



# THE DISTRICT SCHOOL BOARD OF LAKE COUNTY

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

TAVARES, FLORIDA

JUNE 30, 2017  
FISCAL YEAR ENDED





LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# ***Comprehensive Annual Financial Report***

***of the***

***District School Board of Lake County, Florida  
Tavares, Florida***

***for***

***Fiscal Year Ended June 30, 2017***



**Issued By: The Finance Department**



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2017**

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LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# INTRODUCTORY SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



**Superintendent:**  
**Diane S. Kornegay, M.Ed.**

**School Board Members:**  
**District 1**  
**Bill Mathias**  
**District 2**  
**Kristi Burns, Ph.D.**  
**District 3**  
**Marc Dodd**  
**District 4**  
**Sandy Gamble**  
**District 5**  
**Stephanie Luke**

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(352) 253-6500 • Fax: (352) 253-6503 • [www.lake.k12.fl.us](http://www.lake.k12.fl.us)

January 29, 2018

Dear Chair, Members of the School Board and the Citizens of Lake County:

The Comprehensive Annual Financial Report of the District School Board of Lake County, Florida (the "District") for the fiscal year ended June 30, 2017, is submitted herewith. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and the changes in financial position of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this report, based on the above standards, rests with the District's management.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of 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 Generally Accepted Accounting Principles (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 State of Florida Auditor General has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, 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, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the provisions of the Uniform Guidance. The standards governing Single Audit engagements 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, the independent auditor's reports on internal control over financial reporting and on compliance and other matters, the independent auditor's report on federal program compliance, and the schedule of findings and questioned costs, is included in the single audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The 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 officials 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 Lake County. The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules and District policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District, as prescribed by the State Board of Education. The geographic boundaries of the District are those of Lake County.

This report contains the audited financial statements for all operations over which the School Board is financially accountable. Various potential component units were evaluated to determine whether they should be considered as a part of the District's reporting entity. Accordingly, included are all funds of the District, the Financing Corporation for the School Board of Lake County, Florida, Inc., the Educational Foundation of Lake County, Inc., (the "Foundation") and eight charter schools, which comprise the reporting entity. The Financing Corporation for the School Board of Lake County, Florida, Inc., was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. 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 Lake County. The charter schools are public schools operating under performance contracts with the District. The Foundation and charter schools are included in the CAFR as discretely presented component units.

The District provides a full range of educational programs in Lake County. These include early childhood, kindergarten through 12<sup>th</sup> grade, basic and enriched programs, exceptional education, vocational and adult education. During the 2016-17 fiscal year, the District operated 40 schools, including 21 elementary schools, 10 middle schools, 8 high schools and 1 specialized school. In addition, there are 8 charter schools that are component units of the District. In total, the District reported serving approximately 41,866 unweighted full-time equivalent students. State projected enrollment for the 2017-18 fiscal year is 42,040.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls. The objective is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District. 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; and, to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year end and encumbrances outstanding 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. See further discussion of future changes to the budgeting process under "Long-term Financial Planning".

## **Economic Condition and Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

While the District is heavily reliant upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is heavily dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames, but the positive improvements will continue to occur. In addition, the Board, Superintendent and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is

a significant factor in attracting new business and industry to the County. The District remains Lake County's largest employer, employing in the General Fund 5,678 full and part-time employees, including 3,042 Instructional personnel during the 2016-17 fiscal year.

## **Financial Information**

### Long-term Financial Planning

Long-term financial planning needs are addressed in a Five-Year District Facilities Work Plan encompassing all construction, maintenance, and facility renovation. The Facilities Work Plan is updated every year. Funding is provided primarily from the local capital outlay millage levy.

### Financial Information

A detailed explanation of the financial position and operating results of the District is provided in the CAFR. Presented below is a brief description of financial information, management of financial resources and obligations, and control techniques applicable to financial resources, obligations, and information.

The accounting policies of the District conform to GAAP applicable to governmental units. The statements and schedules included in the financial section of this report demonstrate the District's continued commitment to sound financial management.

### Budgetary Controls

The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are included in the annual appropriations budget. Although a Five-Year District Facilities Work Plan is adopted for the capital projects funds, the funding for the projects is contingent upon the annual budget adoption. The budgetary process is discussed under the Budgetary Compliance and Accountability section of the Notes to Required Supplementary Information.

### Retirement Program

The District participates in the Florida Retirement System, which is administered by the State. Note 2.D. to the financial statements describes the District's retirement program in greater detail.

### Audit

State statutes require an audit by the State of Florida Auditor General every 3 years. Annual audits by other independent certified public accountants are performed in the intervening years. The auditor's report is included at the beginning of the financial section in this CAFR.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to District School Board of Lake County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the fourteenth consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this CAFR was made possible by the dedicated service of the entire staff of the District's Finance Department, whose hard work and excellence is apparent. 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 School Board for their leadership and support in planning and conducting the financial operations of the District in an accountable and progressive manner. We also thank the citizens of Lake County, whose cooperation, support, and assistance have contributed greatly to the operation of this innovative school system.

Respectfully submitted,



Diane S. Kornegay  
Superintendent



Karen C. Briggs, CPA  
Chief Financial Officer

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
ELECTED AND APPOINTED OFFICIALS  
As of January 29, 2018**

**Elected Officials – School Board Members**

Mr. Bill Mathias ..... District 1  
Term 2014-2018

Dr. Kristi Burns ..... District 2  
Term 2016-2020

Mr. Marc Dodd ..... District 3  
Term 2014-2018

Mr. Sandy Gamble, Vice-Chairman ..... District 4  
Term 2016-2020

Ms. Stephanie Luke, Chairman..... District 5  
Term 2014-2018

**Appointed Officials**

Ms. Diane S. Kornegay.....Superintendent of Schools

Ms. Karen Briggs.....Chief Financial Officer

Mr. John Carr.....Chief of Operations

Mr. Harold C. Farnsworth.....Chief of Staff

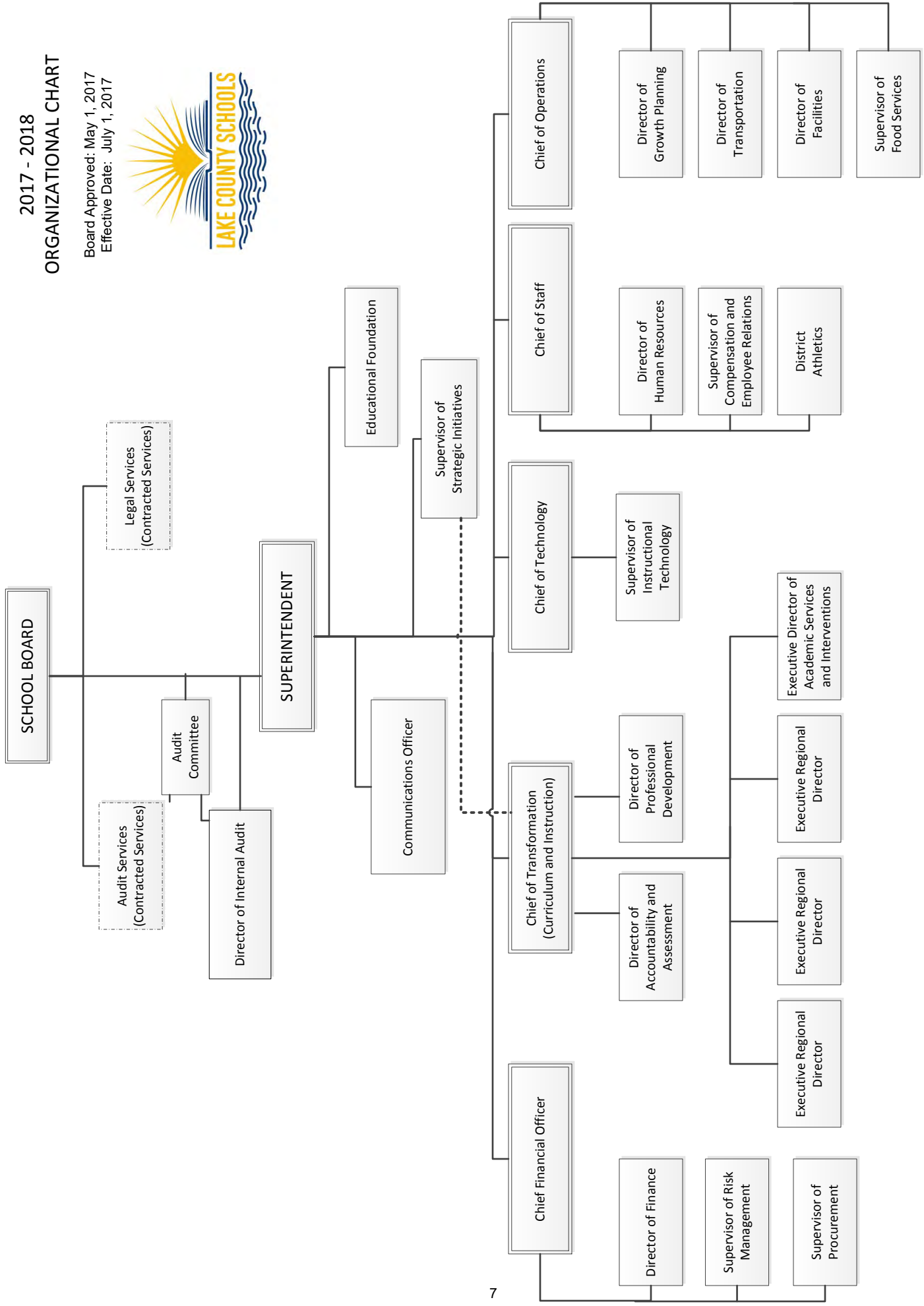
Dr. Emily Weiskopf.....Chief of Transformation

Dr. Creed Wheeler.....Chief of Information Technology

2017 - 2018

# ORGANIZATIONAL CHART

Board Approved: May 1, 2017  
Effective Date: July 1, 2017





Government Finance Officers Association

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

Presented to

**District School Board of Lake County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morrell*

Executive Director/CEO

# FINANCIAL SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# INDEPENDENT AUDITOR'S REPORT



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



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



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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

### 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 Lake County District School Board, as of and for the fiscal year ended June 30, 2017, 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 school internal funds, which represent 12 percent of the assets and 24 percent of the liabilities of the aggregate remaining fund information. In addition, 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 opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***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 Lake County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General Fund**, **Budgetary Comparison Schedule – Special Revenue– Food Service Fund**, **Budgetary Comparison Schedule – Special Revenue – Other Federal Programs Fund**, **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability**, **Schedule of District Contributions – Pension Plans**, and **Notes to the Required Supplementary Information**, 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 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 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 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 January 29, 2018, 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
January 29, 2018  
Audit Report No. 2018-096



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# MANAGEMENT'S DISCUSSION AND ANALYSIS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

## **LAKE COUNTY DISTRICT SCHOOL BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the District School Board of Lake County, Florida, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with our financial statements.

### **Financial Highlights**

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

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$357,210,403.
- The District's total Net Position increased by \$3,218,107.
- As of the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$77,610,305, an increase of \$629,909 in comparison with the prior fiscal year.
- The District's government-wide revenues totaled \$412,365,593, of which general revenues totaled \$382,274,364, or 92.7 percent of all revenues. In the prior fiscal year, general revenues totaled \$374,188,948, or 93.4 percent.
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$9,179,150 or 3.0 percent of total General Fund Revenues. The unassigned fund balance is available for spending at the District's discretion.
- The District's total long-term liabilities increased by \$37,626,994 or approximately 9.5 percent during the current fiscal year. The key factor in this increase was the increase of the net pension liability and other non-capital long-term debt of \$60,641,201 and a net decrease of \$23,014,207 from the repayment and restructuring of outstanding debt. A complete discussion of all long-term liabilities is included in the notes to the financial statements, note 2.I.

### **Overview of the Financial Statements**

The annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services, such as regular and special education, were financed in the short-term, as well as what remains for future spending.

- The proprietary funds statements offer short-term and long-term financial information about the activities the District operates as internal service funds, such as self-insurance.
- The fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

### Major Features of the Government-Wide and Fund Financial Statements

|                                        | Government-wide Statements                                                              | Fund Financial Statements                                                                                                                                                          |                                                                                                                           |                                                                                                                                                          |
|----------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                         | Governmental Funds                                                                                                                                                                 | Proprietary Funds                                                                                                         | Fiduciary Funds                                                                                                                                          |
| Scope                                  | Entire District (except fiduciary funds).                                               | The activities of the District that are not proprietary or fiduciary, such as delivery of instruction and building maintenance.                                                    | Activities the District operated similar to private businesses.                                                           | Instances in which the District administers resources on behalf of someone else, such as student activity funds.                                         |
| Required Financial Statements          | Statement of Net Position<br>Statement of Activities                                    | Balance Sheet<br>Statement of Revenues, Expenditures, and Changes in Fund Balances                                                                                                 | Statement of Net Position<br>Statement of Revenues, Expenses, and Changes in Fund Net Position<br>Statement of Cash Flows | Statement of Fiduciary Net Position                                                                                                                      |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus.                                        | Modified accrual accounting and current financial focus.                                                                                                                           | Accrual accounting and economic resources focus.                                                                          | Accrual accounting and economic resources focus.                                                                                                         |
| Type of Asset/Liability Information    | All assets and liabilities, both financial and capital, short-term and long-term.       | Generally, assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included.                   | All assets and liabilities, both financial and capital, short-term and long-term.                                         | All assets and liabilities, both financial and capital, short-term and long-term; funds that do not currently contain capital assets, although they can. |
| Type of Inflow / Outflow Information   | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid.                                   | All additions and deductions during the year, regardless of when cash is received or paid.                                                               |

The financial statements also include notes that explain information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year.

## **Government-Wide Financial Statements Reporting the District as a Whole**

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

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's non-fiduciary assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the District is improving or deteriorating.

The statement of activities provides information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave.)

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include such functions as instruction, student support services, administration, student transportation, maintenance, and other items. The business-type activities of the District include the Extended Learning Center Program.

The government-wide financial statements include not only the District itself (known as the primary government), but also 8 charter schools and the Educational Foundation of Lake County, Inc. (Foundation), for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The financial data reported for the charter schools and the Foundation was derived from individual audited financial statements on file in the District's administrative offices. The Financing Corporation for the School Board of Lake County, Florida, Inc. (Financing Corporation), although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to substantive economic relationship between the District and Financing Corporation, the Financing Corporation has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 22 through 24 of this report.

## **Fund 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, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be put into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The District maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Revenue – Food Service Fund, Special Revenue – Other Federal Programs Fund, and Capital Projects – Other Capital Projects Fund which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements found on pages 89 through 92 of this report. The basic governmental fund financial statements can be found on pages 25 through 30 of this report.

**Proprietary Funds.** The District maintains two different types of proprietary funds. The enterprise fund is used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for its Extended Learning Center (before- and after-school child care) Program. Internal service funds are an accounting device used to accumulate and allocate cost internally among the District's various functions. The District uses three internal service funds to account for its self-funded health insurance program, employee flexible spending program, and workers' compensation program. Because these services predominantly benefit the governmental rather than the business-type functions, they have been included within the governmental activities in the government-wide financial statements. Individual fund data for each of these internal service funds is provided in the form of combining statements found on pages 101 through 103 of this report.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. The proprietary fund financial statements provide separate information for the Extended Learning Center Program. The Extended Learning Centers provide before- and after-school care to elementary and middle school students enrolled in Lake County Schools. Expenses incurred for the operation of these programs are paid

totally by fees collected for services. The basic proprietary fund financial statements can be found on pages 31 through 33 of this report.

**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 Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position can be found on pages 34 through 35 of this report.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found following the basic financial statements on pages 36 through 77 of this report.

### **Required Supplementary Information**

The District adopts an annual budget for its General Fund. A budgetary comparison schedule and required note disclosure have been provided for the General Fund, Special Revenue – Food Service Fund, and Special Revenue – Other Federal Programs Fund on pages 78 through 82 to demonstrate compliance with this budget.

In addition, this report also presents required supplementary information concerning the District's net pension liability and its progress in funding its obligation to provide other postemployment benefits to its employees on pages 83 through 85.

### **Notes to the Required Supplementary Information**

The notes provide additional information that is essential to fully understand the data provided in the required supplementary information. The notes to required supplementary information can be found following the basic financial statements on pages 86 through 87 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$357,210,403 at June 30, 2017.

By far, the largest portion of the District's net position reflects its Net Investment in Capital Assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to educate the students of Lake County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the District's Net Position as of June 30, 2017, compared to the Net Position as of June 30, 2016:

|                                  | <b>Governmental<br/>Activities</b> |                       | <b>Business-Type<br/>Activities</b> |                     | <b>Total</b>          |                       |
|----------------------------------|------------------------------------|-----------------------|-------------------------------------|---------------------|-----------------------|-----------------------|
|                                  | <b>6-30-17</b>                     | <b>6-30-16</b>        | <b>6-30-17</b>                      | <b>6-30-16</b>      | <b>6-30-17</b>        | <b>6-30-16</b>        |
| Current and Other Assets         | \$ 114,475,892                     | \$ 113,209,714        | \$ 1,192,752                        | \$ 1,317,817        | \$ 115,668,644        | \$ 114,527,531        |
| Capital Assets                   | 637,992,749                        | 647,142,176           | -                                   | -                   | 637,992,749           | 647,142,176           |
| <b>Total Assets</b>              | <b>752,468,641</b>                 | <b>760,351,890</b>    | <b>1,192,752</b>                    | <b>1,317,817</b>    | <b>753,661,393</b>    | <b>761,669,707</b>    |
| Deferred Outflows of Resources   | 76,030,493                         | 36,394,474            | -                                   | -                   | 76,030,493            | 36,394,474            |
| Current Liabilities              | 36,497,684                         | 34,071,453            | 33,666                              | 56,414              | 36,531,350            | 34,127,867            |
| Noncurrent Liabilities           | 432,316,265                        | 394,689,271           | -                                   | -                   | 432,316,265           | 394,689,271           |
| <b>Total Liabilities</b>         | <b>468,813,949</b>                 | <b>428,760,724</b>    | <b>33,666</b>                       | <b>56,414</b>       | <b>468,847,615</b>    | <b>428,817,138</b>    |
| Deferred Inflows of Resources    | 3,633,868                          | 15,256,547            | -                                   | -                   | 3,633,868             | 15,256,547            |
| Net Position:                    |                                    |                       |                                     |                     |                       |                       |
| Net Investment in Capital Assets | 417,620,048                        | 404,304,817           | -                                   | -                   | 417,620,048           | 404,304,817           |
| Restricted                       | 66,866,980                         | 61,651,252            | -                                   | -                   | 66,866,980            | 61,651,252            |
| Unrestricted (Deficit)           | (128,435,711)                      | (113,226,976)         | 1,159,086                           | 1,263,203           | (127,276,625)         | (111,963,773)         |
| <b>Total Net Position</b>        | <b>\$ 356,051,317</b>              | <b>\$ 352,729,093</b> | <b>\$ 1,159,086</b>                 | <b>\$ 1,263,203</b> | <b>\$ 357,210,403</b> | <b>\$ 353,992,296</b> |

A portion of the District's net position, \$66,866,980, represents resources that are subject to external restrictions on how they may be used. An increase of \$5,215,728 in restricted net position reported in connection with the District's governmental activities was the result of an increase in capital projects funds partially offset by debt service payments during the fiscal year.

The unrestricted deficit net position, \$127,276,625, reflects the shortfall that the District would have faced in the event that it would have had to liquidate all of its non-capital liabilities at June 30, 2017. The most significant liabilities (claims) against the unrestricted assets include the pension liability of \$176,578,498, compensated absence liability of \$17,727,334, and the other postemployment benefits (OPEB) liability of \$11,341,917. Of the compensated absence liability, approximately \$15,998,334, will be due more than one year from the date of the financial statements and does not require the use of current funds.

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

|                                                 | Governmental Activities |                       | Business-Type Activities |                     | Total                 |                       |
|-------------------------------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|
|                                                 | 6-30-17                 | 6-30-16               | 6-30-17                  | 6-30-16             | 6-30-17               | 6-30-16               |
| Program Revenues:                               |                         |                       |                          |                     |                       |                       |
| Charges for Services                            | \$ 4,588,992            | \$ 4,682,454          | \$ 2,917,122             | \$ 2,994,167        | \$ 7,506,114          | \$ 7,676,621          |
| Operating Grants and Contributions              | 16,433,709              | 16,293,289            | -                        | -                   | 16,433,709            | 16,293,289            |
| Capital Grants and Contributions                | 6,151,406               | 2,247,968             | -                        | -                   | 6,151,406             | 2,247,968             |
| General Revenues:                               |                         |                       |                          |                     |                       |                       |
| Property Taxes                                  | 128,147,614             | 126,733,413           | -                        | -                   | 128,147,614           | 126,733,413           |
| Other Taxes                                     | 14,805,174              | 14,028,543            | -                        | -                   | 14,805,174            | 14,028,543            |
| Grants and Contributions (FEFP, etc.)           | 217,705,072             | 223,603,099           | -                        | -                   | 217,705,072           | 223,603,099           |
| Unrestricted Investment Earnings                | 110,202                 | 199,849               | -                        | 139                 | 110,202               | 199,988               |
| Miscellaneous                                   | 21,506,302              | 9,623,905             | -                        | -                   | 21,506,302            | 9,623,905             |
| <b>Total Revenues</b>                           | <b>409,448,471</b>      | <b>397,412,520</b>    | <b>2,917,122</b>         | <b>2,994,306</b>    | <b>412,365,593</b>    | <b>400,406,826</b>    |
| Functions/Program Expenses:                     |                         |                       |                          |                     |                       |                       |
| Instruction                                     | 217,360,657             | 203,632,327           | -                        | -                   | 217,360,657           | 203,632,327           |
| Student Support Services                        | 17,881,768              | 17,203,453            | -                        | -                   | 17,881,768            | 17,203,453            |
| Instructional Media Services                    | 3,489,529               | 3,465,386             | -                        | -                   | 3,489,529             | 3,465,386             |
| Instruction and Curriculum Development Services | 12,517,422              | 11,637,502            | -                        | -                   | 12,517,422            | 11,637,502            |
| Instructional Staff Training Services           | 11,110,765              | 9,970,986             | -                        | -                   | 11,110,765            | 9,970,986             |
| Instruction-Related Technology                  | 1,180,471               | 1,297,717             | -                        | -                   | 1,180,471             | 1,297,717             |
| Board                                           | 793,602                 | 761,325               | -                        | -                   | 793,602               | 761,325               |
| General Administration                          | 2,236,810               | 1,888,123             | -                        | -                   | 2,236,810             | 1,888,123             |
| School Administration                           | 18,949,836              | 18,103,177            | -                        | -                   | 18,949,836            | 18,103,177            |
| Facilities Acquisition and Construction         | 5,619,855               | 6,087,331             | -                        | -                   | 5,619,855             | 6,087,331             |
| Fiscal Services                                 | 1,950,836               | 1,855,957             | -                        | -                   | 1,950,836             | 1,855,957             |
| Food Services                                   | 20,730,992              | 19,176,323            | -                        | -                   | 20,730,992            | 19,176,323            |
| Central Services                                | 6,581,591               | 6,207,037             | -                        | -                   | 6,581,591             | 6,207,037             |
| Student Transportation Services                 | 17,146,181              | 15,844,531            | -                        | -                   | 17,146,181            | 15,844,531            |
| Operation of Plant                              | 26,785,214              | 25,263,904            | -                        | -                   | 26,785,214            | 25,263,904            |
| Maintenance of Plant                            | 7,740,414               | 8,052,999             | -                        | -                   | 7,740,414             | 8,052,999             |
| Administrative Technology Services              | 4,578,329               | 3,593,785             | -                        | -                   | 4,578,329             | 3,593,785             |
| Community Services                              | 276,074                 | 103,969               | -                        | -                   | 276,074               | 103,969               |
| Unallocated Interest on Long-Term Debt          | 8,421,168               | 9,894,088             | -                        | -                   | 8,421,168             | 9,894,088             |
| Depreciation-Unallocated Expense                | 21,262,004              | 21,178,576            | -                        | -                   | 21,262,004            | 21,178,576            |
| Extended Learning Center Program                | -                       | -                     | 2,533,968                | 2,860,342           | 2,533,968             | 2,860,342             |
| <b>Total Expenses</b>                           | <b>406,613,518</b>      | <b>385,218,496</b>    | <b>2,533,968</b>         | <b>2,860,342</b>    | <b>409,147,486</b>    | <b>388,078,838</b>    |
| <b>Excess (Deficiency) before Transfers</b>     | <b>2,834,953</b>        | <b>12,194,024</b>     | <b>383,154</b>           | <b>133,964</b>      | <b>3,218,107</b>      | <b>12,327,988</b>     |
| <b>Transfers</b>                                | <b>487,271</b>          | <b>-</b>              | <b>(487,271)</b>         | <b>-</b>            | <b>-</b>              | <b>-</b>              |
| <b>Change in Net Position</b>                   | <b>3,322,224</b>        | <b>12,194,024</b>     | <b>(104,117)</b>         | <b>133,964</b>      | <b>3,218,107</b>      | <b>12,327,988</b>     |
| Net Position - Beginning                        | 352,729,093             | 340,535,069           | 1,263,203                | 1,129,239           | 353,992,296           | 341,664,308           |
| <b>Net Position - Ending</b>                    | <b>\$ 356,051,317</b>   | <b>\$ 352,729,093</b> | <b>\$ 1,159,086</b>      | <b>\$ 1,263,203</b> | <b>\$ 357,210,403</b> | <b>\$ 353,992,296</b> |

The District's net position increased by \$3,218,107 during the current fiscal year.

**Governmental Activities.** Governmental activities increased the District's net position by \$3,322,224. For the most part, increases in expenses closely paralleled inflation, and were offset by modest, though greater, increases in State and local revenues.

**Business-Type Activities.** Business-type activities decreased the District's net position by \$104,117.

### Financial Analysis of the Government's Funds

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

## Major Governmental Funds

The focus of the District 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 current fiscal year, the District's governmental funds reported combined ending fund balances of \$77,610,305, an increase of \$629,909 in comparison with the prior fiscal year.

As more fully discussed in the Notes to Basic Financial Statements, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are non-spendable and spendable. In addition to the non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on spending constraints, as follows:

- Restricted
- Committed
- Assigned
- Unassigned

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,273,580 while total fund balance was \$11,100,292. The total fund balance decreased by \$4,418,624.

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 revenues. Unassigned fund balance represents approximately 2.7 percent of total General Fund revenues, while total fund balance represents approximately 3.7 percent of that same amount. The remainder of fund balance is spendable subject to the level of restriction. The assigned fund balance consists of encumbrances of \$905,570 which are not available for new spending because it has already been assigned to liquidate contracts and purchase orders outstanding. Funds related to specific State required carryover programs of \$356,967 are reported as restricted; inventory and prepaid instructional material items totaling \$1,564,175 are reported as non-spendable.

Special Revenue – Food Service Fund is used to account for the financial resources of the School Food Service Programs. Included in this fund are the revenues from the Child Nutrition Cluster and funds collected locally through on-site sales in the cafeterias of the schools. The fund balance is monitored and restricted to an amount substantially equal to 3 months operating expenditures.

Special Revenue – Other Federal Programs Fund is used to account for the revenues and expenditures of Federal Grant programs. Because revenues in this fund are recognized to the extent expenditures are incurred, this fund generally does not accumulate a fund balance.

The Capital Projects – Other Capital Projects Fund is used to account for the financial resources generated by various capital funding sources. Included in this fund were Certificate of Participation Proceeds, Impact Fees, and other capital outlay-funded projects. The fund balance for this fund at the fiscal year end, which is restricted for capital projects, was \$41,328,645, an increase of \$5,451,825 from the prior fiscal year, due to unspent impact fees collected during the fiscal year.

### **Proprietary Funds**

The District's proprietary funds provide the same type of information as business-type activities found in the government-wide financial statements. The internal service funds net position was \$174,114, a decrease of \$1,711,086, resulting from self-insurance claims and other costs.

### **General Fund Budgetary Highlights**

During the fiscal year, the District's revenue and expenditure projections remained similar to original budgeted amounts.

The actual change in fund balance of the General Fund was greater than the original budgeted change by approximately \$1.15 million. This was due to a reapportionment of State funding that reduced the per student base funding during the fiscal year and transfers in from Capital Outlay funds to support capital expenditures made through the General Fund.

### **Capital Assets and Debt Administration**

**Capital Assets.** The District's investment in capital assets for the governmental activities as of June 30, 2017, amounted to \$637,992,749 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; property under capital lease; and audio visual materials and computer software. The total decrease in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was approximately 1.4 percent.

|                                                   | <b>Governmental Activities</b> |                       |
|---------------------------------------------------|--------------------------------|-----------------------|
|                                                   | <b>June 30, 2017</b>           | <b>June 30, 2016</b>  |
| Land                                              | \$ 22,956,312                  | \$ 22,956,312         |
| Improvements Other Than Buildings, Net            | 1,237,042                      | 1,162,765             |
| Buildings and Fixed Equipment, Net                | 591,398,642                    | 606,382,086           |
| Furniture, Fixtures, and Equipment, Net           | 7,049,535                      | 6,405,117             |
| Motor Vehicles, Net                               | 11,398,547                     | 5,706,131             |
| Property Under Capital Lease                      | 3,492,241                      | 3,994,222             |
| Audio Visual Materials and Computer Software, Net | 460,430                        | 535,543               |
| <b>Total</b>                                      | <b>\$ 637,992,749</b>          | <b>\$ 647,142,176</b> |

Additional information on the District's capital assets can be found in note 2.C. of this report.

**Long-Term Debt.** At the end of the current fiscal year, the District had total long-term debt related to capital assets outstanding of \$226,668,516 as follows:

|                                 |                              |
|---------------------------------|------------------------------|
| State School Bonds              | \$ 8,180,000                 |
| Certificates of Participation   | 211,505,661                  |
| Obligations Under Capital Lease | 2,952,855                    |
| Sales Tax Note Payable          | <u>4,030,000</u>             |
| <b>Total</b>                    | <b><u>\$ 226,668,516</u></b> |

During the current fiscal year, the District paid \$25,388,207 for principal payments and premium amortization on existing long-term debt related to capital assets as follows:

|                                       |                             |
|---------------------------------------|-----------------------------|
| Scheduled Payments:                   |                             |
| Sales Tax Note Payable                | \$ 3,985,000                |
| State School Bonds                    | 1,427,000                   |
| Certificates of Participation Payable | 16,865,000                  |
| Premium Amortization                  | 1,427,194                   |
| Obligations Under Capital Lease       | <u>1,684,013</u>            |
| <b>Total</b>                          | <b><u>\$ 25,388,207</u></b> |

Additional information on the District's long-term debt can be found in note 2.I. of the notes to the basic financial statements.

### **Other Matters of Significance**

#### **Factors Bearing on the District's Future**

At the time these financial statements were prepared, the District was aware of three existing circumstances that could significantly affect its financial future.

- Florida economic conditions continue to improve. Per-student funding has almost returned to the level of fiscal year 2007-08; however, when the 2007-08 funding is adjusted for inflation, the current funding remains significantly less.
- Property values in 2016-17 fiscal year show an increase, the fifth consecutive year of gradual growth. State forecasts indicate property values will continue to show growth in the near future.
- The District participates in a voter-approved one-cent discretionary infrastructure sales surtax (Sales Tax) in which the District receives one-third of the penny levied. The Sales Tax which is currently approved through 2017 was renewed by voters in November 2015 for an additional 15 years.

### **Requests for Information**

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Lake County Schools, 201 West Burleigh Boulevard, Tavares, Florida 32778.

# BASIC FINANCIAL STATEMENTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

|                                              | Governmental<br>Activities | Primary Government<br>Business-Type<br>Activities | Total                 | Component<br>Units   |
|----------------------------------------------|----------------------------|---------------------------------------------------|-----------------------|----------------------|
| <b>ASSETS</b>                                |                            |                                                   |                       |                      |
| Cash and Cash Equivalents                    | \$ 19,521,398              | \$ 1,176,777                                      | \$ 20,698,175         | \$ 29,677,990        |
| Restricted Cash                              | -                          | -                                                 | -                     | 1,794,476            |
| Restricted Cash with Fiscal/Service Agents   | 2,156,526                  | -                                                 | 2,156,526             | -                    |
| Investments                                  | 69,794,789                 | -                                                 | 69,794,789            | 1,151,466            |
| Accounts Receivable                          | 2,098,364                  | -                                                 | 2,098,364             | 983,088              |
| Due from Component Units                     | 4,307,415                  | -                                                 | 4,307,415             | -                    |
| Due from Other Agencies                      | 13,784,483                 | -                                                 | 13,784,483            | 504,144              |
| Prepaid Items                                | 87,588                     | 15,975                                            | 103,563               | 36,809               |
| Inventories                                  | 2,531,540                  | -                                                 | 2,531,540             | -                    |
| Prepaid Issuance Costs                       | 193,789                    | -                                                 | 193,789               | -                    |
| Other Current Assets                         | -                          | -                                                 | -                     | 667,653              |
| Capital Assets:                              |                            |                                                   |                       |                      |
| Land and Construction in Progress            | 22,956,312                 | -                                                 | 22,956,312            | 2,456,887            |
| Depreciable Capital Assets                   | 893,023,309                | -                                                 | 893,023,309           | 7,315,033            |
| Accumulated Depreciation                     | (277,986,872)              | -                                                 | (277,986,872)         | (3,632,325)          |
| Other Non-Current Assets                     | -                          | -                                                 | -                     | 2,907,699            |
| <b>TOTAL ASSETS</b>                          | <b>752,468,641</b>         | <b>1,192,752</b>                                  | <b>753,661,393</b>    | <b>43,862,920</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>        |                            |                                                   |                       |                      |
| Pension Costs                                | 69,928,467                 | -                                                 | 69,928,467            | 10,266,026           |
| Net Carrying Amount of Debt Refunding        | 6,102,026                  | -                                                 | 6,102,026             | -                    |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>  | <b>76,030,493</b>          | <b>-</b>                                          | <b>76,030,493</b>     | <b>10,266,026</b>    |
| <b>LIABILITIES</b>                           |                            |                                                   |                       |                      |
| Salaries and Benefits Payable                | 14,975,131                 | 602                                               | 14,975,733            | 214,733              |
| Payroll Deductions and Withholdings          | 9,664,927                  | 25,748                                            | 9,690,675             | -                    |
| Accounts Payable                             | 5,600,853                  | 7,316                                             | 5,608,169             | 783,222              |
| Due to Primary Government                    | -                          | -                                                 | -                     | 4,307,415            |
| Due to Other Agencies                        | 13,394                     | -                                                 | 13,394                | -                    |
| Deposits Payable                             | 191,811                    | -                                                 | 191,811               | -                    |
| Unearned Revenues                            | 176,511                    | -                                                 | 176,511               | 9,170                |
| Estimated Insurance Claims Payable           | 5,832,851                  | -                                                 | 5,832,851             | -                    |
| Accrued Interest Payable                     | 42,206                     | -                                                 | 42,206                | -                    |
| Long-Term Liabilities:                       |                            |                                                   |                       |                      |
| Portion Due Within One Year                  | 28,465,495                 | -                                                 | 28,465,495            | 2,272,187            |
| Portion Due After One Year:                  | 403,850,770                | -                                                 | 403,850,770           | 21,660,115           |
| <b>TOTAL LIABILITIES</b>                     | <b>468,813,949</b>         | <b>33,666</b>                                     | <b>468,847,615</b>    | <b>29,246,842</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>         |                            |                                                   |                       |                      |
| Pension Costs                                | 3,633,868                  | -                                                 | 3,633,868             | 2,927,586            |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>   | <b>3,633,868</b>           | <b>-</b>                                          | <b>3,633,868</b>      | <b>2,927,586</b>     |
| <b>NET POSITION</b>                          |                            |                                                   |                       |                      |
| Net Investment in Capital Assets             | 417,620,048                | -                                                 | 417,620,048           | 5,336,508            |
| Restricted for:                              |                            |                                                   |                       |                      |
| State Required Carryover Programs            | 356,967                    | -                                                 | 356,967               | -                    |
| Debt Service                                 | 2,268,201                  | -                                                 | 2,268,201             | 218,129              |
| Capital Projects                             | 51,487,239                 | -                                                 | 51,487,239            | -                    |
| Special Revenue - Food Service               | 12,754,573                 | -                                                 | 12,754,573            | -                    |
| Scholarships, Endowments, and Other Programs | -                          | -                                                 | -                     | 7,100,918            |
| Unrestricted                                 | (128,435,711)              | 1,159,086                                         | (127,276,625)         | 9,298,963            |
| <b>TOTAL NET POSITION</b>                    | <b>\$ 356,051,317</b>      | <b>\$ 1,159,086</b>                               | <b>\$ 357,210,403</b> | <b>\$ 21,954,518</b> |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| Functions/Programs                              | Expenses              | Program Revenues           |                                          |                                        |
|-------------------------------------------------|-----------------------|----------------------------|------------------------------------------|----------------------------------------|
|                                                 |                       | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Primary Government</b>                       |                       |                            |                                          |                                        |
| <b>Governmental Activities:</b>                 |                       |                            |                                          |                                        |
| Instruction                                     | \$ 217,360,657        | \$ -                       | \$ -                                     | \$ -                                   |
| Student Support Services                        | 17,881,768            | -                          | -                                        | -                                      |
| Instructional Media Services                    | 3,489,529             | -                          | -                                        | -                                      |
| Instruction and Curriculum Development Services | 12,517,422            | -                          | -                                        | -                                      |
| Instructional Staff Training Services           | 11,110,765            | -                          | -                                        | -                                      |
| Instruction-Related Technology                  | 1,180,471             | -                          | -                                        | -                                      |
| Board                                           | 793,602               | -                          | -                                        | -                                      |
| General Administration                          | 2,236,810             | -                          | -                                        | -                                      |
| School Administration                           | 18,949,836            | -                          | -                                        | -                                      |
| Facilities Acquisition and Construction         | 5,619,855             | -                          | -                                        | 5,001,623                              |
| Fiscal Services                                 | 1,950,836             | -                          | -                                        | -                                      |
| Food Services                                   | 20,730,992            | 4,050,150                  | 16,433,709                               | -                                      |
| Central Services                                | 6,581,591             | -                          | -                                        | -                                      |
| Student Transportation Services                 | 17,146,181            | 538,842                    | -                                        | -                                      |
| Operation of Plant                              | 26,785,214            | -                          | -                                        | -                                      |
| Maintenance of Plant                            | 7,740,414             | -                          | -                                        | -                                      |
| Administrative Technology Services              | 4,578,329             | -                          | -                                        | -                                      |
| Community Services                              | 276,074               | -                          | -                                        | -                                      |
| Unallocated Interest on Long-Term Debt          | 8,421,168             | -                          | -                                        | 1,149,783                              |
| Unallocated Depreciation Expense                | 21,262,004            | -                          | -                                        | -                                      |
| <b>Total Governmental Activities</b>            | <b>406,613,518</b>    | <b>4,588,992</b>           | <b>16,433,709</b>                        | <b>6,151,406</b>                       |
| <b>Business-Type Activities:</b>                |                       |                            |                                          |                                        |
| Extended Learning Center Program                | 2,533,968             | 2,917,122                  | -                                        | -                                      |
| <b>Total Business-Type Activities</b>           | <b>2,533,968</b>      | <b>2,917,122</b>           | <b>-</b>                                 | <b>-</b>                               |
| <b>Total Primary Government</b>                 | <b>\$ 409,147,486</b> | <b>\$ 7,506,114</b>        | <b>\$ 16,433,709</b>                     | <b>\$ 6,151,406</b>                    |
| <b>Component Units:</b>                         |                       |                            |                                          |                                        |
| Charter Schools                                 | \$ 47,230,681         | \$ 4,037,464               | \$ 3,640,942                             | \$ -                                   |
| Educational Foundation                          | 2,039,400             | -                          | 1,842,611                                | -                                      |
| <b>Total Component Units</b>                    | <b>\$ 49,270,081</b>  | <b>\$ 4,037,464</b>        | <b>\$ 5,483,553</b>                      | <b>\$ -</b>                            |

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning**

**Adjustment to Beginning Net Position**

**Net Position - Beginning, as Restated**

**Net Position - Ending**

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

| Net (Expense) Revenue and Changes in Net Position |                             |                  |                    |
|---------------------------------------------------|-----------------------------|------------------|--------------------|
| Primary Government                                |                             |                  |                    |
| Governmental<br>Activities                        | Business-Type<br>Activities | Total            | Component<br>Units |
| \$ (217,360,657)                                  | \$ -                        | \$ (217,360,657) | \$ -               |
| (17,881,768)                                      | -                           | (17,881,768)     | -                  |
| (3,489,529)                                       | -                           | (3,489,529)      | -                  |
| (12,517,422)                                      | -                           | (12,517,422)     | -                  |
| (11,110,765)                                      | -                           | (11,110,765)     | -                  |
| (1,180,471)                                       | -                           | (1,180,471)      | -                  |
| (793,602)                                         | -                           | (793,602)        | -                  |
| (2,236,810)                                       | -                           | (2,236,810)      | -                  |
| (18,949,836)                                      | -                           | (18,949,836)     | -                  |
| (618,232)                                         | -                           | (618,232)        | -                  |
| (1,950,836)                                       | -                           | (1,950,836)      | -                  |
| (247,133)                                         | -                           | (247,133)        | -                  |
| (6,581,591)                                       | -                           | (6,581,591)      | -                  |
| (16,607,339)                                      | -                           | (16,607,339)     | -                  |
| (26,785,214)                                      | -                           | (26,785,214)     | -                  |
| (7,740,414)                                       | -                           | (7,740,414)      | -                  |
| (4,578,329)                                       | -                           | (4,578,329)      | -                  |
| (276,074)                                         | -                           | (276,074)        | -                  |
| (7,271,385)                                       | -                           | (7,271,385)      | -                  |
| (21,262,004)                                      | -                           | (21,262,004)     | -                  |
| (379,439,411)                                     | -                           | (379,439,411)    | -                  |
| -                                                 | 383,154                     | 383,154          | -                  |
| -                                                 | 383,154                     | 383,154          | -                  |
| (379,439,411)                                     | 383,154                     | (379,056,257)    | -                  |
| -                                                 | -                           | -                | (39,552,275)       |
| -                                                 | -                           | -                | (196,789)          |
| -                                                 | -                           | -                | (39,749,064)       |
| 100,190,168                                       | -                           | 100,190,168      | -                  |
| 27,957,446                                        | -                           | 27,957,446       | -                  |
| 14,805,174                                        | -                           | 14,805,174       | -                  |
| 217,705,072                                       | -                           | 217,705,072      | 40,582,264         |
| 110,202                                           | -                           | 110,202          | -                  |
| 21,506,302                                        | -                           | 21,506,302       | 743,133            |
| 487,271                                           | (487,271)                   | -                | -                  |
| 382,761,635                                       | (487,271)                   | 382,274,364      | 41,325,397         |
| 3,322,224                                         | (104,117)                   | 3,218,107        | 1,576,333          |
| 352,729,093                                       | 1,263,203                   | 353,992,296      | 20,389,705         |
| -                                                 | -                           | -                | (11,520)           |
| 352,729,093                                       | 1,263,203                   | 353,992,296      | 20,378,185         |
| \$ 356,051,317                                    | \$ 1,159,086                | \$ 357,210,403   | \$ 21,954,518      |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

|                                            | General<br>Fund      | Special Revenue -<br>Food Service<br>Fund |
|--------------------------------------------|----------------------|-------------------------------------------|
| <b>ASSETS</b>                              |                      |                                           |
| Cash and Cash Equivalents                  | \$ 1,236,894         | \$ 5,405,061                              |
| Restricted Cash with Fiscal/Service Agents | -                    | -                                         |
| Investments                                | 43,138,030           | -                                         |
| Accounts Receivable                        | 2,071,398            | -                                         |
| Due from Component Units                   | 4,307,415            | -                                         |
| Due from Other Agencies                    | 1,536,661            | 180,418                                   |
| Due from Other Funds                       | 3,065,870            | 7,000,000                                 |
| Prepaid Items                              | 87,588               | -                                         |
| Inventories                                | 1,476,587            | 1,054,953                                 |
| <b>TOTAL ASSETS</b>                        | <b>\$ 56,920,443</b> | <b>\$ 13,640,432</b>                      |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                                           |
| Liabilities:                               |                      |                                           |
| Salaries and Benefits Payable              | \$ 14,961,322        | \$ 5,158                                  |
| Payroll Deductions and Withholdings        | 8,968,813            | 187,284                                   |
| Accounts Payable                           | 1,105,943            | 502,036                                   |
| Due to Other Agencies                      | 13,394               | -                                         |
| Due to Other Funds                         | 20,721,399           | -                                         |
| Deposits Payable                           | 430                  | 191,381                                   |
| Unearned Revenues                          | 48,850               | -                                         |
| Accrued Interest Payable                   | -                    | -                                         |
| <b>Total Liabilities</b>                   | <b>45,820,151</b>    | <b>885,859</b>                            |
| Fund Balances:                             |                      |                                           |
| Nonspendable                               | 1,564,175            | 1,054,953                                 |
| Restricted                                 | 356,967              | 11,699,620                                |
| Assigned                                   | 905,570              | -                                         |
| Unassigned                                 | 8,273,580            | -                                         |
| <b>Total Fund Balances</b>                 | <b>11,100,292</b>    | <b>12,754,573</b>                         |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 56,920,443</b> | <b>\$ 13,640,432</b>                      |

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

| Special Revenue -<br>Other Federal Programs<br>Fund | Capital Projects -<br>Other Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------|------------------------------------------------------|--------------------------------|--------------------------------|
| \$ -                                                | \$ 4,174,334                                         | \$ 2,373,446                   | \$ 13,189,735                  |
| -                                                   | -                                                    | 2,156,526                      | 2,156,526                      |
| -                                                   | 26,328,707                                           | 153,881                        | 69,620,618                     |
| 26,966                                              | -                                                    | -                              | 2,098,364                      |
| -                                                   | -                                                    | -                              | 4,307,415                      |
| 3,726,064                                           | 4,833,889                                            | 3,396,444                      | 13,673,476                     |
| 1,040                                               | 6,000,000                                            | 7,720,359                      | 23,787,269                     |
| -                                                   | -                                                    | -                              | 87,588                         |
| -                                                   | -                                                    | -                              | 2,531,540                      |
| <u>\$ 3,754,070</u>                                 | <u>\$ 41,336,930</u>                                 | <u>\$ 15,800,656</u>           | <u>\$ 131,452,531</u>          |
| \$ 8,651                                            | \$ -                                                 | \$ -                           | \$ 14,975,131                  |
| 504,896                                             | -                                                    | 14                             | 9,661,007                      |
| 174,333                                             | 8,285                                                | 3,331,641                      | 5,122,238                      |
| -                                                   | -                                                    | -                              | 13,394                         |
| 3,065,870                                           | -                                                    | -                              | 23,787,269                     |
| -                                                   | -                                                    | -                              | 191,811                        |
| 320                                                 | -                                                    | -                              | 49,170                         |
| -                                                   | -                                                    | 42,206                         | 42,206                         |
| <u>3,754,070</u>                                    | <u>8,285</u>                                         | <u>3,373,861</u>               | <u>53,842,226</u>              |
| -                                                   | -                                                    | -                              | 2,619,128                      |
| -                                                   | 41,328,645                                           | 12,426,795                     | 65,812,027                     |
| -                                                   | -                                                    | -                              | 905,570                        |
| -                                                   | -                                                    | -                              | 8,273,580                      |
| <u>-</u>                                            | <u>41,328,645</u>                                    | <u>12,426,795</u>              | <u>77,610,305</u>              |
| <u>\$ 3,754,070</u>                                 | <u>\$ 41,336,930</u>                                 | <u>\$ 15,800,656</u>           | <u>\$ 131,452,531</u>          |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                                                                                                                                                                                                                                      |                      |                  |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|------------------------------|
| <b>Total Fund Balances - Governmental Funds</b>                                                                                                                                                                                                                      |                      |                  | <b>\$ 77,610,305</b>         |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:                                                                                                                                                          |                      |                  |                              |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.                                                                                   |                      |                  |                              |
| Non-Depreciable Assets                                                                                                                                                                                                                                               | \$ 22,956,312        |                  |                              |
| Depreciable Assets                                                                                                                                                                                                                                                   | <u>615,036,437</u>   |                  |                              |
|                                                                                                                                                                                                                                                                      |                      |                  | 637,992,749                  |
| Unamortized Deferred Loss of Bond Refundings are not expensed in the government-wide statements and are amortized over the life of the debt.                                                                                                                         |                      |                  | 6,102,026                    |
| Debt Issuance Costs of Bond Refundings are not expensed in the government-wide statements and are amortized over the life of the debt.                                                                                                                               |                      |                  | 193,789                      |
| Internal Service Funds are used by management to charge the costs of its self-funded employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. |                      |                  |                              |
| Total Assets - Internal Service Funds                                                                                                                                                                                                                                | \$ 6,616,841         |                  |                              |
| Less Total Liabilities - Internal Service Funds                                                                                                                                                                                                                      | <u>(6,442,727)</u>   |                  |                              |
|                                                                                                                                                                                                                                                                      |                      |                  | 174,114                      |
| Premiums paid on long-term debt issuances are reported as revenues in the governmental funds but as unamortized premiums in the government-wide statements and amortized over the life of the debt.                                                                  |                      |                  | (16,420,661)                 |
| Long-term liabilities are not due and payable in the current period and, therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:                                                                          |                      |                  |                              |
| Bonds Payable                                                                                                                                                                                                                                                        | \$ (8,180,000)       |                  |                              |
| Certificates of Participation Payable                                                                                                                                                                                                                                | (195,085,000)        |                  |                              |
| Obligations Under Capital Lease                                                                                                                                                                                                                                      | (2,952,855)          |                  |                              |
| Note Payable                                                                                                                                                                                                                                                         | (4,030,000)          |                  |                              |
| Compensated Absences Payable                                                                                                                                                                                                                                         | (17,727,334)         |                  |                              |
| Other Postemployment Benefits Payable                                                                                                                                                                                                                                | (11,341,917)         |                  |                              |
| Net Pension Liability                                                                                                                                                                                                                                                | <u>(176,578,498)</u> |                  |                              |
|                                                                                                                                                                                                                                                                      |                      |                  | (415,895,604)                |
| Deferred Pension Costs are not expensed in the government-wide statements, but are reported as deferred inflows and outflows and amortized over the life of the debt.                                                                                                |                      |                  |                              |
|                                                                                                                                                                                                                                                                      | Deferred Outflows    | Deferred Inflows |                              |
| Deferred Pension Costs                                                                                                                                                                                                                                               |                      |                  |                              |
| FRS - Defined Benefit Program                                                                                                                                                                                                                                        | \$ 53,859,298        | \$ (3,454,013)   |                              |
| FRS - Health Insurance Subsidy                                                                                                                                                                                                                                       | <u>16,069,169</u>    | <u>(179,855)</u> |                              |
|                                                                                                                                                                                                                                                                      | 69,928,467           | (3,633,868)      | <u>66,294,599</u>            |
| <b>Total Net Position - Governmental Activities</b>                                                                                                                                                                                                                  |                      |                  | <b><u>\$ 356,051,317</u></b> |

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                          | General<br>Fund      | Special Revenue -<br>Food Service<br>Fund |
|----------------------------------------------------------|----------------------|-------------------------------------------|
| <b>Revenues</b>                                          |                      |                                           |
| Intergovernmental:                                       |                      |                                           |
| Federal Direct                                           | \$ 325,544           | \$ -                                      |
| Federal Through State                                    | 1,227,730            | 16,206,156                                |
| State                                                    | 194,519,460          | 227,553                                   |
| Local:                                                   |                      |                                           |
| Ad Valorem Taxes                                         | 100,190,168          | -                                         |
| Local Sales Tax                                          | -                    | -                                         |
| Impact Fees                                              | -                    | -                                         |
| Charges for Services - Food Service                      | -                    | 4,050,150                                 |
| Other Local Revenue                                      | 6,342,559            | 22,367                                    |
| Total Local Revenues                                     | <u>106,532,727</u>   | <u>4,072,517</u>                          |
| <b>Total Revenues</b>                                    | <u>302,605,461</u>   | <u>20,506,226</u>                         |
| <b>Expenditures</b>                                      |                      |                                           |
| Current - Education:                                     |                      |                                           |
| Instruction                                              | 204,490,921          | -                                         |
| Student Support Services                                 | 14,335,554           | -                                         |
| Instructional Media Services                             | 3,384,426            | -                                         |
| Instruction and Curriculum Development Services          | 5,867,232            | -                                         |
| Instructional Staff Training Services                    | 6,135,751            | -                                         |
| Instruction-Related Technology                           | 1,144,692            | -                                         |
| Board                                                    | 770,123              | -                                         |
| General Administration                                   | 1,193,998            | -                                         |
| School Administration                                    | 18,379,494           | -                                         |
| Facilities Acquisition and Construction                  | 741,386              | -                                         |
| Fiscal Services                                          | 1,892,694            | -                                         |
| Food Services                                            | -                    | 20,108,208                                |
| Central Services                                         | 6,331,446            | -                                         |
| Student Transportation Services                          | 16,504,723           | -                                         |
| Operation of Plant                                       | 25,953,132           | -                                         |
| Maintenance of Plant                                     | 7,507,848            | -                                         |
| Administrative Technology Services                       | 4,430,729            | -                                         |
| Community Services                                       | 266,470              | -                                         |
| Fixed Capital Outlay:                                    |                      |                                           |
| Facilities Acquisition and Construction                  | -                    | -                                         |
| Other Capital Outlay                                     | 975,952              | -                                         |
| Debt Service:                                            |                      |                                           |
| Principal                                                | -                    | -                                         |
| Interest and Fiscal Charges                              | -                    | -                                         |
| <b>Total Expenditures</b>                                | <u>320,306,571</u>   | <u>20,108,208</u>                         |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | <u>(17,701,110)</u>  | <u>398,018</u>                            |
| <b>Other Financing Sources (Uses)</b>                    |                      |                                           |
| Transfers In                                             | 13,820,865           | -                                         |
| Loss Recoveries                                          | 19,744               | -                                         |
| Issuance of Refunding Bonds                              | -                    | -                                         |
| Premium on Refunding Bonds                               | -                    | -                                         |
| Transfers Out                                            | (558,123)            | -                                         |
| <b>Total Other Financing Sources (Uses)</b>              | <u>13,282,486</u>    | <u>398,018</u>                            |
| <b>Net Change in Fund Balances</b>                       | <u>(4,418,624)</u>   | <u>398,018</u>                            |
| Fund Balances, Beginning                                 | 15,518,916           | 12,356,555                                |
| <b>Fund Balances, Ending</b>                             | <u>\$ 11,100,292</u> | <u>\$ 12,754,573</u>                      |

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

| Special Revenue -<br>Other Federal Programs<br>Fund | Capital Projects-<br>Other Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------|-----------------------------------------------------|--------------------------------|--------------------------------|
| \$ 20,365                                           | \$ -                                                | \$ -                           | \$ 345,909                     |
| 21,568,630                                          | -                                                   | -                              | 39,002,516                     |
| -                                                   | 126,318                                             | 6,020,728                      | 200,894,059                    |
| -                                                   | -                                                   | 27,957,446                     | 128,147,614                    |
| -                                                   | -                                                   | 14,805,174                     | 14,805,174                     |
| -                                                   | 15,696,703                                          | -                              | 15,696,703                     |
| -                                                   | -                                                   | -                              | 4,050,150                      |
| -                                                   | 107,739                                             | 13,937                         | 6,486,602                      |
|                                                     | 15,804,442                                          | 42,776,557                     | 169,186,243                    |
| 21,588,995                                          | 15,930,760                                          | 48,797,285                     | 409,428,727                    |
| 6,337,772                                           | -                                                   | -                              | 210,828,693                    |
| 3,008,406                                           | -                                                   | -                              | 17,343,960                     |
| -                                                   | -                                                   | -                              | 3,384,426                      |
| 6,274,508                                           | -                                                   | -                              | 12,141,740                     |
| 4,640,701                                           | -                                                   | -                              | 10,776,452                     |
| -                                                   | -                                                   | -                              | 1,144,692                      |
| -                                                   | -                                                   | -                              | 770,123                        |
| 975,726                                             | -                                                   | -                              | 2,169,724                      |
| 1,227                                               | -                                                   | -                              | 18,380,721                     |
| -                                                   | -                                                   | -                              | 741,386                        |
| -                                                   | -                                                   | -                              | 1,892,694                      |
| -                                                   | -                                                   | -                              | 20,108,208                     |
| 52,240                                              | -                                                   | -                              | 6,383,686                      |
| 126,011                                             | -                                                   | -                              | 16,630,734                     |
| 27,046                                              | -                                                   | -                              | 25,980,178                     |
| -                                                   | -                                                   | -                              | 7,507,848                      |
| 10,074                                              | -                                                   | -                              | 4,440,803                      |
| 1,778                                               | -                                                   | -                              | 268,248                        |
| -                                                   | 205,315                                             | 15,652,794                     | 15,858,109                     |
| 133,506                                             | -                                                   | -                              | 1,109,458                      |
| -                                                   | -                                                   | 23,361,013                     | 23,361,013                     |
| -                                                   | -                                                   | 10,260,535                     | 10,260,535                     |
| 21,588,995                                          | 205,315                                             | 49,274,342                     | 411,483,431                    |
| -                                                   | 15,725,445                                          | (477,057)                      | (2,054,704)                    |
| -                                                   | -                                                   | 30,871,541                     | 44,692,406                     |
| -                                                   | -                                                   | -                              | 19,744                         |
| -                                                   | -                                                   | 2,374,000                      | 2,374,000                      |
| -                                                   | -                                                   | 361,721                        | 361,721                        |
| -                                                   | (10,273,620)                                        | (33,931,515)                   | (44,763,258)                   |
|                                                     | (10,273,620)                                        | (324,253)                      | 2,684,613                      |
| -                                                   | 5,451,825                                           | (801,310)                      | 629,909                        |
| -                                                   | 35,876,820                                          | 13,228,105                     | 76,980,396                     |
| \$ -                                                | \$ 41,328,645                                       | \$ 12,426,795                  | \$ 77,610,305                  |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                                                                                                                                                                                                                                                                                                                                                                         |                 |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|
| <b>Net Change in Fund Balances - Governmental Funds</b>                                                                                                                                                                                                                                                                                                                                                 | <b>\$</b>       | <b>629,909</b>   |
| 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 of depreciation expense in excess of net capital outlays, and other capital corrections and adjustments in the current period.                                     |                 | (9,149,427)      |
| Issuing long-term bonded debt is an other financing source in the governmental funds, but issuing new debt increases long-term liabilities in the statement of net assets. Refunding debt is an other financing use in the governmental funds, but decreases liabilities in the statement of net position. This is the amount of long-term debt that was issued and refunded during the current period: |                 |                  |
| State Board of Education Bonds and Refunding Bonds Issued                                                                                                                                                                                                                                                                                                                                               | \$ (2,374,000)  |                  |
| State Board of Education Bonds Defeased                                                                                                                                                                                                                                                                                                                                                                 | 600,000         | (1,774,000)      |
| Premiums and issuance costs on new debt issues are reported when issued as other financing sources and other fiscal charges in the governmental funds, but are amortized over the life of the debt in the statement of activities.                                                                                                                                                                      |                 |                  |
| Deferred Charges:                                                                                                                                                                                                                                                                                                                                                                                       |                 |                  |
| Current Year                                                                                                                                                                                                                                                                                                                                                                                            | \$ 193,789      |                  |
| Less Prior Year                                                                                                                                                                                                                                                                                                                                                                                         | 222,528         |                  |
| Net reduction in expenses from Deferred Charges                                                                                                                                                                                                                                                                                                                                                         |                 | (28,739)         |
| Unamortized Premiums/ Deferred Loss:                                                                                                                                                                                                                                                                                                                                                                    |                 |                  |
| Current Year                                                                                                                                                                                                                                                                                                                                                                                            | \$ (16,420,661) |                  |
| Less Prior Year                                                                                                                                                                                                                                                                                                                                                                                         | (17,847,855)    |                  |
| Net increase in expenses from Unamortized Premiums                                                                                                                                                                                                                                                                                                                                                      |                 | 1,427,194        |
| Unamortized Deferred Loss                                                                                                                                                                                                                                                                                                                                                                               |                 |                  |
| Current Year                                                                                                                                                                                                                                                                                                                                                                                            | \$ 6,102,026    |                  |
| Less Prior Year                                                                                                                                                                                                                                                                                                                                                                                         | 6,622,836       |                  |
| Net increase in expenses from Deferred Loss                                                                                                                                                                                                                                                                                                                                                             |                 | (520,810)        |
| Other postemployment benefit costs are recorded in the statement of activities under the full accrual method, but in the governmental funds when due. This is the net increase in the postemployment healthcare benefits liability for the current fiscal year.                                                                                                                                         |                 | (1,004,469)      |
| Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.                                                                                                                                                                                  |                 |                  |
| Florida Retirement System Pension Contribution                                                                                                                                                                                                                                                                                                                                                          | \$ 9,065,673    |                  |
| Health Insurance Subsidy Pension Contribution                                                                                                                                                                                                                                                                                                                                                           | 2,631,877       |                  |
| Florida Retirement System Pension Expense                                                                                                                                                                                                                                                                                                                                                               | (13,025,373)    |                  |
| Health Insurance Subsidy Pension Expense                                                                                                                                                                                                                                                                                                                                                                | (5,010,003)     | (6,337,826)      |
| Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt repaid in the current period.                                                                                                                                                                                                                                                         |                 |                  |
| Notes Payable                                                                                                                                                                                                                                                                                                                                                                                           | \$ 3,985,000    |                  |
| Bonds Payable                                                                                                                                                                                                                                                                                                                                                                                           | 827,000         |                  |
| Certificates of Participation                                                                                                                                                                                                                                                                                                                                                                           | 16,865,000      |                  |
| Obligations under Capital Lease                                                                                                                                                                                                                                                                                                                                                                         | 1,684,013       | 23,361,013       |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The changes in net position of internal service funds is reported with governmental activities.                                                                                                                                                                          |                 | (1,711,086)      |
| In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned less the amount paid in the current period.                                                          |                 | (1,569,535)      |
| <b>Change in Net Position - Governmental Activities</b>                                                                                                                                                                                                                                                                                                                                                 | <b>\$</b>       | <b>3,322,224</b> |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

|                                    | Business-Type<br>Activities -<br>Enterprise Fund<br>Extended<br>Learning<br>Center Program | Governmental<br>Activities<br>Internal<br>Service<br>Funds |
|------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>ASSETS</b>                      |                                                                                            |                                                            |
| Current Assets:                    |                                                                                            |                                                            |
| Cash and Cash Equivalents          | \$ 1,176,777                                                                               | \$ 6,331,663                                               |
| Investments                        | -                                                                                          | 174,171                                                    |
| Due from Other Agencies            | -                                                                                          | 111,007                                                    |
| Prepaid Items                      | 15,975                                                                                     | -                                                          |
| <b>Total Assets</b>                | <b>1,192,752</b>                                                                           | <b>6,616,841</b>                                           |
| <b>LIABILITIES</b>                 |                                                                                            |                                                            |
| Current Liabilities:               |                                                                                            |                                                            |
| Salaries and Benefits Payable      | 602                                                                                        | -                                                          |
| Payroll Deductions and Withholding | 25,748                                                                                     | 3,920                                                      |
| Accounts Payable                   | 7,316                                                                                      | 478,615                                                    |
| Unearned Revenues                  | -                                                                                          | 127,341                                                    |
| Insurance Claims Payable           | -                                                                                          | 5,832,851                                                  |
| <b>Total Liabilities</b>           | <b>33,666</b>                                                                              | <b>6,442,727</b>                                           |
| <b>NET POSITION</b>                |                                                                                            |                                                            |
| Unrestricted                       | 1,159,086                                                                                  | 174,114                                                    |
| <b>Total Net Position</b>          | <b>\$ 1,159,086</b>                                                                        | <b>\$ 174,114</b>                                          |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                       | Business-Type<br>Activities -<br>Enterprise Fund<br>Extended<br>Learning<br>Center Program | Governmental<br>Activities<br>Internal<br>Service<br>Funds |
|---------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>OPERATING REVENUES</b>             |                                                                                            |                                                            |
| Charges for Services                  | \$ 2,917,122                                                                               | \$ 43,585,481                                              |
| <b>Total Operating Revenues</b>       | <u>2,917,122</u>                                                                           | <u>43,585,481</u>                                          |
| <b>OPERATING EXPENSES</b>             |                                                                                            |                                                            |
| Salaries                              | 1,829,902                                                                                  | 124,570                                                    |
| Employee Benefits                     | 504,242                                                                                    | 31,954                                                     |
| Purchased Services                    | 53,147                                                                                     | 78,240                                                     |
| Energy Services                       | 7,103                                                                                      | 9,886                                                      |
| Materials & Supplies                  | 65,889                                                                                     | 563,977                                                    |
| Capital Outlay                        | 59,796                                                                                     | 120,426                                                    |
| Insurance Claims                      | -                                                                                          | 42,146,646                                                 |
| Other Expenses                        | 13,889                                                                                     | 2,779,071                                                  |
| <b>Total Operating Expenses</b>       | <u>2,533,968</u>                                                                           | <u>45,854,770</u>                                          |
| <b>Operating Income (Loss)</b>        | <u>383,154</u>                                                                             | <u>(2,269,289)</u>                                         |
| <b>Nonoperating Revenues</b>          |                                                                                            |                                                            |
| Investment Income                     | -                                                                                          | 80                                                         |
| <b>Income (Loss) before Transfers</b> | 383,154                                                                                    | (2,269,209)                                                |
| Transfers In                          | -                                                                                          | 558,123                                                    |
| Transfers Out                         | <u>(487,271)</u>                                                                           | <u>-</u>                                                   |
| <b>Change in Net Position</b>         | (104,117)                                                                                  | (1,711,086)                                                |
| Total Net Position - Beginning        | <u>1,263,203</u>                                                                           | <u>1,885,200</u>                                           |
| <b>Total Net Position - Ending</b>    | <u><u>\$ 1,159,086</u></u>                                                                 | <u><u>\$ 174,114</u></u>                                   |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                                                                    | Business-Type<br>Activities -<br>Enterprise Fund<br>Extended<br>Learning Center<br>Program | Governmental<br>Activities<br>Internal<br>Service<br>Funds |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                        |                                                                                            |                                                            |
| Cash Received from Services                                                                        | \$ 2,917,122                                                                               | \$ 43,797,853                                              |
| Cash Payments to Suppliers for Goods, Services, and Other Expenses                                 | (219,032)                                                                                  | (3,840,904)                                                |
| Cash Payments to Employees for Services                                                            | (2,351,859)                                                                                | (156,043)                                                  |
| Cash Payments for Insurance Claims                                                                 | -                                                                                          | (39,132,118)                                               |
| <b>Net Cash Provided by Operating Activities</b>                                                   | <u>346,231</u>                                                                             | <u>668,788</u>                                             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                             |                                                                                            |                                                            |
| Transfers In (Out)                                                                                 | <u>(487,271)</u>                                                                           | <u>558,123</u>                                             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                        |                                                                                            |                                                            |
| Purchase of Investments                                                                            | -                                                                                          | (174,171)                                                  |
| Interest on Investments                                                                            | -                                                                                          | 80                                                         |
| <b>Net Cash Used by Investing Activities</b>                                                       | <u>-</u>                                                                                   | <u>(174,091)</u>                                           |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                        | (141,040)                                                                                  | 1,052,820                                                  |
| Cash and Cash Equivalents, Beginning                                                               | 1,317,817                                                                                  | 5,278,843                                                  |
| Cash and Cash Equivalents, Ending                                                                  | <u><u>\$ 1,176,777</u></u>                                                                 | <u><u>\$ 6,331,663</u></u>                                 |
| <br><b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b> |                                                                                            |                                                            |
| Operating Income (Loss)                                                                            | <u>\$ 383,154</u>                                                                          | <u>\$ (2,269,289)</u>                                      |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided<br>by Operating Activities:  |                                                                                            |                                                            |
| Changes in Assets and Liabilities:                                                                 |                                                                                            |                                                            |
| Decrease in Accounts Receivable                                                                    | -                                                                                          | 3                                                          |
| Increase in Prepaid Items                                                                          | (15,975)                                                                                   | -                                                          |
| Decrease in Inventories                                                                            | -                                                                                          | 14,802                                                     |
| Decrease in Due from Other Agencies                                                                | -                                                                                          | 226,035                                                    |
| Decrease in Salaries and Benefits Payable                                                          | (19,835)                                                                                   | (186)                                                      |
| Increase in Payroll Deductions and Withholding                                                     | 2,120                                                                                      | 732                                                        |
| Decrease in Accounts Payable                                                                       | (3,233)                                                                                    | (289,369)                                                  |
| Increase in Insurance Claims Payable                                                               | -                                                                                          | 3,014,528                                                  |
| Decrease in Unearned Revenue                                                                       | -                                                                                          | (28,468)                                                   |
| <b>Total Adjustments</b>                                                                           | <u>(36,923)</u>                                                                            | <u>2,938,077</u>                                           |
| <b>Net Cash Provided by Operating Activities</b>                                                   | <u><u>\$ 346,231</u></u>                                                                   | <u><u>\$ 668,788</u></u>                                   |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

|                                                             | Private-Purpose<br>Trust<br>Funds | Agency<br>Funds            |
|-------------------------------------------------------------|-----------------------------------|----------------------------|
| <b>ASSETS</b>                                               |                                   |                            |
| Cash and Cash Equivalents                                   | \$ 219,505                        | \$ 3,066,239               |
| <b>TOTAL ASSETS</b>                                         | <u>219,505</u>                    | <u><u>\$ 3,066,239</u></u> |
| <b>LIABILITIES</b>                                          |                                   |                            |
| Accounts Payable                                            | 18,604                            | \$ -                       |
| Internal Accounts Payable                                   | <u>-</u>                          | <u>3,066,239</u>           |
| <b>Total Liabilities</b>                                    | <u>18,604</u>                     | <u><u>\$ 3,066,239</u></u> |
| <b>Net Position</b>                                         |                                   |                            |
| Assets Held in Trust for Scholarships<br>and Other Purposes | <u>200,901</u>                    |                            |
| <b>TOTAL NET POSITION</b>                                   | <u><u>\$ 200,901</u></u>          |                            |

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                    | Private-Purpose<br>Trust<br>Funds |
|------------------------------------|-----------------------------------|
| <b>ADDITIONS</b>                   |                                   |
| <b>Investment Earnings:</b>        |                                   |
| Interest, Dividends, and Other     | \$ 901                            |
| <b>DEDUCTIONS</b>                  |                                   |
| Other Expenses                     | 903                               |
| <b>Change in Net Position</b>      | (2)                               |
| Net Position, July 1, 2016         | 200,903                           |
| <b>Net Position, June 30, 2017</b> | <b>\$ 200,901</b>                 |

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# NOTES TO THE BASIC FINANCIAL STATEMENTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Lake County School District's (District) governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and thereby clearly identifiable to a particular function.

**B. Reporting Entity**

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

**Component Units**

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 Standard Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The District used guidance provided in the FDOE memorandum, dated October 8, 2012, in the application of these criteria for

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

identification of any entities for which the District is financially accountable and has a financial benefit or burden relationship present and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The Florida Department of Education has directed that all charter schools be reported as component units of the District.

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

**Blended Component Unit.** The Financing Corporation for the School Board of Lake County, Florida, Inc. (Financing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment. The governing board of the Financing Corporation is the Lake County District School Board. Due to the substantive economic relationship between the District and the Financing Corporation, the financial activities of the Financing Corporation are included in the accompanying basic financial statements as part of the debt service and capital projects funds. Separate financial statements for the Financing Corporation are not published.

**Discretely Presented Component Units.** The component units' columns in the basic financial statements include the financial data of the District's other component units that are required to be reported separately. These component units consist of the Educational Foundation of Lake County, Inc., as well as the following eight charter schools: Alee Academy, Inc.; Altoona Charter School, Inc.; Imagine Schools of South Lake (dba South Lake Charter School); Lake Technical College, Inc.; Mascotte Elementary Charter School, Inc.; Minneola Elementary Charter School, Inc.; Round Lake Elementary Charter School, Inc.; and Spring Creek Charter School, Inc. These are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the District.

The Educational Foundation of Lake County, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. The Foundation is considered to be a component unit of the District because the District must approve all members of the Foundation Board, and the District has the ability to impose its will on the Foundation. The financial data reported for the Foundation was derived from audited financial statements on file in the District's administrative offices.

The charter schools are separate not-for-profit corporations organized under Section 1002.33, Florida Statutes, to operate as public (as opposed to private) schools and are held responsible for prudent use of the public funds they receive. They operate under a charter approved by their sponsor, the District School Board of Lake County, and are

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

considered to be component units of the District since they are fiscally dependent on the District for their tax levy and the majority of their budget. In addition, they create a financial burden on the District because the charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

Audits of charter schools' financial statements are conducted by independent certified public accountants. Separate financial statements for the charter schools are filed in the District's administrative offices.

In addition to being charter schools, Lake Technical College, Inc.; Mascotte Elementary Charter School, Inc.; Minneola Elementary Charter School, Inc.; Round Lake Elementary Charter School, Inc.; and Spring Creek Charter School, Inc. operate as conversion charter schools. In accordance with the respective contract provisions, employees at each of these schools are employees of Lake County Schools. The conversion charter schools reimburse Lake County Schools for salaries and benefits. As such, the conversion charter schools' proportionate share of liabilities related to Florida Retirement System (FRS) and Postemployment Health Care Benefits are reported in the annual financial reports of the respective conversion charter schools. The District's proportionate share of each liability is discussed further under notes 2.D. and 2.E.

In accordance with School Board Policy 3.90, Charter Schools, Section 13h, "Conversion charter school employees will become employees of the charter school upon commencement of the charter school contract and will no longer be employees of the Lake County School District. Lake County School Board employees who elect to teach at a charter school may request charter school leave indefinitely but this leave must be requested annually." Following the contract renewals of the current conversion charter schools in 2022, the specific disclosure areas of employee benefits, discussed above, will no longer apply as the employees will no longer be employees of the Lake County School District.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, propriety funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used and net residual amounts between governmental and business-type activities.

**D. Basis of Presentation – Fund Financial Statements**

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

The District reports the following major governmental funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Food Service Fund – to account for certain Federal grant program resources related to the National School Lunch Program and other State and Local revenue related to the Food Service operations of the District.
- Special Revenue – Other Federal Programs Fund – to account for certain Federal grant program resources of the District.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by various sources. Included in the Capital Projects – Other Capital Projects Fund are certificate of participation proceeds; impact fees; effort index; class size reduction; and other capital outlay appropriations. These funds are to be used for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract.

The District reports the following proprietary funds:

- Enterprise Fund - Extended Learning Center Program – to account for the financial resources of the District's Extended Learning Center Program. This program provides before and after school care to students.
- Internal Service Funds – to account for the financial resources of the District's Self-Funded Health Insurance Program, Employee Flexible Spending Program, and Workers' Compensation Program.

The District reports the following fiduciary funds:

- Agency Fund – to account for resources of the school internal funds which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.
- Private-Purpose Trust Fund – a private scholarship fund established to account for resources that are legally restricted by the donor to the extent that only proceeds from

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interest, and not principal, may be used for scholarship purposes. A complete description of this Donor-Restricted Endowment is included in note 2.M.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

The government-wide financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund 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, which include the general, special revenue, debt service and capital projects funds, are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual method of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this rule are: (a) prepaid items are

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generally not accrued; (b) interest on general long-term debt is recognized as expenditures when due; and (c) expenditures related to long-term liabilities are recognized when due. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) non-exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange. Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

Revenues resulting from non-exchange transactions are further classified into (a) derived tax revenues, (b) imposed non-exchange revenues, (c) government-mandated non-exchange transactions, and (d) voluntary non-exchange transactions. Derived tax revenues (e.g., sales taxes) are recorded when the exchange transaction occurs. Imposed non-exchange transactions (e.g., property taxes) are recorded when the use of the resource is required or first permitted by time requirements (for example, for property taxes, the period for which they are levied.) Government-mandated and voluntary non-exchange transactions, (e.g., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available in order to be accrued. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property and sales taxes 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.

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

The Educational Foundation of Lake County, Inc., shown as a discretely presented component unit, follows the same accounting model as the District's governmental activities.

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

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

**(1) Cash and Cash Equivalents**

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

Cash deposits are held by banks qualified as public depositories under Florida law or through the Federally Insured Cash Account program, which complies with the provisions of Section 218.415(23), Florida Statutes, and is therefore exempt from Florida's public deposits program pursuant to Section 280.03(3)(f), Florida Statutes. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**(2) Investments**

Investments consist of amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

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

Investments made locally consist of money market mutual funds, Federal instrumentalities instruments and commercial paper and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in note 2.A.

**(3) Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

**(4) Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse (school supplies) and maintenance inventories are

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stated at cost on a weighted-average basis. Transportation and food service inventories are stated at cost on the first-in, first-out basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than when purchased.

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

**(5) Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. 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.

Normal maintenance and repair costs that do not materially increase the value of assets or extend the useful lives of assets are not capitalized.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Capital assets of the primary government, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

| <b>Description</b>                  | <b>Estimated Lives</b> |
|-------------------------------------|------------------------|
| Improvements Other than Buildings   | 10 – 40 years          |
| Buildings and Fixed Equipment       | 10 – 50 years          |
| Furniture, Fixtures and Equipment   | 3 – 15 years           |
| Motor Vehicles                      | 5 – 10 years           |
| Property Under Capital Lease        | 7 – 50 years           |
| Audio Visual Materials and Software | 3 – 10 years           |

Current-year information relative to changes in capital assets is described in note 2.C.

**(6) Long-Term Liabilities**

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

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net position. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds and certificates of participation payables are reported net of the applicable premium or discount. Debt issuance costs are reported separately as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, debt and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt 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 discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Changes in long-term debt for the current year are reported in note 2.I.(4).

**(7) Pensions**

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deduction from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, defined benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported as fair value.

Current-year information relative to the State Retirement Programs is described in note 2.D.

**(8) Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net position has a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting as deferred outflows of resources, both reported in the government-wide statement of net position. The first item is the net carrying amount of debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This

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amount is deferred and amortized over the shorter of the life of the refunded debt or new refunding debt. The second item is the deferred outflows related to pensions. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District only has one type of item, which arises from the FRS and HIS pensions, that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Details on the composition of deferred outflows and inflows related to pensions are reported in note 2.D.

**(9) Compensated Absences**

The criteria for determining compensated absences (e.g., paid absences for employee vacation and sick leave benefit) liability are derived from Board policy, negotiated agreements and State law. 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 employer will compensate the employee for the benefits through paid time off or other means. Sick leave benefits are accrued as a liability using the termination method. The liability is based on sick leave accumulated at year end by those employees who are eligible to receive termination payments and those employees for whom it is probable that they will become eligible to receive termination benefits in the future.

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

Changes in compensated absences for the current year are reported in note 2.I.(4).

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**(10) Net Position Flow Assumption**

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

**(11) Fund Balance Flow Assumptions**

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

**(12) Fund Balance Policies**

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance as of June 30, 2017.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's

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appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**G. Revenues**

**(1) Program Revenues**

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

**(2) State Revenue Sources**

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

The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department 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

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governmental fund financial statements for the balance of these categorical and earmarked program resources.

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

A schedule of revenue from State sources for the current year is presented in note 2.N.(1).

**(3) District Property Taxes**

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

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

The Board adopted the 2016 tax levy on September 12, 2016. Tax bills are mailed by the Lake County Tax Collector's Office 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 budgeted at 96 percent of the levy to account for the potential early payment discounts. 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 Lake County Tax Collector at fiscal year end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

Millages rates and taxes levied for the current year are presented in note 2.N.(2).

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**(4) Local Sales Tax**

On November 6, 2001, the voters of Lake County approved a one-cent discretionary infrastructure sales surtax on sales in Lake County for fifteen years, effective January 1, 2003. This tax is split between Lake County, Lake County School District and Lake County cities. The District uses this tax to pay for the construction of certain educational facilities and other related costs, in accordance with Section 212.055(6), Florida Statutes.

On November 6, 2015, the voters of Lake County approved the continuation of the one-cent discretionary infrastructure sales surtax on sales in Lake County for an additional fifteen years, effective January 1, 2018.

**(5) Educational Impact Fees**

Lake County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1996. On December 11, 2007, Lake County amended Chapter 22 of the Lake County Code related to Impact Fees. Ordinance 2007-60 amended the County's Impact Fee Schedule. The educational impact fee is collected by the County for most new residential construction. The fees can only be used to acquire, construct, expand, and equip the educational sites and educational capital facilities necessitated by new development, and to pay for certain collection and legal defense costs.

- On April 5, 2011, the Lake County Board of County Commissioners voted to retroactively suspend collection of the school impact fee from January 1, 2011, through April 1, 2012.
- On March 13, 2013, the Lake County Board of County Commissioners voted to extend this suspension through December 31, 2014.
- On October 8, 2013, the Lake County Board of County Commissioners voted to reinstate the Impact fee at 25 percent of the prior rate effective January 13, 2014.
- On December 2, 2014, the Lake County Board of County Commissioners voted to reinstate the Impact fee at 75 percent of the prior rate effective April 6, 2015. However, these funds were to be held until the School Board provided an updated Impact Fee Study.
- On September 29, 2015, the updated Impact Fee Study was presented to the Lake County Board of County Commissioners and the Commissioners voted to increase the impact fee to 100 percent of the rate recommended in the new study effective January 11, 2016.

**(6) 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,

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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.

**(7) Proprietary Funds Operating and Non-Operating Revenues and Expenses**

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

**2. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash, Cash Equivalents and Investments**

All cash deposits are held in banks that qualify as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

As of June 30, 2017, the District had the following investments and maturities:

| <b>Security Type</b>                            | <b>Duration<br/>Year</b> | <b>Credit<br/>Rating (1)</b> | <b>Fair Value</b>           | <b>Fair Value<br/>Measurement (2)</b> |
|-------------------------------------------------|--------------------------|------------------------------|-----------------------------|---------------------------------------|
| <u>Primary Government</u>                       |                          |                              |                             |                                       |
| Florida Education Investment Trust Fund (FEITF) | 0.15                     | AAAm                         | \$ 13,096,656               | 1                                     |
| United States Treasury Notes                    | 0.2                      | AA+                          | 18,445,668                  | 1                                     |
| Federal Home Loan Bank Notes (FHLB)             | 0.2                      | A-1+                         | 2,997,219                   | 2                                     |
| Commerical Paper                                | 0.15 - 0.2               | A-1; A-1+                    | 34,938,374                  | 1                                     |
| State Board of Administration (SBA):            |                          |                              |                             |                                       |
| Florida Prime                                   | n/a                      | AAAm                         | 79,515                      | n/a                                   |
| Money Market Funds                              | n/a                      | AAAm                         | 63,186                      | n/a                                   |
| Total Investments, Primary Government           |                          |                              | <u>69,620,618</u>           |                                       |
| <u>Proprietary Funds</u>                        |                          |                              |                             |                                       |
| Money Market Funds                              | n/a                      |                              | <u>174,171</u>              | n/a                                   |
| <b>Total Investments</b>                        |                          |                              | <u><b>\$ 69,794,789</b></u> |                                       |

Notes: (1) Credit ratings are provided by Standard and Poor's.

(2) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.

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**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(7), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits the length of investments of bond reserves, construction funds, and other non-operating funds to a maximum of five years and the investment of current operating funds to no longer than 2 years.

The District has no Federal instrumentalities investments that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. The District also has no Federal instrumentalities mortgage pass-through securities.

**Credit Risk**

The District's investment policy authorizes the following investments:

- Intergovernmental Pools ("LGIP")
- United States Government securities
- United States Government agencies
- Federal instrumentalities
- Interest-bearing time deposit or savings accounts in qualified public depositories
- Repurchase agreements collateralized with a value of 102 percent, by negotiable direct obligations of the United States Government, government agencies, and Federal instrumentalities with maturities under 5 years
- Commercial paper and bankers' acceptances rated "Prime-1" by Moody's Investors Service and "A-1" by Standard & Poor's
- State and/or local government taxable and/or tax-exempt debt rated at least "Aa" by Moody's and "AA" by Standard & Poor's
- Registered investment companies (mutual funds) rated "AAAm" or better by Standard & Poor's or an equivalent rating by another rating agency

Under the Board's investment policy, proceeds from debt issues are allowed to be invested in accordance with the resolutions authorizing the debt issue and approved by the bond insurer.

**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 the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415 (18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by, the Board should

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be properly designated as an asset of the Board. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, 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 the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit. As of June 30, 2017, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy.

**Concentration of Credit Risk**

The District's investment policy has established asset allocation and issuer limits in the investment of available funds, i.e., cash and investments funds, which are designed to reduce the concentration of credit risk of the District's investment portfolio as follows:

- Intergovernmental Pools ("LGIP") – 25%
- United States Government securities – 100%
- United States Government agencies – 50%
  - o 25% limit on individual issuers
- Federal instrumentalities – 80%
  - o 40% limit on individual issuers
- Interest-bearing time deposit or savings accounts – 25%
  - o 15% limit on individual issuers
- Repurchase agreements – 50%
  - o 25% limit on individual issuers
- Commercial paper – 35%
  - o 10% limit on individual issuers
- Registered investment companies (mutual funds) – 50%
  - o 25% limit on individual issuers
- Banker's acceptances - 35%
  - o 10% limit on individual issuers
- State and/or local government taxable or tax-exempt debt – 20%

**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.

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**B. Receivables**

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

**C. Changes in Capital Assets**

Changes in capital assets are presented in the table as follows:

|                                                 | Balance<br>July 1, 2016 | Additions      | Deletions | Balance<br>June 30, 2017 |
|-------------------------------------------------|-------------------------|----------------|-----------|--------------------------|
| GOVERNMENTAL ACTIVITIES                         |                         |                |           |                          |
| Capital Assets Not Being Depreciated:           |                         |                |           |                          |
| Land                                            | \$ 22,956,312           | \$ -           | \$ -      | \$ 22,956,312            |
| Capital Assets Being Depreciated:               |                         |                |           |                          |
| Improvements Other Than Buildings               | 17,189,724              | 211,726        | -         | 17,401,450               |
| Buildings and Fixed Equipment                   | 775,449,235             | 525,541        | -         | 775,974,776              |
| Furniture, Fixtures, and Equipment              | 43,706,841              | 3,752,027      | 2,021,655 | 45,437,213               |
| Motor Vehicles                                  | 31,789,131              | 7,352,862      | 1,946,660 | 37,195,333               |
| Property Under Capital Lease                    | 5,937,322               | -              | -         | 5,937,322                |
| Audio Visual Materials and<br>Computer Software | 10,774,490              | 302,725        | -         | 11,077,215               |
| Total Capital Assets Being Depreciated          | 884,846,743             | 12,144,881     | 3,968,315 | 893,023,309              |
| Less Accumulated Depreciation for:              |                         |                |           |                          |
| Improvements Other Than Buildings               | 16,026,959              | 137,449        | -         | 16,164,408               |
| Buildings and Fixed Equipment                   | 169,067,149             | 15,508,985     | -         | 184,576,134              |
| Furniture, Fixtures, and Equipment              | 37,301,724              | 3,075,305      | 1,989,351 | 38,387,678               |
| Motor Vehicles                                  | 26,083,000              | 1,660,446      | 1,946,660 | 25,796,786               |
| Property Under Capital Lease                    | 1,943,100               | 501,981        | -         | 2,445,081                |
| Audio Visual Materials and<br>Computer Software | 10,238,947              | 377,838        | -         | 10,616,785               |
| Total Accumulated Depreciation                  | 260,660,879             | 21,262,004     | 3,936,011 | 277,986,872              |
| Total Capital Assets Being Depreciated, Net     | 624,185,864             | (9,117,123)    | 32,304    | 615,036,437              |
| Governmental Activities Capital Assets, Net     | \$ 647,142,176          | \$ (9,117,123) | \$ 32,304 | \$ 637,992,749           |

**D. State Retirement Program and Net Pension Liability**

**(1) General Information about the FRS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes,

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established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's FRS and HIS pension expense totaled \$18,035,376 for the fiscal year ended June 30, 2017.

**(2) FRS Pension Plan**

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

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

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

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normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is

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an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were as follows:

| <b><u>Class</u></b>                   | <b><u>Percent of Gross Salary</u></b> |                            |
|---------------------------------------|---------------------------------------|----------------------------|
|                                       | <b><u>Employee</u></b>                | <b><u>Employer (1)</u></b> |
| FRS, Regular                          | 3.00                                  | 7.52                       |
| FRS, Elected County Officers          | 3.00                                  | 42.47                      |
| FRS, Senior Management Service        | 3.00                                  | 21.77                      |
| DROP - Applicable to                  |                                       |                            |
| Members from All of the Above Classes | 0.00                                  | 12.99                      |
| FRS, Reemployed Retiree               | (2)                                   | (2)                        |

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions totaled \$9,065,673 for the fiscal year ended June 30, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2017, the District reported a liability of \$106,273,955 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.468327192 percent, which was a decrease of 0.023073744 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the Plan pension expense of \$13,025,373. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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| <u>Description</u>                                                                                               | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                               | \$ 8,137,152                              | \$ 989,482                               |
| Change of assumptions                                                                                            | 6,429,257                                 | -                                        |
| Net difference between projected and actual earnings on FRS pension plan investments                             | 29,510,211                                | -                                        |
| Change in proportion and differences between District FRS contributions and proportionate share of contributions | 717,005                                   | 2,464,531                                |
| District FRS contributions subsequent to the measurement date                                                    | 9,065,673                                 | -                                        |
| Total                                                                                                            | <u>\$ 53,859,298</u>                      | <u>\$ 3,454,013</u>                      |

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$9,065,673, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Amount</u>               |
|-----------------------------------|-----------------------------|
| 2018                              | \$ 5,686,063                |
| 2019                              | 5,686,063                   |
| 2020                              | 16,951,618                  |
| 2021                              | 11,388,963                  |
| 2022                              | 1,262,515                   |
| Thereafter                        | 364,390                     |
| <b>Total</b>                      | <u><b>\$ 41,339,612</b></u> |

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

|                           |                                                                           |
|---------------------------|---------------------------------------------------------------------------|
| Inflation                 | 2.60 percent                                                              |
| Salary Increases          | 3.25 percent, average, including inflation                                |
| Investment Rate of Return | 7.60 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

| <b>Asset Class</b>       | <b>Target Allocation<br/>(1)</b> | <b>Annual Arithmetic<br/>Return</b> | <b>Annual (Geometric)<br/>Return</b> | <b>Standard Deviation</b> |
|--------------------------|----------------------------------|-------------------------------------|--------------------------------------|---------------------------|
| Cash                     | 1%                               | 3.0%                                | 3.0%                                 | 1.7%                      |
| Fixed Income             | 18%                              | 4.7%                                | 4.6%                                 | 4.6%                      |
| Global Equity            | 53%                              | 8.1%                                | 6.8%                                 | 17.2%                     |
| Real Estate (Property)   | 10%                              | 6.4%                                | 5.8%                                 | 12.0%                     |
| Private Equity           | 6%                               | 11.5%                               | 7.8%                                 | 30.0%                     |
| Strategic Investments    | 12%                              | 6.1%                                | 5.6%                                 | 11.1%                     |
| <b>Total</b>             | <b>100%</b>                      |                                     |                                      |                           |
| Assumed inflation - Mean |                                  |                                     | 2.60%                                | 1.9%                      |

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

**Discount Rate.** The discount rate used to measure the total pension liability was 7.6 percent. The Plan's fiduciary net pension was projected to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2016 valuation was updated from 7.65 percent to 7.6 percent.

**Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 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 (6.6 percent) or 1-percentage-point higher (8.6 percent) than the current rate:

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|                                                             | <b>1%<br/>Decrease<br/>6.6%</b> | <b>Current<br/>Discount Rate<br/>7.6%</b> | <b>1%<br/>Increase<br/>8.6%</b> |
|-------------------------------------------------------------|---------------------------------|-------------------------------------------|---------------------------------|
| District's proportionate share of the net pension liability | <u>\$ 195,657,549</u>           | <u>\$ 106,273,955</u>                     | <u>\$ 31,873,920</u>            |

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

**(3) HIS Pension Plan**

**Plan Description.** The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided.** For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

**Contributions.** The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$2,631,877 for the fiscal year ended June 30, 2017.

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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

At June 30, 2017, the District reported a net pension liability of \$70,304,543 for its proportionate share of the net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.671230678 percent, which was an increase of 0.018290087 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$5,010,003. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Description</b>                                                                                                    | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                                    | \$ -                                      | \$ 160,128                               |
| Change of assumptions                                                                                                 | 11,624,717                                | -                                        |
| Net difference between projected and actual earnings on HIS pension plan investments                                  | 35,547                                    | -                                        |
| Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions | 1,777,028                                 | 19,727                                   |
| District contributions subsequent to the measurement date                                                             | 2,631,877                                 | -                                        |
| Total                                                                                                                 | <u>\$ 16,069,169</u>                      | <u>\$ 179,855</u>                        |

The deferred outflows of resources totaling \$2,631,877 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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| <u>Fiscal Year Ending June 30</u> | <u>Amount</u>        |
|-----------------------------------|----------------------|
| 2018                              | \$ 2,354,214         |
| 2019                              | 2,354,214            |
| 2020                              | 2,347,128            |
| 2021                              | 2,343,728            |
| 2022                              | 2,073,365            |
| Thereafter                        | 1,784,788            |
| Total                             | <u>\$ 13,257,437</u> |

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

|                                                  |                                                                              |
|--------------------------------------------------|------------------------------------------------------------------------------|
| Inflation                                        | 2.60 percent                                                                 |
| Salary Increases                                 | 3.25 percent, average, including inflation                                   |
| Discount Rate of Return<br>(Municipal Bond Rate) | 2.85 percent, net of pension plan investment<br>expense, including inflation |

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

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

**Discount Rate.** The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2016 valuation was updated from 3.8 percent to 2.85 percent.

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

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|                                                                | <b>1%<br/>Decrease<br/>(1.85%)</b> | <b>Current<br/>Discount Rate<br/>(2.85%)</b> | <b>1%<br/>Increase<br/>(3.85%)</b> |
|----------------------------------------------------------------|------------------------------------|----------------------------------------------|------------------------------------|
| District's proportionate share of<br>the net pension liability | <u>\$80,665,282</u>                | <u>\$ 70,304,543</u>                         | <u>\$ 61,713,992</u>               |

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

**(4) FRS – Defined Contribution Pension Plan**

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year were as follows:

| <u><b>Class</b></u>            | <u><b>Percent of<br/>Gross<br/>Compensation</b></u> |
|--------------------------------|-----------------------------------------------------|
| FRS, Regular                   | 6.30                                                |
| FRS, Elected County Officers   | 11.34                                               |
| FRS, Senior Management Service | 7.67                                                |

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For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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 in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$2,527,964 for the fiscal year ended June 30, 2017.

**E. Other Post-Employment Benefits (OPEB)**

**Plan Description.**

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

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Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or other entity.

**Funding Policy.**

Plan contribution requirements of the District and OPEB Plan members are established and may be amended by action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 290 retirees received postemployment health care benefits. For the 2016-17 fiscal year the District provided required contributions of \$1,273,135 toward the annual OPEB costs, net of retiree contributions totaling \$1,909,875, which represents 1.23 percent of covered payroll.

**Annual OPEB Cost and Net OPEB Obligation.**

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

| <u>Description</u>                                      | <u>Amount</u>              |
|---------------------------------------------------------|----------------------------|
| Normal Cost (service cost for one year)                 | \$ 1,323,635               |
| Amortization of Unfunded Actuarial<br>Accrued Liability | <u>1,062,123</u>           |
| Annual Required Contribution                            | 2,385,758                  |
| Interest on Net OPEB Obligation                         | 362,079                    |
| Adjustment to Annual Required Contribution              | <u>(470,233)</u>           |
| Annual OPEB Cost (Expense)                              | 2,277,604                  |
| Contribution Toward the OPEB Cost                       | <u>(1,273,135)</u>         |
| Increase in Net OPEB Obligation                         | 1,004,469                  |
| Net OPEB Obligation, Beginning of Year                  | <u>10,337,448</u>          |
| Net OPEB Obligation, End of Year                        | <u><u>\$11,341,917</u></u> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

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

| <u>Fiscal Year</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage of<br/>Annual<br/>OPEB Cost<br/>Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|--------------------|-----------------------------|---------------------------------------------------------------|--------------------------------|
| 2014-15            | \$ 1,638,092                | 59.24%                                                        | \$ 9,542,761                   |
| 2015-16            | 2,195,548                   | 63.80%                                                        | 10,337,448                     |
| 2016-17            | 2,277,604                   | 55.90%                                                        | 11,341,917                     |

**Funded Status and Funding Progress.**

As of January 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$24,576,817, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$24,576,817 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$154,725,959, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.88 percent.

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

**Actuarial Methods and Assumptions.**

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term perspective. 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

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, 2017, and to estimate the District's 2016-17 fiscal year annual required contribution. This method was selected because it produced the lowest OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.5 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, an inflation rate of 2.5 percent, and an annual healthcare cost trend rate of 6.5 percent for the 2016-17 fiscal year, reduced to an ultimate rate of 4.49 percent after 23 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2017, was 21 years.

**F. Other Significant Commitments**

**Encumbrances:**

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at year-end:

| <b>Major Funds</b>  |                                       |                                                 |                                                  |                                 |                                 |
|---------------------|---------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------|---------------------------------|
| <b>General Fund</b> | <b>Special Revenue - Food Service</b> | <b>Special Revenue - Other Federal Programs</b> | <b>Capital Projects - Other Capital Projects</b> | <b>Other Governmental Funds</b> | <b>Total Governmental Funds</b> |
| <u>\$ 905,570</u>   | <u>\$ 593,776</u>                     | <u>\$ 128,469</u>                               | <u>\$ 16,754</u>                                 | <u>\$ 4,259,565</u>             | <u>\$ 5,904,134</u>             |

**G. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, school board legal liability, and law enforcement liability are being provided on a self-insured basis up to specified limits. The District has entered into agreements with two 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 claim 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
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**JUNE 30, 2017**

On July 1, 2004, the District entered a participation agreement with five school districts to purchase property insurance coverage through the Preferred Government Insurance Trust (PGIT). Under this agreement, the District shares \$160,000,000 of coverage on a per occurrence basis with a \$25,000 deductible for all other perils excluding wind damage from a named storm. The deductible for a named storm is 2 percent of the Total Insured Value, per location, subject to a minimum of \$35,000 deductible per occurrence.

Life insurance coverage is being provided through purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The District provides health and hospitalization under a self-funded program administered through a commercial provider. By utilizing a self-funded model, the District assumes the claims risk directly and uses a purchased stop-loss policy to mitigate those risks. The stop-loss policy covers any individual claim over \$300,000, with an aggregate stop-loss of \$2,000,000. The District had 11 claims in excess of the stop-loss limit of \$300,000 in the prior 3 years. The stop-loss covers the claims directly and does not require the District to pay the claim and then be reimbursed.

Additionally, the District has entered into a contract with CareHere, LLC, to operate 4 health and wellness centers. Employees who have district health insurance may see a doctor free of charge and may receive stocked generic medicines free of charge.

Funding levels for the program and the run-out claims were actuarially determined. The District filed the required certification to the Office of Insurance Regulation which included a statement prepared by an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries as to the actuarial soundness of the plan. The District reports the self-funded program in the Internal Service Funds. Amounts are charged to various funds to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, and to pay the insurance services agent's administrative fees.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's Self-Insured Health Insurance Fund:

| <b>Fiscal Year</b> | <b>Beginning of<br/>Fiscal Year<br/>Liability</b> | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> | <b>Claims<br/>Payments</b> | <b>Balance at<br/>Fiscal<br/>Year End</b> |
|--------------------|---------------------------------------------------|-----------------------------------------------------------------|----------------------------|-------------------------------------------|
| 2015-16            | \$ 2,758,589                                      | \$ 40,548,073                                                   | \$ (40,488,339)            | \$ 2,818,323                              |
| 2016-17            | 2,818,323                                         | 42,146,646                                                      | (39,132,118)               | 5,832,851                                 |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**H. Lease Obligation**

**(1) Capital Lease Commitment**

On October 14, 2011, the District entered into a Guaranteed Energy Savings Performance Contract under a Master Lease Agreement for the design, engineering and installation of various conservation measures, including facility alterations and equipment purchases designed to reduce energy or water consumption at various school locations. The project is funded through SunTrust Equipment Financing and Leasing in the amount of \$6,328,851. The Board's intent is to repay the loan and related interest through the guaranteed energy savings realized in 9 annual installments of \$776,966 through September 14, 2020. The outstanding principal and interest balance at June 30, 2017, totals \$3,107,864.

Amounts payable for the Capital Lease are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Total</u>        | <u>Principal</u>    | <u>Interest</u>   |
|-----------------------------------|---------------------|---------------------|-------------------|
| 2018                              | \$ 776,966          | \$ 715,593          | \$ 61,373         |
| 2019                              | 776,966             | 730,466             | 46,500            |
| 2020                              | 776,966             | 745,649             | 31,317            |
| 2021                              | 776,966             | 761,147             | 15,819            |
| <b>Total</b>                      | <b>\$ 3,107,864</b> | <b>\$ 2,952,855</b> | <b>\$ 155,009</b> |

**I. Long-Term Liabilities**

**(1) Certificates of Participation**

The District entered into a financing arrangement on July 1, 1998, which was characterized as a lease-purchase agreement, with the Financing Corporation for the School Board of Lake County, Florida, Inc. (Financing Corporation), a blended component unit as described in Note 1, whereby the District secured financing of various educational facilities in the total amount of \$337,005,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1998 for \$71,355,000; Series 2002 for \$65,155,000; Series 2003 for \$29,515,000; Series 2004A for \$29,025,000; Series 2005A for \$64,240,000; and Series 2006A for \$77,715,000, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial terms of the Series 1998 lease is 30 years commencing on July 1, 1998. The Series 2002, 2003, 2004A, 2005A, and 2006A leases each have an initial term of 25 years commencing on July 1, 2002, February 1, 2003, September 1, 2004, July 28, 2005, and December 1, 2006, respectively. The properties covered by the

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
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**JUNE 30, 2017**

ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 30 years from the date of the inception of the arrangement.

Certificates of participation payable at June 30, 2017, are as follows:

| <b>Series</b>            | <b>Amount<br/>Outstanding</b> | <b>Remaining<br/>Interest Rates<br/>(Percent)</b> | <b>Annual<br/>Maturity<br/>To</b> |
|--------------------------|-------------------------------|---------------------------------------------------|-----------------------------------|
| 2005C, Refunding         | \$ 5,995,000                  | 5.25                                              | 2018                              |
| 2012A, Refunding         | 13,990,000                    | 4 - 5                                             | 2027                              |
| 2012B, Refunding         | 16,210,000                    | 3 - 5                                             | 2028                              |
| 2013A, Refunding         | 17,550,000                    | 3 - 5                                             | 2029                              |
| 2014A, Refunding         | 54,735,000                    | 4 - 5                                             | 2030                              |
| 2015A, Refunding         | 4,655,000                     | 5                                                 | 2018                              |
| 2015B, Refunding         | 54,360,000                    | 3 - 5                                             | 2031                              |
| 2016A, Refunding         | 27,590,000                    | 5                                                 | 2023                              |
| <b>Subtotal</b>          | <b>\$ 195,085,000</b>         |                                                   |                                   |
| Plus Unamortized Premium | 16,420,661                    |                                                   |                                   |
|                          | <b><u>\$ 211,505,661</u></b>  |                                                   |                                   |

Note: Several of the original Certificates of Participation have been advance refunded to reduce total outstanding debt in future years. The following identifies the original series that was advance refunded by each refunding series.

| <b><u>Refunding Series</u></b> | <b><u>Original Series - Advance Refunded</u></b> |
|--------------------------------|--------------------------------------------------|
| Series 2005C, Refunding        | Portion of Series 2002                           |
| Series 2012A, Refunding        | Portion of Series 2002A                          |
| Series 2012B, Refunding        | Portion of Series 2003A                          |
| Series 2013A, Refunding        | Portion of Series 2004A                          |
| Series 2014A, Refunding        | Portion of Series 2005A                          |
| Series 2015A, Refunding        | Portion of Series 2005B                          |
| Series 2015B, Refunding        | Portion of Series 2006A                          |

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**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
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The District Properties included in the ground leases under this arrangement include:

**Series 1998 Certificates**

Round Lake Elementary - Charter  
Astatula Elementary  
Lost Lake Elementary  
Villages Elementary  
Windy Hill Middle  
Beverly Shores – Classroom Wing  
Groveland Elementary – Classroom Wing  
Tavares Elementary – Classroom Wing  
Triangle Elementary – Classroom Wing  
Eustis Middle – Classroom Wing  
Tavares Middle – Classroom Wing

**Series 2002 Certificates**

Pine Ridge Elementary  
Leesburg High  
Mt. Dora High

**Series 2003 Certificates**

Beverly Shores Elementary  
Fruitland Park Elementary  
Mt. Dora Middle  
Leesburg Elementary  
Oak Park Bus Lot Replacement

**Series 2004A Certificates**

Carver Middle  
Mascotte Elementary - Charter  
Lake Hills

**Series 2005A Certificates**

Mascotte Elementary - Charter  
Minneola Elementary - Charter  
Lake Hills  
East Ridge High Addition

**Series 2006A Certificates**

Sawgrass Bay Elementary  
East Ridge Middle  
South Lake High Addition  
Gray Middle  
Eustis Heights Elementary

The following is a schedule by years of future minimum lease payments under the above-referenced lease agreements together with the present value of minimum lease payments as of June 30:

| <b>Fiscal Year Ending June 30</b>   | <b>Total</b>          | <b>Principal</b>      | <b>Interest</b>      |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| 2018                                | \$ 26,464,057         | \$ 18,015,000         | \$ 8,449,057         |
| 2019                                | 18,082,855            | 10,360,000            | 7,722,855            |
| 2020                                | 18,091,435            | 10,725,000            | 7,366,435            |
| 2021                                | 18,090,585            | 11,120,000            | 6,970,585            |
| 2022                                | 18,092,165            | 11,520,000            | 6,572,165            |
| 2023-2027                           | 91,745,155            | 66,415,000            | 25,330,155           |
| 2028-2031                           | 75,076,588            | 66,930,000            | 8,146,588            |
| <b>Subtotal</b>                     | <b>265,642,840</b>    | <b>195,085,000</b>    | <b>70,557,840</b>    |
| Unamortized Premium                 | 16,420,661            | 16,420,661            | -                    |
| <b>Total Minimum Lease Payments</b> | <b>\$ 282,063,501</b> | <b>\$ 211,505,661</b> | <b>\$ 70,557,840</b> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**(2) Bonds Payable**

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

| <b>Bond Type</b>           | <b>Original<br/>Issue<br/>Amount</b> | <b>Amount<br/>Outstanding</b> | <b>Interest<br/>Rates<br/>(Percent)</b> | <b>Annual<br/>Maturity<br/>To</b> |
|----------------------------|--------------------------------------|-------------------------------|-----------------------------------------|-----------------------------------|
| State School Bonds:        |                                      |                               |                                         |                                   |
| Series 2008A               | \$ 2,990,000                         | \$ 2,170,000                  | 4.25 - 5                                | 2028                              |
| Series 2009A               | 625,000                              | 535,000                       | 4 - 5                                   | 2029                              |
| Series 2009A, Refunding    | 485,000                              | 115,000                       | 5                                       | 2019                              |
| Series 2010A               | 335,000                              | 290,000                       | 3.5 - 5                                 | 2030                              |
| Series 2010A, Refunding    | 1,615,000                            | 850,000                       | 4 - 5                                   | 2022                              |
| Series 2011A, Refunding    | 765,000                              | 460,000                       | 3 - 5                                   | 2023                              |
| Series 2014A, Refunding    | 1,342,000                            | 1,118,000                     | 3 - 5                                   | 2025                              |
| Series 2014B, Refunding    | 850,000                              | 268,000                       | 2 - 5                                   | 2020                              |
| Series 2017A, Refunding    | 2,374,000                            | 2,374,000                     | 3 - 5                                   | 2028                              |
| <b>Total Bonds Payable</b> |                                      | <b>\$ 8,180,000</b>           |                                         |                                   |

Annual debt service requirements to maturity for all bonded debt as of June 30, 2017, are as follows:

| <b>Fiscal Year Ending June 30</b> | <b>Total</b>         | <b>Principal</b>    | <b>Interest</b>     |
|-----------------------------------|----------------------|---------------------|---------------------|
| State School Bonds:               |                      |                     |                     |
| 2018                              | \$ 1,191,077         | \$ 834,000          | \$ 357,077          |
| 2019                              | 1,152,943            | 810,000             | 342,943             |
| 2020                              | 1,122,492            | 818,000             | 304,492             |
| 2021                              | 1,119,723            | 855,000             | 264,723             |
| 2022                              | 952,322              | 730,000             | 222,322             |
| 2023-2027                         | 3,973,863            | 3,361,000           | 612,863             |
| 2028-2031                         | 809,247              | 772,000             | 37,247              |
| <b>Total State School Bonds</b>   | <b>\$ 10,321,667</b> | <b>\$ 8,180,000</b> | <b>\$ 2,141,667</b> |

**State School Bonds**

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these SBE bonds. Principal and interest payments, investment of debt service fund resources, amortization of any premium or discounts, compliance with reserve requirements, and any refundings are administered by and the responsibility of the SBE and the SBA.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**(3) Sales Tax Notes Payable**

On May 3, 2012, the District refunded a portion of the outstanding balance of the 2003A Sales Tax Bonds. The fixed interest rate is 1.22 percent for the balance of the Note Payable. Principal and Interest payments will continue to be made from the Sales Tax collections.

Amounts payable for the Sales Tax Note Payable are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------------|--------------|------------------|-----------------|
| 2018                              | \$ 4,054,583 | \$ 4,030,000     | \$ 24,583       |

**(4) Changes in Long-Term Liabilities**

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

| <u>Description</u>                                 | <u>Balance<br/>6/30/2016</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance<br/>6/30/2017</u> | <u>Due In<br/>One Year</u> |
|----------------------------------------------------|------------------------------|----------------------|----------------------|------------------------------|----------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                     |                              |                      |                      |                              |                            |
| Debt Related to Capital Assets:                    |                              |                      |                      |                              |                            |
| Note Payable                                       | \$ 8,015,000                 | \$ -                 | \$ 3,985,000         | \$ 4,030,000                 | \$ 4,030,000               |
| Bonds Payable:                                     |                              |                      |                      |                              |                            |
| State School Bonds                                 | 7,233,000                    | 2,374,000            | 1,427,000            | 8,180,000                    | 834,000                    |
| Certificates of Participation Payable              | 211,950,000                  | -                    | 16,865,000           | 195,085,000                  | 18,015,000                 |
| Unamortized Premium                                | 17,847,855                   | -                    | 1,427,194            | 16,420,661                   | -                          |
| <b>Total Certificates of Participation Payable</b> | <b>229,797,855</b>           | <b>-</b>             | <b>18,292,194</b>    | <b>211,505,661</b>           | <b>18,015,000</b>          |
| Obligations Under Capital Lease                    | 4,636,868                    | -                    | 1,684,013            | 2,952,855                    | 715,593                    |
| <b>Subtotal Debt Related to Capital Assets</b>     | <b>249,682,723</b>           | <b>2,374,000</b>     | <b>25,388,207</b>    | <b>226,668,516</b>           | <b>23,594,593</b>          |
| Other Long-Term Liabilities:                       |                              |                      |                      |                              |                            |
| Other Postemployment Benefits Payable              | 10,337,448                   | 2,277,604            | 1,273,135            | 11,341,917                   | -                          |
| Compensated Absences Payable                       | 16,157,799                   | 3,129,212            | 1,559,677            | 17,727,334                   | 1,729,000                  |
| Net Pension Liability:                             |                              |                      |                      |                              |                            |
| FRS - Defined Benefit Plan                         | 57,834,793                   | 72,758,443           | 24,319,281           | 106,273,955                  | -                          |
| FRS - Health Insurance Subsidy                     | 60,676,508                   | 18,982,350           | 9,354,315            | 70,304,543                   | 3,141,902                  |
| <b>Total Net Pension Liability</b>                 | <b>118,511,301</b>           | <b>91,740,793</b>    | <b>33,673,596</b>    | <b>176,578,498</b>           | <b>3,141,902</b>           |
| <b>Total Governmental Activities</b>               | <b>\$ 394,689,271</b>        | <b>\$ 99,521,609</b> | <b>\$ 61,894,615</b> | <b>\$ 432,316,265</b>        | <b>\$ 28,465,495</b>       |

For the governmental activities, compensated absences and pension liabilities are generally liquidated with resources of the General Fund. Other postemployment benefits payable represents an implicit subsidy under GASB Statement No. 45 and will be included in future health and life insurance premiums charged to all funds that have personnel costs. There are no long-term liabilities associated with the business-type activities.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**(5) Defeased Debt**

**Refunding State School Bonds.** On April 27, 2017, the FDOE issued SBE, Capital Outlay Refunding Bonds, Series 2017A. The District's portion of the refunding Bonds was \$2,374,000.

The refunding bonds were issued, in part, to advance refund the District's State School Bonds, Series 2006A. The \$600,000 principal amount of the Series 2006A bonds was considered defeased in substance and the liability was removed from the government-wide financial statements as of June 30, 2017.

The refunding bonds also established a trust account for the defeasance of the SBE Capital Outlay Bonds Series 2008A, maturing January 1, 2018, and later. As the trust account established pursuant to the funding was not considered to be risk-free in accordance with GASB Statement No. 7, the District's \$2,045,000 portion of the Series 2008A bonds was considered an economic defeasance and not a legal defeasance. Therefore, the Series 2008A bonds were not removed from the government-wide financial statements and the assets held in the trust account were reported as restricted cash and cash equivalents at June 30, 2017.

The Series 2017A bonds were issued to reduce the total debt service over the next 11 years by \$377,164 and to obtain an economic gain of \$333,157.

**J. Net Position – Net Investment in Capital Assets**

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2017, is shown in the table below:

| <b><u>Description</u></b>                             | <b><u>Amount</u></b>         |
|-------------------------------------------------------|------------------------------|
| Total Capital Assets, Net of Accumulated Depreciation | \$ 637,992,749               |
| Less Related Debt, Net of Unspent Proceeds:           |                              |
| Certificates of Participation Payable                 | \$ 195,085,000               |
| Bonds Payable                                         | 8,180,000                    |
| Notes Payable                                         | 4,030,000                    |
| Capital Leases                                        | 2,952,855                    |
| Unamortized Debt Premiums                             | 16,420,661                   |
| Deferred Amount on Refunding                          | (6,102,026)                  |
| Prepaid Issuance Costs                                | (193,789)                    |
| Total Related Debt, Net of Unspent Proceeds           | (220,372,701)                |
| <b>Net Investment in Capital Assets</b>               | <b><u>\$ 417,620,048</u></b> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**K. Fund Balance Reporting**

The following is a schedule of fund balances by category at June 30, 2017:

|                                        | <b>Major Funds</b>   |                                               |                                                              |                                         |                                         |
|----------------------------------------|----------------------|-----------------------------------------------|--------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
|                                        | <b>General</b>       | <b>Special<br/>Revenue -<br/>Food Service</b> | <b>Capital<br/>Projects -<br/>Other Capital<br/>Projects</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
| <b>Fund Balances</b>                   |                      |                                               |                                                              |                                         |                                         |
| <b>Nonspendable:</b>                   |                      |                                               |                                                              |                                         |                                         |
| Inventories:                           |                      |                                               |                                                              |                                         |                                         |
| General Fund                           | \$ 1,564,175         | \$ -                                          | \$ -                                                         | \$ -                                    | \$ 1,564,175                            |
| Special Revenue -<br>Food Service Fund | -                    | 1,054,953                                     | -                                                            | -                                       | 1,054,953                               |
| <b>Restricted:</b>                     |                      |                                               |                                                              |                                         |                                         |
| State Required Carryover               | 356,967              | -                                             | -                                                            | -                                       | 356,967                                 |
| Special Revenue -<br>Food Service Fund | -                    | 11,699,620                                    | -                                                            | -                                       | 11,699,620                              |
| Debt Service                           | -                    | -                                             | -                                                            | 2,268,201                               | 2,268,201                               |
| Capital Projects                       | -                    | -                                             | 41,328,645                                                   | 10,158,594                              | 51,487,239                              |
| <b>Assigned:</b>                       |                      |                                               |                                                              |                                         |                                         |
| School Operations                      | 905,570              | -                                             | -                                                            | -                                       | 905,570                                 |
| <b>Unassigned</b>                      | <u>8,273,580</u>     | <u>-</u>                                      | <u>-</u>                                                     | <u>-</u>                                | <u>8,273,580</u>                        |
| <b>Total Fund Balances</b>             | <u>\$ 11,100,292</u> | <u>\$ 12,754,573</u>                          | <u>\$ 41,328,645</u>                                         | <u>\$ 12,426,795</u>                    | <u>\$ 77,610,305</u>                    |

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies in note 1.F.(12), fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.
- **Restricted Fund Balance.** Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.
- **Unassigned Fund Balance.** The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**L. Interfund Receivables and Payables**

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

| <b>Funds</b>           | <b>Interfund</b>     |                      |
|------------------------|----------------------|----------------------|
|                        | <b>Receivables</b>   | <b>Payables</b>      |
| Major:                 |                      |                      |
| General                | \$ 3,065,870         | \$ 20,721,399        |
| Special Revenue:       |                      |                      |
| Food Service           | 7,000,000            | -                    |
| Other Federal Programs | 1,040                | 3,065,870            |
| Capital Projects:      |                      |                      |
| Other Capital Projects | 6,000,000            | -                    |
| Nonmajor Governmental  | 7,720,359            | -                    |
| <b>Total</b>           | <b>\$ 23,787,269</b> | <b>\$ 23,787,269</b> |

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months. In general, the General Fund advances funds to the Special Revenue – Other Fund for funding sources that are received by the District as a reimbursement of expenditures. The investments are recorded in the General Fund and consist of property tax receipts and food service funds.

**M. Donor-Restricted Endowments**

During the 2003-04 fiscal year the District became the administrator of the Lester J. Bodley Trust Fund in the amount of \$200,000. The terms of the Trust require that the income of the Trust be divided equally between a graduating male and female student from Leesburg High School. These students, who in the sole judgment of the School Board, shall have made the most overall personal improvement during the four years of his or her high school career. The gifts from the Trust each year are to be given on a one-time basis. The Trust is reported as a Private-Purpose Trust Fund in the District's basic financial statements. Any earnings received on the Private-Purpose Trust Fund investments are earnings that are held in a fiduciary capacity and are not available for general appropriation.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**N. Revenues**

**(1) Schedule of State Revenues**

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

| <b>Source</b>                                               | <b>Amount</b>         |
|-------------------------------------------------------------|-----------------------|
| Florida Education Finance Program                           | \$ 140,695,268        |
| Categorical Educational Program - Class Size Reduction      | 45,381,732            |
| Workforce Development Program                               | 4,406,406             |
| Gross Receipts Tax (Public Education Capital Outlay)        | 2,800,000             |
| Voluntary Prekindergarten Program                           | 1,501,706             |
| CO&DS Withheld for SBE Bonds                                | 1,145,423             |
| Capital Outlay - Maintenance                                | 1,073,834             |
| Discretionary Lottery Funds                                 | 693,166               |
| Florida School Recognition Funds                            | 618,494               |
| Charter Schools Capital Outlay                              | 447,493               |
| Motor Vehicle License Tax (Capital Outlay and Debt Service) | 379,772               |
| Mobile Home License Tax                                     | 347,643               |
| School Breakfast/Lunch Supplement                           | 227,553               |
| Racing Commission Funds                                     | 148,833               |
| Interest on Undistributed CO&DS                             | 25,373                |
| CO&DS Withheld for Administrative Expenses                  | 23,222                |
| Miscellaneous                                               | 978,141               |
| <b>Total</b>                                                | <b>\$ 200,894,059</b> |

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

**(2) Property Taxes**

The following is a summary of millages and taxes levied on the 2016 Final Certified Taxable Value of Property in the County of \$19,269,193,178 for the 2016-2017 fiscal year:

|                                      | <b>Millages</b> | <b>Taxes Levied</b>   |
|--------------------------------------|-----------------|-----------------------|
| <b><u>General Fund</u></b>           |                 |                       |
| Nonvoted School Tax:                 |                 |                       |
| Required Local Effort                | 4.627           | \$ 89,158,560         |
| Basic Discretionary Local Effort     | 0.748           | 14,413,357            |
| <b><u>Capital Projects Funds</u></b> |                 |                       |
| Nonvoted Tax:                        |                 |                       |
| Local Capital Improvements           | 1.500           | 28,903,791            |
| <b>Total</b>                         | <b>6.875</b>    | <b>\$ 132,475,708</b> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2017**

**O. INTERFUND TRANSFERS**

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

| <b>Funds</b>                | <b>Interfund</b>     |                      |
|-----------------------------|----------------------|----------------------|
|                             | <b>Transfers In</b>  | <b>Transfers Out</b> |
| Major:                      |                      |                      |
| General                     | \$ 13,820,865        | \$ 558,123           |
| Capital Projects:           |                      |                      |
| Other Capital Projects      | -                    | 10,273,620           |
| Other Nonmajor Governmental | 30,871,541           | 33,931,515           |
| Subtotal                    | 44,692,406           | 44,763,258           |
| Proprietary:                |                      |                      |
| Enterprise                  | -                    | 487,271              |
| Internal Service            | 558,123              | -                    |
| <b>Total</b>                | <b>\$ 45,250,529</b> | <b>\$ 45,250,529</b> |

The principal purposes of interfund transfers are the provision of funds for repayment of debt service principal and interest and the funding of certain maintenance costs.

**3. DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**A. Litigation and Contingencies**

The District is subject to potential litigation in the normal course of business. It is the opinion of management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses resulting from litigation, which exceed the above-mentioned limits, would not be material to the financial position of the District.

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by grantors, cannot be determined at this time. In the opinion of the management of the District, no material refunds will be required as a result of expenditures disallowed by grantors.

# REQUIRED SUPPLEMENTARY INFORMATION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                 | General Fund       |                 |             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------------------------|--------------------|-----------------|-------------|-----------------------------------------------------------|
|                                                 | Original<br>Budget | Final<br>Budget | Actual      |                                                           |
| Revenues                                        |                    |                 |             |                                                           |
| Intergovernmental:                              |                    |                 |             |                                                           |
| Federal Direct                                  |                    |                 |             |                                                           |
| ROTC                                            | \$ 310,000         | \$ 325,544      | \$ 325,544  | \$ -                                                      |
| Federal Through State and Local                 |                    |                 |             |                                                           |
| Medicaid                                        | 600,000            | 506,450         | 506,450     | -                                                         |
| IDEA                                            | -                  | 83              | -           | (83)                                                      |
| National Forest Funds                           | 80,000             | 47,055          | 47,055      | -                                                         |
| Miscellaneous Federal Through State Funds       | 700,000            | 674,142         | 674,225     | 83                                                        |
| State                                           |                    |                 |             |                                                           |
| Florida Educational Finance Program             | 143,929,294        | 140,695,268     | 140,695,268 | -                                                         |
| Categorical Educational Programs                | 49,133,579         | 47,501,933      | 47,501,932  | (1)                                                       |
| Workforce Development Program                   | 4,406,406          | 4,406,406       | 4,406,406   | -                                                         |
| Miscellaneous State Funds                       | 1,490,624          | 1,915,853       | 1,915,854   | 1                                                         |
| Local:                                          |                    |                 |             |                                                           |
| District School Tax                             | 100,272,646        | 100,190,168     | 100,190,168 | -                                                         |
| Investment Income                               | 75,000             | -               | -           | -                                                         |
| Miscellaneous Local Funds                       | 4,516,568          | 6,342,559       | 6,342,559   | -                                                         |
| Total Revenues                                  | 305,514,117        | 302,605,461     | 302,605,461 | -                                                         |
| Expenditures                                    |                    |                 |             |                                                           |
| Current - Education:                            |                    |                 |             |                                                           |
| Instruction                                     |                    |                 |             |                                                           |
| Salaries                                        | 114,876,546        | 116,054,888     | 116,054,888 | -                                                         |
| Employee Benefits                               | 33,274,665         | 33,781,277      | 33,781,277  | -                                                         |
| Purchased Services                              | 41,324,738         | 43,511,681      | 43,511,681  | -                                                         |
| Energy Services                                 | 1,200              | 319             | 319         | -                                                         |
| Materials and Supplies                          | 6,475,007          | 5,182,859       | 5,182,859   | -                                                         |
| Capital Outlay                                  | 1,336,339          | 2,069,447       | 2,069,447   | -                                                         |
| Other Expenditures                              | 4,516,183          | 3,890,450       | 3,890,450   | -                                                         |
| Student Personnel Services                      |                    |                 |             |                                                           |
| Salaries                                        | 10,858,497         | 10,747,770      | 10,747,770  | -                                                         |
| Employee Benefits                               | 3,211,347          | 3,217,265       | 3,217,265   | -                                                         |
| Purchased Services                              | 252,857            | 224,058         | 224,058     | -                                                         |
| Materials and Supplies                          | 71,050             | 94,923          | 94,923      | -                                                         |
| Capital Outlay                                  | 11,000             | 12,909          | 12,909      | -                                                         |
| Other Expenditures                              | 8,000              | 38,629          | 38,629      | -                                                         |
| Instructional Media Services                    |                    |                 |             |                                                           |
| Salaries                                        | 2,439,499          | 2,281,207       | 2,281,207   | -                                                         |
| Employee Benefits                               | 717,674            | 653,687         | 653,687     | -                                                         |
| Purchased Services                              | 62,950             | 89,353          | 89,353      | -                                                         |
| Materials and Supplies                          | 47,370             | 36,217          | 36,217      | -                                                         |
| Capital Outlay                                  | 318,815            | 296,907         | 296,907     | -                                                         |
| Other Expenditures                              | 6,600              | 27,055          | 27,055      | -                                                         |
| Instruction and Curriculum Development Services |                    |                 |             |                                                           |
| Salaries                                        | 3,689,072          | 4,482,752       | 4,482,752   | -                                                         |
| Employee Benefits                               | 1,072,192          | 1,250,113       | 1,250,113   | -                                                         |
| Purchased Services                              | 947,153            | 75,201          | 75,201      | -                                                         |
| Energy Services                                 | 1,150              | 273             | 273         | -                                                         |
| Materials and Supplies                          | 39,700             | 40,533          | 40,533      | -                                                         |
| Capital Outlay                                  | 9,839              | 6,619           | 6,619       | -                                                         |
| Other Expenditures                              | 3,075              | 11,741          | 11,741      | -                                                         |
| Instructional Staff Training Services           |                    |                 |             |                                                           |
| Salaries                                        | 2,793,982          | 3,251,149       | 3,251,149   | -                                                         |
| Employee Benefits                               | 767,424            | 824,278         | 824,278     | -                                                         |
| Purchased Services                              | 1,846,977          | 1,334,275       | 1,334,275   | -                                                         |
| Materials and Supplies                          | 151,522            | 263,531         | 263,531     | -                                                         |
| Capital Outlay                                  | 461,810            | 217,124         | 217,124     | -                                                         |
| Other Expenditures                              | 649,280            | 245,394         | 245,394     | -                                                         |
| Instruction Related Technology                  |                    |                 |             |                                                           |
| Salaries                                        | 1,063,193          | 911,247         | 911,247     | -                                                         |
| Employee Benefits                               | 271,829            | 220,874         | 220,874     | -                                                         |
| Purchased Services                              | 11,713             | 11,713          | 11,713      | -                                                         |
| Capital Outlay                                  | -                  | 858             | 858         | -                                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                         | General Fund       |                 |            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-----------------------------------------|--------------------|-----------------|------------|-----------------------------------------------------------|
|                                         | Original<br>Budget | Final<br>Budget | Actual     |                                                           |
| School Board                            |                    |                 |            |                                                           |
| Salaries                                | 294,126            | 286,445         | 286,445    | -                                                         |
| Employee Benefits                       | 137,039            | 131,195         | 131,195    | -                                                         |
| Purchased Services                      | 461,878            | 328,334         | 328,334    | -                                                         |
| Materials and Supplies                  | 5,500              | 1,978           | 1,978      | -                                                         |
| Other Expenditures                      | 21,752             | 22,171          | 22,171     | -                                                         |
| General Administration                  |                    |                 |            |                                                           |
| Salaries                                | 750,652            | 793,760         | 793,760    | -                                                         |
| Employee Benefits                       | 209,002            | 235,296         | 235,296    | -                                                         |
| Purchased Services                      | 118,605            | 140,708         | 140,708    | -                                                         |
| Materials and Supplies                  | 6,950              | 4,338           | 4,338      | -                                                         |
| Capital Outlay                          | 350                | -               | -          | -                                                         |
| Other Expenditures                      | 22,600             | 19,896          | 19,896     | -                                                         |
| School Administration                   |                    |                 |            |                                                           |
| Salaries                                | 13,917,143         | 13,872,748      | 13,872,748 | -                                                         |
| Employee Benefits                       | 4,115,667          | 4,081,229       | 4,081,229  | -                                                         |
| Purchased Services                      | 74,472             | 247,817         | 247,817    | -                                                         |
| Materials and Supplies                  | 10,878             | 106,238         | 106,238    | -                                                         |
| Capital Outlay                          | 5,345              | 33,445          | 33,445     | -                                                         |
| Other Expenditures                      | 37,800             | 38,017          | 38,017     | -                                                         |
| Facilities Acquisition and Construction |                    |                 |            |                                                           |
| Salaries                                | 434,988            | 341,168         | 341,168    | -                                                         |
| Employee Benefits                       | 133,404            | 110,784         | 110,784    | -                                                         |
| Purchased Services                      | 16,890             | 5,234           | 5,234      | -                                                         |
| Materials and Supplies                  | 1,100              | 2,922           | 2,922      | -                                                         |
| Capital Outlay                          | 320,391            | 281,193         | 281,193    | -                                                         |
| Other Expenditures                      | 250                | 85              | 85         | -                                                         |
| Fiscal Services                         |                    |                 |            |                                                           |
| Salaries                                | 1,438,853          | 1,316,799       | 1,316,799  | -                                                         |
| Employee Benefits                       | 421,568            | 389,221         | 389,221    | -                                                         |
| Purchased Services                      | 214,885            | 127,784         | 127,784    | -                                                         |
| Materials and Supplies                  | 15,950             | 11,282          | 11,282     | -                                                         |
| Capital Outlay                          | 100                | -               | -          | -                                                         |
| Other Expenditures                      | 10,750             | 47,608          | 47,608     | -                                                         |
| Central Services                        |                    |                 |            |                                                           |
| Salaries                                | 4,278,449          | 4,147,948       | 4,147,948  | -                                                         |
| Employee Benefits                       | 1,077,246          | 1,162,244       | 1,162,244  | -                                                         |
| Purchased Services                      | 934,057            | 790,402         | 790,402    | -                                                         |
| Energy Services                         | 45,225             | 18,936          | 18,936     | -                                                         |
| Materials and Supplies                  | 224,320            | 87,007          | 87,007     | -                                                         |
| Capital Outlay                          | 71,722             | 15,542          | 15,542     | -                                                         |
| Other Expenditures                      | 102,795            | 109,367         | 109,367    | -                                                         |
| Student Transportation Services         |                    |                 |            |                                                           |
| Salaries                                | 8,213,328          | 8,371,516       | 8,371,516  | -                                                         |
| Employee Benefits                       | 3,500,158          | 3,480,488       | 3,480,488  | -                                                         |
| Purchased Services                      | 1,497,569          | 1,568,051       | 1,568,051  | -                                                         |
| Energy Services                         | 1,740,500          | 1,720,074       | 1,720,074  | -                                                         |
| Materials and Supplies                  | 1,157,800          | 915,884         | 915,884    | -                                                         |
| Capital Outlay                          | 19,665             | 21,669          | 21,669     | -                                                         |
| Other Expenditures                      | 490,750            | 427,041         | 427,041    | -                                                         |
| Operation of Plant                      |                    |                 |            |                                                           |
| Salaries                                | 7,768,193          | 7,405,044       | 7,405,044  | -                                                         |
| Employee Benefits                       | 3,353,917          | 3,241,029       | 3,241,029  | -                                                         |
| Purchased Services                      | 6,362,687          | 7,100,664       | 7,100,664  | -                                                         |
| Energy Services                         | 7,568,494          | 7,297,459       | 7,297,459  | -                                                         |
| Materials and Supplies                  | 766,054            | 792,324         | 792,324    | -                                                         |
| Capital Outlay                          | 8,408              | 33,151          | 33,151     | -                                                         |
| Other Expenditures                      | -                  | 83,461          | 83,461     | -                                                         |
| Maintenance of Plant                    |                    |                 |            |                                                           |
| Salaries                                | 4,572,837          | 4,551,790       | 4,551,790  | -                                                         |
| Employee Benefits                       | 1,694,234          | 1,656,098       | 1,656,098  | -                                                         |
| Purchased Services                      | 1,313,479          | 933,322         | 933,322    | -                                                         |
| Energy Services                         | 264,000            | 129,805         | 129,805    | -                                                         |
| Materials and Supplies                  | 387,329            | 207,355         | 207,355    | -                                                         |
| Capital Outlay                          | 60,376             | 29,149          | 29,149     | -                                                         |
| Other Expenditures                      | 400                | 329             | 329        | -                                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                 | General Fund         |                      |                      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------------------------|----------------------|----------------------|----------------------|-----------------------------------------------------------|
|                                                 | Original<br>Budget   | Final<br>Budget      | Actual               |                                                           |
| Administrative Technology Services              |                      |                      |                      |                                                           |
| Salaries                                        | 1,382,855            | 1,446,788            | 1,446,788            | -                                                         |
| Employee Benefits                               | 427,229              | 442,445              | 442,445              | -                                                         |
| Purchased Services                              | 1,976,190            | 1,842,513            | 1,842,513            | -                                                         |
| Materials and Supplies                          | 105,797              | 94,579               | 94,579               | -                                                         |
| Capital Outlay                                  | 717,832              | 576,654              | 576,654              | -                                                         |
| Other Expenditures                              | 49,930               | 27,750               | 27,750               | -                                                         |
| Community Services                              |                      |                      |                      |                                                           |
| Salaries                                        | 120,450              | 192,605              | 192,605              | -                                                         |
| Employee Benefits                               | 38,930               | 48,140               | 48,140               | -                                                         |
| Purchased Services                              | 19,000               | 21,729               | 21,729               | -                                                         |
| Materials and Supplies                          | 1,000                | 3,141                | 3,141                | -                                                         |
| Other Expenditures                              | 200                  | 855                  | 855                  | -                                                         |
| Fixed Capital Outlay:                           |                      |                      |                      |                                                           |
| Other Capital Outlay                            | -                    | 975,952              | 975,952              | -                                                         |
| <b>Total Expenditures</b>                       | <b>319,102,541</b>   | <b>320,306,571</b>   | <b>320,306,571</b>   | <b>-</b>                                                  |
| <b>Deficiency of Revenues Over Expenditures</b> | <b>(13,588,424)</b>  | <b>(17,701,110)</b>  | <b>(17,701,110)</b>  | <b>-</b>                                                  |
| <b>Other Financing Sources (Uses)</b>           |                      |                      |                      |                                                           |
| Loss Recoveries                                 | -                    | 19,744               | 19,744               | -                                                         |
| Transfers In                                    | 11,100,000           | 13,820,865           | 13,820,865           | -                                                         |
| Transfers Out                                   | (776,966)            | (558,123)            | (558,123)            | -                                                         |
| <b>Total Other Financing Sources</b>            | <b>10,323,034</b>    | <b>13,282,486</b>    | <b>13,282,486</b>    | <b>-</b>                                                  |
| <b>Net Change in Fund Balances</b>              | <b>(3,265,390)</b>   | <b>(4,418,624)</b>   | <b>(4,418,624)</b>   | <b>-</b>                                                  |
| Fund Balances, Beginning                        | 15,518,916           | 15,518,916           | 15,518,916           | -                                                         |
| <b>Fund Balances, Ending</b>                    | <b>\$ 12,253,526</b> | <b>\$ 11,100,292</b> | <b>\$ 11,100,292</b> | <b>\$ -</b>                                               |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE - FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED 30, 2017**

|                                    | Special Revenue - Food Service Fund |                      |                      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|------------------------------------|-------------------------------------|----------------------|----------------------|-----------------------------------------------------------|
|                                    | Original<br>Budget                  | Final<br>Budget      | Actual               |                                                           |
| <b>Revenues</b>                    |                                     |                      |                      |                                                           |
| Intergovernmental:                 |                                     |                      |                      |                                                           |
| Federal Through State              | \$ 14,682,000                       | \$ 16,206,156        | \$ 16,206,156        | \$ -                                                      |
| State                              | 249,079                             | 227,553              | 227,553              | -                                                         |
| Local:                             |                                     |                      |                      |                                                           |
| Food Service Revenue               | 4,729,781                           | 4,050,150            | 4,050,150            | -                                                         |
| Other Local Revenue                | 8,500                               | 22,367               | 22,367               | -                                                         |
| <b>Total Revenues</b>              | <u>19,669,360</u>                   | <u>20,506,226</u>    | <u>20,506,226</u>    | <u>-</u>                                                  |
| <b>Expenditures</b>                |                                     |                      |                      |                                                           |
| Food Service                       |                                     |                      |                      |                                                           |
| Salaries                           | 6,287,262                           | 6,154,195            | 6,154,195            | -                                                         |
| Employee Benefits                  | 2,687,669                           | 2,568,781            | 2,568,781            | -                                                         |
| Purchased Services                 | 574,875                             | 554,976              | 554,976              | -                                                         |
| Energy Services                    | 272,775                             | 227,003              | 227,003              | -                                                         |
| Materials & Supplies               | 9,008,288                           | 8,866,685            | 8,866,685            | -                                                         |
| Capital Outlay                     | 921,477                             | 1,173,340            | 1,173,340            | -                                                         |
| Other                              | 657,181                             | 563,228              | 563,228              | -                                                         |
| <b>Total Expenditures</b>          | <u>20,409,527</u>                   | <u>20,108,208</u>    | <u>20,108,208</u>    | <u>-</u>                                                  |
| <b>Net Change in Fund Balances</b> | (740,167)                           | 398,018              | 398,018              | -                                                         |
| Fund Balances, Beginning           | <u>12,356,555</u>                   | <u>12,356,555</u>    | <u>12,356,555</u>    | <u>-</u>                                                  |
| <b>Fund Balances, Ending</b>       | <u>\$ 11,616,388</u>                | <u>\$ 12,754,573</u> | <u>\$ 12,754,573</u> | <u>\$ -</u>                                               |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                 | Special Revenue - Other Federal Programs Fund |                   |                   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|-------------------------------------------------|-----------------------------------------------|-------------------|-------------------|-----------------------------------------------------------|
|                                                 | Original<br>Budget                            | Final<br>Budget   | Actual            |                                                           |
| <b>Revenues</b>                                 |                                               |                   |                   |                                                           |
| Intergovernmental:                              |                                               |                   |                   |                                                           |
| Federal Direct                                  | \$ 24,566                                     | \$ 20,365         | \$ 20,365         | \$ -                                                      |
| Federal Through State and Local                 | 26,206,522                                    | 21,568,630        | 21,568,630        | -                                                         |
| <b>Total Revenues</b>                           | <b>26,231,088</b>                             | <b>21,588,995</b> | <b>21,588,995</b> | <b>-</b>                                                  |
| <b>Expenditures</b>                             |                                               |                   |                   |                                                           |
| Current - Education:                            |                                               |                   |                   |                                                           |
| Instruction                                     |                                               |                   |                   |                                                           |
| Salaries                                        | 4,047,939                                     | 3,472,844         | 3,472,844         | -                                                         |
| Employee Benefits                               | 1,788,013                                     | 1,166,016         | 1,166,016         | -                                                         |
| Purchased Services                              | 1,123,735                                     | 584,603           | 584,603           | -                                                         |
| Materials and Supplies                          | 482,351                                       | 600,256           | 600,256           | -                                                         |
| Capital Outlay                                  | 440,185                                       | 392,004           | 392,004           | -                                                         |
| Other Expenditures                              | 160,389                                       | 122,049           | 122,049           | -                                                         |
| Student Personnel Services                      |                                               |                   |                   |                                                           |
| Salaries                                        | 2,317,701                                     | 2,004,707         | 2,004,707         | -                                                         |
| Employee Benefits                               | 963,305                                       | 750,289           | 750,289           | -                                                         |
| Purchased Services                              | 220,887                                       | 149,452           | 149,452           | -                                                         |
| Materials and Supplies                          | 102,590                                       | 101,685           | 101,685           | -                                                         |
| Capital Outlay                                  | 12,266                                        | 2,273             | 2,273             | -                                                         |
| Instruction and Curriculum Development Services |                                               |                   |                   |                                                           |
| Salaries                                        | 5,227,554                                     | 4,505,940         | 4,505,940         | -                                                         |
| Employee Benefits                               | 1,463,396                                     | 1,257,845         | 1,257,845         | -                                                         |
| Purchased Services                              | 539,133                                       | 475,596           | 475,596           | -                                                         |
| Energy Services                                 | 2,314                                         | 382               | 382               | -                                                         |
| Materials and Supplies                          | 61,891                                        | 25,385            | 25,385            | -                                                         |
| Capital Outlay                                  | 46,753                                        | 7,768             | 7,768             | -                                                         |
| Other Expenditures                              | 4,065                                         | 1,592             | 1,592             | -                                                         |
| Instructional Staff Training Services           |                                               |                   |                   |                                                           |
| Salaries                                        | 4,005,362                                     | 3,319,313         | 3,319,313         | -                                                         |
| Employee Benefits                               | 1,160,373                                     | 897,605           | 897,605           | -                                                         |
| Purchased Services                              | 398,223                                       | 296,945           | 296,945           | -                                                         |
| Materials and Supplies                          | 101,014                                       | 69,907            | 69,907            | -                                                         |
| Capital Outlay                                  | -                                             | 2,830             | 2,830             | -                                                         |
| Other Expenditures                              | 212,554                                       | 54,101            | 54,101            | -                                                         |
| General Administration                          |                                               |                   |                   |                                                           |
| Other Expenditures                              | 1,237,635                                     | 975,726           | 975,726           | -                                                         |
| School Administration                           |                                               |                   |                   |                                                           |
| Materials and Supplies                          | -                                             | 1,227             | 1,227             | -                                                         |
| Central Services                                |                                               |                   |                   |                                                           |
| Salaries                                        | 10,288                                        | 360               | 360               | -                                                         |
| Employee Benefits                               | 760                                           | 66                | 66                | -                                                         |
| Purchased Services                              | 44,216                                        | 51,814            | 51,814            | -                                                         |
| Materials and Supplies                          | 1,100                                         | -                 | -                 | -                                                         |
| Other Expenditures                              | 985                                           | -                 | -                 | -                                                         |
| Student Transportation Services                 |                                               |                   |                   |                                                           |
| Salaries                                        | -                                             | 18,037            | 18,037            | -                                                         |
| Employee Benefits                               | -                                             | 2,846             | 2,846             | -                                                         |
| Purchased Services                              | 200                                           | 5,818             | 5,818             | -                                                         |
| Energy Services                                 | -                                             | 72,844            | 72,844            | -                                                         |
| Other Expenditures                              | 45,123                                        | 26,466            | 26,466            | -                                                         |
| Operation of Plant                              |                                               |                   |                   |                                                           |
| Purchased Services                              | 4,265                                         | 27,046            | 27,046            | -                                                         |
| Administrative Technology Services              |                                               |                   |                   |                                                           |
| Purchased Services                              | -                                             | 10,074            | 10,074            | -                                                         |
| Community Services                              |                                               |                   |                   |                                                           |
| Purchased Services                              | 1,500                                         | -                 | -                 | -                                                         |
| Materials and Supplies                          | 2,823                                         | 1,578             | 1,578             | -                                                         |
| Capital Outlay                                  | 200                                           | 200               | 200               | -                                                         |
| Fixed Capital Outlay:                           |                                               |                   |                   |                                                           |
| Other Capital Outlay                            | -                                             | 133,506           | 133,506           | -                                                         |
| <b>Total Expenditures</b>                       | <b>26,231,088</b>                             | <b>21,588,995</b> | <b>21,588,995</b> | <b>-</b>                                                  |
| <b>Deficiency of Revenues Over Expenditures</b> | <b>-</b>                                      | <b>-</b>          | <b>-</b>          | <b>-</b>                                                  |
| <b>Net Change in Fund Balances</b>              | <b>-</b>                                      | <b>-</b>          | <b>-</b>          | <b>-</b>                                                  |
| Fund Balances, Beginning                        | -                                             | -                 | -                 | -                                                         |
| <b>Fund Balances, Ending</b>                    | <b>\$ -</b>                                   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                                               |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS -  
OTHER POSTEMPLOYMENT BENEFITS PLAN**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of<br>Assets<br>(A) | Actuarial<br>Accrued<br>Liability (AAL) -<br>Entry Age<br>(B) | Unfunded<br>AAL (UAAL)<br>(B-A) | Funded<br>Ratio<br>(A/B) | Covered Payroll<br>(C) | UAAL as a<br>Percentage of<br>Covered Payroll<br>[(B-A)/C] |
|--------------------------------|-------------------------------------------|---------------------------------------------------------------|---------------------------------|--------------------------|------------------------|------------------------------------------------------------|
| January 1, 2011                | \$ -                                      | \$ 28,747,961                                                 | \$ 28,747,961                   | 0.0%                     | \$ 160,163,006         | 17.95%                                                     |
| January 1, 2014                | -                                         | 17,333,163                                                    | 17,333,163                      | 0.0%                     | 159,035,412            | 10.90%                                                     |
| January 1, 2016                | -                                         | 24,576,817                                                    | 24,576,817                      | 0.0%                     | 154,725,959            | 15.88%                                                     |

**Schedule of the District's Proportionate Share  
of the Net Pension Liability -  
Florida Retirement System Pension Plan (1)**

|                                                                                                                 | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    |
|-----------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| District's proportion of the FRS net pension liability                                                          | 0.468327192%   | 0.491400936%   | 0.489999972%   | 0.482806418%   |
| District's proportionate share of the FRS net pension liability                                                 | \$ 106,273,955 | \$ 57,834,793  | \$ 27,182,538  | \$ 75,565,860  |
| District's covered-employee payroll                                                                             | \$ 188,720,947 | \$ 178,263,325 | \$ 174,149,133 | \$ 164,806,638 |
| District's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll | 56.31%         | 32.44%         | 15.61%         | 45.85%         |
| FRS Plan fiduciary net position as a percentage of the total pension liability                                  | 84.88%         | 92.00%         | 96.09%         | 88.54%         |

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

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

|                                                                                                                 | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    |
|-----------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| District's proportion of the HIS net pension liability                                                          | 0.671230678%   | 0.652940591%   | 0.645284941%   | 0.645717158%   |
| District's proportionate share of the HIS net pension liability                                                 | \$ 70,304,543  | \$ 60,676,508  | \$ 54,857,234  | \$ 51,113,559  |
| District's covered-employee payroll                                                                             | \$ 188,720,947 | \$ 178,263,325 | \$ 174,149,133 | \$ 164,806,638 |
| District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll | 37.25%         | 34.04%         | 31.50%         | 31.01%         |
| HIS Plan fiduciary net position as a percentage of the total pension liability                                  | 0.97%          | 0.50%          | 0.99%          | 1.78%          |

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

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

|                                                                          | <u>2017</u>      | <u>2016</u>       | <u>2015</u>       | <u>2014</u>      |
|--------------------------------------------------------------------------|------------------|-------------------|-------------------|------------------|
| Contractually required FRS contribution                                  | \$ 9,065,673     | \$ 10,406,429     | \$ 10,892,918     | \$ 9,758,515     |
| FRS contributions in relation to the contractually required contribution | <u>9,065,673</u> | <u>10,406,429</u> | <u>10,892,918</u> | <u>9,758,515</u> |
| FRS contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      |
| District's covered-employee payroll                                      | \$ 196,876,936   | \$ 188,720,947    | \$ 178,263,325    | \$ 174,149,133   |
| FRS contributions as a percentage of covered-employee payroll            | 4.60%            | 5.51%             | 6.11%             | 5.60%            |

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

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

|                                                                          | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      |
|--------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Contractually required HIS contribution                                  | \$ 2,631,877     | \$ 3,134,970     | \$ 2,495,945     | \$ 2,210,519     |
| HIS contributions in relation to the contractually required contribution | <u>2,631,877</u> | <u>3,134,970</u> | <u>2,495,945</u> | <u>2,210,519</u> |
| HIS contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered-employee payroll                                      | \$ 196,876,936   | \$ 188,720,947   | \$ 178,263,325   | \$ 174,149,133   |
| HIS contributions as a percentage of covered-employee payroll            | 1.34%            | 1.66%            | 1.40%            | 1.27%            |

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

# NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**1. Budgetary Basis of Accounting**

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

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

**2. Schedule of Funding Progress – Other Postemployment Benefits Plan**

Compared to the previous valuation, the Unfunded Actuarial Accrued Liability increased significantly due to plan changes since the previous valuation was performed. Some of the more significant factors contributing to this increase included:

- *Initial Cost of Coverage:* The total cost of the coverage increased from \$450 per employee per month to \$709 per employee per month. This change had a significant effect on the costs and liabilities.
- *Population Changes:* The number of retirees currently receiving postemployment health benefits increased from 225 in the previous valuation to 250 this year. At the same time, the number of active employees eligible for future postemployment benefits increased from 4,354 to 4,600.
- *Retiree Medical Coverage Assumptions:* The number of retirees electing to continue coverage upon retirement in recent years has increased. The rate of coverage acceptance among the retiring employees has been revised to 45 percent from 40 percent at the last valuation.
- *Long Term Medical Trend Assumption:* Beginning with the 2016 valuation, long term health trend assumptions are developed using a forecasted model sponsored by the Society of Actuaries. Under this model, assumed trend rates for costs decline over a 23-year period from 6.5 percent assumed for the year beginning January 1, 2017, to the ultimate level of 4.23 percent at the last valuation.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**3. Schedule of Net Pension Liability and Schedule of Contributions –  
Florida Retirement System Pension Plan**

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

**4. Schedule of Net Pension Liability and Schedule of Contributions –  
Health Insurance Subsidy Pension Plan**

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

**OTHER SUPPLEMENTARY  
INFORMATION  
COMBINING STATEMENTS AND  
SCHEDULES**



**LAKE COUNTY SCHOOLS, TAVARES FLORIDA**



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
COMBINING STATEMENTS AND SCHEDULES OF  
NONMAJOR GOVERNMENTAL FUNDS**

**Debt Service Funds**

The Debt Service Funds account for the payment of interest and principal of the current portion of long-term debt.

State Board of Education (SBE) Bonds Fund – To account for and report on payments of principal and interest on various bonds issued by the State.

Other Debt Service Fund – To account for and report on payment of principal, interest and related costs on certificate of participation issues and other bonds.

**Capital Projects Funds**

The Capital Projects Funds account for the financing, acquisition and construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects.

Special Act Bonds Fund - To account for the financial resources generated by State Special Act Bonds Fund appropriations.

Public Education Capital Outlay Fund - To account for the financial resources generated by Public Education Capital Outlay appropriations. This fund is used for maintenance and other educational capital outlay needs, including new construction, renovation and remodeling projects.

District Bond Fund - To account for the financial resources generated by the one cent local infrastructure sales surtax to be used for educational capital outlay needs, including new construction, renovations and remodeling projects and payments on leases for relocatable school buildings.

Capital Outlay and Debt Service Fund - To account for and report on the funds used for construction and maintenance of schools.

Local Capital Improvement Tax Fund - To account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                            | Special Revenue |                                                 | Debt Service                  |
|--------------------------------------------|-----------------|-------------------------------------------------|-------------------------------|
|                                            | ARRA            | State Board of<br>Education Bonds<br>(SBE) Fund | Other<br>Debt Service<br>Fund |
| <b>ASSETS</b>                              |                 |                                                 |                               |
| Cash and Cash Equivalents                  | \$ 14           | \$ -                                            | \$ 20                         |
| Restricted Cash with Fiscal/Service Agent  | -               | 2,156,526                                       | -                             |
| Investments                                | -               | 149,550                                         | 4,331                         |
| Due from Other Agencies                    | -               | -                                               | -                             |
| Due from Other Funds                       | -               | -                                               | -                             |
| <b>TOTAL ASSETS</b>                        | <b>\$ 14</b>    | <b>\$ 2,306,076</b>                             | <b>\$ 4,351</b>               |
| <b>LIABILITIES AND FUND BALANCES</b>       |                 |                                                 |                               |
| Liabilities:                               |                 |                                                 |                               |
| Payroll Deductions & Withholding           | \$ 14           | \$ -                                            | \$ -                          |
| Accounts Payable                           | -               | -                                               | 20                            |
| Accrued Interest Payable                   | -               | 42,206                                          | -                             |
| <b>Total Liabilities</b>                   | <b>14</b>       | <b>42,206</b>                                   | <b>20</b>                     |
| Fund Balances:                             |                 |                                                 |                               |
| Restricted for:                            |                 |                                                 |                               |
| Debt Service                               | -               | 2,263,870                                       | 4,331                         |
| Capital Projects                           | -               | -                                               | -                             |
| <b>Total Fund Balances</b>                 | <b>-</b>        | <b>2,263,870</b>                                | <b>4,331</b>                  |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 14</b>    | <b>\$ 2,306,076</b>                             | <b>\$ 4,351</b>               |

| Capital Outlay<br>Special Act<br>Bonds Fund | Public Education<br>Capital Outlay<br>(PECO) Fund | Capital Projects         |                                                  |                                             | Total Nonmajor<br>Governmental<br>Funds |
|---------------------------------------------|---------------------------------------------------|--------------------------|--------------------------------------------------|---------------------------------------------|-----------------------------------------|
|                                             |                                                   | District<br>Bond<br>Fund | Capital Outlay &<br>Debt Service<br>(CO&DS) Fund | Local Capital<br>Improvement<br>Fund (LCIF) |                                         |
| \$ 510,494                                  | \$ 329,388                                        | \$ -                     | \$ 218,784                                       | \$ 1,314,746                                | \$ 2,373,446                            |
| -                                           | -                                                 | -                        | -                                                | -                                           | 2,156,526                               |
| -                                           | -                                                 | -                        | -                                                | -                                           | 153,881                                 |
| -                                           | 2,215,496                                         | 1,145,513                | 13,979                                           | 21,456                                      | 3,396,444                               |
| -                                           | -                                                 | 4,334,002                | 1,386,357                                        | 2,000,000                                   | 7,720,359                               |
| <u>\$ 510,494</u>                           | <u>\$ 2,544,884</u>                               | <u>\$ 5,479,515</u>      | <u>\$ 1,619,120</u>                              | <u>\$ 3,336,202</u>                         | <u>\$ 15,800,656</u>                    |
|                                             |                                                   |                          |                                                  |                                             |                                         |
| \$ -                                        | \$ -                                              | \$ -                     | \$ -                                             | \$ -                                        | \$ 14                                   |
| -                                           | 998,645                                           | 78,552                   | -                                                | 2,254,424                                   | 3,331,641                               |
| -                                           | -                                                 | -                        | -                                                | -                                           | 42,206                                  |
| -                                           | 998,645                                           | 78,552                   | -                                                | 2,254,424                                   | 3,373,861                               |
| -                                           | -                                                 | -                        | -                                                | -                                           | 2,268,201                               |
| 510,494                                     | 1,546,239                                         | 5,400,963                | 1,619,120                                        | 1,081,778                                   | 10,158,594                              |
| 510,494                                     | 1,546,239                                         | 5,400,963                | 1,619,120                                        | 1,081,778                                   | 12,426,795                              |
| <u>\$ 510,494</u>                           | <u>\$ 2,544,884</u>                               | <u>\$ 5,479,515</u>      | <u>\$ 1,619,120</u>                              | <u>\$ 3,336,202</u>                         | <u>\$ 15,800,656</u>                    |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                          | Special Revenue | Debt Service                                    |                               |
|----------------------------------------------------------|-----------------|-------------------------------------------------|-------------------------------|
|                                                          | ARRA            | State Board of<br>Education Bonds<br>(SBE) Fund | Other<br>Debt Service<br>Fund |
| <b>Revenues</b>                                          |                 |                                                 |                               |
| Intergovernmental:                                       |                 |                                                 |                               |
| State                                                    | \$ -            | \$ 1,145,423                                    | \$ -                          |
| Local:                                                   |                 |                                                 |                               |
| Ad Valorem Taxes                                         | -               | -                                               | -                             |
| Local Sales Tax                                          | -               | -                                               | -                             |
| Other Local Revenue                                      | -               | -                                               | 4,360                         |
| <b>Total Revenues</b>                                    | -               | 1,145,423                                       | 4,360                         |
| <b>Expenditures</b>                                      |                 |                                                 |                               |
| Current Education:                                       |                 |                                                 |                               |
| Fixed Capital Outlay:                                    |                 |                                                 |                               |
| Facilities Acquisition and Construction                  | -               | -                                               | -                             |
| Debt Service:                                            |                 |                                                 |                               |
| Principal                                                | -               | 827,000                                         | 22,534,013                    |
| Interest and Fiscal Charges                              | -               | 959,813                                         | 9,299,468                     |
| <b>Total Expenditures</b>                                | -               | 1,786,813                                       | 31,833,481                    |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | -               | (641,390)                                       | (31,829,121)                  |
| <b>Other Financing Sources (Uses)</b>                    |                 |                                                 |                               |
| Transfers In                                             | -               | -                                               | 30,871,541                    |
| Issuance of Refunding Bonds                              | -               | 2,374,000                                       | -                             |
| Premium on Refunding Bonds                               | -               | 361,721                                         | -                             |
| Transfers Out                                            | -               | -                                               | -                             |
| <b>Total Other Financing Sources (Uses)</b>              | -               | 2,735,721                                       | 30,871,541                    |
| <b>Net Change in Fund Balances</b>                       | -               | 2,094,331                                       | (957,580)                     |
| Fund Balances, July 1, 2016                              | -               | 169,539                                         | 961,911                       |
| <b>Fund Balances, June 30, 2017</b>                      | \$ -            | \$ 2,263,870                                    | \$ 4,331                      |

| Capital Projects                            |                                                   |                          |                                                  |                                             |                                         |
|---------------------------------------------|---------------------------------------------------|--------------------------|--------------------------------------------------|---------------------------------------------|-----------------------------------------|
| Capital Outlay<br>Special Act<br>Bonds Fund | Public Education<br>Capital Outlay<br>(PECO) Fund | District<br>Bond<br>Fund | Capital Outlay &<br>Debt Service<br>(CO&DS) Fund | Local Capital<br>Improvement<br>Fund (LCIF) | Total Nonmajor<br>Governmental<br>Funds |
| \$ 148,833                                  | \$ 4,321,327                                      | \$ -                     | \$ 405,145                                       | \$ -                                        | \$ 6,020,728                            |
| -                                           | -                                                 | -                        | -                                                | 27,957,446                                  | 27,957,446                              |
| -                                           | -                                                 | 14,805,174               | -                                                | -                                           | 14,805,174                              |
| 21                                          | 592                                               | 607                      | 65                                               | 8,292                                       | 13,937                                  |
| 148,854                                     | 4,321,919                                         | 14,805,781               | 405,210                                          | 27,965,738                                  | 48,797,285                              |
| -                                           | 2,784,659                                         | 83,188                   | -                                                | 12,784,947                                  | 15,652,794                              |
| -                                           | -                                                 | -                        | -                                                | -                                           | 23,361,013                              |
| -                                           | -                                                 | -                        | 1,178                                            | 76                                          | 10,260,535                              |
| -                                           | 2,784,659                                         | 83,188                   | 1,178                                            | 12,785,023                                  | 49,274,342                              |
| 148,854                                     | 1,537,260                                         | 14,722,593               | 404,032                                          | 15,180,715                                  | (477,057)                               |
| -                                           | -                                                 | -                        | -                                                | -                                           | 30,871,541                              |
| -                                           | -                                                 | -                        | -                                                | -                                           | 2,374,000                               |
| -                                           | -                                                 | -                        | -                                                | -                                           | 361,721                                 |
| -                                           | -                                                 | (19,820,955)             | -                                                | (14,110,560)                                | (33,931,515)                            |
| -                                           | -                                                 | (19,820,955)             | -                                                | (14,110,560)                                | (324,253)                               |
| 148,854                                     | 1,537,260                                         | (5,098,362)              | 404,032                                          | 1,070,155                                   | (801,310)                               |
| 361,640                                     | 8,979                                             | 10,499,325               | 1,215,088                                        | 11,623                                      | 13,228,105                              |
| \$ 510,494                                  | \$ 1,546,239                                      | \$ 5,400,963             | \$ 1,619,120                                     | \$ 1,081,778                                | \$ 12,426,795                           |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUNDS - STATE BOARD OF EDUCATION BONDS (SBE)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                 | Debt Service Funds - State Board of Education Bonds (SBE) |                     |                     | Variance with<br>Final Budget -<br>Under/<br>(Over) |
|-------------------------------------------------|-----------------------------------------------------------|---------------------|---------------------|-----------------------------------------------------|
|                                                 | Original<br>Budget                                        | Final<br>Budget     | Actual              |                                                     |
| <b>Revenues</b>                                 |                                                           |                     |                     |                                                     |
| State                                           | \$ 1,130,180                                              | \$ 1,145,423        | \$ 1,145,423        | \$ -                                                |
| <b>Expenditures</b>                             |                                                           |                     |                     |                                                     |
| Debt Service:                                   |                                                           |                     |                     |                                                     |
| Principal                                       | 792,000                                                   | 827,000             | 827,000             | -                                                   |
| Interest and Fiscal Charges                     | 338,190                                                   | 959,813             | 959,813             | -                                                   |
| <b>Total Expenditures</b>                       | 1,130,190                                                 | 1,786,813           | 1,786,813           | -                                                   |
| <b>Deficiency of Revenues Over Expenditures</b> | (10)                                                      | (641,390)           | (641,390)           | -                                                   |
| <b>Other Financing Sources</b>                  |                                                           |                     |                     |                                                     |
| Issuance of Refunding Bonds                     | -                                                         | 2,374,000           | 2,374,000           | -                                                   |
| Premium on Refunding Bonds                      | -                                                         | 361,721             | 361,721             | -                                                   |
| <b>Total Other Financing Sources</b>            | -                                                         | 2,735,721           | 2,735,721           | -                                                   |
| <b>Net Change in Fund Balance</b>               | (10)                                                      | 2,094,331           | 2,094,331           | -                                                   |
| Fund Balances - Beginning                       | 169,539                                                   | 169,539             | 169,539             | -                                                   |
| <b>Fund Balances - Ending</b>                   | <u>\$ 169,529</u>                                         | <u>\$ 2,263,870</u> | <u>\$ 2,263,870</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUNDS - OTHER DEBT SERVICE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                 | Debt Service Funds - Other Debt Service |                 |                 | Variance with<br>Final Budget -<br>Under/<br>(Over) |
|-------------------------------------------------|-----------------------------------------|-----------------|-----------------|-----------------------------------------------------|
|                                                 | Original<br>Budget                      | Final<br>Budget | Actual          |                                                     |
| <b>Revenues</b>                                 |                                         |                 |                 |                                                     |
| Local:                                          |                                         |                 |                 |                                                     |
| Other Local Revenue                             | \$ -                                    | \$ 4,360        | \$ 4,360        | \$ -                                                |
| <b>Expenditures</b>                             |                                         |                 |                 |                                                     |
| Debt Service:                                   |                                         |                 |                 |                                                     |
| Principal                                       | 22,487,828                              | 22,510,643      | 22,534,013      | (23,370)                                            |
| Interest and Fiscal Charges                     | 9,302,696                               | 9,322,838       | 9,299,468       | 23,370                                              |
| <b>Total Expenditures</b>                       | 31,790,524                              | 31,833,481      | 31,833,481      | -                                                   |
| <b>Deficiency of Revenues Over Expenditures</b> | (31,790,524)                            | (31,829,121)    | (31,829,121)    | -                                                   |
| <b>Other Financing Sources</b>                  |                                         |                 |                 |                                                     |
| Transfers In                                    | 30,913,202                              | 30,871,541      | 30,871,541      | -                                                   |
| <b>Net Change in Fund Balance</b>               | (877,322)                               | (957,580)       | (957,580)       | -                                                   |
| Fund Balances - Beginning                       | 961,911                                 | 961,911         | 961,911         | -                                                   |
| <b>Fund Balances - Ending</b>                   | <u>\$ 84,589</u>                        | <u>\$ 4,331</u> | <u>\$ 4,331</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**MAJOR CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | Capital Projects Funds - Other Capital Projects |                      |                      |                                                     |
|---------------------------------------------|-------------------------------------------------|----------------------|----------------------|-----------------------------------------------------|
|                                             | Original<br>Budget                              | Final<br>Budget      | Actual               | Variance with<br>Final Budget -<br>Under/<br>(Over) |
| <b>Revenues</b>                             |                                                 |                      |                      |                                                     |
| State                                       | \$ -                                            | \$ 126,318           | \$ 126,318           | \$ -                                                |
| Local:                                      |                                                 |                      |                      |                                                     |
| Impact Fees                                 | 11,900,000                                      | 15,696,703           | 15,696,703           | -                                                   |
| Other Local Revenue                         | 100,000                                         | 107,739              | 107,739              | -                                                   |
| <b>Total Revenues</b>                       | <u>12,000,000</u>                               | <u>15,930,760</u>    | <u>15,930,760</u>    | <u>-</u>                                            |
| <b>Expenditures</b>                         |                                                 |                      |                      |                                                     |
| Fixed Capital Outlay:                       |                                                 |                      |                      |                                                     |
| Facilities Acquisition and Construction     | 4,000,000                                       | 205,315              | 205,315              | -                                                   |
| <b>Excess of Revenues Over Expenditures</b> | <u>8,000,000</u>                                | <u>15,725,445</u>    | <u>15,725,445</u>    | <u>-</u>                                            |
| <b>Other Financing Sources (Uses)</b>       |                                                 |                      |                      |                                                     |
| Transfers Out                               | (3,358,558)                                     | (10,273,620)         | (10,273,620)         | -                                                   |
| <b>Total Other Financing Sources</b>        | <u>(3,358,558)</u>                              | <u>(10,273,620)</u>  | <u>(10,273,620)</u>  | <u>-</u>                                            |
| <b>Net Change in Fund Balance</b>           | 4,641,442                                       | 5,451,825            | 5,451,825            | -                                                   |
| Fund Balances - Beginning                   | 35,876,820                                      | 35,876,820           | 35,876,820           | -                                                   |
| <b>Fund Balances - Ending</b>               | <u>\$ 40,518,262</u>                            | <u>\$ 41,328,645</u> | <u>\$ 41,328,645</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE  
CAPITAL OUTLAY FUNDS - SPECIAL ACT BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | Capital Outlay Funds - Special Act Bonds |                          |                          | Variance with<br>Final Budget -<br>Under/<br>(Over) |
|---------------------------------------------|------------------------------------------|--------------------------|--------------------------|-----------------------------------------------------|
|                                             | Original<br>Budget                       | Final<br>Budget          | Actual                   |                                                     |
| <b>Revenues</b>                             |                                          |                          |                          |                                                     |
| State                                       | \$ 148,833                               | \$ 148,833               | \$ 148,833               | \$ -                                                |
| Local                                       | -                                        | 21                       | 21                       | -                                                   |
| <b>Total Revenues</b>                       | <u>148,833</u>                           | <u>148,854</u>           | <u>148,854</u>           | <u>-</u>                                            |
| <b>Excess of Revenues Over Expenditures</b> | <u>148,833</u>                           | <u>148,854</u>           | <u>148,854</u>           | <u>-</u>                                            |
| <b>Net Change in Fund Balance</b>           | 148,833                                  | 148,854                  | 148,854                  | -                                                   |
| Fund Balances - Beginning                   | <u>361,640</u>                           | <u>361,640</u>           | <u>361,640</u>           | <u>-</u>                                            |
| <b>Fund Balances - Ending</b>               | <u><u>\$ 510,473</u></u>                 | <u><u>\$ 510,494</u></u> | <u><u>\$ 510,494</u></u> | <u><u>\$ -</u></u>                                  |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                          | Capital Projects Funds - Public Education Capital Outlay (PECO) |                  |                     |                                                     |
|----------------------------------------------------------|-----------------------------------------------------------------|------------------|---------------------|-----------------------------------------------------|
|                                                          | Original<br>Budget                                              | Final<br>Budget  | Actual              | Variance with<br>Final Budget -<br>Under/<br>(Over) |
| <b>Revenues</b>                                          |                                                                 |                  |                     |                                                     |
| State                                                    | \$ 1,024,442                                                    | \$ 2,775,088     | \$ 4,321,327        | \$ 1,546,239                                        |
| Local                                                    |                                                                 | 592              | 592                 | -                                                   |
| <b>Total Revenues</b>                                    | <u>1,024,442</u>                                                | <u>2,775,680</u> | <u>4,321,919</u>    | <u>1,546,239</u>                                    |
| <b>Expenditures</b>                                      |                                                                 |                  |                     |                                                     |
| Fixed Capital Outlay:                                    |                                                                 |                  |                     |                                                     |
| Facilities Acquisition and Construction                  | <u>1,033,421</u>                                                | <u>2,784,659</u> | <u>2,784,659</u>    | <u>-</u>                                            |
| <b>Excess/(Deficiency) of Revenues Over Expenditures</b> | <u>(8,979)</u>                                                  | <u>(8,979)</u>   | <u>1,537,260</u>    | <u>1,546,239</u>                                    |
| <b>Net Change in Fund Balance</b>                        | <u>(8,979)</u>                                                  | <u>(8,979)</u>   | <u>1,537,260</u>    | <u>1,546,239</u>                                    |
| Fund Balances - Beginning                                | <u>8,979</u>                                                    | <u>8,979</u>     | <u>8,979</u>        | <u>-</u>                                            |
| <b>Fund Balances - Ending</b>                            | <u>\$ -</u>                                                     | <u>\$ -</u>      | <u>\$ 1,546,239</u> | <u>\$ 1,546,239</u>                                 |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUNDS - DISTRICT BOND FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | Capital Projects Funds - District Bond Fund |                     |                     | Variance with<br>Final Budget -<br>Under/<br>(Over) |
|---------------------------------------------|---------------------------------------------|---------------------|---------------------|-----------------------------------------------------|
|                                             | Original<br>Budget                          | Final<br>Budget     | Actual              |                                                     |
| <b>Revenues</b>                             |                                             |                     |                     |                                                     |
| Local:                                      |                                             |                     |                     |                                                     |
| Sales Tax Revenue                           | \$ 14,000,000                               | \$ 14,805,174       | \$ 14,805,174       | \$ -                                                |
| Other Local Revenue                         | -                                           | 607                 | 607                 | -                                                   |
| <b>Total Revenues</b>                       | <u>14,000,000</u>                           | <u>14,805,781</u>   | <u>14,805,781</u>   | <u>-</u>                                            |
| <b>Expenditures</b>                         |                                             |                     |                     |                                                     |
| Fixed Capital Outlay:                       |                                             |                     |                     |                                                     |
| Facilities Acquisition and Construction     | <u>5,000,000</u>                            | <u>83,188</u>       | <u>83,188</u>       | <u>-</u>                                            |
| <b>Excess of Revenues Over Expenditures</b> | <u>9,000,000</u>                            | <u>14,722,593</u>   | <u>14,722,593</u>   | <u>-</u>                                            |
| <b>Other Financing Uses</b>                 |                                             |                     |                     |                                                     |
| Transfers Out                               | <u>(9,900,000)</u>                          | <u>(19,820,955)</u> | <u>(19,820,955)</u> | <u>-</u>                                            |
| <b>Net Change in Fund Balance</b>           | <u>(900,000)</u>                            | <u>(5,098,362)</u>  | <u>(5,098,362)</u>  | <u>-</u>                                            |
| Fund Balances - Beginning                   | <u>10,499,325</u>                           | <u>10,499,325</u>   | <u>10,499,325</u>   | <u>-</u>                                            |
| <b>Fund Balances - Ending</b>               | <u>\$ 9,599,325</u>                         | <u>\$ 5,400,963</u> | <u>\$ 5,400,963</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE (CO&DS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | Capital Projects Funds - Capital Outlay and Debt Service (CO&DS) |                     |                     |                                                     |
|---------------------------------------------|------------------------------------------------------------------|---------------------|---------------------|-----------------------------------------------------|
|                                             | Original<br>Budget                                               | Final<br>Budget     | Actual              | Variance with<br>Final Budget -<br>Under/<br>(Over) |
| <b>Revenues</b>                             |                                                                  |                     |                     |                                                     |
| State                                       | \$ 265,114                                                       | \$ 405,145          | \$ 405,145          | \$ -                                                |
| Local:                                      |                                                                  |                     |                     |                                                     |
| Other Local Revenue                         | -                                                                | 65                  | 65                  | -                                                   |
| <b>Total Revenues</b>                       | <u>265,114</u>                                                   | <u>405,210</u>      | <u>405,210</u>      | <u>-</u>                                            |
| <b>Expenditures</b>                         |                                                                  |                     |                     |                                                     |
| Debt Service:                               |                                                                  |                     |                     |                                                     |
| Interest and Fiscal Charges                 | -                                                                | 1,178               | 1,178               | -                                                   |
| <b>Excess of Revenues Over Expenditures</b> | <u>265,114</u>                                                   | <u>404,032</u>      | <u>404,032</u>      | <u>-</u>                                            |
| <b>Other Financing Uses</b>                 |                                                                  |                     |                     |                                                     |
| Transfers Out                               | (265,114)                                                        | -                   | -                   | -                                                   |
| <b>Net Change in Fund Balance</b>           | <u>-</u>                                                         | <u>404,032</u>      | <u>404,032</u>      | <u>-</u>                                            |
| Fund Balances - Beginning                   | <u>1,215,088</u>                                                 | <u>1,215,088</u>    | <u>1,215,088</u>    | <u>-</u>                                            |
| <b>Fund Balances - Ending</b>               | <u>\$ 1,215,088</u>                                              | <u>\$ 1,619,120</u> | <u>\$ 1,619,120</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUNDS - LOCAL CAPITAL IMPROVEMENT TAX FUND (LCIF)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | Capital Projects Funds - Local Capital Improvement Tax Fund (LCIF) |                     |                     |                                                     |
|---------------------------------------------|--------------------------------------------------------------------|---------------------|---------------------|-----------------------------------------------------|
|                                             | Original<br>Budget                                                 | Final<br>Budget     | Actual              | Variance with<br>Final Budget -<br>Under/<br>(Over) |
| <b>Revenues</b>                             |                                                                    |                     |                     |                                                     |
| Local:                                      |                                                                    |                     |                     |                                                     |
| Ad Valorem Taxes                            | \$ 27,913,297                                                      | \$ 27,957,446       | \$ 27,957,446       | \$ -                                                |
| Other Local Revenue                         | -                                                                  | 8,292               | 8,292               | -                                                   |
| <b>Total Revenues</b>                       | <u>27,913,297</u>                                                  | <u>27,965,738</u>   | <u>27,965,738</u>   | <u>-</u>                                            |
| <b>Expenditures</b>                         |                                                                    |                     |                     |                                                     |
| Fixed Capital Outlay:                       |                                                                    |                     |                     |                                                     |
| Facilities Acquisition and Construction     | 2,050,000                                                          | 12,785,023          | 12,784,947          | 76                                                  |
| Debt Service:                               |                                                                    |                     |                     |                                                     |
| Interest and Fiscal Charges                 | -                                                                  | -                   | 76                  | (76)                                                |
| <b>Total Expenditures</b>                   | <u>2,050,000</u>                                                   | <u>12,785,023</u>   | <u>12,785,023</u>   | <u>-</u>                                            |
| <b>Excess of Revenues Over Expenditures</b> | <u>25,863,297</u>                                                  | <u>15,180,715</u>   | <u>15,180,715</u>   | <u>-</u>                                            |
| <b>Other Financing Uses</b>                 |                                                                    |                     |                     |                                                     |
| Transfers Out                               | (25,112,564)                                                       | (14,110,560)        | (14,110,560)        | -                                                   |
| <b>Net Change in Fund Balance</b>           | <u>750,733</u>                                                     | <u>1,070,155</u>    | <u>1,070,155</u>    | <u>-</u>                                            |
| Fund Balances - Beginning                   | <u>11,623</u>                                                      | <u>11,623</u>       | <u>11,623</u>       | <u>-</u>                                            |
| <b>Fund Balances - Ending</b>               | <u>\$ 762,356</u>                                                  | <u>\$ 1,081,778</u> | <u>\$ 1,081,778</u> | <u>\$ -</u>                                         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                           | Governmental Activities<br>Internal Service Funds |                                          |                                     |                                    |
|-------------------------------------------|---------------------------------------------------|------------------------------------------|-------------------------------------|------------------------------------|
|                                           | Self-Funded<br>Employee<br>Health Insurance       | Employee<br>Flexible Spending<br>Program | Workers'<br>Compensation<br>Program | Total<br>Internal Service<br>Funds |
| <b>ASSETS</b>                             |                                                   |                                          |                                     |                                    |
| Current Assets:                           |                                                   |                                          |                                     |                                    |
| Cash and Cash Equivalents                 | \$ 6,145,810                                      | \$ -                                     | \$ 185,853                          | \$ 6,331,663                       |
| Investments                               | -                                                 | 174,171                                  | -                                   | 174,171                            |
| Due from Other Agencies                   | 111,006                                           | 1                                        | -                                   | 111,007                            |
| <b>Total Current Assets</b>               | <b>6,256,816</b>                                  | <b>174,172</b>                           | <b>185,853</b>                      | <b>6,616,841</b>                   |
| <b>TOTAL ASSETS</b>                       | <b>6,256,816</b>                                  | <b>174,172</b>                           | <b>185,853</b>                      | <b>6,616,841</b>                   |
| <b>LIABILITIES</b>                        |                                                   |                                          |                                     |                                    |
| Current Liabilities:                      |                                                   |                                          |                                     |                                    |
| Accounts Payable                          | 292,770                                           | -                                        | 185,845                             | 478,615                            |
| Payroll Deductions & Withholding          | 3,855                                             | -                                        | 65                                  | 3,920                              |
| Unearned Revenue                          | 127,341                                           | -                                        | -                                   | 127,341                            |
| Insurance Claims Payable                  | 5,832,851                                         | -                                        | -                                   | 5,832,851                          |
| <b>Total Current Liabilities</b>          | <b>6,256,817</b>                                  | <b>-</b>                                 | <b>185,910</b>                      | <b>6,442,727</b>                   |
| <b>Total Liabilities</b>                  | <b>6,256,817</b>                                  | <b>-</b>                                 | <b>185,910</b>                      | <b>6,442,727</b>                   |
| <b>NET POSITION</b>                       |                                                   |                                          |                                     |                                    |
| Unrestricted                              | -                                                 | 174,018                                  | 96                                  | 174,114                            |
| Total Net Position                        | -                                                 | 174,018                                  | 96                                  | 174,114                            |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 6,256,817</b>                               | <b>\$ 174,018</b>                        | <b>\$ 186,006</b>                   | <b>\$ 6,616,841</b>                |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                         | Governmental Activities<br>Internal Service Funds |                                          |                                     |                                    |
|-----------------------------------------|---------------------------------------------------|------------------------------------------|-------------------------------------|------------------------------------|
|                                         | Self-Funded<br>Employee<br>Health Insurance       | Employee<br>Flexible Spending<br>Program | Workers'<br>Compensation<br>Program | Total<br>Internal Service<br>Funds |
| <b>OPERATING REVENUES</b>               |                                                   |                                          |                                     |                                    |
| Charges for Services                    | \$ 40,427,496                                     | \$ 317,109                               | \$ 2,840,876                        | \$ 43,585,481                      |
| <b>Total Operating Revenues</b>         | <u>40,427,496</u>                                 | <u>317,109</u>                           | <u>2,840,876</u>                    | <u>43,585,481</u>                  |
| <b>OPERATING EXPENSES</b>               |                                                   |                                          |                                     |                                    |
| Salaries                                | 124,570                                           | -                                        | -                                   | 124,570                            |
| Employee Benefits                       | 31,954                                            | -                                        | -                                   | 31,954                             |
| Purchased Services                      | 78,240                                            | -                                        | -                                   | 78,240                             |
| Energy Services                         | 9,886                                             | -                                        | -                                   | 9,886                              |
| Materials and Supplies                  | 563,977                                           | -                                        | -                                   | 563,977                            |
| Capital Outlay                          | 120,426                                           | -                                        | -                                   | 120,426                            |
| Insurance Claims                        | 42,146,646                                        | -                                        | -                                   | 42,146,646                         |
| Other Expenses                          | -                                                 | 292,139                                  | 2,486,932                           | 2,779,071                          |
| <b>Total Operating Expenses</b>         | <u>43,075,699</u>                                 | <u>292,139</u>                           | <u>2,486,932</u>                    | <u>45,854,770</u>                  |
| <b>Operating Income (Loss)</b>          | <u>(2,648,203)</u>                                | <u>24,970</u>                            | <u>353,944</u>                      | <u>(2,269,289)</u>                 |
| <b>NONOPERATING REVENUES</b>            |                                                   |                                          |                                     |                                    |
| Investment Income                       | 80                                                | -                                        | -                                   | 80                                 |
| Income(Loss) before Operating Transfers | <u>(2,648,123)</u>                                | <u>24,970</u>                            | <u>353,944</u>                      | <u>(2,269,209)</u>                 |
| Transfers In/(Out)                      | <u>2,648,123</u>                                  | <u>-</u>                                 | <u>(2,090,000)</u>                  | <u>558,123</u>                     |
| <b>Change in Net Position</b>           | <u>-</u>                                          | <u>24,970</u>                            | <u>(1,736,056)</u>                  | <u>(1,711,086)</u>                 |
| Total Net Position - Beginning          | <u>-</u>                                          | <u>149,048</u>                           | <u>1,736,152</u>                    | <u>1,885,200</u>                   |
| <b>Total Net Position - Ending</b>      | <u>\$ -</u>                                       | <u>\$ 174,018</u>                        | <u>\$ 96</u>                        | <u>\$ 174,114</u>                  |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                                                                | Governmental Activities<br>Internal Service Funds |                                          |                                     |                                    |
|------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|-------------------------------------|------------------------------------|
|                                                                                                | Self-Funded<br>Employee<br>Health Insurance       | Employee<br>Flexible Spending<br>Program | Workers'<br>Compensation<br>Program | Total<br>Internal Service<br>Funds |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                    |                                                   |                                          |                                     |                                    |
| Cash Received from Services                                                                    | \$ 40,625,063                                     | \$ 331,914                               | \$ 2,840,876                        | \$ 43,797,853                      |
| Cash Payments to Suppliers for Goods, Services, and Other Expenses                             | (1,066,513)                                       | (303,151)                                | (2,471,240)                         | (3,840,904)                        |
| Cash Payments to Employees for Services                                                        | (156,043)                                         | -                                        | -                                   | (156,043)                          |
| Cash Payments for Insurance Claims                                                             | (39,132,118)                                      | -                                        | -                                   | (39,132,118)                       |
| <b>Net Cash Provided by Operating Activities</b>                                               | <b>270,389</b>                                    | <b>28,763</b>                            | <b>369,636</b>                      | <b>668,788</b>                     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                         |                                                   |                                          |                                     |                                    |
| Transfers In(Out)                                                                              | 2,648,123                                         | -                                        | (2,090,000)                         | 558,123                            |
| <b>CASH FLOWS FROM INVESTING FINANCING ACTIVITIES</b>                                          |                                                   |                                          |                                     |                                    |
| Purchase of Investments                                                                        | -                                                 | (174,171)                                | -                                   | (174,171)                          |
| Interest on Investments                                                                        | 80                                                | -                                        | -                                   | 80                                 |
| <b>Net Cash Used by Investing Activities</b>                                                   | <b>80</b>                                         | <b>(174,171)</b>                         | <b>-</b>                            | <b>(174,091)</b>                   |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>                                    | <b>2,918,592</b>                                  | <b>(145,408)</b>                         | <b>(1,720,364)</b>                  | <b>1,052,820</b>                   |
| Cash and Cash Equivalents, Beginning                                                           | 3,227,218                                         | 145,408                                  | 1,906,217                           | 5,278,843                          |
| <b>Cash and Cash Equivalents, Ending</b>                                                       | <b>\$ 6,145,810</b>                               | <b>\$ -</b>                              | <b>\$ 185,853</b>                   | <b>\$ 6,331,663</b>                |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b> |                                                   |                                          |                                     |                                    |
| Operating Income (Loss)                                                                        | \$ (2,648,203)                                    | \$ 24,970                                | \$ 353,944                          | \$ (2,269,289)                     |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: |                                                   |                                          |                                     |                                    |
| Changes in Assets and Liabilities:                                                             |                                                   |                                          |                                     |                                    |
| Decrease in Accounts Receivable                                                                | -                                                 | 3                                        | -                                   | 3                                  |
| Decrease in Inventories                                                                        | -                                                 | 14,802                                   | -                                   | 14,802                             |
| Decrease in Due from Other Agencies                                                            | 226,035                                           | -                                        | -                                   | 226,035                            |
| Decrease in Salaries and Benefits Payable                                                      | (186)                                             | -                                        | -                                   | (186)                              |
| Increase in Payroll Deductions and Withholding                                                 | 667                                               | -                                        | 65                                  | 732                                |
| (Increase)Decrease in Accounts Payable                                                         | (293,984)                                         | (11,012)                                 | 15,627                              | (289,369)                          |
| Increase in Insurance Claims Payable                                                           | 3,014,528                                         | -                                        | -                                   | 3,014,528                          |
| Decrease in Unearned Revenue                                                                   | (28,468)                                          | -                                        | -                                   | (28,468)                           |
| <b>Total Adjustments</b>                                                                       | <b>2,918,592</b>                                  | <b>3,793</b>                             | <b>15,692</b>                       | <b>2,938,077</b>                   |
| <b>Net Cash Provided by Operating Activities</b>                                               | <b>\$ 270,389</b>                                 | <b>\$ 28,763</b>                         | <b>\$ 369,636</b>                   | <b>\$ 668,788</b>                  |



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                           | School Internal Accounts |                     |                     |                     |
|---------------------------|--------------------------|---------------------|---------------------|---------------------|
|                           | Beginning<br>Balance     | Additions           | Deductions          | Ending<br>Balance   |
| <b>Assets</b>             |                          |                     |                     |                     |
| Cash and cash equivalents | \$ 2,918,702             | \$ 6,581,196        | \$ 6,433,659        | \$ 3,066,239        |
| <b>Total Assets</b>       | <u>\$ 2,918,702</u>      | <u>\$ 6,581,196</u> | <u>\$ 6,433,659</u> | <u>\$ 3,066,239</u> |
| <b>Liabilities</b>        |                          |                     |                     |                     |
| Internal accounts payable | \$ 2,918,702             | \$ 6,581,196        | \$ 6,433,659        | \$ 3,066,239        |
| <b>Total Liabilities</b>  | <u>\$ 2,918,702</u>      | <u>\$ 6,581,196</u> | <u>\$ 6,433,659</u> | <u>\$ 3,066,239</u> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
SUMMARY OF SCHOOL INTERNAL ACCOUNTS ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| <b>SCHOOL</b>                    | <b>7/1/2016<br/>Balance</b> | <b>RECEIPTS</b>     | <b>EXPENDITURES</b> | <b>6/30/2017<br/>BALANCE</b> |
|----------------------------------|-----------------------------|---------------------|---------------------|------------------------------|
| Astatula Elementary              | \$ 22,689                   | \$ 104,879          | \$ 96,801           | \$ 30,767                    |
| Beverly Shores Elementary        | 4,694                       | 46,845              | 41,543              | 9,996                        |
| Carver Middle                    | 61,835                      | 48,222              | 63,294              | 46,763                       |
| Clermont Elementary              | 11,826                      | 45,632              | 49,398              | 8,060                        |
| Clermont Middle                  | 68,752                      | 143,895             | 137,870             | 74,777                       |
| Cypress Ridge Elementary         | 105,126                     | 127,096             | 148,735             | 83,487                       |
| East Ridge High                  | 376,803                     | 691,949             | 640,539             | 428,213                      |
| East Ridge Middle                | 119,759                     | 189,700             | 187,437             | 122,022                      |
| Eustis Elementary                | 24,377                      | 58,108              | 67,377              | 15,108                       |
| Eustis Heights Elementary        | 5,688                       | 55,340              | 50,318              | 10,710                       |
| Eustis High                      | 198,967                     | 405,350             | 395,417             | 208,900                      |
| Eustis Middle                    | 36,022                      | 62,972              | 56,462              | 42,532                       |
| Fruitland Park Elementary        | 45,334                      | 56,101              | 67,540              | 33,895                       |
| Grassy Lake Elementary           | 48,312                      | 200,764             | 216,251             | 32,825                       |
| Gray Middle                      | 87,335                      | 172,851             | 175,432             | 84,754                       |
| Groveland Elementary             | 11,223                      | 92,367              | 84,144              | 19,446                       |
| Lake Hills Center                | 39,922                      | 43,729              | 41,262              | 42,389                       |
| Lake Minneola High               | 235,534                     | 528,686             | 559,526             | 204,694                      |
| Leesburg Elementary              | 36,438                      | 81,622              | 81,301              | 36,759                       |
| Leesburg High                    | 73,544                      | 372,197             | 358,105             | 87,636                       |
| Lost Lake Elementary             | 29,212                      | 125,037             | 137,709             | 16,540                       |
| Mount Dora High                  | 316,344                     | 444,985             | 376,241             | 385,088                      |
| Mount Dora Middle                | 35,649                      | 170,793             | 163,209             | 43,233                       |
| Oak Park Middle                  | 23,960                      | 50,235              | 46,711              | 27,484                       |
| Pine Ridge Elementary            | 66,811                      | 106,438             | 111,123             | 62,126                       |
| Rimes Elementary                 | 13,753                      | 9,487               | 10,437              | 12,803                       |
| Sawgrass Bay Elementary          | 23,969                      | 118,318             | 108,923             | 33,364                       |
| Seminole Springs Elementary      | 7,404                       | 33,631              | 33,564              | 7,471                        |
| Sorrento Elementary              | 21,205                      | 91,032              | 80,441              | 31,796                       |
| South Lake High                  | 184,041                     | 407,220             | 389,871             | 201,390                      |
| Student Services                 | 18,195                      | 9,555               | 1,091               | 26,659                       |
| Tavares Elementary               | 31,650                      | 125,044             | 128,952             | 27,742                       |
| Tavares High                     | 112,143                     | 286,012             | 279,151             | 119,004                      |
| Tavares Middle                   | 74,223                      | 122,761             | 131,952             | 65,032                       |
| Treadway Elementary              | 59,432                      | 112,456             | 88,222              | 83,666                       |
| Triangle Elementary              | 28,487                      | 20,030              | 27,782              | 20,735                       |
| Umatilla Elementary              | 29,257                      | 70,808              | 69,658              | 30,407                       |
| Umatilla High                    | 77,605                      | 285,256             | 260,307             | 102,554                      |
| Umatilla Middle                  | 21,024                      | 115,951             | 115,404             | 21,571                       |
| Villages of Lady Lake Elementary | 38,882                      | 60,732              | 58,682              | 40,932                       |
| Windy Hill Middle                | 91,276                      | 287,110             | 295,477             | 82,909                       |
| <b>TOTALS</b>                    | <b>\$ 2,918,702</b>         | <b>\$ 6,581,196</b> | <b>\$ 6,433,659</b> | <b>\$ 3,066,239</b>          |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                             | <b>Alee<br/>Academy,<br/>Inc.</b> | <b>Altoona<br/>Charter<br/>School, Inc.</b> | <b>Mascotte<br/>Elementary<br/>Charter<br/>School, Inc.</b> | <b>Minneola<br/>Elementary<br/>Charter<br/>School, Inc.</b> |
|---------------------------------------------|-----------------------------------|---------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| <b>Assets</b>                               |                                   |                                             |                                                             |                                                             |
| Instruction                                 | \$ 658,058                        | \$ 91,217                                   | \$ 4,686,607                                                | \$ 7,147,475                                                |
| Restricted Cash                             | -                                 | -                                           | -                                                           | -                                                           |
| Investments                                 | -                                 | -                                           | -                                                           | -                                                           |
| Accounts Receivable                         | -                                 | -                                           | 21,227                                                      | 9,124                                                       |
| Due from Other Agencies                     | -                                 | -                                           | -                                                           | -                                                           |
| Instructional Staff Training Services       | -                                 | -                                           | 1,219                                                       | -                                                           |
| Other Current Assets                        | -                                 | 5,125                                       | -                                                           | 25,512                                                      |
| Land                                        | 305,395                           | -                                           | -                                                           | 15,005                                                      |
| Construction in Progress                    | -                                 | -                                           | -                                                           | -                                                           |
| Improvements Other Than Buildings           | 46,166                            | -                                           | -                                                           | -                                                           |
| Buildings and Fixed Equipment               | 1,655,971                         | 727,816                                     | -                                                           | 198,560                                                     |
| Furniture, Fixtures, and Equipment          | 429,581                           | 152,527                                     | 5,115                                                       | 2,359                                                       |
| Motor Vehicles                              | 156,129                           | 121,591                                     | 319,764                                                     | 244,780                                                     |
| Computer Software                           | -                                 | -                                           | 104,300                                                     | -                                                           |
| Accumulated Depreciation                    | (1,371,325)                       | (305,110)                                   | (258,718)                                                   | (179,735)                                                   |
| Other Non-Current Assets                    | -                                 | -                                           | -                                                           | -                                                           |
| <b>Total Assets</b>                         | <u>1,879,975</u>                  | <u>793,166</u>                              | <u>4,879,514</u>                                            | <u>7,463,080</u>                                            |
| <b>Deferred Outflows of Resources</b>       |                                   |                                             |                                                             |                                                             |
| Pension Costs                               | -                                 | -                                           | 2,236,111                                                   | 2,449,632                                                   |
| <b>Total Deferred Outflows of Resources</b> | <u>-</u>                          | <u>-</u>                                    | <u>2,236,111</u>                                            | <u>2,449,632</u>                                            |
| <b>Liabilities</b>                          |                                   |                                             |                                                             |                                                             |
| Accrued Payroll and Other Expenses          | -                                 | -                                           | -                                                           | -                                                           |
| Accounts Payable                            | 3,144                             | 96,429                                      | 12,575                                                      | 80,408                                                      |
| Unearned Revenue                            | -                                 | -                                           | -                                                           | -                                                           |
| Due to Primary Government                   | -                                 | -                                           | 881,640                                                     | 1,109,305                                                   |
| Long-Term Liabilities:                      |                                   |                                             |                                                             |                                                             |
| Portion Due Within One Year                 |                                   |                                             |                                                             |                                                             |
| Notes Payable                               | 177,004                           | 73,024                                      | -                                                           | -                                                           |
| Liability for Compensated Absences          | -                                 | -                                           | 333,678                                                     | 391,795                                                     |
| Other Long-term Liabilities                 | -                                 | -                                           | -                                                           | -                                                           |
| Portion Due After One Year                  |                                   |                                             |                                                             |                                                             |
| Notes Payable                               | 210,455                           | 61,919                                      | -                                                           | -                                                           |
| Net Pension Liability                       | -                                 | -                                           | 4,381,552                                                   | 4,735,220                                                   |
| Other Postemployment Benefits Obligation    | -                                 | -                                           | 281,546                                                     | 279,663                                                     |
| Other Long-term Liabilities                 | -                                 | -                                           | -                                                           | 19,897                                                      |
| <b>Total Liabilities</b>                    | <u>390,603</u>                    | <u>231,372</u>                              | <u>5,890,991</u>                                            | <u>6,616,288</u>                                            |
| <b>Deferred Inflows of Resources</b>        |                                   |                                             |                                                             |                                                             |
| Pension Costs                               | -                                 | -                                           | 621,663                                                     | 703,637                                                     |
| <b>Total Deferred Inflows of Resources</b>  | <u>-</u>                          | <u>-</u>                                    | <u>621,663</u>                                              | <u>703,637</u>                                              |
| <b>Net Position</b>                         |                                   |                                             |                                                             |                                                             |
| Net Investment in Capital Assets            | 834,458                           | 617,106                                     | 170,461                                                     | 280,969                                                     |
| Restricted for:                             |                                   |                                             |                                                             |                                                             |
| Debt Service                                | 218,129                           | -                                           | -                                                           | -                                                           |
| Other Purposes                              | 7,350                             | -                                           | 380,230                                                     | 877,450                                                     |
| Unrestricted                                | 429,435                           | (55,312)                                    | 52,280                                                      | 1,434,368                                                   |
| <b>Total Net Position</b>                   | <u>\$ 1,489,372</u>               | <u>\$ 561,794</u>                           | <u>\$ 602,971</u>                                           | <u>\$ 2,592,787</u>                                         |

| Round Lake<br>Elementary<br>Charter<br>School, Inc. | Spring Creek<br>Charter School,<br>Inc. | Lake Technical<br>College, Inc. | Imagine<br>Schools at<br>South Lake | Total Charter<br>Schools | Educational<br>Foundation of<br>Lake County,<br>Inc. | Total<br>Component<br>Units |
|-----------------------------------------------------|-----------------------------------------|---------------------------------|-------------------------------------|--------------------------|------------------------------------------------------|-----------------------------|
| \$ 7,762,377                                        | \$ 2,247,823                            | \$ 6,016,879                    | \$ 386,997                          | \$ 28,997,433            | \$ 680,557                                           | \$ 29,677,990               |
| -                                                   | -                                       | 1,794,476                       | -                                   | 1,794,476                | -                                                    | 1,794,476                   |
| 896,637                                             | -                                       | -                               | -                                   | 896,637                  | 254,829                                              | 1,151,466                   |
| 11,104                                              | 8,848                                   | 894,867                         | -                                   | 945,170                  | 37,918                                               | 983,088                     |
| -                                                   | -                                       | -                               | 504,144                             | 504,144                  | -                                                    | 504,144                     |
| -                                                   | -                                       | -                               | 35,590                              | 36,809                   | -                                                    | 36,809                      |
| 1,953                                               | -                                       | 3,810                           | -                                   | 36,400                   | 631,253                                              | 667,653                     |
| -                                                   | -                                       | 22,000                          | -                                   | 342,400                  | -                                                    | 342,400                     |
| -                                                   | -                                       | 2,114,487                       | -                                   | 2,114,487                | -                                                    | 2,114,487                   |
| 153,124                                             | -                                       | -                               | -                                   | 199,290                  | -                                                    | 199,290                     |
| 148,393                                             | -                                       | -                               | 623,305                             | 3,354,045                | -                                                    | 3,354,045                   |
| 106,925                                             | 111,628                                 | 447,081                         | 176,054                             | 1,431,270                | -                                                    | 1,431,270                   |
| -                                                   | 594,161                                 | 221,703                         | 261,994                             | 1,920,122                | -                                                    | 1,920,122                   |
| -                                                   | -                                       | 82,500                          | 223,506                             | 410,306                  | -                                                    | 410,306                     |
| (248,265)                                           | (247,748)                               | (272,050)                       | (749,374)                           | (3,632,325)              | -                                                    | (3,632,325)                 |
| -                                                   | -                                       | -                               | -                                   | -                        | 2,907,699                                            | 2,907,699                   |
| 8,832,248                                           | 2,714,712                               | 11,325,753                      | 1,462,216                           | 39,350,664               | 4,512,256                                            | 43,862,920                  |
| 2,114,206                                           | 1,494,174                               | 1,971,903                       | -                                   | 10,266,026               | -                                                    | 10,266,026                  |
| 2,114,206                                           | 1,494,174                               | 1,971,903                       | -                                   | 10,266,026               | -                                                    | 10,266,026                  |
| -                                                   | -                                       | -                               | 214,733                             | 214,733                  | -                                                    | 214,733                     |
| 14,441                                              | 47,550                                  | 362,754                         | 18,050                              | 635,351                  | 147,871                                              | 783,222                     |
| -                                                   | -                                       | -                               | 9,170                               | 9,170                    | -                                                    | 9,170                       |
| 984,249                                             | 592,464                                 | 739,757                         | -                                   | 4,307,415                | -                                                    | 4,307,415                   |
| -                                                   | 130,025                                 | -                               | -                                   | 380,053                  | -                                                    | 380,053                     |
| 329,431                                             | 209,979                                 | 596,124                         | -                                   | 1,861,007                | -                                                    | 1,861,007                   |
| 18,204                                              | 12,923                                  | -                               | -                                   | 31,127                   | -                                                    | 31,127                      |
| -                                                   | 145,240                                 | -                               | -                                   | 417,614                  | -                                                    | 417,614                     |
| 4,086,828                                           | 2,888,288                               | 3,811,754                       | -                                   | 19,903,642               | -                                                    | 19,903,642                  |
| 289,878                                             | 194,791                                 | 179,705                         | -                                   | 1,225,583                | -                                                    | 1,225,583                   |
| 54,611                                              | 38,768                                  | -                               | -                                   | 113,276                  | -                                                    | 113,276                     |
| 5,777,642                                           | 4,260,028                               | 5,690,094                       | 241,953                             | 29,098,971               | 147,871                                              | 29,246,842                  |
| 611,185                                             | 431,755                                 | 559,346                         | -                                   | 2,927,586                | -                                                    | 2,927,586                   |
| 611,185                                             | 431,755                                 | 559,346                         | -                                   | 2,927,586                | -                                                    | 2,927,586                   |
| 87,362                                              | 131,085                                 | 2,615,721                       | 535,485                             | 5,272,647                | 63,861                                               | 5,336,508                   |
| -                                                   | -                                       | -                               | -                                   | 218,129                  | -                                                    | 218,129                     |
| 311,295                                             | 30,000                                  | 1,824,476                       | 91,405                              | 3,522,206                | 3,578,712                                            | 7,100,918                   |
| 4,158,970                                           | (643,982)                               | 2,608,019                       | 593,373                             | 8,577,151                | 721,812                                              | 9,298,963                   |
| \$ 4,557,627                                        | \$ (482,897)                            | \$ 7,048,216                    | \$ 1,220,263                        | \$ 17,590,133            | \$ 4,364,385                                         | \$ 21,954,518               |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|                                                              | <b>Alee<br/>Academy,<br/>Inc.</b> | <b>Altoona<br/>Charter<br/>School, Inc.</b> | <b>Mascotte<br/>Elementary<br/>Charter<br/>School, Inc.</b> | <b>Minneola<br/>Elementary<br/>Charter<br/>School, Inc.</b> |
|--------------------------------------------------------------|-----------------------------------|---------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| <b>Expenses</b>                                              |                                   |                                             |                                                             |                                                             |
| Instruction                                                  | \$ 876,403                        | \$ 1,280,713                                | \$ 4,544,181                                                | \$ 5,294,972                                                |
| Pupil Personnel Services                                     | -                                 | 31,901                                      | 303,655                                                     | 347,492                                                     |
| Instructional Support Services                               | -                                 | -                                           | -                                                           | -                                                           |
| Instructional Media Services                                 | -                                 | -                                           | 64,772                                                      | 61,234                                                      |
| Instructional Curriculum Development Services                | -                                 | -                                           | 99,740                                                      | 138,180                                                     |
| Instructional Staff Training Services                        | -                                 | -                                           | 35,692                                                      | 93,984                                                      |
| Instructional Related Technology                             | -                                 | -                                           | 99,764                                                      | 25,351                                                      |
| Board                                                        | 23,250                            | 15,313                                      | 31,921                                                      | 58,048                                                      |
| General Administration                                       | 77,318                            | 85,277                                      | 136,101                                                     | 215,060                                                     |
| School Administration                                        | 404,101                           | 207,101                                     | 573,438                                                     | 620,925                                                     |
| Fiscal Services                                              | 13,466                            | 15,652                                      | -                                                           | -                                                           |
| Food Services                                                | -                                 | 19,806                                      | -                                                           | -                                                           |
| Central Services                                             | -                                 | -                                           | -                                                           | -                                                           |
| Student Transportation Services                              | 159,549                           | 56,746                                      | 149,000                                                     | 177,917                                                     |
| Operation of Plant                                           | 186,599                           | 243,380                                     | 433,031                                                     | 521,585                                                     |
| Maintenance of Plant                                         | -                                 | 500                                         | 41,354                                                      | -                                                           |
| Community Services                                           | -                                 | 31,752                                      | 159,064                                                     | 221,342                                                     |
| Interest on Long-Term Debt                                   | 27,163                            | 5,840                                       | -                                                           | -                                                           |
| <b>Total Expenses</b>                                        | <u>1,767,849</u>                  | <u>1,993,981</u>                            | <u>6,671,713</u>                                            | <u>7,776,090</u>                                            |
| <b>Program Revenues:</b>                                     |                                   |                                             |                                                             |                                                             |
| Charges for Services                                         | -                                 | 20,023                                      | 172,427                                                     | 315,919                                                     |
| Operating Grants and Contributions                           | -                                 | -                                           | 487,151                                                     | 171,756                                                     |
| Total Program Revenues                                       | <u>-</u>                          | <u>20,023</u>                               | <u>659,578</u>                                              | <u>487,675</u>                                              |
| Net (Expenses) Revenues                                      | <u>(1,767,849)</u>                | <u>(1,973,958)</u>                          | <u>(6,012,135)</u>                                          | <u>(7,288,415)</u>                                          |
| <b>General Revenues:</b>                                     |                                   |                                             |                                                             |                                                             |
| Grants and Contributions Not Restricted to Specific Programs | 1,903,837                         | 1,857,809                                   | 5,623,661                                                   | 7,414,488                                                   |
| Miscellaneous                                                | 29,993                            | 20,804                                      | 33,415                                                      | 60,364                                                      |
| <b>Total General Revenues</b>                                | <u>1,933,830</u>                  | <u>1,878,613</u>                            | <u>5,657,076</u>                                            | <u>7,474,852</u>                                            |
| <b>Change in Net Position</b>                                | 165,981                           | (95,345)                                    | (355,059)                                                   | 186,437                                                     |
| Net Position Beginning                                       | 1,323,391                         | 668,659                                     | 958,030                                                     | 2,406,350                                                   |
| Adjustment to Beginning Net Position                         | -                                 | (11,520)                                    | -                                                           | -                                                           |
| Net Position Beginning, as Restated                          | <u>1,323,391</u>                  | <u>657,139</u>                              | <u>958,030</u>                                              | <u>2,406,350</u>                                            |
| Net Position Ending                                          | <u>\$ 1,489,372</u>               | <u>\$ 561,794</u>                           | <u>\$ 602,971</u>                                           | <u>\$ 2,592,787</u>                                         |

| <b>Round Lake<br/>Elementary<br/>Charter<br/>School, Inc.</b> | <b>Spring Creek<br/>Charter<br/>School, Inc.</b> | <b>Lake<br/>Technical<br/>College, Inc.</b> | <b>Imagine<br/>Schools at<br/>South Lake</b> | <b>Total Charter<br/>Schools</b> | <b>Educational<br/>Foundation of<br/>Lake County,<br/>Inc.</b> | <b>Total<br/>Component<br/>Units</b> |
|---------------------------------------------------------------|--------------------------------------------------|---------------------------------------------|----------------------------------------------|----------------------------------|----------------------------------------------------------------|--------------------------------------|
| \$ 4,773,993                                                  | \$ 2,976,468                                     | \$ 6,370,286                                | \$ 3,574,130                                 | \$ 29,691,146                    | \$ -                                                           | \$ 29,691,146                        |
| 291,048                                                       | -                                                | -                                           | 41,827                                       | 1,015,923                        | -                                                              | 1,015,923                            |
| -                                                             | 302,281                                          | 696,018                                     | -                                            | 998,299                          | -                                                              | 998,299                              |
| 90,550                                                        | 63,622                                           | -                                           | 1,086                                        | 281,264                          | -                                                              | 281,264                              |
| 127,484                                                       | 58,056                                           | 69,384                                      | -                                            | 492,844                          | -                                                              | 492,844                              |
| 137,590                                                       | 48,916                                           | 63,090                                      | 5,413                                        | 384,685                          | -                                                              | 384,685                              |
| 136,464                                                       | -                                                | 233,949                                     | -                                            | 495,528                          | -                                                              | 495,528                              |
| 38,042                                                        | 28,260                                           | 75,895                                      | 17,900                                       | 288,629                          | -                                                              | 288,629                              |
| 85,812                                                        | 135,674                                          | 81,323                                      | -                                            | 816,565                          | -                                                              | 816,565                              |
| 578,191                                                       | 374,849                                          | 880,738                                     | 1,659,733                                    | 5,299,076                        | -                                                              | 5,299,076                            |
| -                                                             | -                                                | 327,237                                     | -                                            | 356,355                          | -                                                              | 356,355                              |
| -                                                             | -                                                | -                                           | 290,976                                      | 310,782                          | -                                                              | 310,782                              |
| -                                                             | -                                                | 44,751                                      | 3,701                                        | 48,452                           | -                                                              | 48,452                               |
| 101,706                                                       | 288,201                                          | -                                           | 183,454                                      | 1,116,573                        | -                                                              | 1,116,573                            |
| 434,728                                                       | 327,799                                          | 697,172                                     | 1,969,420                                    | 4,813,714                        | -                                                              | 4,813,714                            |
| -                                                             | -                                                | 44,943                                      | 67,892                                       | 154,689                          | -                                                              | 154,689                              |
| 101,521                                                       | -                                                | -                                           | 106,114                                      | 619,793                          | 2,039,400                                                      | 2,659,193                            |
| -                                                             | 13,361                                           | -                                           | -                                            | 46,364                           | -                                                              | 46,364                               |
| <u>6,897,129</u>                                              | <u>4,617,487</u>                                 | <u>9,584,786</u>                            | <u>7,921,646</u>                             | <u>47,230,681</u>                | <u>2,039,400</u>                                               | <u>49,270,081</u>                    |
| 219,240                                                       | -                                                | 2,929,024                                   | 380,831                                      | 4,037,464                        | -                                                              | 4,037,464                            |
| 136,221                                                       | 359,567                                          | 1,836,756                                   | 649,491                                      | 3,640,942                        | 1,842,611                                                      | 5,483,553                            |
| 355,461                                                       | 359,567                                          | 4,765,780                                   | 1,030,322                                    | 7,678,406                        | 1,842,611                                                      | 9,521,017                            |
| <u>(6,541,668)</u>                                            | <u>(4,257,920)</u>                               | <u>(4,819,006)</u>                          | <u>(6,891,324)</u>                           | <u>(39,552,275)</u>              | <u>(196,789)</u>                                               | <u>(39,749,064)</u>                  |
| 6,404,100                                                     | 4,018,326                                        | 6,580,881                                   | 6,779,162                                    | 40,582,264                       | -                                                              | 40,582,264                           |
| 48,326                                                        | 28,307                                           | 155,826                                     | 219,985                                      | 597,020                          | 146,113                                                        | 743,133                              |
| <u>6,452,426</u>                                              | <u>4,046,633</u>                                 | <u>6,736,707</u>                            | <u>6,999,147</u>                             | <u>41,179,284</u>                | <u>146,113</u>                                                 | <u>41,325,397</u>                    |
| (89,242)                                                      | (211,287)                                        | 1,917,701                                   | 107,823                                      | 1,627,009                        | (50,676)                                                       | 1,576,333                            |
| 4,646,869                                                     | (271,610)                                        | 5,130,515                                   | 1,112,440                                    | 15,974,644                       | 4,415,061                                                      | 20,389,705                           |
| -                                                             | -                                                | -                                           | -                                            | (11,520)                         | -                                                              | (11,520)                             |
| <u>4,646,869</u>                                              | <u>(271,610)</u>                                 | <u>5,130,515</u>                            | <u>1,112,440</u>                             | <u>15,963,124</u>                | <u>4,415,061</u>                                               | <u>20,378,185</u>                    |
| <u>\$ 4,557,627</u>                                           | <u>\$ (482,897)</u>                              | <u>\$ 7,048,216</u>                         | <u>\$ 1,220,263</u>                          | <u>\$ 17,590,133</u>             | <u>\$ 4,364,385</u>                                            | <u>\$ 21,954,518</u>                 |



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# STATISTICAL SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

## **DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA STATISTICAL SECTION**

This part of the District School Board of Lake County, Florida's Comprehensive Annual Financial Report presents the detail information as a context for understanding what the information in the financial statements, note disclosures and other supplementary information say about the School Board's overall financial health.

### **Financial Trend Information**

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

### **Revenue Capacity Information**

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

### **Debt Capacity Information**

These schedules present 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.

### **Demographic and Economic Information**

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

### **Operating Information**

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NET POSITION BY COMPONENT - GOVERNMENT-WIDE**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

| <b>Fiscal Year Ended</b>                     | <b><u>June 30, 2008</u></b>  | <b><u>June 30, 2009</u></b>  | <b><u>June 30, 2010</u></b>  | <b><u>June 30, 2011</u></b>  |
|----------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Governmental Activities:</b>              |                              |                              |                              |                              |
| Net Investment in Capital Assets             | \$ 271,111,705               | \$ 272,951,278               | \$ 329,704,774               | \$ 353,813,915               |
| Restricted                                   | 158,181,484                  | 171,884,275                  | 125,582,246                  | 103,376,488                  |
| Unrestricted                                 | <u>3,236,910</u>             | <u>6,359,936</u>             | <u>19,261,207</u>            | <u>19,513,316</u>            |
| Total Governmental Activities Net Position   | <u>432,530,099</u>           | <u>451,195,489</u>           | <u>474,548,227</u>           | <u>476,703,719</u>           |
| <b>Business-Type Activities:</b>             |                              |                              |                              |                              |
| Unrestricted                                 | <u>528,746</u>               | <u>745,738</u>               | <u>1,054,923</u>             | <u>1,135,239</u>             |
| Total Business-Type Activities Net Position  | <u>528,746</u>               | <u>745,738</u>               | <u>1,054,923</u>             | <u>1,135,239</u>             |
| <b>Primary Government:</b>                   |                              |                              |                              |                              |
| Net Investment in Capital Assets             | 271,111,705                  | 272,951,278                  | 329,704,774                  | 353,813,915                  |
| Restricted                                   | 158,181,484                  | 171,884,275                  | 125,582,246                  | 103,376,488                  |
| Unrestricted                                 | <u>3,765,656</u>             | <u>7,105,674</u>             | <u>20,316,130</u>            | <u>20,648,555</u>            |
| <b>Total Primary Government Net Position</b> | <b><u>\$ 433,058,845</u></b> | <b><u>\$ 451,941,227</u></b> | <b><u>\$ 475,603,150</u></b> | <b><u>\$ 477,838,958</u></b> |

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Source: District Records

(Continued)

| <u>June 30, 2012</u>  | <u>June 30, 2013</u>  | <u>June 30, 2014</u>  | <u>June 30, 2015</u>  | <u>June 30, 2016</u>  | <u>June 30, 2017</u>  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 362,431,576        | \$ 376,152,850        | \$ 381,271,147        | \$ 394,523,506        | \$ 404,304,817        | \$ 417,620,048        |
| 92,821,950            | 78,577,667            | 74,689,386            | 62,358,146            | 61,651,252            | 66,866,980            |
| <u>4,749,709</u>      | <u>(12,304,549)</u>   | <u>(12,924,383)</u>   | <u>(116,346,583)</u>  | <u>(113,226,976)</u>  | <u>(128,435,712)</u>  |
| <u>460,003,235</u>    | <u>442,425,968</u>    | <u>443,036,150</u>    | <u>340,535,069</u>    | <u>352,729,093</u>    | <u>356,051,316</u>    |
| <br>                  |                       |                       |                       |                       |                       |
| <u>1,228,940</u>      | <u>1,384,244</u>      | <u>1,384,244</u>      | <u>1,129,239</u>      | <u>1,263,203</u>      | <u>1,159,086</u>      |
| <br>                  |                       |                       |                       |                       |                       |
| <u>1,228,940</u>      | <u>1,384,244</u>      | <u>1,384,244</u>      | <u>1,129,239</u>      | <u>1,263,203</u>      | <u>1,159,086</u>      |
| <br>                  |                       |                       |                       |                       |                       |
| 362,431,576           | 376,152,850           | 381,271,147           | 394,523,506           | 404,304,817           | 417,620,048           |
| 92,821,950            | 78,577,667            | 74,689,386            | 62,358,146            | 61,651,252            | 66,866,980            |
| <u>5,978,649</u>      | <u>(10,920,305)</u>   | <u>(11,540,139)</u>   | <u>(115,217,344)</u>  | <u>(111,963,773)</u>  | <u>(127,276,626)</u>  |
| <br>                  |                       |                       |                       |                       |                       |
| <u>\$ 461,232,175</u> | <u>\$ 443,810,212</u> | <u>\$ 444,420,394</u> | <u>\$ 341,664,308</u> | <u>\$ 353,992,296</u> | <u>\$ 357,210,402</u> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**CHANGES IN NET POSITION - GOVERNMENT-WIDE**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

| <b>Fiscal Year Ended</b>                       | <b>June 30, 2008</b>  | <b>June 30, 2009</b>  | <b>June 30, 2010</b>  |
|------------------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses:</b>                               |                       |                       |                       |
| <b>Governmental Activities:</b>                |                       |                       |                       |
| Instruction                                    | \$ 202,687,392        | \$ 192,313,386        | \$ 190,140,397        |
| Student Support Services                       | 15,169,099            | 16,391,773            | 14,691,305            |
| Instructional Media Services                   | 3,809,340             | 3,555,707             | 3,300,094             |
| Instruction and Curriculum                     |                       |                       |                       |
| Development Services                           | 7,301,745             | 8,555,240             | 7,660,339             |
| Instructional Staff Training Services          | 8,032,580             | 8,264,672             | 6,788,821             |
| Instruction Related Technology                 | 2,686,279             | 3,014,937             | 3,153,920             |
| Board                                          | 1,199,774             | 1,062,337             | 929,493               |
| General Administration                         | 1,437,635             | 1,376,414             | 1,512,690             |
| School Administration                          | 17,302,826            | 17,563,599            | 16,420,907            |
| Facility Acquisition and Construction          | 9,748,826             | 3,439,352             | 4,708,561             |
| Fiscal Services                                | 1,862,969             | 1,871,890             | 1,909,073             |
| Food Services                                  | 15,269,624            | 15,425,111            | 15,933,617            |
| Central Services                               | 4,936,060             | 4,458,428             | 4,387,764             |
| Student Transportation Services                | 17,304,697            | 16,461,927            | 16,158,913            |
| Operation of Plant                             | 23,362,272            | 23,486,694            | 21,829,068            |
| Maintenance of Plant                           | 6,600,430             | 6,725,548             | 7,044,004             |
| Administrative Technology Services             | 462,297               | 463,696               | 477,908               |
| Community Services                             | 594,796               | 137,383               | 119,276               |
| Unallocated Interest on Long-Term Debt         | 16,863,469            | 16,437,148            | 16,516,893            |
| Unallocated Depreciation Expense               | 19,046,510            | 25,620,360            | 19,018,205            |
| Loss on Disposal of Capital Assets             | 432,930               | -                     | -                     |
| <b>Total Governmental Activities Expenses</b>  | <b>376,111,550</b>    | <b>366,625,602</b>    | <b>352,701,248</b>    |
| <b>Business-Type Activities:</b>               |                       |                       |                       |
| Extended Learning Center Program               | 2,102,235             | 2,199,535             | 2,007,605             |
| <b>Total Business-Type Activities Expenses</b> | <b>2,102,235</b>      | <b>2,199,535</b>      | <b>2,007,605</b>      |
| <b>Total Primary Government Expenses</b>       | <b>\$ 378,213,785</b> | <b>\$ 368,825,137</b> | <b>\$ 354,708,853</b> |

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Source: District Records

(Continued)

| <u>June 30, 2011</u>  | <u>June 30, 2012</u>  | <u>June 30, 2013</u>  | <u>June 30, 2014</u>  | <u>June 30, 2015</u>  | <u>June 30, 2016</u>  | <u>June 30, 2017</u>  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 206,581,994        | \$ 185,176,901        | \$ 187,740,245        | \$ 192,465,779        | \$ 193,588,155        | \$ 203,632,327        | \$ 217,360,657        |
| 15,268,590            | 15,022,695            | 16,191,197            | 16,093,486            | 17,012,506            | 17,203,453            | 17,881,768            |
| 3,550,457             | 3,254,266             | 3,242,448             | 3,277,822             | 3,438,954             | 3,465,386             | 3,489,529             |
| 8,378,033             | 7,497,574             | 8,232,173             | 7,710,547             | 8,146,058             | 11,637,502            | 12,517,422            |
| 7,193,618             | 6,524,557             | 6,479,677             | 6,002,273             | 9,204,244             | 9,970,986             | 11,110,765            |
| 2,892,326             | 2,675,147             | 2,516,538             | 1,994,896             | 1,385,748             | 1,297,717             | 1,180,471             |
| 991,238               | 847,582               | 855,214               | 833,945               | 772,594               | 761,325               | 793,602               |
| 1,506,187             | 1,315,892             | 1,659,231             | 1,581,653             | 1,545,354             | 1,888,123             | 2,236,810             |
| 17,651,051            | 16,363,194            | 16,554,207            | 16,804,142            | 17,204,641            | 18,103,177            | 18,949,836            |
| 8,216,240             | 10,597,935            | 7,937,827             | 4,521,695             | 6,280,902             | 6,087,331             | 5,619,855             |
| 1,970,019             | 1,735,704             | 1,636,310             | 1,700,875             | 1,644,580             | 1,855,957             | 1,950,836             |
| 16,394,223            | 17,842,617            | 19,259,048            | 17,841,157            | 18,600,056            | 19,176,323            | 20,730,992            |
| 5,187,313             | 6,874,137             | 7,362,386             | 8,133,693             | 5,844,099             | 6,207,037             | 6,581,591             |
| 16,955,865            | 17,731,007            | 17,447,933            | 16,047,770            | 16,398,971            | 15,844,531            | 17,146,181            |
| 22,383,280            | 22,756,923            | 23,745,175            | 24,250,418            | 24,535,385            | 25,263,904            | 26,785,214            |
| 7,450,390             | 7,099,108             | 6,875,276             | 6,858,011             | 7,277,443             | 8,052,999             | 7,740,414             |
| 517,815               | 735,183               | 1,375,321             | 2,979,728             | 3,502,836             | 3,593,785             | 4,578,329             |
| 99,824                | 146,101               | 131,004               | 71,989                | 91,030                | 103,969               | 276,074               |
| 15,520,442            | 14,325,852            | 13,102,556            | 11,589,897            | 10,121,367            | 9,894,088             | 8,421,168             |
| 18,437,812            | 16,776,044            | 18,632,121            | 22,077,972            | 21,903,645            | 21,178,576            | 21,262,004            |
| -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <u>377,146,717</u>    | <u>355,298,419</u>    | <u>360,975,887</u>    | <u>362,837,748</u>    | <u>368,498,568</u>    | <u>385,218,496</u>    | <u>406,613,518</u>    |
| <u>2,578,188</u>      | <u>2,577,342</u>      | <u>2,120,355</u>      | <u>2,326,854</u>      | <u>2,654,798</u>      | <u>2,860,342</u>      | <u>2,533,968</u>      |
| <u>2,578,188</u>      | <u>2,577,342</u>      | <u>2,120,355</u>      | <u>2,326,854</u>      | <u>2,654,798</u>      | <u>2,860,342</u>      | <u>2,533,968</u>      |
| <u>\$ 379,724,905</u> | <u>\$ 357,875,761</u> | <u>\$ 363,096,242</u> | <u>\$ 365,164,602</u> | <u>\$ 371,153,366</u> | <u>\$ 388,078,838</u> | <u>\$ 409,147,486</u> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**CHANGES IN NET POSITION - GOVERNMENT-WIDE**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

| <b>Fiscal Year Ended</b>                                                    | <b>June 30, 2008</b> | <b>June 30, 2009</b> | <b>June 30, 2010</b> | <b>June 30, 2011</b> | <b>June 30, 2012</b> |
|-----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Program Revenues:</b>                                                    |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                                             |                      |                      |                      |                      |                      |
| Charges for Services                                                        |                      |                      |                      |                      |                      |
| Instruction                                                                 | \$ 576,261           | \$ 28,175            | \$ 468               | \$ 12,404            | \$ -                 |
| Food Services                                                               | 7,007,022            | 6,591,197            | 5,828,702            | 5,598,858            | 5,276,398            |
| Central Services                                                            | -                    | -                    | -                    | -                    | 1,129,748            |
| Student Transportation Services                                             | 710,522              | 570,499              | 957,092              | 1,051,129            | 1,103,293            |
| Operating Grants and Contributions                                          | 17,361,832           | 18,786,520           | 19,608,153           | 13,615,086           | 13,790,525           |
| Capital Grants and Contributions                                            | 75,736,351           | 10,833,381           | 2,062,393            | 3,087,394            | 1,535,728            |
| Total Governmental Activities Program Revenues                              | 101,391,988          | 36,809,772           | 28,456,808           | 23,364,871           | 22,835,692           |
| <b>Business-Type Activities:</b>                                            |                      |                      |                      |                      |                      |
| Charges for Services                                                        | 2,027,149            | 2,317,062            | 2,256,683            | 2,656,826            | 2,670,192            |
| Total Business-Type Activities Program Revenues                             | 2,027,149            | 2,317,062            | 2,256,683            | 2,656,826            | 2,670,192            |
| Total Primary Government Program Revenues                                   | 103,419,137          | 39,126,834           | 30,713,491           | 26,021,697           | 25,505,884           |
| <b>Net (Expenses)/Revenues</b>                                              |                      |                      |                      |                      |                      |
| Governmental Activities                                                     | (274,719,562)        | (329,815,830)        | (324,244,440)        | (353,781,846)        | (332,462,727)        |
| Business-Type Activities                                                    | (75,086)             | 117,527              | 249,078              | 78,638               | 92,850               |
| Total Primary Government Net Expenses                                       | (274,794,648)        | (329,698,303)        | (323,995,362)        | (353,703,208)        | (332,369,877)        |
| <b>General Revenues and Other Changes in Net Assets:</b>                    |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                                             |                      |                      |                      |                      |                      |
| Property Taxes:                                                             |                      |                      |                      |                      |                      |
| Levied for Operational Purposes                                             | 121,488,446          | 127,802,923          | 123,149,734          | 110,510,099          | 99,151,712           |
| Levied for Capital Projects                                                 | 42,594,552           | 38,870,941           | 30,703,745           | 27,564,277           | 25,237,180           |
| Local Sales Taxes                                                           | 10,796,324           | 10,176,065           | 9,216,914            | 10,132,505           | 10,653,352           |
| Grants and Contributions Not Restricted to Specific Programs                | 172,779,838          | 160,135,889          | 174,381,983          | 205,206,507          | 177,960,039          |
| Investment Earnings                                                         | 7,729,815            | 1,446,895            | 540,259              | 468,722              | 155,603              |
| Miscellaneous                                                               | 14,043,243           | 10,048,507           | 9,604,543            | 2,055,228            | 2,604,357            |
| Transfers                                                                   | -                    | -                    | -                    | -                    | -                    |
| Total Governmental Activities                                               | 369,432,218          | 348,481,220          | 347,597,178          | 355,937,338          | 315,762,243          |
| <b>Business-Type Activities:</b>                                            |                      |                      |                      |                      |                      |
| Other Revenues and Transfers                                                | -                    | 99,465               | 60,107               | 1,678                | 851                  |
| Total Business-Type Activities                                              | -                    | 99,465               | 60,107               | 1,678                | 851                  |
| Total Primary Government General Revenues and Other Changes in Net Position | 369,432,218          | 348,580,685          | 347,657,285          | 355,939,016          | 315,763,094          |
| <b>Changes in Net Position:</b>                                             |                      |                      |                      |                      |                      |
| Governmental Activities                                                     | 94,712,656           | 18,665,390           | 23,352,738           | 2,155,492            | (16,700,484)         |
| Business-Type Activities                                                    | (75,086)             | 216,992              | 309,185              | 80,316               | 93,701               |
| Total Primary Government                                                    | \$ 94,637,570        | \$ 18,882,382        | \$ 23,661,923        | \$ 2,235,808         | \$ (16,606,783)      |

Source: District Records

(Continued)

| June 30, 2013          | June 30, 2014        | June 30, 2015        | June 30, 2016        | June 30, 2017        |
|------------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                   | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 5,201,165              | 5,039,804            | 4,391,876            | 4,133,713            | 4,050,150            |
| 507,210                | -                    | -                    | -                    | -                    |
| 512,007                | 257,755              | 661,935              | 548,741              | 538,842              |
| 14,876,571             | 15,435,995           | 15,812,980           | 16,293,289           | 16,433,709           |
| 1,500,630              | 2,627,495            | 2,283,228            | 2,247,968            | 6,151,406            |
| <u>22,597,583</u>      | <u>23,361,049</u>    | <u>23,150,019</u>    | <u>23,223,711</u>    | <u>27,174,107</u>    |
| <br>                   |                      |                      |                      |                      |
| <u>2,568,624</u>       | <u>2,837,515</u>     | <u>2,855,793</u>     | <u>2,994,167</u>     | <u>2,917,122</u>     |
| <br>                   |                      |                      |                      |                      |
| <u>2,568,624</u>       | <u>2,837,515</u>     | <u>2,855,793</u>     | <u>2,994,167</u>     | <u>2,917,122</u>     |
| <br>                   |                      |                      |                      |                      |
| <u>25,166,207</u>      | <u>26,198,564</u>    | <u>26,005,812</u>    | <u>26,217,878</u>    | <u>30,091,229</u>    |
| <br>                   |                      |                      |                      |                      |
| (338,378,304)          | (339,476,699)        | (345,348,549)        | (361,994,785)        | (379,439,411)        |
| 448,269                | 510,661              | 200,995              | 133,825              | 383,154              |
| <u>(337,930,035)</u>   | <u>(338,966,038)</u> | <u>(345,147,554)</u> | <u>(361,860,960)</u> | <u>(379,056,257)</u> |
| <br>                   |                      |                      |                      |                      |
| 92,423,734             | 90,899,334           | 96,340,255           | 100,319,737          | 100,190,168          |
| 23,825,647             | 24,047,070           | 25,151,565           | 26,413,676           | 28,000,789           |
| 11,266,759             | 12,158,522           | 14,021,477           | 14,028,543           | 14,805,174           |
| 188,905,815            | 207,545,391          | 208,519,225          | 223,603,099          | 217,661,729          |
| 53,890                 | 19,159               | 30,787               | 199,849              | 110,202              |
| 4,325,192              | 7,029,232            | 10,714,797           | 9,623,905            | 21,506,302           |
| -                      | 511,307              | 336,732              | -                    | 487,271              |
| <u>320,801,037</u>     | <u>342,210,015</u>   | <u>355,114,838</u>   | <u>374,188,809</u>   | <u>382,761,635</u>   |
| <br>                   |                      |                      |                      |                      |
| <u>(292,965)</u>       | <u>(510,661)</u>     | <u>(456,000)</u>     | <u>139</u>           | <u>(487,271)</u>     |
| <br>                   |                      |                      |                      |                      |
| <u>(292,965)</u>       | <u>(510,661)</u>     | <u>(456,000)</u>     | <u>139</u>           | <u>(487,271)</u>     |
| <br>                   |                      |                      |                      |                      |
| <u>320,508,072</u>     | <u>341,699,354</u>   | <u>354,658,838</u>   | <u>374,188,948</u>   | <u>382,274,364</u>   |
| <br>                   |                      |                      |                      |                      |
| (17,577,267)           | 2,733,316            | 9,766,289            | 12,194,024           | 3,322,224            |
| 155,304                | -                    | (255,005)            | 133,964              | (104,117)            |
| <u>\$ (17,421,963)</u> | <u>\$ 2,733,316</u>  | <u>\$ 9,511,284</u>  | <u>\$ 12,327,988</u> | <u>\$ 3,218,107</u>  |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                     | Fiscal Year Ended     |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | June 30, 2008         | June 30, 2009         | June 30, 2010         | June 30, 2011         |
| <b>General Fund</b>                 |                       |                       |                       |                       |
| Nonspendable                        | \$ 1,247,935          | \$ 1,201,164          | \$ 1,333,842          | \$ 1,468,338          |
| Restricted for:                     |                       |                       |                       |                       |
| State Required Carryover Programs   | 1,786,296             | 2,214,250             | 3,097,922             | 2,232,723             |
| Other Purposes                      |                       |                       |                       |                       |
| Assigned                            | 3,364,244             | 3,158,632             | 4,046,662             | 1,413,481             |
| Unassigned                          | <u>21,386,986</u>     | <u>21,364,843</u>     | <u>31,839,989</u>     | <u>35,015,531</u>     |
| Total General Fund                  | <u>\$ 27,785,461</u>  | <u>\$ 27,938,889</u>  | <u>\$ 40,318,415</u>  | <u>\$ 40,130,073</u>  |
| <b>All Other Governmental Funds</b> |                       |                       |                       |                       |
| Nonspendable                        | \$ 211,512            | \$ 297,849            | \$ 387,223            | \$ 821,285            |
| Restricted for:                     |                       |                       |                       |                       |
| Food Service                        | 3,972,376             | 4,781,346             | 5,901,039             | 8,188,806             |
| Debt Service                        | 4,048,021             | 4,249,298             | 4,486,047             | 4,739,562             |
| Capital Outlay                      | 163,656,083           | 135,595,855           | 101,816,268           | 102,802,923           |
| Assigned                            | <u>21,791,307</u>     | <u>58,836,752</u>     | <u>29,729,174</u>     | <u>-</u>              |
| Total All Other Governmental Funds  | <u>\$ 193,679,299</u> | <u>\$ 203,761,100</u> | <u>\$ 142,319,751</u> | <u>\$ 116,552,576</u> |

Fund balances restated to reflect implementation of GASB 54.

Source: District Records

(Continued)

| Fiscal Year Ended     |                      |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| June 30, 2012         | June 30, 2013        | June 30, 2014        | June 30, 2015        | June 30, 2016        | June 30, 2017        |
| \$ 2,848,721          | \$ 2,415,749         | \$ 1,711,409         | \$ 1,699,882         | \$ 1,608,250         | \$ 1,564,175         |
| 291,627               | 465,785              | 883,042              | 110,460              | 189,772              | 356,967              |
| 4,478,099             | 1,173,298            | 954,547              | 3,276,842            | 1,557,963            | 905,570              |
| 19,580,402            | 10,481,022           | 12,022,308           | 11,952,102           | 12,162,931           | 8,273,580            |
| <u>\$ 27,198,849</u>  | <u>\$ 14,535,854</u> | <u>\$ 15,571,306</u> | <u>\$ 17,039,286</u> | <u>\$ 15,518,916</u> | <u>\$ 11,100,292</u> |
|                       |                      |                      |                      |                      |                      |
| \$ 778,300            | \$ 625,232           | \$ 467,011           | \$ 652,050           | \$ 699,350           | \$ 1,054,953         |
| 7,345,348             | 8,599,936            | 11,211,413           | 11,515,433           | 11,657,205           | 11,699,620           |
| 4,831,474             | 7,932,131            | 11,465,994           | 2,199,219            | 1,131,450            | 2,268,201            |
| 92,261,016            | 73,889,825           | 58,532,228           | 48,355,933           | 47,973,475           | 51,487,239           |
| -                     | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 105,216,138</u> | <u>\$ 91,047,124</u> | <u>\$ 81,676,646</u> | <u>\$ 62,722,635</u> | <u>\$ 61,461,480</u> | <u>\$ 66,510,013</u> |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                                                 | Fiscal Year Ended     |                       |                       |                       |
|-----------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                                 | June 30, 2008         | June 30, 2009         | June 30, 2010         | June 30, 2011         |
| <b>Revenues:</b>                                                |                       |                       |                       |                       |
| Federal Direct                                                  | \$ 1,230,416          | \$ 1,600,920          | \$ 1,683,721          | \$ 1,846,819          |
| Federal Through State                                           | 31,408,156            | 31,392,023            | 54,359,299            | 62,998,269            |
| State                                                           | 233,239,449           | 156,638,002           | 139,999,739           | 150,889,392           |
| Local                                                           | 204,946,184           | 196,371,880           | 181,505,245           | 162,303,293           |
| <b>Total Revenues</b>                                           | <b>470,824,205</b>    | <b>386,002,825</b>    | <b>377,548,004</b>    | <b>378,037,773</b>    |
| <b>Expenditures:</b>                                            |                       |                       |                       |                       |
| <b>Current:</b>                                                 |                       |                       |                       |                       |
| Instruction                                                     | 199,773,001           | 190,969,430           | 192,617,887           | 204,817,228           |
| Student Support Services                                        | 15,169,099            | 16,391,773            | 14,685,187            | 15,100,168            |
| Instructional Media Services                                    | 3,809,340             | 3,555,707             | 3,287,993             | 3,514,774             |
| Instruction and Curriculum Development Services                 | 7,301,745             | 8,555,240             | 7,601,687             | 8,294,372             |
| Instructional Staff Training Services                           | 8,032,580             | 8,264,672             | 6,788,821             | 7,130,655             |
| Instruction-Related Technology                                  | 2,686,279             | 3,014,937             | 2,978,069             | 2,867,597             |
| Board                                                           | 1,199,774             | 1,062,337             | 929,493               | 986,465               |
| General Administration                                          | 1,437,635             | 1,376,414             | 1,495,721             | 1,497,302             |
| School Administration                                           | 17,302,826            | 17,563,599            | 16,410,063            | 17,450,709            |
| Facilities Acquisition and Construction                         | 6,752,681             | 1,279,214             | 464,950               | 1,148,300             |
| Fiscal Services                                                 | 1,862,969             | 1,871,890             | 1,909,074             | 1,949,121             |
| Food Services                                                   | 15,269,624            | 15,425,111            | 15,776,739            | 16,318,961            |
| Central Services                                                | 4,936,060             | 4,458,428             | 4,380,292             | 4,684,332             |
| Student Transportation Services                                 | 17,304,697            | 16,461,927            | 16,144,473            | 16,843,190            |
| Operation of Plant                                              | 23,362,272            | 23,486,694            | 21,749,672            | 22,286,216            |
| Maintenance of Plant                                            | 6,600,430             | 6,725,548             | 6,962,674             | 7,385,349             |
| Administrative Technology Services                              | 462,297               | 463,696               | 455,426               | 513,105               |
| Community Services                                              | 594,796               | 137,383               | 119,276               | 98,970                |
| <b>Capital Outlay:</b>                                          |                       |                       |                       |                       |
| Facilities Acquisition and Construction                         | 67,141,609            | 20,362,858            | 76,690,256            | 36,441,234            |
| Other Capital Outlay                                            | 1,825,146             | 1,555,888             | 1,166,003             | 1,422,552             |
| <b>Debt Service:</b>                                            |                       |                       |                       |                       |
| Principal                                                       | 15,142,395            | 15,326,448            | 15,688,749            | 15,860,041            |
| Interest and Fiscal Charges                                     | 17,673,194            | 17,322,205            | 16,874,530            | 16,245,464            |
| <b>Total Expenditures</b>                                       | <b>435,640,449</b>    | <b>375,631,399</b>    | <b>425,177,035</b>    | <b>402,856,105</b>    |
| <b>Excess of Revenues over (under) Expenditures</b>             | <b>35,183,756</b>     | <b>10,371,426</b>     | <b>(47,629,031)</b>   | <b>(24,818,332)</b>   |
| <b>Other Financing Sources (Uses)</b>                           |                       |                       |                       |                       |
| Issuance of Bonds                                               | 2,990,000             | -                     | 1,110,000             | 335,000               |
| Premium on Sale of Bonds                                        | 107,954               | -                     | 65,062                | 275,320               |
| Certificates of Participation Issued                            | -                     | -                     | -                     | -                     |
| Premium on Certificates of Participation                        | -                     | -                     | -                     | -                     |
| Assets Acquired Under Capital Leases                            | -                     | -                     | -                     | -                     |
| Loans Incurred                                                  | -                     | -                     | -                     | -                     |
| Proceeds from the Sale of Capital Assets                        | -                     | -                     | -                     | 739,553               |
| Refunded Bonds Issued                                           | -                     | -                     | -                     | 1,615,000             |
| Payments to Refunded Certificates of Participation Escrow Agent | -                     | -                     | -                     | -                     |
| Payments to Refunded Bond Escrow Agent                          | -                     | -                     | (528,994)             | (1,871,672)           |
| Loss Recoveries                                                 | -                     | -                     | -                     | -                     |
| Transfers In                                                    | 36,125,913            | 37,931,055            | 38,434,255            | 38,125,556            |
| Transfers Out                                                   | (36,125,913)          | (38,067,252)          | (39,884,299)          | (40,355,942)          |
| <b>Total Other Financing Sources (Uses)</b>                     | <b>3,097,954</b>      | <b>(136,197)</b>      | <b>(803,976)</b>      | <b>(1,137,185)</b>    |
| <b>Net Change in Fund Balance</b>                               | <b>38,281,710</b>     | <b>10,235,229</b>     | <b>(48,433,007)</b>   | <b>(25,955,517)</b>   |
| <b>Fund Balance, Beginning</b>                                  | <b>183,183,050</b>    | <b>221,464,760</b>    | <b>231,071,173</b>    | <b>182,638,166</b>    |
| <b>Fund Balance, Ending</b>                                     | <b>\$ 221,464,760</b> | <b>\$ 231,699,989</b> | <b>\$ 182,638,166</b> | <b>\$ 156,682,649</b> |
| <b>Ratio of Debt Service to Non-Capital Expenditures</b>        |                       |                       |                       |                       |
| Total Debt Service                                              | \$ 32,815,589         | \$ 32,648,653         | \$ 32,563,279         | \$ 32,105,505         |
| Total Non-capital Expenditures                                  | 369,669,839           | 309,660,789           | 407,649,048           | 371,887,599           |
| <b>Ratio of Debt Service to Non-Capital Expenditures</b>        | <b>8.88%</b>          | <b>10.54%</b>         | <b>7.99%</b>          | <b>8.63%</b>          |

Source: District Records

(Continued)

| Fiscal Year Ended |                |               |               |               |               |
|-------------------|----------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013  | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| \$ 1,238,115      | \$ 965,735     | \$ 366,169    | \$ 352,180    | \$ 351,680    | \$ 345,909    |
| 38,906,138        | 39,119,846     | 39,168,800    | 40,138,679    | 38,562,935    | 39,002,516    |
| 153,107,892       | 165,197,434    | 184,565,717   | 185,959,727   | 194,148,154   | 200,894,059   |
| 144,222,865       | 137,096,499    | 138,574,516   | 152,689,808   | 163,453,263   | 169,186,243   |
| 337,475,010       | 342,379,514    | 362,675,202   | 379,140,394   | 396,516,032   | 409,428,727   |
| 184,946,003       | 186,151,837    | 191,666,728   | 197,310,985   | 206,023,510   | 210,828,693   |
| 14,602,076        | 15,664,809     | 16,026,672    | 17,339,668    | 17,405,467    | 17,343,960    |
| 3,250,101         | 3,214,632      | 3,264,213     | 3,505,087     | 3,506,079     | 3,384,426     |
| 7,491,659         | 8,169,006      | 7,678,535     | 8,302,712     | 11,774,157    | 12,141,740    |
| 6,526,196         | 6,433,899      | 5,977,353     | 9,381,248     | 10,088,072    | 10,776,452    |
| 2,674,652         | 2,497,114      | 1,986,614     | 1,412,397     | 1,312,956     | 1,144,692     |
| 849,135           | 850,550        | 830,483       | 787,451       | 770,265       | 770,123       |
| 1,318,529         | 1,651,024      | 1,575,086     | 1,575,072     | 1,910,295     | 2,169,724     |
| 16,325,486        | 16,396,796     | 16,734,377    | 17,535,498    | 18,315,756    | 18,380,721    |
| 10,341,217        | 7,706,820      | 533,637       | 402,108       | 475,393       | 741,386       |
| 1,733,627         | 1,621,951      | 1,693,814     | 1,676,206     | 1,877,751     | 1,892,694     |
| 17,390,301        | 18,678,178     | 17,767,086    | 18,957,748    | 19,401,504    | 20,108,208    |
| 5,110,231         | 5,439,748      | 6,279,246     | 5,956,485     | 6,279,924     | 6,383,686     |
| 17,223,383        | 16,886,318     | 15,981,146    | 16,714,334    | 16,030,588    | 16,630,734    |
| 22,143,038        | 23,004,042     | 24,149,739    | 25,007,217    | 25,560,569    | 25,980,178    |
| 6,910,104         | 6,656,687      | 6,829,539     | 7,417,393     | 8,147,562     | 7,507,848     |
| 717,620           | 1,334,832      | 2,967,358     | 3,570,198     | 3,635,986     | 4,440,803     |
| 172,720           | 117,426        | 71,690        | 92,781        | 105,190       | 268,248       |
| 11,058,837        | 10,425,716     | 14,314,453    | 17,744,058    | 12,145,682    | 15,858,109    |
| 7,757,316         | 7,809,561      | 1,044,695     | 1,481,341     | 1,506,458     | 1,109,458     |
| 15,449,622        | 19,669,377     | 20,841,859    | 27,752,756    | 22,190,554    | 23,361,013    |
| 16,589,987        | 14,343,231     | 13,759,071    | 11,658,962    | 11,103,686    | 10,260,535    |
| 370,581,840       | 374,723,554    | 371,973,394   | 395,581,705   | 399,567,404   | 411,483,431   |
| (33,106,830)      | (32,344,040)   | (9,298,192)   | (16,441,311)  | (3,051,372)   | (2,054,704)   |
| -                 | -              | 1,342,000     | -             | -             | 2,374,000     |
| 107,375           | -              | 206,513       | -             | -             | 361,721       |
| 43,720,000        | 20,875,000     | -             | 126,890,000   | 27,820,000    | -             |
| 2,878,849         | 1,524,979      | -             | 15,967,306    | -             | -             |
| 6,328,851         | 4,914,948      | -             | -             | -             | -             |
| 16,370,000        | -              | -             | -             | -             | -             |
| -                 | 100,000        | -             | 190,875       | -             | -             |
| 765,000           | -              | -             | -             | -             | -             |
| (63,746,271)      | (22,124,563)   | -             | (144,429,632) | (27,523,684)  | -             |
| -                 | -              | -             | -             | -             | -             |
| -                 | -              | -             | -             | -             | 19,744        |
| 33,030,840        | 40,267,600     | 41,302,549    | 40,069,996    | 44,687,904    | 44,692,406    |
| (30,615,476)      | (40,045,933)   | (41,887,896)  | (39,733,265)  | (44,714,373)  | (44,763,258)  |
| 8,839,168         | 5,512,031      | 963,166       | (1,044,720)   | 269,847       | 2,684,613     |
| (24,267,662)      | (26,832,009)   | (8,335,026)   | (17,486,031)  | (2,781,525)   | 629,909       |
| 156,682,649       | 132,414,987    | 105,582,978   | 97,247,952    | 79,761,921    | 76,980,396    |
| \$ 132,414,987    | \$ 105,582,978 | \$ 97,247,952 | \$ 79,761,921 | \$ 76,980,396 | \$ 77,610,305 |
| \$ 32,039,609     | \$ 34,012,608  | \$ 34,600,930 | \$ 39,411,718 | \$ 33,294,240 | \$ 33,621,548 |
| 351,346,399       | 356,488,277    | 356,488,277   | 382,084,156   | 392,109,041   | 377,861,883   |
| 9.12%             | 9.54%          | 9.71%         | 10.31%        | 8.49%         | 8.90%         |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SUMMARY OF REVENUES, EXPENDITURES (by Major Object),**  
**AND CHANGES IN FUND BALANCES - GENERAL FUND**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                                                                           | Fiscal Year Ended    |                      |                      |                      |
|-------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                           | June 30, 2008        | June 30, 2009        | June 30, 2010        | June 30, 2011        |
| <b>Federal Direct Sources:</b>                                                            |                      |                      |                      |                      |
| Reserve Officers Training Corps (ROTC)                                                    | \$ 221,859           | \$ 247,728           | \$ 225,280           | \$ 256,623           |
| Total Federal Direct                                                                      | 221,859              | 247,728              | 225,280              | 256,623              |
| <b>Federal Through State Sources:</b>                                                     |                      |                      |                      |                      |
| Other Federal Through State Grants                                                        | 927,880              | 1,057,374            | 883,609              | 1,181,562            |
| Total Federal Through State Sources                                                       | 927,880              | 1,057,374            | 883,609              | 1,181,562            |
| <b>State Sources:</b>                                                                     |                      |                      |                      |                      |
| Florida Education Finance Program (FEFP)                                                  | 90,807,195           | 79,725,273           | 83,292,028           | 93,386,847           |
| Categorical Programs                                                                      | 57,961,164           | 56,347,428           | 46,675,880           | 44,240,490           |
| District Discretionary Lottery Funds                                                      | 1,878,825            | 969,683              | 1,838,835            | 2,222,210            |
| Workforce Development                                                                     | 4,870,479            | 4,585,571            | 4,215,450            | 4,115,328            |
| State Grants and Other State Sources                                                      | 1,024,912            | 3,277,146            | 425,908              | 2,317,059            |
| Total State Sources                                                                       | 156,542,575          | 144,905,101          | 136,448,101          | 146,281,934          |
| <b>Local Sources:</b>                                                                     |                      |                      |                      |                      |
| Ad Valorem Taxes                                                                          | 121,448,446          | 125,835,016          | 123,149,734          | 110,510,099          |
| Interest Income and Others                                                                | 1,640,971            | 289,904              | 90,738               | 56,986               |
| Local Grants and Other Local Sources                                                      | 3,315,704            | 6,369,970            | 3,095,090            | 4,089,333            |
| Total Local Sources                                                                       | 126,405,121          | 132,494,890          | 126,335,562          | 114,656,418          |
| <b>Total Revenues</b>                                                                     | <b>284,097,435</b>   | <b>278,705,093</b>   | <b>263,892,552</b>   | <b>262,376,537</b>   |
| <b>Expenditures: (by object)</b>                                                          |                      |                      |                      |                      |
| Salaries                                                                                  | 164,150,341          | 156,600,796          | 136,117,162          | 138,593,285          |
| Employee Benefits                                                                         | 48,584,682           | 51,920,930           | 44,887,540           | 46,884,966           |
| Purchased Services                                                                        | 51,850,982           | 51,137,233           | 49,754,057           | 49,992,071           |
| Energy Services                                                                           | 10,341,561           | 10,069,557           | 10,221,513           | 11,181,618           |
| Material and Supplies                                                                     | 7,903,653            | 6,504,833            | 9,024,893            | 8,982,324            |
| Capital Outlay                                                                            | 3,079,874            | 3,177,934            | 2,553,886            | 6,112,402            |
| Other Expenditures                                                                        | 6,805,764            | 6,495,849            | 5,282,216            | 5,619,694            |
| <b>Total Expenditures</b>                                                                 | <b>292,716,857</b>   | <b>285,907,132</b>   | <b>257,841,267</b>   | <b>267,366,360</b>   |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                                  | <b>(8,619,422)</b>   | <b>(7,202,039)</b>   | <b>6,051,285</b>     | <b>(4,989,823)</b>   |
| <b>Other Financing Sources (Uses), Net</b>                                                | <b>10,152,667</b>    | <b>7,355,467</b>     | <b>6,328,241</b>     | <b>4,801,481</b>     |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b> | <b>1,533,245</b>     | <b>153,428</b>       | <b>12,379,526</b>    | <b>(188,342)</b>     |
| Beginning Fund Balances                                                                   | 26,252,216           | 27,785,461           | 27,938,889           | 40,318,415           |
| <b>Ending Fund Balances</b>                                                               | <b>\$ 27,785,461</b> | <b>\$ 27,938,889</b> | <b>\$ 40,318,415</b> | <b>\$ 40,130,073</b> |
| <b>Breakdown of Fund Balances:</b>                                                        |                      |                      |                      |                      |
| Nonspendable (Inventory/Prepaid)                                                          | \$ 1,247,935         | \$ 1,201,164         | \$ 1,333,842         | \$ 1,468,338         |
| Restricted for:                                                                           |                      |                      |                      |                      |
| State Required Carryforward Programs                                                      | 1,786,296            | 2,214,250            | 3,097,922            | 2,232,723            |
| Assigned for:                                                                             |                      |                      |                      |                      |
| School Operations                                                                         | 3,364,244            | 3,158,632            | 4,046,662            | 1,413,481            |
| Health Insurance Safe Harbor                                                              | -                    | -                    | -                    | -                    |
| Unassigned Fund Balance                                                                   | 21,386,986           | 21,364,843           | 31,839,989           | 35,015,531           |
| Total Fund Balances                                                                       | \$ 27,785,461        | \$ 27,938,889        | \$ 40,318,415        | \$ 40,130,073        |
| Unassigned Fund Balance to Revenues                                                       | 7.5280%              | 7.6658%              | 12.0655%             | 13.3455%             |

Source: District Records

(Continued)

| Fiscal Year Ended |               |               |               |               |               |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| \$ 312,197        | \$ 334,483    | \$ 331,036    | \$ 318,502    | \$ 309,923    | \$ 325,544    |
| 312,197           | 334,483       | 331,036       | 318,502       | 309,923       | 325,544       |
| 1,177,315         | 1,417,398     | 1,628,451     | 1,289,093     | 1,348,043     | 1,227,730     |
| 1,177,315         | 1,417,398     | 1,628,451     | 1,289,093     | 1,348,043     | 1,227,730     |
| 98,195,148        | 109,987,281   | 128,637,748   | 129,590,728   | 136,671,446   | 140,695,268   |
| 45,668,195        | 47,798,931    | 46,333,956    | 44,885,199    | 45,218,258    | 47,501,932    |
| 1,564,347         | -             | 394,158       | 144,749       | -             | -             |
| 4,312,571         | 4,160,625     | 5,604,076     | 5,014,101     | 4,664,995     | 4,406,406     |
| 378,684           | 524,863       | 711,749       | 3,076,588     | 4,468,062     | 1,915,854     |
| 150,118,945       | 162,471,700   | 181,681,687   | 182,711,365   | 191,022,761   | 194,519,460   |
| 99,151,712        | 92,423,734    | 90,501,854    | 96,340,255    | 100,319,737   | 100,190,168   |
| 10,268            | 18,578        | 4,317         | 4,186         | 17,724        | 86,382        |
| 3,705,803         | 4,277,992     | 5,332,164     | 7,136,368     | 4,972,481     | 6,256,177     |
| 102,867,783       | 96,720,304    | 95,838,335    | 103,480,809   | 105,309,942   | 106,532,727   |
| 254,476,240       | 260,943,885   | 279,479,509   | 287,799,769   | 297,990,669   | 302,605,461   |
| 155,613,818       | 156,805,988   | 158,296,563   | 163,122,419   | 173,123,751   | 180,455,622   |
| 41,852,500        | 42,420,755    | 45,954,130    | 52,162,892    | 54,875,790    | 54,925,662    |
| 47,632,006        | 50,286,733    | 54,379,914    | 57,270,142    | 57,569,421    | 58,352,838    |
| 11,426,828        | 10,731,664    | 10,895,093    | 10,334,554    | 9,083,738     | 9,166,867     |
| 5,652,193         | 7,350,538     | 6,975,954     | 5,726,624     | 9,298,813     | 7,845,113     |
| 2,855,266         | 2,219,957     | 2,195,957     | 1,974,273     | 2,462,034     | 4,570,620     |
| 4,756,580         | 4,834,613     | 3,928,249     | 4,905,628     | 6,254,316     | 4,989,849     |
| 269,789,191       | 274,650,248   | 282,625,860   | 295,496,532   | 312,667,863   | 320,306,571   |
| (15,312,951)      | (13,706,363)  | (3,146,351)   | (7,696,763)   | (14,677,194)  | (17,701,110)  |
| 2,381,727         | 1,043,368     | 4,181,803     | 9,164,743     | 13,156,824    | 13,282,486    |
| (12,931,224)      | (12,662,995)  | 1,035,452     | 1,467,980     | (1,520,370)   | (4,418,624)   |
| 40,130,073        | 27,198,849    | 14,535,854    | 15,571,306    | 17,039,286    | 15,518,916    |
| \$ 27,198,849     | \$ 14,535,854 | \$ 15,571,306 | \$ 17,039,286 | \$ 15,518,916 | \$ 11,100,292 |
| \$ 2,848,721      | \$ 2,415,749  | \$ 1,711,409  | \$ 1,699,882  | \$ 1,608,250  | \$ 1,564,175  |
| 291,627           | 465,785       | 883,042       | 110,460       | 189,772       | 356,967       |
| 678,099           | 1,173,298     | 954,547       | 3,276,842     | 1,557,963     | 905,570       |
| 3,800,000         | -             | -             | -             | -             | -             |
| 19,580,402        | 10,481,022    | 12,022,308    | 11,952,102    | 12,162,931    | 8,273,580     |
| \$ 27,198,849     | \$ 14,535,854 | \$ 15,571,306 | \$ 17,039,286 | \$ 15,518,916 | \$ 11,100,292 |
| 7.6944%           | 4.0166%       | 4.3017%       | 4.1529%       | 4.0816%       | 3.0334%       |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),  
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE - FOOD SERVICE FUND  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

|                                                                                                   | Fiscal Year Ended   |                     |                     |                     |
|---------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                                   | June 30, 2008       | June 30, 2009       | June 30, 2010       | June 30, 2011       |
| <b>Federal Through State Sources:</b>                                                             |                     |                     |                     |                     |
| Food Service                                                                                      | \$ 8,445,276        | \$ 8,637,001        | \$ 10,518,859       | \$ 11,759,970       |
| USDA Donated Foods                                                                                | -                   | 767,436             | 1,059,445           | 1,630,363           |
| Total Federal Through State Sources                                                               | 8,445,276           | 9,404,437           | 11,578,304          | 13,390,333          |
| <b>State Sources:</b>                                                                             |                     |                     |                     |                     |
| Food Services                                                                                     | 198,667             | 203,926             | 206,286             | 226,951             |
| Total State Sources                                                                               | 198,667             | 203,926             | 206,286             | 226,951             |
| <b>Local Sources:</b>                                                                             |                     |                     |                     |                     |
| Food Service Sales                                                                                | 7,007,022           | 6,603,298           | 5,828,702           | 5,598,858           |
| Interest Income and Others                                                                        | 54,015              | 20,573              | 10,129              | 9,370               |
| Total Local Sources                                                                               | 7,061,037           | 6,623,871           | 5,838,831           | 5,608,228           |
| <b>Total Revenues</b>                                                                             | <b>15,704,980</b>   | <b>16,232,234</b>   | <b>17,623,421</b>   | <b>19,225,512</b>   |
| <b>Expenditures: (by object)</b>                                                                  |                     |                     |                     |                     |
| Salaries                                                                                          | 4,983,214           | 4,951,974           | 4,639,636           | 4,784,467           |
| Employee Benefits                                                                                 | 2,435,895           | 2,669,394           | 2,384,228           | 2,292,500           |
| Purchased Services                                                                                | 336,972             | 328,130             | 393,240             | 431,729             |
| Energy Services                                                                                   | 207,387             | 219,754             | 223,992             | 233,654             |
| Material and Supplies                                                                             | 6,770,864           | 6,738,748           | 7,594,307           | 8,120,678           |
| Capital Outlay                                                                                    | 142,014             | 50,610              | 143,791             | 291,742             |
| Other Expenditures                                                                                | 345,447             | 475,591             | 463,208             | 384,069             |
| <b>Total Expenditures</b>                                                                         | <b>15,221,793</b>   | <b>15,434,201</b>   | <b>15,842,402</b>   | <b>16,538,839</b>   |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b>                                      | <b>483,187</b>      | <b>798,033</b>      | <b>1,781,019</b>    | <b>2,686,673</b>    |
| <b>Other Financing Sources (Uses), Net</b>                                                        | <b>-</b>            | <b>103,755</b>      | <b>69,266</b>       | <b>-</b>            |
| <b>Excess (Deficiency) of Revenues<br/>and Other Sources Over<br/>Expenditures and Other Uses</b> | <b>483,187</b>      | <b>901,788</b>      | <b>1,850,285</b>    | <b>2,686,673</b>    |
| Beginning Fund Balances                                                                           | 3,716,974           | 4,200,161           | 4,473,133           | 6,323,418           |
| <b>Ending Fund Balances</b>                                                                       | <b>\$ 4,200,161</b> | <b>\$ 5,101,949</b> | <b>\$ 6,323,418</b> | <b>\$ 9,010,091</b> |

Source: District Records

(Continued)

| Fiscal Year Ended |               |               |               |               |               |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| \$ 12,610,485     | \$ 13,244,399 | \$ 13,773,970 | \$ 14,043,660 | \$ 14,399,248 | \$ 14,684,178 |
| 932,036           | 1,377,603     | 1,405,491     | 1,520,241     | 1,625,001     | 1,521,978     |
| 13,542,521        | 14,622,002    | 15,179,461    | 15,563,901    | 16,024,249    | 16,206,156    |
| 248,004           | 254,569       | 256,534       | 249,079       | 239,040       | 227,553       |
| 248,004           | 254,569       | 256,534       | 249,079       | 239,040       | 227,553       |
| 5,288,702         | 5,231,628     | 5,042,669     | 4,391,876     | 4,133,713     | 4,050,150     |
| 6,175             | 4,182         | 13,983        | 40,263        | 19,289        | 22,367        |
| 5,294,877         | 5,235,810     | 5,056,652     | 4,432,139     | 4,153,002     | 4,072,517     |
| 19,085,402        | 20,112,381    | 20,492,647    | 20,245,119    | 20,416,291    | 20,506,226    |
| 5,060,084         | 5,210,154     | 5,285,936     | 5,666,183     | 5,926,045     | 6,154,194     |
| 1,957,026         | 2,091,311     | 2,197,658     | 2,648,705     | 2,610,133     | 2,568,782     |
| 482,080           | 459,192       | 374,521       | 407,273       | 320,112       | 554,976       |
| 224,373           | 237,001       | 222,425       | 260,644       | 223,532       | 227,003       |
| 9,063,162         | 9,780,366     | 9,151,787     | 9,170,865     | 9,067,060     | 8,866,685     |
| 2,823,131         | 722,012       | 345,978       | 1,123,171     | 1,461,320     | 1,173,340     |
| 361,989           | 585,033       | 461,086       | 479,219       | 619,017       | 563,228       |
| 19,971,845        | 19,085,069    | 18,039,391    | 19,756,060    | 20,227,219    | 20,108,208    |
| (886,443)         | 1,027,312     | 2,453,256     | 489,059       | 189,072       | 398,018       |
| -                 | 74,208        | -             | -             | -             | -             |
| (886,443)         | 1,101,520     | 2,453,256     | 489,059       | 189,072       | 398,018       |
| 9,010,091         | 8,123,648     | 9,225,168     | 11,678,424    | 12,167,483    | 12,356,555    |
| \$ 8,123,648      | \$ 9,225,168  | \$ 11,678,424 | \$ 12,167,483 | \$ 12,356,555 | \$ 12,754,573 |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SUMMARY OF REVENUES, EXPENDITURES (by Major Object),**  
**AND CHANGES IN FUND BALANCES - SPECIAL REVENUE - OTHER SPECIAL REVENUE FUND**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                                                                           | Fiscal Year Ended |                   |                   |                   |
|-------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                           | June 30, 2008     | June 30, 2009     | June 30, 2010     | June 30, 2011     |
| <b>Federal Direct Sources:</b>                                                            |                   |                   |                   |                   |
| Miscellaneous Federal Direct                                                              | \$ 1,008,557      | \$ 1,353,192      | \$ 1,458,441      | \$ 1,590,196      |
| Total Federal Direct                                                                      | 1,008,557         | 1,353,192         | 1,458,441         | 1,590,196         |
| <b>Federal Through State Sources:</b>                                                     |                   |                   |                   |                   |
| Other Federal Through State Grants                                                        | 22,035,000        | 20,930,212        | 20,562,751        | 18,324,026        |
| Total Federal Through State Sources                                                       | 22,035,000        | 20,930,212        | 20,562,751        | 18,324,026        |
| <b>State Sources:</b>                                                                     |                   |                   |                   |                   |
| State Grants and Other State Sources                                                      | 513,641           | 444,795           | 262,561           | 341,696           |
| Total State Sources                                                                       | 513,641           | 444,795           | 262,561           | 341,696           |
| <b>Local Sources:</b>                                                                     |                   |                   |                   |                   |
| Local Grants and Other Local Sources                                                      | 142,188           | 7,446             | 18,879            | 3,276             |
| Total Local Sources                                                                       | 142,188           | 7,446             | 18,879            | 3,276             |
| <b>Total Revenues</b>                                                                     | <b>23,699,386</b> | <b>22,735,645</b> | <b>22,302,632</b> | <b>20,259,194</b> |
| <b>Expenditures: (by object)</b>                                                          |                   |                   |                   |                   |
| Salaries                                                                                  | 9,545,931         | 9,560,872         | 10,544,229        | 10,502,801        |
| Employee Benefits                                                                         | 2,811,698         | 3,027,043         | 3,226,152         | 3,359,599         |
| Purchased Services                                                                        | 2,854,293         | 3,120,884         | 3,207,458         | 3,094,289         |
| Energy Services                                                                           | 3,123             | 2,113             | 2,125             | 1,861             |
| Material and Supplies                                                                     | 2,999,564         | 2,941,532         | 2,158,843         | 1,158,697         |
| Capital Outlay                                                                            | 3,868,951         | 2,916,512         | 1,914,235         | 991,553           |
| Other Expenditures                                                                        | 1,609,744         | 1,159,566         | 1,249,590         | 1,150,394         |
| <b>Total Expenditures</b>                                                                 | <b>23,693,304</b> | <b>22,728,522</b> | <b>22,302,632</b> | <b>20,259,194</b> |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                                  | <b>6,082</b>      | <b>7,123</b>      | <b>-</b>          | <b>-</b>          |
| <b>Other Financing Sources (Uses), Net</b>                                                | <b>(6,082)</b>    | <b>(7,123)</b>    | <b>-</b>          | <b>-</b>          |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b> | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| Beginning Fund Balances                                                                   | -                 | -                 | -                 | -                 |
| <b>Ending Fund Balances</b>                                                               | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       |

Source: District Records

(Continued)

| Fiscal Year Ended |               |               |               |               |               |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| \$ 925,918        | \$ 631,252    | \$ 35,133     | \$ 33,677     | \$ 41,757     | \$ 20,365     |
| 925,918           | 631,252       | 35,133        | 33,677        | 41,757        | 20,365        |
| 20,073,888        | 21,360,043    | 21,240,746    | 23,295,419    | 21,190,643    | 21,568,630    |
| 20,073,888        | 21,360,043    | 21,240,746    | 23,295,419    | 21,190,643    | 21,568,630    |
| 326,545           | 201,241       | -             | -             | -             | -             |
| 326,545           | 201,241       | -             | -             | -             | -             |
| 2,003             | 7,519         | -             | -             | -             | -             |
| 2,003             | 7,519         | -             | -             | -             | -             |
| 21,328,354        | 22,200,055    | 21,275,879    | 23,329,096    | 21,232,400    | 21,588,995    |
| 10,756,199        | 10,961,399    | 12,659,150    | 14,549,958    | 13,083,421    | 13,321,201    |
| 2,801,869         | 2,920,352     | 3,732,982     | 4,313,383     | 3,816,711     | 4,074,666     |
| 3,515,291         | 2,375,209     | 1,613,477     | 1,383,928     | 1,908,240     | 1,601,349     |
| 1,965             | 1,434         | 1,132         | 802           | 726           | 73,226        |
| 1,569,024         | 1,842,458     | 1,170,447     | 962,917       | 671,389       | 800,038       |
| 1,438,640         | 2,560,737     | 1,114,181     | 1,013,316     | 516,855       | 538,581       |
| 1,245,366         | 1,461,019     | 984,510       | 1,104,792     | 1,235,058     | 1,179,934     |
| 21,328,354        | 22,122,608    | 21,275,879    | 23,329,096    | 21,232,400    | 21,588,995    |
| -                 | 77,447        | -             | -             | -             | -             |
| -                 | (77,447)      | -             | -             | -             | -             |
| -                 | -             | -             | -             | -             | -             |
| -                 | -             | -             | -             | -             | -             |
| \$ -              | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SUMMARY OF REVENUES, EXPENDITURES (by Major Object),**  
**AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                                                                           | Fiscal Year Ended   |                     |                     |                     |
|-------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                           | June 30, 2008       | June 30, 2009       | June 30, 2010       | June 30, 2011       |
| <b>State Sources:</b>                                                                     |                     |                     |                     |                     |
| CO&DS withheld for SBE/COBI Bonds                                                         | \$ 979,549          | \$ 1,266,202        | \$ 1,265,171        | \$ 1,293,760        |
| SBE/COBI Bond Interest                                                                    | 8,954               | -                   | -                   | 187                 |
| Other State Sources                                                                       | 148,833             | 148,833             | 148,833             | 148,833             |
| <b>Total State Sources</b>                                                                | <b>1,137,336</b>    | <b>1,415,035</b>    | <b>1,414,004</b>    | <b>1,442,780</b>    |
| <b>Local Sources:</b>                                                                     |                     |                     |                     |                     |
| Interest Income and Other                                                                 | 97,904              | 17,404              | 4,474               | 2,466               |
| <b>Total Local Sources</b>                                                                | <b>97,904</b>       | <b>17,404</b>       | <b>4,474</b>        | <b>2,466</b>        |
| <b>Total Revenues</b>                                                                     | <b>1,235,240</b>    | <b>1,432,439</b>    | <b>1,418,478</b>    | <b>1,445,246</b>    |
| <b>Expenditures: (by object)</b>                                                          |                     |                     |                     |                     |
| Debt Service:                                                                             |                     |                     |                     |                     |
| Principal                                                                                 | 12,775,000          | 13,740,000          | 14,650,000          | 15,640,000          |
| Interest and Fiscal Charges                                                               | 17,497,433          | 17,145,230          | 16,792,320          | 16,228,690          |
| <b>Total Expenditures</b>                                                                 | <b>30,272,433</b>   | <b>30,885,230</b>   | <b>31,442,320</b>   | <b>31,868,690</b>   |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                                  | <b>(29,037,193)</b> | <b>(29,452,791)</b> | <b>(30,023,842)</b> | <b>(30,423,444)</b> |
| <b>Other Financing Sources (Uses), Net</b>                                                | <b>25,973,246</b>   | <b>29,654,068</b>   | <b>30,260,591</b>   | <b>30,676,959</b>   |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b> | <b>(3,063,947)</b>  | <b>201,277</b>      | <b>236,749</b>      | <b>253,515</b>      |
| <b>Beginning Fund Balances</b>                                                            | <b>7,111,968</b>    | <b>4,048,021</b>    | <b>4,249,298</b>    | <b>4,486,047</b>    |
| <b>Ending Fund Balances</b>                                                               | <b>\$ 4,048,021</b> | <b>\$ 4,249,298</b> | <b>\$ 4,486,047</b> | <b>\$ 4,739,562</b> |

Source: District Records

(Continued)

| Fiscal Year Ended                |                                  |                          |                            |                          |                          |
|----------------------------------|----------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| June 30, 2012                    | June 30, 2013                    | June 30, 2014            | June 30, 2015              | June 30, 2016            | June 30, 2017            |
| \$ 1,319,958<br>(150)<br>148,833 | \$ 1,308,464<br>5,717<br>148,833 | \$ 1,303,260<br>57<br>-  | \$ 1,253,936<br>1,093<br>- | \$ 1,209,468<br>230<br>- | \$ 1,145,111<br>312<br>- |
| 1,468,641                        | 1,463,014                        | 1,303,317                | 1,255,029                  | 1,209,698                | 1,145,423                |
| 1,831                            | 1,562                            | -                        | 447,686                    | 1,408                    | 4,360                    |
| 1,831                            | 1,562                            | -                        | 447,686                    | 1,408                    | 4,360                    |
| 1,470,472                        | 1,464,576                        | 1,303,317                | 1,702,715                  | 1,211,106                | 1,149,783                |
| 15,449,622<br>16,589,483         | 19,669,377<br>14,342,439         | 20,841,859<br>13,758,241 | 27,684,299<br>11,726,583   | 22,190,554<br>11,102,579 | 23,361,013<br>10,259,281 |
| 32,039,105                       | 34,011,816                       | 34,600,100               | 39,410,882                 | 33,293,133               | 33,620,294               |
| (30,568,633)                     | (32,547,240)                     | (33,296,783)             | (37,708,167)               | (32,082,027)             | (32,470,511)             |
| 30,660,545                       | 35,647,897                       | 36,830,646               | 28,441,392                 | 31,014,258               | 33,607,262               |
| 91,912<br>4,739,562              | 3,100,657<br>4,831,474           | 3,533,863<br>7,932,131   | (9,266,775)<br>11,465,994  | (1,067,769)<br>2,199,219 | 1,136,751<br>1,131,450   |
| \$ 4,831,474                     | \$ 7,932,131                     | \$ 11,465,994            | \$ 2,199,219               | \$ 1,131,450             | \$ 2,268,201             |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SUMMARY OF REVENUES, EXPENDITURES (by Major Object),**  
**AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

|                                                                                           | Fiscal Year Ended     |                       |                       |                       |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                                                           | June 30, 2008         | June 30, 2009         | June 30, 2010         | June 30, 2011         |
| <b>REVENUES</b>                                                                           |                       |                       |                       |                       |
| <b>State Sources:</b>                                                                     |                       |                       |                       |                       |
| CO&DS Distributed to District                                                             | \$ 466,634            | \$ 239,766            | \$ 198,615            | \$ 169,289            |
| Interest on Undistributed CO&DS                                                           | 34,850                | 6,655                 | 16,991                | 17,461                |
| Public Education Capital Outlay                                                           | 16,035,551            | 9,305,174             | 559,337               | 1,584,418             |
| Charter School Capital Outlay                                                             | -                     | -                     | -                     | 694,403               |
| Classroom First Program                                                                   | -                     | -                     | -                     | -                     |
| School Infrastructure Trust                                                               | -                     | -                     | -                     | -                     |
| Other State Sources                                                                       | -                     | -                     | -                     | -                     |
| Class Size Reduction and Classrooms for Kids                                              | 58,188,377            | -                     | -                     | -                     |
| State Grants and Other State Sources                                                      | 121,818               | 124,205               | 893,843               | 130,460               |
| <b>Total State Sources</b>                                                                | <b>74,847,230</b>     | <b>9,675,800</b>      | <b>1,668,786</b>      | <b>2,596,031</b>      |
| <b>Local Sources:</b>                                                                     |                       |                       |                       |                       |
| Ad Valorem Taxes                                                                          | 42,594,552            | 38,184,790            | 30,703,745            | 27,564,277            |
| Sales Taxes                                                                               | 10,796,324            | 10,176,065            | 9,216,914             | 10,132,505            |
| Interest Income and Others                                                                | 5,935,799             | 1,797,712             | 434,812               | 718,476               |
| Local Grants and Other Local Sources                                                      | 11,913,259            | 7,063,049             | 8,361,906             | 3,617,647             |
| <b>Total Local Sources</b>                                                                | <b>71,239,934</b>     | <b>57,221,616</b>     | <b>48,717,377</b>     | <b>42,032,905</b>     |
| <b>Total Revenues</b>                                                                     | <b>146,087,164</b>    | <b>66,897,416</b>     | <b>50,386,163</b>     | <b>44,628,936</b>     |
| <b>Expenditures: (by object)</b>                                                          |                       |                       |                       |                       |
| Capital Outlay:                                                                           |                       |                       |                       |                       |
| Library Books                                                                             | 623,215               | 312,722               | 4,010                 | 275,695               |
| Audio Visual Materials                                                                    | 1,332                 | 5,845                 | -                     | -                     |
| Buildings and Fixed Equipment                                                             | 58,454,093            | 9,112,055             | 68,986,229            | 19,246,969            |
| Furniture, Fixtures, and Equipment                                                        | 9,148,321             | 2,295,119             | 1,360,731             | 6,523,437             |
| Motor Vehicles                                                                            | 152,218               | 2,034,915             | 115,084               | 2,819,986             |
| Land                                                                                      | 74,521                | 4,883                 | 1,090,412             | 4,174,014             |
| Improvements Other Than Buildings                                                         | 1,246,790             | 1,027,965             | 930,215               | 796,127               |
| Remodeling and Renovations                                                                | 3,764,647             | 5,686,796             | 3,898,331             | 2,728,110             |
| Computer Software                                                                         | 242,872               | 195,281               | 22,718                | 152,591               |
| Debt Service                                                                              | 28,053                | 735                   | 6,048                 | 3,745                 |
| <b>Total Expenditures</b>                                                                 | <b>73,736,062</b>     | <b>20,676,316</b>     | <b>76,413,778</b>     | <b>36,720,674</b>     |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                                  | <b>72,351,102</b>     | <b>46,221,100</b>     | <b>(26,027,615)</b>   | <b>7,908,262</b>      |
| <b>Other Financing Sources (Uses), Net</b>                                                | <b>(33,021,877)</b>   | <b>(37,242,364)</b>   | <b>(37,457,115)</b>   | <b>(36,615,625)</b>   |
| <b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b> | <b>39,329,225</b>     | <b>8,978,736</b>      | <b>(63,484,730)</b>   | <b>(28,707,363)</b>   |
| <b>Beginning Fund Balances</b>                                                            | <b>146,101,892</b>    | <b>185,431,117</b>    | <b>194,995,016</b>    | <b>131,510,286</b>    |
| <b>Ending Fund Balances</b>                                                               | <b>\$ 185,431,117</b> | <b>\$ 194,409,853</b> | <b>\$ 131,510,286</b> | <b>\$ 102,802,923</b> |

Source: District Records

(Continued)

| Fiscal Year Ended |               |               |               |               |               |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| \$ 143,091        | \$ 150,265    | \$ 158,039    | \$ 219,873    | \$ 319,610    | \$ 379,772    |
| 16,402            | 13,969        | 7,109         | 9,923         | 3,138         | 25,373        |
| -                 | -             | -             | 798,403       | 715,522       | 2,327,595     |
| 650,580           | 541,107       | 853,147       | 621,750       | 324,442       | 1,993,732     |
| -                 | -             | -             | -             | -             | -             |
| -                 | -             | -             | -             | -             | -             |
| -                 | -             | 148,833       | 148,833       | 148,833       | 148,833       |
| -                 | -             | -             | -             | -             | -             |
| 154,638           | 289,642       | 157,051       | 91,150        | 165,110       | 126,318       |
| 964,711           | 994,983       | 1,324,179     | 1,889,932     | 1,676,655     | 5,001,623     |
| 25,237,180        | 23,724,957    | 23,942,116    | 25,073,170    | 26,368,090    | 27,957,446    |
| 10,653,352        | 11,266,759    | 12,158,522    | 14,021,477    | 14,028,543    | 14,805,174    |
| 131,542           | 100,690       | 116,994       | 136,492       | 179,889       | 117,316       |
| 34,297            | 38,898        | 1,370,081     | 5,093,059     | 13,363,922    | 15,696,703    |
| 36,056,371        | 35,131,304    | 37,587,713    | 44,324,198    | 53,940,444    | 58,576,639    |
| 37,021,082        | 36,126,287    | 38,911,892    | 46,214,130    | 55,617,099    | 63,578,262    |
| 249,934           | -             | -             | -             | -             | -             |
| -                 | -             | -             | -             | -             | -             |
| 8,002,995         | 7,145,919     | 7,528,880     | 6,781,638     | 155,973       | 1,789,424     |
| 5,074,430         | 5,407,125     | 1,215,913     | 3,425,039     | 572,609       | 3,341,315     |
| 828,844           | 454,447       | 47,853        | 701,239       | 1,922,546     | 7,179,660     |
| 134,275           | 1,495         | 8,404         | 156,078       | 3,536,166     | -             |
| 496,943           | 1,035,537     | 675,550       | 1,033,483     | 1,007,529     | 483,179       |
| 8,548,234         | 6,405,470     | 3,849,431     | 5,362,163     | 4,861,172     | 2,786,806     |
| 23,726            | 2,870,698     | 985,161       | 284,071       | 89,687        | 277,725       |
| 504               | 792           | 830           | 836           | 1,108         | 1,254         |
| 23,359,885        | 23,321,483    | 14,312,022    | 17,744,547    | 12,146,790    | 15,859,363    |
| 13,661,197        | 12,804,804    | 24,599,870    | 28,469,583    | 43,470,309    | 47,718,899    |
| (24,203,104)      | (31,175,995)  | (39,957,467)  | (38,645,877)  | (43,852,768)  | (44,205,135)  |
| (10,541,907)      | (18,371,191)  | (15,357,597)  | (10,176,294)  | (382,459)     | 3,513,764     |
| 102,802,923       | 92,261,016    | 73,889,825    | 58,532,228    | 48,355,934    | 47,973,475    |
| \$ 92,261,016     | \$ 73,889,825 | \$ 58,532,228 | \$ 48,355,934 | \$ 47,973,475 | \$ 51,487,239 |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

| <b>Fiscal<br/>Year<br/>Ended</b> | <b>Property Tax</b>         |                             | <b>Sales<br/>Tax<br/>(a)</b> | <b>Total</b>   |
|----------------------------------|-----------------------------|-----------------------------|------------------------------|----------------|
|                                  | <b>General<br/>Purposes</b> | <b>Capital<br/>Projects</b> |                              |                |
| June 30, 2017                    | \$ 100,190,168              | \$ 27,957,446               | \$ 14,805,174                | \$ 142,952,788 |
| June 30, 2016                    | 100,319,737                 | 26,413,676                  | 14,028,543                   | 140,761,956    |
| June 30, 2015                    | 96,340,255                  | 25,151,565                  | 14,021,477                   | 135,513,297    |
| June 30, 2014                    | 90,899,334                  | 24,047,070                  | 12,158,522                   | 127,104,926    |
| June 30, 2013                    | 92,423,734                  | 23,825,647                  | 11,266,759                   | 127,516,140    |
| June 30, 2012                    | 99,151,712                  | 25,237,180                  | 10,653,352                   | 135,042,244    |
| June 30, 2011                    | 110,510,099                 | 27,564,277                  | 10,132,505                   | 148,206,881    |
| June 30, 2010                    | 123,149,734                 | 30,703,745                  | 9,216,914                    | 163,070,393    |
| June 30, 2009                    | 127,802,923                 | 38,870,941                  | 10,176,065                   | 176,849,929    |
| June 30, 2008                    | 121,488,446                 | 42,594,552                  | 10,796,324                   | 174,879,322    |

Notes:

- (a) The School Board began to receive the Sales Tax Revenues beginning January 1, 2003.  
The District's portion of this tax is one-third of one percent based on a seven percent total sales tax within the county.

Source: District Records

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Amounts Expressed in Thousands)**  
**(Unaudited)**

| <b>Fiscal Year</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>Centrally Assessed Property</b> | <b>Total Taxable Assessed Value</b> | <b>Estimated Actual Value</b> | <b>Total Direct Tax Rate</b> | <b>Ratio of Net Secondary Assessed to Estimated Actual Value</b> |
|--------------------|----------------------|--------------------------|------------------------------------|-------------------------------------|-------------------------------|------------------------------|------------------------------------------------------------------|
| 2016-17            | \$ 18,107,787        | \$ 1,273,013             | \$ 3,434                           | \$ 19,384,234                       | \$ 25,204,096                 | 6.8750                       | 76.91%                                                           |
| 2015-16            | 16,997,232           | 1,269,717                | 3,198                              | 18,270,147                          | 25,743,479                    | 7.1970                       | 70.97%                                                           |
| 2014-15            | 16,090,241           | 1,169,248                | 2,410                              | 17,261,899                          | 24,332,673                    | 7.2460                       | 70.94%                                                           |
| 2013-14            | 15,283,843           | 1,196,588                | 2,104                              | 16,482,535                          | 23,240,375                    | 7.1700                       | 70.92%                                                           |
| 2012-13            | 15,159,447           | 1,207,153                | 1,751                              | 16,368,351                          | 22,899,204                    | 7.3200                       | 71.48%                                                           |
| 2011-12            | 16,126,781           | 1,210,953                | 2,344                              | 17,340,078                          | 24,429,527                    | 7.3940                       | 70.98%                                                           |
| 2010-11            | 17,571,454           | 1,272,633                | 3,782                              | 18,847,869                          | 26,501,517                    | 7.5230                       | 71.12%                                                           |
| 2009-10            | 19,644,056           | 1,289,778                | 4,321                              | 20,938,155                          | 29,703,724                    | 7.5320                       | 70.49%                                                           |
| 2008-09            | 21,504,386           | 1,304,608                | 3,807                              | 22,812,801                          | 30,429,240                    | 7.5170                       | 74.97%                                                           |
| 2007-08            | 21,194,820           | 1,330,022                | 4,068                              | 22,528,910                          | 30,639,073                    | 7.6980                       | 73.53%                                                           |

Note: Taxable Assessed Values are Taxable Values after deducting allowable statutory exemptions.

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Source: Lake County Property Appraiser

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(per \$1,000 Assessed Valuation)**  
**(Unaudited)**

|                                        | Fiscal Year |         |         |         |
|----------------------------------------|-------------|---------|---------|---------|
|                                        | 2007-08     | 2008-09 | 2009-10 | 2010-11 |
| District School Board:                 |             |         |         |         |
| Local Required Effort                  | 4.9960      | 5.0820  | 5.2840  | 5.2750  |
| Discretionary Local                    | 0.5100      | 0.4980  | 0.7480  | 0.7480  |
| Supplemental Discretionary             | 0.1920      | 0.1870  | 0.0000  | 0.0000  |
| Capital Improvement                    | 2.0000      | 1.7500  | 1.5000  | 1.5000  |
| Total District School Board            | 7.6980      | 7.5170  | 7.5320  | 7.5230  |
| Other County-Wide:                     |             |         |         |         |
| Board of County Commissioners - Direct | 5.4394      | 5.5818  | 5.5818  | 5.6616  |
| Lake County Water Authority            | 0.2130      | 0.2130  | 0.2130  | 0.2405  |
| Total County-Wide                      | 13.3504     | 13.3118 | 13.3268 | 13.4251 |
| Special Districts:                     |             |         |         |         |
| Lake County Ambulance District         | 0.4651      | 0.4651  | 0.4651  | 0.3853  |
| South Lake County Hospital District    | 0.8666      | 0.8666  | 0.8666  | 0.8666  |
| Southwest Florida Water Management     | 0.3866      | 0.3866  | 0.3866  | 0.3770  |
| St. Johns River Water Management       | 0.4158      | 0.4158  | 0.4158  | 0.4158  |
| North Lake County Hospital District    | 1.0000      | 1.0000  | 1.0000  | 1.0000  |
| Municipalities:                        |             |         |         |         |
| Astatula                               | 4.5000      | 4.5000  | 4.5000  | 4.8500  |
| Clermont                               | 3.1420      | 3.1420  | 3.1420  | 3.1420  |
| Eustis                                 | 4.7083      | 4.7083  | 5.1266  | 5.6849  |
| Fruitland Park                         | 4.1400      | 4.3600  | 4.3600  | 4.3600  |
| Groveland                              | 3.9680      | 4.8205  | 5.1800  | 5.1800  |
| Howey-in-the-Hills                     | 5.4450      | 5.9900  | 6.8317  | 7.0000  |
| Lady Lake                              | 2.2000      | 3.0870  | 3.2808  | 3.2808  |
| Leesburg                               | 4.2500      | 4.3179  | 4.3179  | 4.3179  |
| Mascotte                               | 5.6530      | 5.9990  | 6.8009  | 7.9800  |
| Minneola                               | 3.7370      | 4.4990  | 4.4990  | 5.4826  |
| Montverde                              | 2.8300      | 2.8300  | 2.8300  | 2.8300  |
| Mount Dora                             | 5.0190      | 5.0190  | 5.0190  | 5.0190  |
| Tavares                                | 5.4200      | 6.2500  | 6.2500  | 6.9500  |
| Umatilla                               | 5.7593      | 6.5000  | 6.5000  | 6.8795  |

Source: Lake County Property Appraiser

(Continued)

| Fiscal Year |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|
| 2011-12     | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| 5.1460      | 5.0720  | 4.9220  | 4.9980  | 4.9490  | 4.6270  |
| 0.7480      | 0.7480  | 0.7480  | 0.7480  | 0.7480  | 0.7480  |
| 0.0000      | 0.0000  | 0.0000  | 0.0000  | 0.0000  | 0.0000  |
| 1.5000      | 1.5000  | 1.5000  | 1.5000  | 1.5000  | 1.5000  |
| 7.3940      | 7.3200  | 7.1700  | 7.2460  | 7.1970  | 6.8750  |
| 5.6616      | 5.7415  | 4.7309  | 5.3856  | 5.3051  | 5.1180  |
| 0.2405      | 0.2554  | 0.2554  | 0.2554  | 0.2554  | 0.2554  |
| 13.2961     | 13.3169 | 12.1563 | 12.8870 | 12.7575 | 12.2484 |
| 0.3853      | 0.3853  | 0.3853  | 0.4629  | 0.4629  | 0.4629  |
| 0.8000      | 0.8000  | 0.7900  | 0.7633  | 0.7633  | 0.7332  |
| 0.3928      | 0.3928  | 0.3818  | 0.3658  | 0.3658  | 0.3317  |
| 0.3313      | 0.3313  | 0.3283  | 0.3164  | 0.3164  | 0.2885  |
| 1.0000      | 1.0000  | 1.0000  | 1.0000  | 1.0000  | 1.0000  |
| 6.5000      | 6.2500  | 6.2500  | 7.5000  | 7.5000  | 7.5000  |
| 3.1420      | 3.1420  | 3.7290  | 3.7290  | 4.2061  | 4.2061  |
| 6.2432      | 6.7148  | 7.5810  | 7.5810  | 7.5810  | 7.5810  |
| 4.3284      | 4.6442  | 4.7371  | 4.7371  | 4.7371  | 3.9863  |
| 5.6000      | 5.6000  | 5.4700  | 5.9900  | 5.9900  | 5.6000  |
| 8.0000      | 8.6965  | 9.6147  | 9.5177  | 9.5177  | 9.2750  |
| 3.2808      | 3.2808  | 3.2808  | 3.7500  | 3.5510  | 3.3962  |
| 4.3179      | 4.3179  | 4.3179  | 4.3179  | 4.2678  | 4.2678  |
| 9.6147      | 9.6147  | 9.6147  | 9.3000  | 8.8138  | 8.3289  |
| 6.5716      | 6.3000  | 6.3676  | 6.2500  | 6.2069  | 6.1483  |
| 2.8300      | 2.8300  | 2.8300  | 2.8300  | 2.8300  | 2.8300  |
| 5.3891      | 5.6667  | 5.6667  | 5.9970  | 5.9970  | 5.9970  |
| 6.8900      | 6.4462  | 6.4531  | 7.1569  | 7.0234  | 7.4680  |
| 7.6419      | 8.2480  | 8.2480  | 7.2980  | 7.2980  | 7.1089  |

**(Unaudited)**

Source: Lake County Property Appraiser - 2016 Most Current Data Available.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

| Fiscal Year | Total Tax Levy (A) | Collected to end of School Fiscal Year |                 | Delinquent Collections | Collected in Fiscal Year  |                 |
|-------------|--------------------|----------------------------------------|-----------------|------------------------|---------------------------|-----------------|
|             |                    | Current Tax Collections (B)            | Percent of Levy |                        | Total Tax Collections (C) | Percent of Levy |
| 2016-17     | \$ 132,475,707     | \$ 127,814,516                         | 96.48%          | \$ 333,098             | 128,147,614               | 96.73%          |
| 2015-16     | 131,490,252        | 126,513,752                            | 96.22%          | 219,661                | 126,733,413               | 96.38%          |
| 2014-15     | 125,393,183        | 121,041,384                            | 96.53%          | 372,041                | 121,413,425               | 96.83%          |
| 2013-14     | 119,681,950        | 114,443,970                            | 95.62%          | 502,434                | 114,946,404               | 96.04%          |
| 2012-13     | 119,816,330        | 115,777,568                            | 96.63%          | 471,813                | 116,249,381               | 97.02%          |
| 2011-12     | 128,212,535        | 123,937,198                            | 96.67%          | 451,694                | 124,388,892               | 97.02%          |
| 2010-11     | 141,792,521        | 136,758,865                            | 96.45%          | 1,315,511              | 138,074,376               | 97.38%          |
| 2009-10     | 162,940,726        | 152,160,566                            | 93.38%          | 1,692,913              | 153,853,479               | 94.42%          |
| 2008-09     | 171,483,825        | 164,019,806                            | 95.65%          | 2,654,058              | 166,673,864               | 97.20%          |
| 2007-08     | 172,798,584        | 164,042,060                            | 94.93%          | 40,938                 | 164,082,998               | 94.96%          |

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never 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 not later than June 1st of each year. Accordingly, a majority of taxes are collected in the fiscal year levied.

Source:

- (A) District School Board taxes levied per Lake County Tax Collectors Office form DR-403 CC
- (B) Net of allowable discounts from District Records
- (C) District Records

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

| Fiscal Year | Governmental Activities (A) |              |                         |                                |                               |                          | Percentage of Personal Income (B) | Per Capita (B) |
|-------------|-----------------------------|--------------|-------------------------|--------------------------------|-------------------------------|--------------------------|-----------------------------------|----------------|
|             | Capital Leases              | Note Payable | Sales Tax Revenue Bonds | State Board of Education Bonds | Certificates Of Participation | Total Primary Government |                                   |                |
| 2016-17     | \$ 2,952,855                | \$ 4,030,000 | \$ -                    | \$ 8,180,000                   | \$ 211,505,661                | \$ 226,668,516           | 1.845%                            | 696            |
| 2015-16     | 4,636,868                   | 8,015,000    | -                       | 7,233,000                      | 229,797,855                   | 249,682,723              | 2.210%                            | 789            |
| 2014-15     | 6,306,608                   | 11,945,000   | -                       | 8,085,000                      | 247,483,719                   | 273,820,327              | 2.566%                            | 867            |
| 2013-14     | 7,962,364                   | 15,830,000   | 6,595,000               | 9,012,000                      | 259,861,668                   | 299,261,032              | 2.905%                            | 971            |
| 2012-13     | 9,604,422                   | 16,165,000   | 11,458,845              | 10,010,000                     | 270,592,496                   | 317,830,763              | 3.189%                            | 1,047          |
| 2011-12     | 6,328,851                   | 16,370,000   | 16,156,462              | 10,835,000                     | 283,614,609                   | 333,304,922              | 3.469%                            | 833            |
| 2010-11     | -                           | -            | 36,419,580              | 12,100,000                     | 297,081,168                   | 345,600,748              | 3.685%                            | 1,160          |
| 2009-10     | 220,041                     | -            | 40,752,196              | 12,260,000                     | 308,587,102                   | 361,819,339              | 3.677%                            | 1,224          |
| 2008-09     | 1,258,790                   | -            | 44,929,813              | 12,345,000                     | 319,313,036                   | 377,846,639              | 3.932%                            | 1,287          |
| 2007-08     | 2,845,513                   | -            | 48,977,430              | 13,005,000                     | 329,297,412                   | 394,125,355              | 4.323%                            | 1,359          |

Note: The primary government does not have any outstanding debt for business-type activities.

Source:

(A) District Records

(B) Total Primary Government Debt divided by Personal Income and Population from Page 140-141.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY  
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS  
LAST TEN FISCAL YEARS  
(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Taxable<br/>Assessed<br/>Value (A)</b> | <b>Annual Lease<br/>Payment</b> | <b>Millage Levy<br/>to Provide<br/>1.00x Coverage</b> |
|------------------------|-------------------------------------------|---------------------------------|-------------------------------------------------------|
| 2016-17                | \$ 19,384,234                             | \$ 25,971,993                   | 1.33985 Mills                                         |
| 2015-16                | 18,270,147                                | 25,613,740                      | 1.40194 Mills                                         |
| 2014-15                | 17,305,159                                | 25,115,311                      | 1.45132 Mills                                         |
| 2013-14                | 16,482,535                                | 24,959,013                      | 1.51427 Mills                                         |
| 2012-13                | 16,368,351                                | 25,067,256                      | 1.53145 Mills                                         |
| 2011-12                | 17,340,078                                | 25,205,665                      | 1.45361 Mills                                         |
| 2010-11                | 18,847,869                                | 24,760,115                      | 1.31368 Mills                                         |
| 2009-10                | 20,938,155                                | 24,324,896                      | 1.16175 Mills                                         |
| 2008-09                | 22,812,801                                | 23,919,621                      | 1.04852 Mills                                         |
| 2007-08                | 22,528,910                                | 23,518,363                      | 1.04392 Mills                                         |

(A) Assessed value is in thousands. See page 132.

Note: Capital lease arrangements financed by certificates of participation are not considered general obligation debt as no specific property tax levy has been pledged.

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Source: District Records

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2017**  
**(Unaudited)**

| <b>Jurisdiction</b>                          | <b>Net<br/>Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable to<br/>This<br/>Governmental<br/>Unit</b> | <b>Amount<br/>Applicable to<br/>This<br/>Governmental<br/>Unit</b> |
|----------------------------------------------|-------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|
| Lake County Board of<br>County Commissioners | \$ 107,343,959                      | 0%                                                                     |                                                                    |
| School District of Lake County               | <u>226,668,516</u>                  | 100%                                                                   | <u>226,668,516</u>                                                 |
| Totals                                       | <u>\$ 334,012,475</u>               |                                                                        | <u>\$ 226,668,516</u>                                              |

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Source: District Records



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Population (A)</b> | <b>Personal<br/>Income (1)</b> | <b>Per Capita<br/>Personal<br/>Income (A)</b> | <b>Median<br/>Age (A)</b> | <b>Unemployment<br/>Rate (B)</b> |
|------------------------|-----------------------|--------------------------------|-----------------------------------------------|---------------------------|----------------------------------|
| 2016-17                | 325,518               | \$ 12,285,912                  | 37,743                                        | 46.10                     | 4.00%                            |
| 2015-16                | 316,569               | 11,297,313                     | 37,698                                        | 46.10                     | 4.90%                            |
| 2014-15                | 315,690               | 10,672,035                     | 36,327                                        | 46.00                     | 4.80%                            |
| 2013-14                | 308,115               | 10,300,854                     | 34,711                                        | 46.20                     | 6.30%                            |
| 2012-13                | 303,450               | 9,967,769                      | 34,209                                        | 46.20                     | 8.90%                            |
| 2011-12                | 399,886               | 9,608,606                      | 33,423                                        | 47.10                     | 11.20%                           |
| 2010-11                | 297,910               | 9,379,412                      | 32,337                                        | 44.50                     | 10.60%                           |
| 2009-10                | 295,511               | 9,839,249                      | 31,883                                        | 46.00                     | 11.90%                           |
| 2008-09                | 293,654               | 9,609,907                      | 33,506                                        | 44.10                     | 8.52%                            |
| 2007-08                | 289,909               | 9,116,112                      | 33,148                                        | 45.10                     | 3.50%                            |

(1) Personal income is in thousands.

Sources:

- (A) Population, Personal Income, & Per Capita Personal Income were obtained from the US Department of Commerce, Bureau of Economic Analysis.
- (B) Unemployment Rates were obtained from US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program.
- (C) Education Level was obtained from Metro Orlando Economic Development Commission.
- (D) Student Enrollment was obtained from District Records - UFTE- FEFP 4th Calculation.

(Continued)

| Education Level (C)      |             |           |          | School<br>Enrollment (D) | Government-wide<br>Governmental<br>Activities<br>Expenses | Cost per<br>Student |
|--------------------------|-------------|-----------|----------|--------------------------|-----------------------------------------------------------|---------------------|
| Less than<br>High School | High School | Bachelors | Graduate |                          |                                                           |                     |
| 28,494                   | 148,573     | 33,394    | 17,478   | 41,866.00                | \$ 406,613,518                                            | \$ 9,712            |
| 27,710                   | 144,488     | 31,889    | 15,834   | 41,838.68                | 385,218,496                                               | 9,207               |
| 30,056                   | 148,697     | 31,186    | 16,045   | 41,343.43                | 368,498,568                                               | 8,913               |
| 26,162                   | 73,780      | 31,450    | 16,740   | 40,971.00                | 362,837,748                                               | 8,856               |
| 26,162                   | 73,780      | 31,450    | 16,740   | 40,753.45                | 360,975,887                                               | 8,858               |
| 28,229                   | 77,903      | 29,256    | 15,224   | 40,563.12                | 355,298,419                                               | 8,759               |
| 32,024                   | 81,471      | 32,023    | 16,012   | 40,390.97                | 377,146,717                                               | 9,337               |
| 43,002                   | 73,654      | 26,193    | 11,819   | 40,553.61                | 352,701,248                                               | 8,697               |
| 29,579                   | 74,712      | 35,621    | 10,568   | 40,151.05                | 366,625,602                                               | 9,131               |
| 35,191                   | 67,388      | 22,851    | 10,983   | 39,677.59                | 376,111,550                                               | 9,479               |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
PRINCIPAL EMPLOYERS  
ORLANDO METROPOLITAN STATISTICAL AREA (MSA)  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

| <b>Employer</b>               | <b>Fiscal Year</b> |             |                                                   |                  |             |                                                   |
|-------------------------------|--------------------|-------------|---------------------------------------------------|------------------|-------------|---------------------------------------------------|
|                               | <b>2015-16</b>     |             |                                                   | <b>2006-07</b>   |             |                                                   |
|                               | <b>Employees</b>   | <b>Rank</b> | <b>Percentage<br/>of Total MSA<br/>Employment</b> | <b>Employees</b> | <b>Rank</b> | <b>Percentage<br/>of Total MSA<br/>Employment</b> |
| Lake County Public Schools    | 5,791              | 1           | 4.15%                                             | 4,903            | 1           | 3.83%                                             |
| Central Florida Health        | 2,686              | 2           | 1.93%                                             | -                | -           | -                                                 |
| Leesburg Regional Medical     | 1,826              | 3           | 1.31%                                             | 2,093            | 2           | 1.63%                                             |
| Lake County Government        | 1,785              | 4           | 1.28%                                             | 1,944            | 4           | 1.52%                                             |
| Florida Waterman Hospital     | 1,482              | 5           | 1.06%                                             | 1,200            | 5           | 0.94%                                             |
| South Lake Hospital, Inc.     | 1,143              | 6           | 0.82%                                             | 595              | 8           | 0.46%                                             |
| Villages of Lake-Sumter, Inc. | 1,120              | 7           | 0.80%                                             | 2,022            | 3           | -                                                 |
| Ace Staffing Unlimited, Inc.  | 700                | 8           | 0.50%                                             | -                | -           | -                                                 |
| City of Leesburg              | 520                | 9           | 0.37%                                             | 580              | 9           | -                                                 |
| Dura-Stress, Inc.             | 425                | 10          | 0.30%                                             | -                | -           | -                                                 |
| G&T Conveyor Company          | -                  | -           | -                                                 | 625              | 6           | 0.49%                                             |
| Handex Group, Inc.            | -                  | -           | -                                                 | 615              | 7           | 0.48%                                             |
| LCT Transportation            | -                  | -           | -                                                 | 550              | 10          | 0.43%                                             |
|                               | <u>17,478</u>      |             | <u>12.53%</u>                                     | <u>15,127</u>    |             | <u>9.78%</u>                                      |
| <br>Total Employment          | <br>139,528        |             |                                                   | <br>128,096      |             |                                                   |

Source: Metro Orlando Economic Development Commission - 2016 most current data available.



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
SCHOOL BUILDING INFORMATION AND  
UNWEIGHTED FULL-TIME EQUIVALENT ENROLLMENT DATA  
LAST TEN FISCAL YEARS  
(Unaudited)**

|                           | <u>Year</u>          | <u>Square</u>      | <u>2007-08</u>   | <u>2008-09</u>   | <u>2009-10</u>   |
|---------------------------|----------------------|--------------------|------------------|------------------|------------------|
|                           | <u>Completed (1)</u> | <u>Footage (2)</u> |                  |                  |                  |
| <b>Elementary Schools</b> |                      |                    |                  |                  |                  |
| Astatula                  | 1998                 | 110,662            | 742.63           | 712.82           | 669.16           |
| Beverly Shores            | 1955                 | 96,546             | 640.10           | 600.35           | 628.60           |
| Clermont                  | 1937                 | 94,722             | 709.47           | 670.84           | 685.80           |
| Cypress Ridge             | 1914                 | 51,998             | 613.87           | 611.98           | 605.54           |
| Eustis                    | 1927                 | 63,444             | 535.03           | 569.00           | 567.77           |
| Eustis Heights            | 1954                 | 85,206             | 684.60           | 643.48           | 633.94           |
| Fruitland Park            | 1962                 | 92,683             | 630.34           | 599.17           | 628.39           |
| Grassy Lake               | 2008                 | 118,085            | 916.90           | 998.56           | 1,022.78         |
| Groveland                 | 1960                 | 130,025            | 881.64           | 824.25           | 803.43           |
| Leesburg                  | 1961                 | 101,137            | 930.62           | 948.82           | 947.36           |
| Lost Lake                 | 1998                 | 138,582            | 1,012.67         | 1,084.50         | 1,129.39         |
| Mascotte                  | 1972                 | 51,617             |                  |                  |                  |
| Pine Ridge                | 2002                 | 126,337            | 781.79           | 761.77           | 764.16           |
| Rimes                     | 1960                 | 63,205             | 199.57           | 243.74           | 275.14           |
| Sawgrass Bay              | 2008                 | 117,840            | 886.16           | 1,008.63         | 1,019.99         |
| Seminole Springs          | 1988                 | 109,664            | 867.48           | 851.61           | 848.55           |
| Sorrento                  | 2011                 | 125,350            |                  |                  |                  |
| Tavares                   | 1972                 | 129,070            | 757.92           | 746.57           | 759.85           |
| Treadway                  | 1962                 | 117,676            | 941.05           | 973.51           | 942.37           |
| Triangle                  | 1972                 | 130,414            | 603.60           | 582.32           | 586.57           |
| Umatilla                  | 1998                 | 110,767            | 715.60           | 703.82           | 723.44           |
| Villages of Lady Lake     | 1998                 | 113,419            | 796.25           | 793.90           | 807.60           |
| Total Elementary          |                      |                    | <u>14,847.29</u> | <u>14,929.64</u> | <u>15,049.83</u> |
| <b>Middle Schools</b>     |                      |                    |                  |                  |                  |
| Carver                    | 1952                 | 170,422            | 784.44           | 827.00           | 855.05           |
| Clermont                  | 1950                 | 127,764            | 902.16           | 693.23           | 696.76           |
| East Ridge                | 2008                 | 189,045            |                  | 1,009.32         | 1,082.56         |
| Eustis                    | 1993                 | 178,042            | 1,046.24         | 1,100.59         | 1,063.37         |
| Gray                      | 1923                 | 130,379            | 1,283.47         | 1,011.48         | 946.42           |
| Mt. Dora                  | 1953                 | 126,914            | 715.72           | 723.48           | 717.56           |
| Oak Park                  | 1961                 | 90,245             | 584.15           | 608.65           | 553.20           |
| Tavares                   | 1990                 | 156,901            | 1,007.00         | 1,004.61         | 1,010.14         |
| Umatilla                  | 1977                 | 101,959            | 688.38           | 678.99           | 688.50           |
| Windy Hill                | 1998                 | 178,112            | 1,582.23         | 1,102.13         | 1,094.57         |
| Total Middle Schools      |                      |                    | <u>8,593.79</u>  | <u>8,759.48</u>  | <u>8,708.13</u>  |

(Continued)

| Full-Time Equivalent Enrollment Data |           |           |           |           |           |           |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2010-11                              | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17   |
| 644.29                               | 597.25    | 601.93    | 599.72    | 583.76    | 615.12    | 660.68    |
| 594.55                               | 481.03    | 553.00    | 638.03    | 645.08    | 676.20    | 638.94    |
| 661.15                               | 627.44    | 572.57    | 533.58    | 522.98    | 537.74    | 500.07    |
| 594.98                               | 594.91    | 602.29    | 592.26    | 600.00    | 598.48    | 596.93    |
| 494.24                               | 494.99    | 521.86    | 542.06    | 542.49    | 535.77    | 518.47    |
| 590.84                               | 592.42    | 595.67    | 572.55    | 580.19    | 565.33    | 641.47    |
| 604.34                               | 625.63    | 638.96    | 658.91    | 697.11    | 749.63    | 735.96    |
| 1,008.67                             | 1,014.58  | 962.13    | 985.87    | 1,003.99  | 1,020.16  | 1,022.41  |
| 815.44                               | 842.63    | 804.96    | 807.87    | 814.83    | 813.15    | 766.49    |
| 899.90                               | 851.76    | 841.51    | 831.76    | 786.91    | 851.45    | 787.99    |
| 1,099.98                             | 1,080.31  | 996.69    | 976.29    | 975.21    | 1,035.55  | 1,058.70  |
| 796.30                               | 843.39    | 803.47    | 849.23    | 839.84    | 845.66    | 836.07    |
| 278.50                               | 260.00    | 176.04    | 158.43    | 159.11    | 175.02    | 182.21    |
| 1,104.58                             | 1,091.13  | 1,159.59  | 1,194.19  | 1,238.62  | 1,296.42  | 1,336.25  |
| 647.42                               | 603.73    | 595.17    | 581.07    | 555.23    | 531.51    | 516.59    |
| 664.22                               | 722.25    | 702.26    | 714.54    | 759.94    | 775.55    | 769.93    |
| 757.78                               | 769.68    | 787.33    | 830.27    | 846.59    | 872.36    | 895.09    |
| 903.16                               | 944.29    | 903.96    | 898.45    | 887.79    | 927.60    | 945.10    |
| 615.55                               | 662.57    | 668.05    | 685.84    | 708.51    | 692.23    | 702.03    |
| 687.84                               | 651.92    | 630.08    | 629.19    | 617.39    | 626.38    | 612.50    |
| 741.64                               | 781.57    | 826.92    | 773.55    | 807.96    | 824.05    | 811.62    |
| 15,205.37                            | 15,133.48 | 14,944.44 | 15,053.66 | 15,173.53 | 15,565.36 | 15,535.50 |
| 856.78                               | 829.00    | 810.36    | 828.36    | 850.76    | 799.13    | 786.75    |
| 668.68                               | 708.37    | 717.19    | 740.31    | 718.70    | 728.48    | 684.70    |
| 1,055.92                             | 1,074.03  | 1,066.95  | 1,126.20  | 1,090.71  | 1,116.21  | 1,087.85  |
| 1,001.08                             | 989.72    | 1,012.98  | 1,027.05  | 964.17    | 995.13    | 916.82    |
| 995.71                               | 987.10    | 1,029.25  | 1,010.43  | 1,061.21  | 1,010.33  | 959.53    |
| 773.16                               | 769.60    | 797.03    | 759.22    | 783.58    | 792.94    | 869.95    |
| 572.25                               | 573.09    | 571.92    | 552.56    | 478.64    | 492.00    | 500.06    |
| 1,010.19                             | 971.05    | 1,026.56  | 1,010.58  | 1,011.67  | 1,080.44  | 1,106.32  |
| 664.83                               | 609.36    | 594.07    | 572.91    | 562.80    | 560.51    | 553.58    |
| 1,130.15                             | 1,149.43  | 1,207.95  | 1,253.14  | 1,282.06  | 1,295.18  | 1,348.09  |
| 8,728.75                             | 8,660.75  | 8,834.26  | 8,880.76  | 8,804.30  | 8,870.35  | 8,813.65  |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
SCHOOL BUILDING INFORMATION AND  
UNWEIGHTED FULL-TIME EQUIVALENT ENROLLMENT DATA  
LAST TEN FISCAL YEARS  
(Unaudited)**

|                                                   | Year          | Square      |           |           |           |
|---------------------------------------------------|---------------|-------------|-----------|-----------|-----------|
|                                                   | Completed (1) | Footage (2) | 2007-08   | 2008-09   | 2009-10   |
| <b>High Schools</b>                               |               |             |           |           |           |
| East Ridge                                        | 2003          | 372,488     | 2,767.51  | 2,858.22  | 2,924.82  |
| Eustis                                            | 1941          | 257,038     | 1,315.96  | 1,293.04  | 1,276.84  |
| Lake Minneola                                     | 2012          |             |           |           |           |
| Leesburg                                          | 1927          | 323,045     | 1,680.53  | 1,632.27  | 1,706.01  |
| Mt. Dora                                          | 1960          | 245,274     | 925.06    | 967.44    | 1,084.19  |
| South Lake                                        | 1991          | 376,003     | 2,060.77  | 2,053.96  | 2,119.87  |
| Tavares                                           | 1916          | 197,426     | 1,256.16  | 1,258.61  | 1,311.91  |
| Umatilla                                          | 1956          | 180,854     | 833.64    | 898.03    | 870.87    |
| Total High Schools                                |               |             | 10,839.63 | 10,961.57 | 11,294.51 |
| <b>Speciality Schools</b>                         |               |             |           |           |           |
| Lake Hills                                        | 2008          | 95,359      | 150.70    | 177.31    | 166.76    |
| Umatilla Girls Academy                            | n/a           | n/a         |           |           |           |
| Total Speciality Schools                          |               |             | 150.70    | 177.31    | 166.76    |
| <b>Charter Schools</b>                            |               |             |           |           |           |
| <b>Conversion Charter Schools</b>                 |               |             |           |           |           |
| Lake Technical College                            | 1967          | 239,724     | 17.56     | 15.00     | 15.00     |
| Mascotte Charter Elementary                       | 2007          | 120,382     | 768.76    | 758.85    | 777.58    |
| Minneola Charter Elementary                       | 2007(3)       | 128,713     | 991.56    | 994.33    | 991.92    |
| Round Lake Charter Elementary                     | 1997          | 107,516     | 1,102.31  | 1,140.78  | 1,182.03  |
| Spring Creek Charter Elementary                   | 1992          | 101,775     | 595.52    | 597.08    | 561.93    |
| <b>Other Charter Schools</b>                      |               |             |           |           |           |
| Alee Academy, Inc.                                | n/a           | n/a         | 298.59    | 226.50    | 301.90    |
| Altoona                                           | 1912          | 10,395      | 118.00    | 112.50    | 150.50    |
| Humanities & Fine Arts Charter School             | 2011          | n/a         |           |           |           |
| Milestones Community School of Lake County, Inc.  | n/a           | n/a         | 199.00    | 209.00    | 185.50    |
| Rivendell Academy                                 | n/a           | n/a         | 34.50     |           |           |
| Imagine Schools at South Lake Charter             | n/a           | n/a         | 577.48    | 703.50    | 740.50    |
| The Charter School at National Deaf Academy, Inc. | n/a           | n/a         | 8.85      | 11.50     | Closed    |
|                                                   |               |             | 4,712.13  | 4,769.04  | 4,906.86  |
| <b>Other Programs</b>                             |               |             |           |           |           |
| Lake-Sumter Community College/Virtual School      | n/a           | n/a         | 287.35    | 163.52    | 38.26     |
| McKay Scholarships                                | n/a           | n/a         | 150.00    | 156.10    | 181.22    |
| Lake Vitruval                                     | n/a           | n/a         |           |           |           |
| Misc 9000 Centers                                 | n/a           | n/a         | 96.70     | 234.39    | 208.04    |
| Total Other Sites                                 |               |             | 534.05    | 554.01    | 427.52    |
| Total District                                    |               |             | 39,677.59 | 40,151.05 | 40,553.61 |

- (1) Original date that the school construction was completed. This date does not reflect additions, renovations, replacements, or remodeling.  
(2) Square footage includes portables.  
(3) Minneola rebuilt on existing site.

Source: District Records

(Continued)

| Full-Time Equivalent Enrollment Data |           |           |           |           |           |           |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2010-11                              | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17   |
| 3,012.24                             | 2,228.45  | 1,979.60  | 2,038.01  | 2,079.01  | 2,199.98  | 2,253.44  |
| 1,224.57                             | 1,228.76  | 1,166.34  | 1,217.25  | 1,232.48  | 1,203.47  | 1,195.90  |
|                                      | 1,279.29  | 1,737.24  | 1,835.46  | 2,052.55  | 1,900.47  | 1,783.41  |
| 1,647.66                             | 1,615.89  | 1,582.07  | 1,544.62  | 1,523.89  | 1,505.01  | 1,429.29  |
| 1,037.24                             | 1,069.85  | 1,035.21  | 1,028.81  | 984.27    | 955.60    | 979.95    |
| 2,098.57                             | 1,701.74  | 1,521.58  | 1,513.35  | 1,461.00  | 1,713.14  | 1,817.64  |
| 1,256.69                             | 1,253.91  | 1,137.94  | 1,121.09  | 1,120.84  | 1,201.00  | 1,243.77  |
| 843.05                               | 831.24    | 769.10    | 788.18    | 797.95    | 816.81    | 757.97    |
| 11,120.02                            | 11,209.13 | 10,929.08 | 11,086.77 | 11,251.99 | 11,495.48 | 11,461.37 |
| 175.84                               | 176.50    | 168.35    | 171.84    | 183.71    | 179.32    | 195.59    |
| 175.84                               | 176.50    | 168.35    | 171.84    | 183.71    | 179.32    | 195.59    |
| 15.00                                | 15.00     | 23.05     |           | 18.08     | 21.63     | 3.49      |
| 758.23                               | 726.13    | 792.60    | 772.00    | 809.38    | 826.40    | 810.98    |
| 923.96                               | 897.19    | 938.66    | 994.95    | 1,044.15  | 1,013.19  | 1,042.04  |
| 751.56                               | 795.02    | 828.63    | 840.28    | 816.59    | 876.90    | 918.47    |
| 549.60                               | 543.04    | 585.62    | 587.66    | 568.78    | 573.93    | 586.00    |
| 282.00                               | 278.50    | 282.50    | 268.36    | 292.79    | 294.04    | 293.78    |
| 189.72                               | 208.50    | 239.50    | 249.11    | 254.49    | 262.37    | 260.60    |
| 109.00                               | 155.00    | 147.50    | 127.74    | 136.60    | Closed    |           |
| 197.00                               | 213.43    | 191.31    | 209.71    | 215.67    | Closed    |           |
| 891.00                               | 1,016.98  | 1,011.58  | 1,011.90  | 1,009.24  | 1,021.57  | 1,033.46  |
| 4,667.07                             | 4,848.79  | 5,040.95  | 5,061.71  | 5,165.77  | 4,890.03  | 4,948.82  |
| 80.07                                | 99.13     | 369.08    |           |           |           |           |
| 188.50                               | 221.00    | 296.50    | 349.73    | 407.05    | 471.15    | 526.50    |
|                                      |           |           | 185.57    | 185.80    | 182.45    | 212.56    |
| 225.35                               | 214.34    | 170.79    | 180.96    | 171.28    | 184.54    | 172.01    |
| 493.92                               | 534.47    | 836.37    | 716.26    | 764.13    | 838.14    | 911.07    |
| 40,390.97                            | 40,563.12 | 40,753.45 | 40,971.00 | 41,343.43 | 41,838.68 | 41,866.00 |

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NUMBER OF PERSONNEL**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

| <b>Fiscal Year</b> | <b>(A)<br/>Instructional</b> | <b>(B)<br/>Administrative</b> | <b>(C)<br/>Support Services</b> | <b>Total</b> | <b>(D)<br/>Ratio of Students to Instructional Personnel</b> | <b>(E)<br/>Ratio of Instructional Personnel to School Administrators</b> |
|--------------------|------------------------------|-------------------------------|---------------------------------|--------------|-------------------------------------------------------------|--------------------------------------------------------------------------|
| 2016-17            | 3,042                        | 179                           | 2,457                           | 5,678        | 13.76                                                       | 16.99                                                                    |
| 2015-16            | 2,938                        | 159                           | 2,694                           | 5,791        | 14.24                                                       | 18.48                                                                    |
| 2014-15            | 2,920                        | 163                           | 2,686                           | 5,769        | 14.16                                                       | 17.91                                                                    |
| 2013-14            | 2,871                        | 163                           | 2,580                           | 5,614        | 14.27                                                       | 17.61                                                                    |
| 2012-13            | 3,045                        | 164                           | 2,655                           | 5,864        | 13.38                                                       | 18.57                                                                    |
| 2011-12            | 3,025                        | 164                           | 2,435                           | 5,624        | 13.41                                                       | 18.45                                                                    |
| 2010-11            | 3,019                        | 168                           | 2,522                           | 5,709        | 13.38                                                       | 17.97                                                                    |
| 2009-10            | 2,977                        | 165                           | 2,485                           | 5,627        | 13.62                                                       | 18.04                                                                    |
| 2008-09            | 2,987                        | 176                           | 2,424                           | 5,587        | 13.44                                                       | 16.97                                                                    |
| 2007-08            | 2,967                        | 181                           | 2,357                           | 5,505        | 13.37                                                       | 16.39                                                                    |

Notes:

- (A) Classroom teachers, guidance/psychologists, exceptional education teachers, media specialists, other professional instructional staff
- (B) Principals, assistant principals, superintendent, assistant superintendents, executive directors, directors, supervisors, coordinators
- (C) Paraprofessional, bus drivers, monitors, maintenance, clerical, etc.
- (D) Calculated using enrollment data from pages 145/146
- (E) Calculated using data from columns A and B

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Source: District Records and Florida Department of Education Staffing Report

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**INSTRUCTIONAL SALARY INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Minimum<br/>Salary</b> | <b>Maximum<br/>Salary</b> | <b>Average<br/>Salary</b> |
|------------------------|---------------------------|---------------------------|---------------------------|
| 2016-17                | \$ 40,000                 | \$ 63,725                 | \$ 44,902                 |
| 2015-16                | 38,500                    | 62,225                    | 45,127                    |
| 2014-15                | 37,150                    | 60,875                    | 42,922                    |
| 2013-14                | 37,150                    | 60,875                    | 43,547                    |
| 2012-13                | 35,600                    | 59,375                    | 42,903                    |
| 2011-12                | 35,600                    | 59,375                    | 43,614                    |
| 2010-11                | 35,600                    | 59,375                    | 43,614                    |
| 2009-10                | 35,600                    | 59,375                    | 42,969                    |
| 2008-09                | 35,600                    | 58,875                    | 42,334                    |
| 2007-08                | 35,600                    | 58,875                    | 42,334                    |

10 Month Teachers

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Source: District Records

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**FOOD SERVICE OPERATING DATA**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

|                                                       | <b>Fiscal Year Ended</b> |                      |                      |                      |
|-------------------------------------------------------|--------------------------|----------------------|----------------------|----------------------|
|                                                       | <b>June 30, 2008</b>     | <b>June 30, 2009</b> | <b>June 30, 2010</b> | <b>June 30, 2011</b> |
| Number of Days Meals were Served                      | 180                      | 180                  | 180                  | 180                  |
| Average Number of Free and Reduced Meals Served Daily | 17,677                   | 19,479               | 23,416               | 25,511               |
| Number of Free and Reduced Meals Served               | 3,181,848                | 3,506,220            | 4,214,880            | 4,591,896            |
| Average Daily Subsidy Received                        | \$ 46,153                | \$ 51,582            | \$ 63,576            | \$ 72,041            |
| Total Subsidy Received                                | \$ 8,307,547             | \$ 9,284,701         | \$ 11,443,724        | \$ 12,967,409        |
| Average Number of Meals Served Daily                  | 28,393                   | 39,279               | 32,643               | 25,920               |
| Number of Meals Served                                | 5,110,661                | 7,070,220            | 5,875,740            | 4,665,531            |
| Average Daily Revenues                                | \$ 87,250                | \$ 90,755            | \$ 97,908            | \$ 106,808           |
| Total Revenues                                        | \$ 15,704,980            | \$ 16,335,987        | \$ 17,623,421        | \$ 19,225,512        |
| Average Daily Costs                                   | \$ 84,566                | \$ 85,746            | \$ 88,013            | \$ 91,882            |
| Total Costs                                           | \$ 15,221,793            | \$ 15,434,199        | \$ 15,842,402        | \$ 16,538,839        |

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Source: District Records

(Continued)

| Fiscal Year Ended |               |               |               |               |               |
|-------------------|---------------|---------------|---------------|---------------|---------------|
| June 30, 2012     | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| 180               | 180           | 180           | 180           | 180           | 180           |
| 27,271            | 25,837        | 27,298        | 27,153        | 25,101        | 26,700        |
| 4,908,788         | 4,650,606     | 4,913,581     | 4,887,595     | 4,518,219     | 4,805,923     |
| \$ 73,647         | \$ 69,419     | \$ 75,827     | \$ 78,020     | \$ 79,996     | \$ 87,726     |
| \$ 13,256,517     | \$ 12,495,468 | \$ 13,648,860 | \$ 14,043,660 | \$ 14,399,248 | \$ 15,790,637 |
| 35,446            | 30,475        | 34,434        | 33,797        | 31,387        | 32,853        |
| 6,380,345         | 5,485,488     | 6,198,053     | 6,083,465     | 5,649,723     | 5,913,621     |
| \$ 106,030        | \$ 111,735    | \$ 113,848    | \$ 112,473    | \$ 113,424    | \$ 113,923    |
| \$ 19,085,402     | \$ 20,112,381 | \$ 20,492,647 | \$ 20,245,119 | \$ 20,416,291 | \$ 20,506,226 |
| \$ 110,955        | \$ 106,028    | \$ 100,219    | \$ 109,756    | \$ 112,373    | \$ 111,712    |
| \$ 19,971,845     | \$ 19,085,069 | \$ 18,039,391 | \$ 19,756,060 | \$ 20,227,219 | \$ 20,108,208 |



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# SINGLE AUDIT ACT AND OTHER AUDIT REPORTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| <b>Federal Grantor/Pass-Through Grantor/<br/>Program or Cluster</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass - Through<br/>Entity Identifying<br/>Number</b> | <b>Passed<br/>Through to<br/>Subrecipients</b> | <b>Total<br/>Expenditures</b> |
|---------------------------------------------------------------------|------------------------------------|---------------------------------------------------------|------------------------------------------------|-------------------------------|
| <b>Clustered</b>                                                    |                                    |                                                         |                                                |                               |
| <b>Child Nutrition Cluster:</b>                                     |                                    |                                                         |                                                |                               |
| United States Department of Agriculture:                            |                                    |                                                         |                                                |                               |
| Florida Department of Agriculture and Consumer Services:            |                                    |                                                         |                                                |                               |
| School Breakfast Program                                            | 10.553                             | 17002                                                   | \$ -                                           | \$ 2,979,335                  |
| National School Lunch Program                                       | 10.555                             | 17001, 17003                                            | -                                              | 13,226,821                    |
| <b>Total Child Nutrition Cluster</b>                                |                                    |                                                         | -                                              | 16,206,156                    |
| <b>Special Education Cluster:</b>                                   |                                    |                                                         |                                                |                               |
| United States Department of Education:                              |                                    |                                                         |                                                |                               |
| Special Education - Grants to States:                               | 84.027                             |                                                         |                                                |                               |
| Florida Department of Education                                     |                                    | 263                                                     | -                                              | 7,898,805                     |
| Orange County District School Board                                 |                                    | None                                                    | -                                              | 27,074                        |
| University of South Florida                                         |                                    | None                                                    | -                                              | 1,583                         |
| Brevard County District School Board                                |                                    | None                                                    | -                                              | 425                           |
| Total Special Education - Grants to States                          | 84.027                             |                                                         | -                                              | 7,927,887                     |
| Special Education - Preschool Grants:                               |                                    |                                                         |                                                |                               |
| Florida Department of Education                                     | 84.173                             | 267                                                     | -                                              | 215,397                       |
| <b>Total Special Education Cluster</b>                              |                                    |                                                         | -                                              | 8,143,284                     |
| <b>Not Clustered</b>                                                |                                    |                                                         |                                                |                               |
| <b>United States Department of Agriculture:</b>                     |                                    |                                                         |                                                |                               |
| Florida Department of Financial Services:                           |                                    |                                                         |                                                |                               |
| Schools and Roads - Grants to States                                | 10.665                             | None                                                    | -                                              | 47,055                        |
| <b>United States Department of Defense:</b>                         |                                    |                                                         |                                                |                               |
| Air Force Junior Reserve Officers Training Corps                    | 12.UNK                             | N/A                                                     | -                                              | 187,375                       |
| Army Junior Reserve Officers Training Corps                         | 12.UNK                             | N/A                                                     | -                                              | 66,672                        |
| Navy Junior Reserve Officers Training Corps                         | 12.UNK                             | N/A                                                     | -                                              | 71,497                        |
| <b>Total United States Department of Defense</b>                    |                                    |                                                         | -                                              | 325,544                       |
| <b>United States Department of Education:</b>                       |                                    |                                                         |                                                |                               |
| Florida Department of Education:                                    |                                    |                                                         |                                                |                               |
| Adult Education - Basic Grants to States                            | 84.002                             | 191, 192, 193                                           | 442,295                                        | 442,295                       |
| Title I Grants to Local Educational Agencies                        | 84.010                             | 212, 223, 226                                           | -                                              | 10,667,475                    |
| Migrant Education State Grant Program                               | 84.011                             | 217                                                     | -                                              | 48,434                        |
| Career and Technical Education - Basic Grants to States             | 84.048                             | 161                                                     | 144,959                                        | 555,280                       |
| Education for Homeless Children and Youth                           | 84.196                             | 127                                                     | -                                              | 109,633                       |
| English Language Acquisition State Grants                           | 84.365                             | 102                                                     | -                                              | 265,497                       |
| Mathematics and Science Partnerships                                | 84.366                             | 235                                                     | -                                              | 34,532                        |
| Improving Teacher Quality State Grants                              | 84.367                             | 224                                                     | -                                              | 1,173,226                     |
| Young Men's Christian Association:                                  |                                    |                                                         |                                                |                               |
| Twenty-First Century Community Learning Centers                     | 84.287                             | None                                                    | -                                              | 129,482                       |
| <b>Total United States Department of Education</b>                  |                                    |                                                         | 587,254                                        | 13,425,854                    |
| <b>United States Department of Health and Human Services:</b>       |                                    |                                                         |                                                |                               |
| Substance Abuse and Mental Health Services                          |                                    |                                                         |                                                |                               |
| Projects of Regional and National Significance                      | 93.243                             | N/A                                                     | -                                              | 20,366                        |
| Children's Health Insurance Program                                 | 93.767                             | N/A                                                     | -                                              | 31,611                        |
| <b>Total United States Department of Health and Human Services</b>  |                                    |                                                         | -                                              | 51,977                        |
| <b>Total Expenditures of Federal Awards</b>                         |                                    |                                                         | \$ 587,254                                     | \$ 38,199,870                 |

The notes below are an integral part of this schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lake County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2017. 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 Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance: National School Lunch Program. Includes \$1,521,978 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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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 Lake County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2018, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
January 29, 2018  
Audit Report No. 2018-096



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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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 Lake 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, 2017. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on the Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large, stylized 'S' and 'N'.

Sherrill F. Norman, CPA  
Tallahassee, Florida  
January 29, 2018  
Audit Report No. 2018-096

## ***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

### **SECTION I – SUMMARY OF AUDITOR'S RESULTS**

#### **Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

No

#### **Federal Awards**

Internal control over major Federal program:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

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)?

No

Identification of major Federal program:

CFDA Number:

84.010

Name of Federal Program or Cluster:

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:

\$1,145,996

Auditee qualified as low risk auditee?

Yes

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters are reported.

### **SECTION III – FEDERAL AWARDS FINDING AND QUESTIONED COSTS**

No matters are reported.

## ***PRIOR AUDIT FOLLOW-UP***

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

## ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

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