52	1,524.22	1,451.59	1,505.49
1,960.21	2,035.56	1,952.62	1,922.33	2,078.44	2,130.73	2,146.44
1,509.82	1,457.96	1,466.19	1,433.50	1,531.69	1,420.58	1,435.16
18,225.20	18,179.69	18,176.61	18,228.32	19,218.62	18,557.81	19,088.21

(continued)

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

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data 2006-2007	2007-2008	2008-2009
Charter Schools							
Academy at the Farm	n/a	n/a	n/a	n/a	255.79	289.00	284.00
Athenian Academy	n/a	n/a	n/a	n/a	106.50	215.00	258.50
Classical Preparatory	n/a	n/a	n/a	n/a	-	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	153.50	151.00	180.02
Dayspring Academy	n/a	n/a	n/a	n/a	403.92	404.00	416.06
Deerwood Academy	n/a	n/a	n/a	n/a	-	-	-
Imagine School	n/a	n/a	n/a	n/a	-	-	397.50
Language Academy	n/a	n/a	n/a	n/a	87.00	-	-
Learning Lodge	n/a	n/a	n/a	n/a	-	-	-
Pepin Academies	n/a	n/a	n/a	n/a	-	-	-
Richard Milburn Academy	n/a	n/a	n/a	n/a	154.01	-	-
Total Charter Schools					1,160.72	1,059.00	1,536.08
East Bus Garage	1966	9,061	-	n/a	-	-	-
West Bus Garage	1960	21,292	-	n/a	-	-	-
Central Bus Garage	1980	11,484	1	n/a	-	-	-
Administration Building	1972	214,881	15	n/a	-	-	-
District Maintenance	1984	37,354	-	n/a	-	-	-
Northwest Bus Garage	1989	11,941	1	n/a	-	-	-
Southeast Bus Garage	1980	8,251	-	n/a	-	-	-
Total District					64,375.91	65,867.36	66,189.70

(a) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.
(b) Square footage is current, but does not include portables.
(c) River Ridge was built as a combination Middle School and High School.
All data was aggregate until 2006-2007 when then Middle School received its own School Identifier.

Source: District Records

Full-Time Equivalent
Enrollment Data

2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
378.00	379.34	381.50	389.84	501.16	440.63	550.61
276.64	318.00	328.99	391.46	439.89	366.75	354.60
-	-	-	-	-	310.37	410.38
203.50	209.00	213.50	232.00	286.78	270.58	292.23
458.03	490.00	524.33	552.28	695.23	606.57	641.73
-	-	-	-	-	-	-
538.50	475.56	546.92	633.60	772.19	704.69	721.72
-	-	-	-	-	-	-
-	-	-	-	-	170.03	210.29
-	-	-	-	-	202.68	269.80
-	-	-	-	-	-	-
1,854.67	1,871.90	1,995.24	2,199.18	2,695.25	3,072.30	3,451.36
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
66,206.74	66,162.07	65,976.07	66,417.32	72,138.90	68,116.11	69,611.11

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SINGLE AUDIT REPORT

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
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Phone: (850) 412-2722
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pasco County District School Board, as of and for the fiscal year ended June 30, 2016, 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 16, 2016, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

The results of our operational audit of the District will be presented in a separate report.

Purpose of this Report

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

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
December 16, 2016
Audit Report No. 2017-082

AUDITOR GENERAL
STATE OF FLORIDA

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

Sherrill F. Norman, CPA
Auditor General

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

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

Report on Compliance for the Major Federal Program

We have audited the Pasco County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2016. The District's major Federal program is 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 the District's major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2016-001. Our opinion on the major Federal program is not modified with respect to this matter.

District's response to the noncompliance finding identified in our audit is included as District Response in Federal Awards Finding No. 2016-001 and in the **CORRECTIVE ACTION PLAN**. 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.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2016-001, that we consider to be a significant deficiency.

District's response to the internal control over compliance finding identified in our audit is included as District Response in Federal Awards Finding No. 2016-001 and in the **CORRECTIVE ACTION PLAN**. District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
December 16, 2016
Audit Report No. 2017-082

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	15002	$ 5,317,878	$ -
National School Lunch Program	10.555	15001, 15003	18,780,943	-
Summer Food Service Program for Children	10.559	14006, 14007, 15006, 15007	809,116	-
Total Child Nutrition Cluster			24,907,937	-
Fresh Fruit and Vegetable Program	10.582	15004	43,382	-
Florida Department of Health				
Child Care Food Program	10.558	A-4501	1,367,726	-
Total United States Department of Agriculture			26,319,045	-
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.063	N/A	687,795	271,644
Total Direct			687,795	271,644
Indirect:				
Special Education Cluster:				
Special Education - Grants to States				
Florida Department of Education	84.027	263	16,273,910	-
University of South Florida	84.027	none	750	-
Total Special Education - Grants to States			16,274,660	-
Special Education - Preschool Grants				
Florida Department of Education	84.173	267	361,468	-
Total Special Education Cluster			16,636,128	-
Florida Department of Education:				
Adult Education - Basic Grants to States Program	84.002	191, 193	582,523	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	14,605,614	-
Migrant Education - State Grant Program	84.011	217	145,609	-
Career and Technical Education - Basic Grants to States	84.048	161	663,843	-
Education for Homeless Children and Youth	84.196	127	117,452	-
Charter Schools	84.282	298	1,033,843	1,033,843
Twenty-First Century Community Learning Centers	84.287	244	750,312	-
English Language Acquisition State Grants	84.365	102	267,826	-
Improving Teacher Quality State Grants	84.367	224	1,836,051	-
Total Indirect			36,639,201	1,033,843
Total United States Department of Education			37,326,996	1,305,487

(continued)

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600	N/A	$ 6,705,703	$ -
Total United States Department of Health and Human Services			6,705,703	-
United States Department of Defense:				
Direct:				
Junior Reserve Officers Training Corps - Air Force	None	N/A	64,734	-
Junior Reserve Officers Training Corps - Army	None	N/A	220,118	-
Junior Reserve Officers Training Corps - Navy	None	N/A	372,354	-
Total United States Department of Defense			657,206	-
Total Expenditures of Federal Awards			$ 71,008,950	$ 1,305,487

The accompanying notes are an integral part of this schedule.

Notes:

(1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) included the Federal award activity of the Pasco County District School Board under programs of the Federal government for the year ended June 30, 2016. the information in this Schedule is presented in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

(2) Summary of Significant Account Policies. Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

(4) Noncash Assistance.
(A) National School Lunch Program - Includes $2,040,036 of donated food received during the fiscal year.
Donated foods are valued at fair value as determined at the time of donation.

(5) Head Start. Expenditures include $461,364 for grant number/program year 04CH307047 and $6,244,339 for grant number/program year 04CH01018301.

(6) Total expenditures for ROTC programs, including the portion funded by the District, are $1,344,333.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major Federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major program:	
CFDA Numbers:	Name of Federal Program or Cluster:
84.027 and 84.173	Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs:	$2,130,268
Auditee qualified as low risk auditee?	Yes

FEDERAL AWARDS FINDING AND QUESTIONED COSTS

U.S. Department of Education

Finding Number	**2016-001**
CFDA Number	84.027
Program Title	**Special Education - Grants to States**
Compliance Requirement	Special Tests and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools
Pass-Through Entity	Florida Department of Education (FDOE)
Federal Grant/Contract Number and Grant Year	H027A150024 – 2016
Statistically Valid Sample	Not Applicable
Finding Type	Noncompliance and Significant Deficiency
Questioned Costs	$28,080
Prior Year Finding	Not Applicable

Finding

The District did not comply with Federal regulations by allocating additional Special Education Program funds totaling $28,080 to a charter school within 5 months of the date that the charter school significantly expanded enrollment.

Criteria

Title 34, Section 76.793, Code of Federal Regulations, requires that, for each eligible charter school that significantly expands enrollment on or before November 1 of an academic year, the District allocate Program funds to the charter school within 5 months of the date that the charter school significantly expands enrollment.

Condition

During the 2015-16 fiscal year, the District allocated $16,777,445 in Program funds to District schools, including $147,014 allocated to nine charter schools based on their 2014-15 fiscal year unweighted full-time equivalent (FTE) student counts.

Our examination of District records supporting the FTE student counts for the nine charter schools as of October 2015 disclosed that five charter schools had significantly expanded enrollment from the 2014-15 fiscal year. Based on District records, the District appropriately provided services equal to or greater than the required allocations for the expanded enrollment for four of the five charter schools. However, for one charter school, student enrollment expanded from 204 FTE in the 2014-15 school year to 269 FTE in October 2015, representing an increase of 65 FTE (32 percent), and the District did not provide additional funding for the expanded enrollment during the 2015-16 fiscal year.

The Board-approved charter school grant agreement provided for a $432 per FTE allocation and the District was required to provide to the charter school additional funding of $28,080 (65 FTE times $432) within 5 months after the District was notified of the significantly expanded enrollment in October 2015, or no later than March 2016. Subsequent to our inquiry, in November 2016, the District provided the additional funding of $28,080 to the charter school.

Cause

District written procedures require that the initial enrollments be reviewed following the October FTE survey and school funding be adjusted accordingly; however, District personnel indicated that the procedures were inadvertently not followed.

Effect

Absent adherence to established procedures designed to timely allocate required Special Education Program funding to charter schools that significantly expand enrollment, Program students may not receive necessary educational services.

Recommendation	The District should adhere to established procedures and ensure that required Special Education Program funding is timely allocated to charter schools that significantly expand enrollment.
District Response	Once the District was made aware of the error, the District immediately provided the charter school with notification of the additional IDEA funds available from FY 2015-16. Invoices were submitted by the charter school and reimbursement was provided by the District on November 4, 2016.

PRIOR AUDIT FOLLOW-UP

There were no financial or Federal Awards findings in the prior audit report. Follow-up of operational findings noted in the previous audit reports will be presented in a separate audit report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Pasco County District School Board
Management's Corrective Action Plan
For the Fiscal Year Ended June 30, 2016

Finding Number:	*2016-001*
Planned Corrective Action:	November 2016
Anticipated Completion Date:	November 2016 and Ongoing
Responsible Contact Person:	Melissa Musselwhite, Director of Student Support Programs and Services James Class, Senior Finance Manager

Federal Awards Finding and Questioned Costs

Federal Awards Finding No. 2016-001: The District did not comply with Federal regulations by allocating additional Special Education Program funds totaling $28,080 to a charter school within 5 months of the date that the charter school significantly expanded enrollment.

Response:
Once the District was made aware of the error, the District immediately provided the charter school with notification of the additional IDEA funds available from FY 2015-16. Invoices were submitted by the charter school and reimbursement was provided by the District on November 4, 2016.

Corrective Action Plan:
Procedures have been updated to ensure the initial IDEA funds allocation is based on the projections for the upcoming year and allocation adjustments will be made based on actual enrollment after the October FTE survey but within the required time frame. Additionally, the Finance Services Department has updated procedures to review any charter schools which significantly expand enrollment prior to November 1 and to notify the grant administrator to allocate the additional funds in a timely manner.