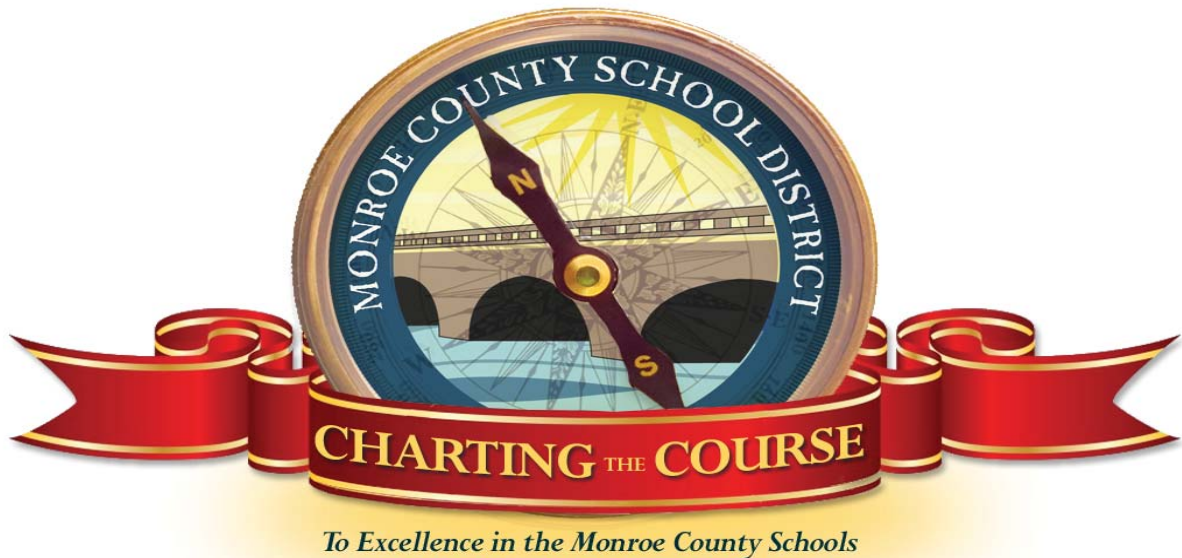


Comprehensive Annual Financial Report

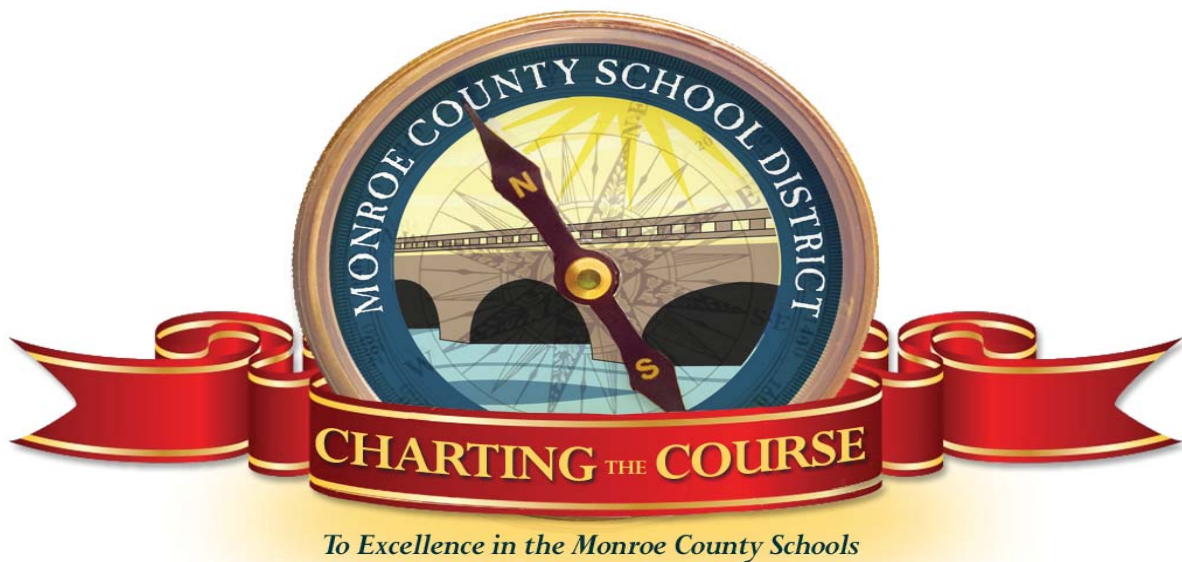
Monroe County School District, Florida

For the Fiscal Year Ended June 30, 2017



Monroe County School District
Key West, Florida

Comprehensive Annual Financial Report
Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2017



Mark T. Porter, Superintendent

Prepared by the
Finance Department

Monroe County School District
241 Trumbo Road
Key West, Florida 33040

www.keysschools.com

MONROE COUNTY SCHOOL DISTRICT, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2017

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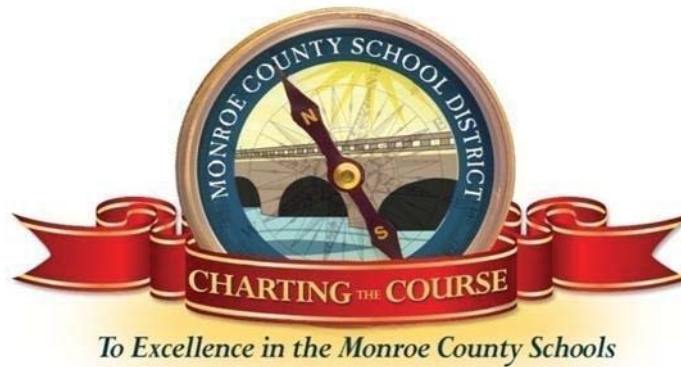
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MARK T. PORTER
Superintendent of Schools



Members of the Board

District # 1
BOBBY HIGHSMITH
Chairman

District # 2
ANDY GRIFFITHS

District # 3
MINDY CONN
Vice-Chair

District # 4
JOHN R. DICK

District # 5
RONALD A. MARTIN

March 20, 2018

Dear Chairman, School Board Members, and Citizens of Monroe County:

We are pleased to submit to you the Comprehensive Annual Financial Report (the "CAFR") of the District School Board of Monroe County (the "District"). State law requires that all school districts publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with governmental auditing standards generally accepted in the United States of America by a licensed certified public accountant. Responsibility for the accuracy, completeness and fairness of the information presented, including all disclosures, rests with the District's management. This report will provide the stakeholders of the school district with comprehensive financial data in a format enabling them to gain an understanding of the financial affairs and standing of the District.

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

The State of Florida Auditor General has independently audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 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 that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The State of Florida Auditor General's report is presented as the first component of the financial section of this report.

241 Trumbo Road • Key West, FL 33040
Tel. (305) 293-1400 • Fax (305) 293-1408
www.KeysSchools.com

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 Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic 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, Schedule of Findings and Questioned costs, Summary Schedule of Prior Audit Findings, and the independent auditor's reports on internal control over financial reporting and on compliance with applicable requirements, are included in the Single Audit section.

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

Profile of the School District

The District and its governing body (School Board) were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District school officials in accordance with Chapter 1001.30, Florida Statutes. The District consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Monroe County. The Superintendent of Schools (Superintendent) is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education (SBE) rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by SBE Rule 6A-1.001, Florida Administrative Code.

The geographic boundaries of the District are those of Monroe County. The County is comprised of a string of subtropical islands that stretch more than one hundred miles into the Atlantic Ocean covering approximately 983 square miles of land mass. These islands are connected in a chain-like fashion to the mainland by a series of 42 bridges. The County seat, Key West, is approximately 150 miles southwest of Miami and 90 miles north of Cuba. The County operates under a constitution adopted in 1823 and has a current estimated population of 77,196 persons. Within its borders are five municipalities: Islamorada, Key Colony Beach, Key West, Layton, and Marathon.

This report contains the audited financial statements of all operations over which the School Board is financially accountable. Various component units were evaluated to determine whether they should be considered as part of the District's reporting entity. Accordingly, included are all funds of the District, the Monroe School Board Leasing Corporation, and six charter schools. The Monroe School Board Leasing Corporation was formed by the School Board to be lessor in connection with financing the acquisition and/or

construction of certain educational facilities. The charter schools are public schools operating under performance contracts with the District.

During the 2016-2017 fiscal year, the District operated 10 schools, including 3 elementary schools, 4 K-8 schools, a combination middle high school, 2 high schools; sponsored 6 charter schools that are component units of the District; and reported serving approximately 8,217 unweighted full-time equivalent students. For the 2017-2018 fiscal year no significant increase of unweighted full-time equivalent students is expected.

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

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population breaks down as follows: 47.1 percent White Non-Hispanic, 37.8 percent Hispanic, 10.3 percent Black Non-Hispanic and 4.8 percent are Asian/ Pacific Islander or other. In addition to the various educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; pre-kindergarten programs for three and four year old disabled students; programs for eligible low income and at-risk students; and voluntary pre-kindergarten services for four year-old students.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English for Speakers of Other Languages (ESOL) programs, and all citizens can take fee supported courses to increase personal development in various subjects.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls, the objective of which 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 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.

Economic Condition and Outlook

The population of Monroe County increased from approximately 73,209 in 2010 to a population of 77,196 in 2017 or 5.6 percent. The Florida Price Level Index prepared for the Florida Department of Education (FDOE) now ranks Monroe County 3rd out of 67 counties in the State. In the 2015-16 fiscal year, Monroe County ranked 7th in the State.

Due to the County's unique geography, tourism is significant part of the local economy making the Florida Keys and Key West a major domestic and international tourist destination. Five of the ten top taxpayers are in the hospitality industry. Sales tax collections increased approximately 2 percent in the 2016-17 fiscal year. The assessed tax roll increased by \$1.7 billion or 7.4 percent. Unemployment in Monroe County is 2.8 percent, considerably less than the State average of 4.4 percent.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Monroe County and an excellent system of public education is a significant factor in attracting new business and industry to the County. The District is one of the County's largest employers, employing approximately 1,100 full and part-time employees, mostly teachers.

Major Initiatives

Charting the Course to Excellence – The School Board approved the adoption of a new strategic plan, Charting the Course to Excellence, in October of 2013 and its implementation is ongoing. Charting the Course to Excellence is the result of many hours of teamwork performed by Monroe County community leaders and District employees who took on the task of redefining the path of education for our students. During that time the District developed a mission and vision statement, identified strategic objectives and goals necessary to carry out that mission, and established action plans to lead the District through the mission. The strategic planning team also identified six strategic objectives to accomplish the *Charting the Course to Excellence* mission. This cumulative and continuous effort resulted in the creation of the District's mission statement: *"The mission of the Monroe County School District is to empower all students to become responsible and contributing global citizens."*

Strategic objectives were identified as necessary steps to achieve our mission and vision. Those objectives were identified as: 1) Climate and Culture for Excellence; 2) Outstanding Student Achievement; 3) Effective Communication and Community Engagement; 4) High Performing Workforce; 5) Leader in Technology and Innovation; and 6) Accountable Resource Management. From these objectives several goal areas were established and action plans created to achieve those goal areas. Progress as it relates to the strategic objectives will be measured on an annual basis.

Accomplishments - One of the ways to judge a school district is to compare the results of its students on national and statewide testing and the accomplishments of its staff. The District believes that its students and staff have performed well based on various tests and accomplishments. All 16 Monroe County Schools (including charters) received an "A" or "B". Of those 16, 8 schools earned an "A". In addition, the District received district-wide accreditation from AdvancEd Accreditation Commission in the 2014-15 fiscal year. This

honor was the result of a lot of hard work by the school board and staff to ensure a quality education for all students.

Long-Term Financial Planning

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size, and equity. The District's school building ages, including major additions, range from 1971 to 2013. The District has a facilities plan to rebuild, remodel, and renovate schools and sites, which shall take place over a number of years.

Unassigned fund balance in the General Fund is 8.27 percent of total General Fund expenditures, and assigned and unassigned fund balance in the General Fund (9.16 percent of General Fund expenditures) exceeds the District's minimum fund balance policy of 5 percent of General Fund annual expenditures, as described below. During the initial planning of the budget each year, the District budgets the amount of unassigned fund balance from the previous year as the budgeted beginning fund balance in the subsequent fiscal year.

Relevant Financial Policies

The policy of the Board is to contain costs so that annual expenditures do not exceed the annual resources. Furthermore, the Board shall maintain a fund balance in its operating funds that are not classified as restricted, committed, or nonspendable at a minimum of 5 percent of the annual General Fund expenditures. However, it is the Board's intent to be in the upper quartile of Florida school districts in fund balance annually. This will be achieved through prudent fiscal management.

Acknowledgements

The Association of School Business Officials International (ASBO) awarded *The Certificate of Excellence in Financial Reporting* to the Monroe County School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the third year that the District received this prestigious award. In order to be awarded *The Certificate of Excellence in Financial Reporting* from ASBO, the District must publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Excellence is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for award of the certificate.

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the District's Finance Department whose hard work and excellence once more prevails. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

We also thank the citizens of Monroe County, whose cooperation, support, and assistance have contributed greatly to the successful operation of this innovative school system.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Mark T. Porter".

Mark T. Porter
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Jim Drake".

Jim Drake, CPA
Executive Director of Finance and Performance

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHOOL BOARD MEMBERS**



Mr. Bobby Highsmith, Chairman
Member from District 1
Member since November 2014
Current term expires November 2018



Ms. Mindy Conn, Vice-Chair
Member from District 3
Member since November 2016
Current term expires November 2020



Mr. Andy Griffiths
Member from District 2
Member since November 1992
Current term expires November 2020



Mr. John R. Dick
Member from District 4
Member since November 2006
Current term expires November 2018



Mr. Ronald A. Martin
Member from District 5
Member since November 2010
Current term expires November 2018

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
LIST OF PRINCIPAL OFFICIALS - APPOINTED

Mark T. Porter, Superintendent

Theresa Axford, Executive Director of Teaching and Learning

Dave Murphy, Executive Director of Accountability and Assessment

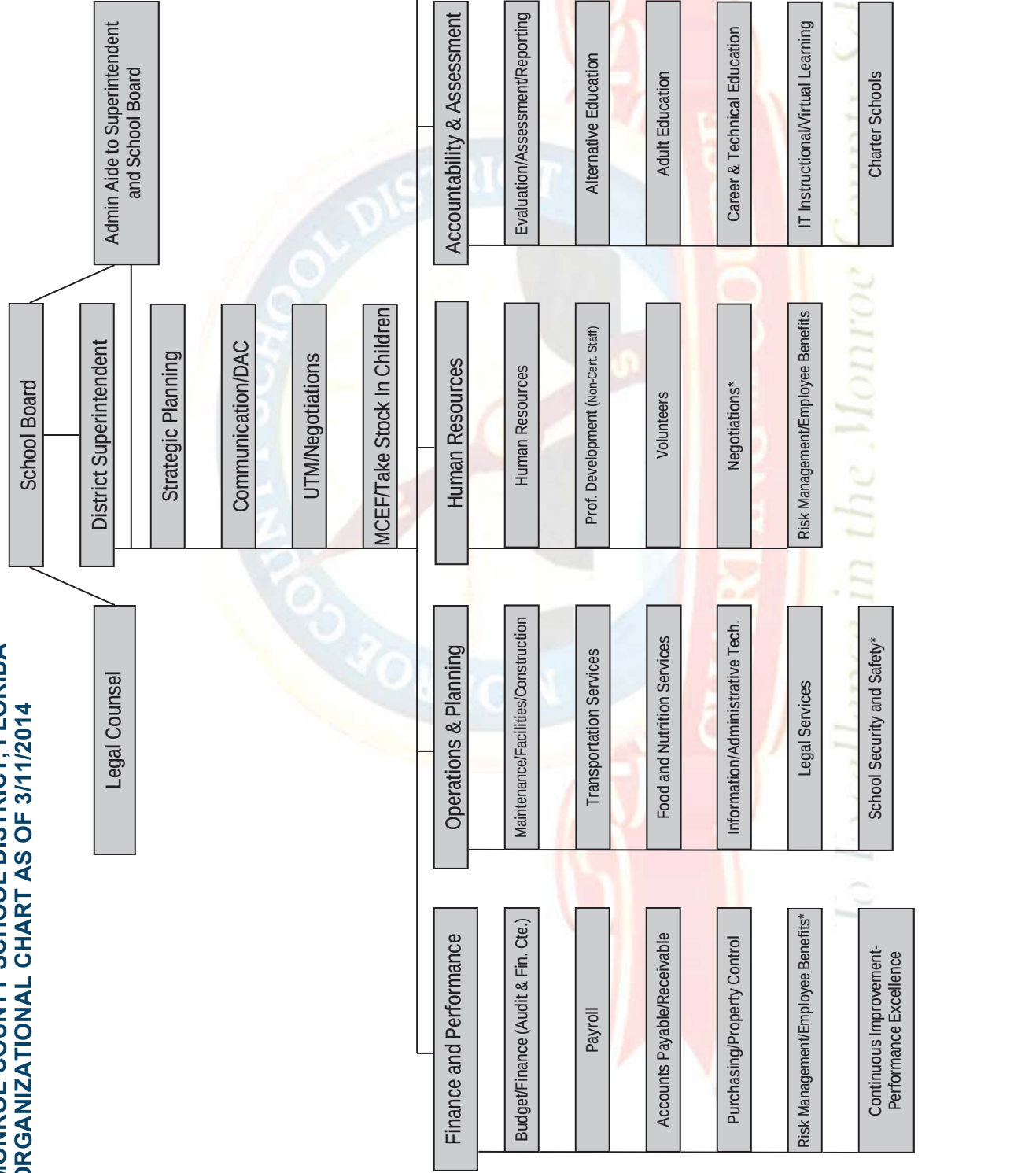
Patrick Lefere, Executive Director of Planning and Operations

Dr. Ramon Dawkins, Executive Director of Human Resources

Jim Drake, CPA, Executive Director of Finance and Performance

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
ORGANIZATIONAL CHART AS OF 3/11/2014**

**MARK T. PORTER
SUPERINTENDENT**





**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Monroe County School District, Florida

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE
Executive Director



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe 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 9 percent of the assets and 21 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and major special revenue funds 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 **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of Changes in Net Pension Liability and Related Ratios – Early Retirement Plan**, **Schedule of Employer Contributions – Early Retirement Plan**, **Schedule of Investment Returns – Early Retirement Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, and **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund 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 March 19, 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,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" being more prominent than the last name "Norman".

Sherrill F. Norman, CPA
Tallahassee, Florida
March 19, 2018
Audit Report No. 2018-168

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

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

- As of June 30, 2017, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$263.3 million.
- In total, net position increased \$7.4 million, which represents a 2.9 percent increase over the 2015-16 fiscal year.
- General revenues total \$130.5 million, or 96.6 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$4.6 million, or 3.4 percent of all revenues.
- Expenses total \$127.7 million. Only \$4.6 million of these expenses was offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$10 million, which is \$1.2 million less than the prior fiscal year balance. The General Fund assigned and unassigned fund balances totaled \$9 million, or 9.8 percent of total General Fund revenues.
- Capital related debt increased by \$75.1 million, or 182.5 percent, due to the issuance of sales tax revenue bonds.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred

inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

All of the District's activities and services are reported in the government-wide financial statements as governmental activities. The District's governmental activities include instruction, student support services, instructional support services, administrative support services, facility maintenance, transportation, and food services. Property taxes and State revenues finance most of these activities. Additionally, all capital and debt financing activities are reported as governmental activities.

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents six separate legal entities in this report. Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Key West Montessori Elementary Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc., are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.
- The Monroe County School Board Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund; Special Revenue – Other Fund; Debt Service – ARRA Economic Stimulus Fund; Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund; and Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary to actual comparisons have been provided for these funds to demonstrate compliance with the budget.

Proprietary Funds: Proprietary funds, such as internal service funds, are established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for self-insurance programs, which are supported, in part, through user charges. Since these services predominantly benefit governmental functions, the internal service funds have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements. The internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

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

The District uses a pension trust fund to account for the resources used to finance the early retirement plan.

The District uses agency funds to account for resources held for student activities and groups.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's net pension liability; its progress in funding its early retirement plan obligation; and its obligation to provide other postemployment benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position, End of Year

(In thousands)

	Governmental Activities		
	6-30-17	6-30-16	Increase (Decrease)
Current and Other Assets	\$ 155,068	\$ 70,560	\$ 84,508
Capital Assets	275,897	273,387	2,510
Total Assets	430,965	343,947	87,018
Deferred Outflows of Resources	22,689	10,545	12,144
Long-Term Liabilities	182,096	88,307	93,789
Other Liabilities	7,744	6,079	1,665
Total Liabilities	189,840	94,386	95,454
Deferred Inflows of Resources	519	4,226	(3,707)
Net Position:			
Net Investment in Capital Assets	233,880	232,227	1,653
Restricted	53,035	43,532	9,503
Unrestricted (Deficit)	(23,620)	(19,879)	(3,741)
Total Net Position	\$ 263,295	\$ 255,880	\$ 7,415

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2017

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position was the result, in part, of accruing \$6.3 million in compensated absences payable, \$3.6 million in other postemployment benefit obligations, and \$51.9 million in net pension liability.

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:

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2017

Operating Results for the Fiscal Year Ended

(In Thousands)

	Governmental Activities		
	6-30-17	6-30-16	Increase (Decrease)
Program Revenues:			
Charges for Services	\$ 1,624	\$ 1,639	\$ (15)
Operating Grants and Contributions	2,697	2,575	122
Capital Grants and Contributions	328	485	(157)
General Revenues:			
Property Taxes, Levied for Operational Purposes	72,870	68,562	4,308
Property Taxes, Levied for Capital Projects	12,190	11,220	970
Local Sales Taxes	17,730	17,375	355
Grants and Contributions Not Restricted to Specific Programs	25,402	23,624	1,778
Unrestricted Investment Earnings	1,120	567	553
Miscellaneous	1,180	3,400	(2,220)
Total Revenues	135,141	129,447	5,694
Functions/Program Expenses:			
Instruction	70,286	65,060	5,226
Student Support Services	5,325	5,065	260
Instructional Media Services	518	698	(180)
Instruction and Curriculum Development Services	2,803	2,656	147
Instructional Staff Training Services	1,268	1,592	(324)
Instruction Related Technology	1,751	1,350	401
School Board	715	555	160
General Administration	782	727	55
School Administration	5,049	4,520	529
Facilities Services	8,837	7,347	1,490
Fiscal Services	1,146	1,111	35
Food Services	3,523	3,312	211
Central Services	1,821	1,658	163
Student Transportation Services	4,058	3,953	105
Operation of Plant	7,007	7,297	(290)
Maintenance of Plant	2,737	2,525	212
Administrative Technology Services	411	520	(109)
Community Services	898	748	150
Unallocated Interest on Long-Term Debt	3,064	2,335	729
Unallocated Depreciation Expense	5,708	5,465	243
Loss on Disposal of Capital Assets	19	2	17
Total Functions/Program Expenses	127,726	118,496	9,230
Change in Net Position	7,415	10,951	(3,536)
Net Position - Beginning	255,880	244,929	10,951
Net Position - Ending	\$ 263,295	\$ 255,880	\$ 7,415

The largest revenue source is local property taxes (62.9 percent). Revenues from State and local sources for current operations are primarily received through the Florida Education Finance

Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Property tax revenues increased by \$5.2 million, or 6.5 percent, as a result of an increase in taxable assessed values.

Instruction expenses represent 55 percent of total governmental expenses in the 2016-17 fiscal year. Instruction expenses increased by \$5.2 million, or 8 percent, from the previous fiscal year due mainly from an increase in staffing levels, resulting in an increase in salaries and related benefits.

Facilities services increased \$1.5 million, or 20.3 percent, during the fiscal year as a result of an increase in repair and maintenance expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds increased by \$82.5 million during the fiscal year to \$139.9 million at June 30, 2017. Approximately 5.8 percent of this amount is unassigned fund balance (\$8.1 million), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$0.7 million), 2) restricted for particular purposes (\$127.1 million), or 3) assigned for particular purposes (\$4 million).

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$8.1 million, while the total fund balance is \$10 million. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 9.8 percent of the total General Fund revenues, while total fund balance represents approximately 10.8 percent of total General Fund revenues.

Total fund balance of the general fund decreased by \$1.2 million during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Increase in the local property values resulted in increased tax revenues of \$4.3 million.

- Decrease in Federal revenues of \$0.2 million due to the reductions in Federal grant funding.
- Total expenditures increased by \$5.1 million, or 5.4 percent, due mainly to increases in the number of staff and staff compensation by the District.

The Special Revenue – Other Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$6 million each, which were mainly used for instruction, student support services, instruction and curriculum development services, and instructional staff training services for the 2016-17 fiscal year. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – ARRA Economic Stimulus Fund had a total fund balance of \$14.2 million, which is restricted for debt service. The significant activity during the fiscal year was the qualified school construction bond (QSCB) certificates of participation sinking fund payments. Proceeds to fund these payments were transferred in from various capital projects funds and received from a 5.49 percent interest subsidy which is paid directly to the District by the United States Treasury.

The Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund has a total fund balance of \$4.7 million. These funds are restricted for the acquisition, construction, and maintenance of capital assets. The fund balance increased in the current fiscal year primarily due to an increase in the local property values that resulted in increased tax revenues of \$1 million. Of the total fund balance, \$1.6 million has been encumbered for specific projects.

The Capital Projects – Other Fund has a total fund balance of \$104 million. The restricted fund balance of \$100.8 million is restricted for the acquisition, construction, and maintenance of capital assets. The assigned fund balance amount of \$3.1 million was assigned by the Board for capital projects. The fund balance increased in the current fiscal year primarily due to the issuance of sales tax revenue bonds primarily for the construction of Plantation Key School, Gerald Adams Elementary School, and Stanley Switlick Elementary. Of the total fund balance, \$48.1 million has been encumbered for specific projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2016-17 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in total budgeted revenues of \$1.2 million, or 1.3 percent. At the same time, final appropriations were more than the original budgeted amounts by \$1.9 million. Budget revisions occurred primarily from changes in estimated State funding levels and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

Actual revenues are in line with the final budgeted amounts while actual expenditures are \$2.4 million, or 2.4 percent, less than final budget amounts. The decrease in expenditures was primarily due to salary and benefit lapse due to unfilled but budgeted positions and continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$1.3 million.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, is \$275.9 million (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software. The total increase in capital assets for the current fiscal year was 0.9 percent. The District continued the planning and construction of two replacement schools during the fiscal year.

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

Long-Term Debt

At June 30, 2017, the District has total long-term debt outstanding of \$116.3 million, comprised of \$68.7 million and \$6.7 million of Sales Tax Revenue bonds payable and unamortized premiums, respectively, and \$40.8 million of certificates of participation. During the current fiscal year, retirement of debt was \$318,000.

During the current fiscal year, the District issued Sales Tax Revenue Bonds, Series 2017, totaling \$68.7 million and unamortized premiums totaling \$7.1 million, which are secured by a pledge of \$75.8 million of the District's discretionary surtax sales revenues (sales tax revenues). The pledged sales tax revenues are committed until final maturity of the debt, or October 1, 2025. The remainder of the District's long-term debt is secured solely by specified revenue sources.

Moody's Investors Service, in June 2016, upgraded the District's Certificates of Participation Series 2004A to "Aa3" from "A1" and upgraded the District's "Issuer" rating (general obligation equivalent) to "Aa2" from "Aa3".

Additional information on the District's long-term debt can be found in notes II.H.1. through II.H.3. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

The latest enrollment projections for the District indicate a decrease of approximately 115 students during the 2017-18 fiscal year, which may decrease future State revenue.

Employer contributions to the Florida Retirement System increased for regular employees from 7.52 to 7.92 percent of payroll for the 2017-18 fiscal year.

Housing prices are expected to increase the taxable assessed value for the 2017-18 fiscal year.

Contract settlements with both of the District's unions, the teachers' union and school-related personnel union, have been reached for the 2017-18 fiscal year.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Executive Director of Finance and Performance, Monroe County District School Board, 241 Trumbo Road, Key West, FL 33040.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Governmental Activities	Component Units
ASSETS		
Cash	\$ 55,566,261	\$ 3,595,426
Investments	74,259,724	695,618
Accounts Receivable	77,894	36,437
Due from Other Agencies	4,173,628	86,809
Due from Insurer	1,119,066	
Prepaid Items	713,231	263,423
Deposits Receivable		17,838
Other Assets		30,712
Restricted Investments	19,040,602	
Inventories	118,236	
Capital Assets:		
Non-Depreciable	13,658,724	3,043,279
Depreciable (Net)	262,237,964	7,117,766
Total Assets	430,965,330	14,887,308
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	22,689,270	
LIABILITIES		
Salaries and Benefits Payable	3,321,279	537,599
Payroll Deductions and Withholdings Payable	290,779	
Accounts Payable	3,703,791	176,547
Construction Contracts Payable	201,847	
Deposits Payable	70,403	
Due to Other Agencies	155,770	
Advanced Revenue		9,513
Noncurrent Liabilities:		
Portion Due Within One Year	10,540,998	48,206
Portion Due In More Than One Year	171,554,947	115,726
Total Liabilities	189,839,814	887,591
DEFERRED INFLOWS OF RESOURCES		
Pensions	519,633	
NET POSITION		
Net Investment in Capital Assets	233,879,743	10,131,710
Restricted for:		
Capital Projects	32,357,365	
Debt Service	19,040,602	
Food Service	1,170,898	
State Required Carryover Programs	466,612	
Unrestricted	(23,620,067)	3,868,007
Total Net Position	\$ 263,295,153	\$ 13,999,717

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

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Instruction	\$ 70,286,144	\$ 31,349	\$	\$
Student Support Services	5,325,296			
Instructional Media Services	518,154			
Instruction and Curriculum Development Services	2,803,365			
Instructional Staff Training Services	1,267,921			
Instruction Related Technology	1,750,697			
School Board	715,332			
General Administration	781,828			
School Administration	5,049,063			
Facilities Services	8,837,042			319,550
Fiscal Services	1,145,660			
Food Services	3,523,272	839,486	2,696,718	
Central Services	1,820,455			
Student Transportation Services	4,057,382	105,507		
Operation of Plant	7,006,744			
Maintenance of Plant	2,737,288			
Administrative Technology Services	411,374			
Community Services	898,273	647,668		
Unallocated Interest on Long-Term Debt	3,063,972			8,197
Unallocated Depreciation Expense*	5,707,636			
Loss on Disposal of Capital Assets	19,214			
Total Governmental Activities	\$ 127,726,112	\$ 1,624,010	\$ 2,696,718	\$ 327,747
Component Units				
Charter Schools	\$ 12,190,000	\$ 266,420	\$ 424,347	\$ 294,011
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				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

* This amount excludes the depreciation that is included in the direct expenses of the various functions.

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		Component Units
Governmental Activities		
\$	(70,254,795)	\$
	(5,325,296)	
	(518,154)	
	(2,803,365)	
	(1,267,921)	
	(1,750,697)	
	(715,332)	
	(781,828)	
	(5,049,063)	
	(8,517,492)	
	(1,145,660)	
	12,932	
	(1,820,455)	
	(3,951,875)	
	(7,006,744)	
	(2,737,288)	
	(411,374)	
	(250,605)	
	(3,055,775)	
	(5,707,636)	
	(19,214)	
	(123,077,637)	
		(11,205,222)
	72,870,014	
	12,190,559	
	17,730,317	
	25,401,695	12,212,640
	1,120,103	21,610
	1,180,032	611,380
	130,492,720	12,845,630
	7,415,083	1,640,408
	255,880,070	12,359,309
\$	263,295,153	\$ 13,999,717

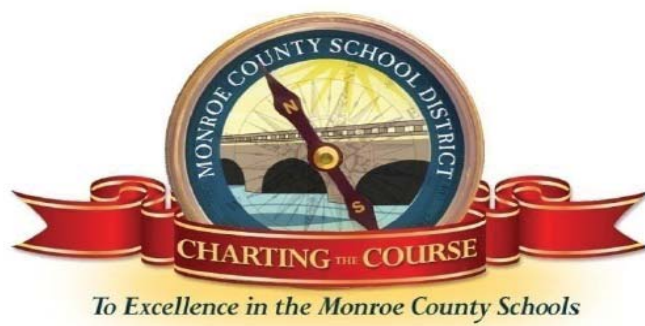
MONROE COUNTY SCHOOL DISTRICT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Special Revenue - Other Fund
ASSETS		
Cash	\$ 11,572,160	\$
Investments		
Accounts Receivable	17,307	
Due from Other Funds	953,362	
Due from Other Agencies	714,610	921,711
Prepaid Items	451,109	
Restricted Investments		
Inventories	18,729	
Total Assets	\$ 13,727,277	\$ 921,711
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 3,321,279	\$
Payroll Deductions and Withholdings Payable	230,671	49,320
Accounts Payable	178,635	2,297
Construction Contracts Payable		
Deposits Payable		
Due to Other Funds		856,277
Due to Other Agencies	37,612	13,817
Total Liabilities	3,768,197	921,711
Fund Balances:		
Nonspendable:		
Inventories	18,729	
Prepaid Items	451,109	
Total Nonspendable Fund Balance	469,838	
Restricted for:		
Capital Projects		
Debt Service		
Food Service		
State Required Carryover Programs	466,612	
Total Restricted Fund Balance	466,612	
Assigned for:		
Capital Projects		
Carryover/Contractual Agreements	873,083	
Total Assigned Fund Balance	873,083	
Unassigned Fund Balance	8,149,547	
Total Fund Balances	9,959,080	
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,727,277	\$ 921,711

(Continued)

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

Debt Service - AARA Economic Stimulus Fund	Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$ 4,776,206	\$ 29,656,855	\$ 2,133,133	\$ 48,138,354
		74,259,724		74,259,724
	5,634	38,522	7,485	68,948
		984,163		1,937,525
920,014	719	1,436,248	180,326	4,173,628
		100,000		551,109
14,211,956			4,828,646	19,040,602
			99,507	118,236
<u>\$ 15,131,970</u>	<u>\$ 4,782,559</u>	<u>\$ 106,475,512</u>	<u>\$ 7,249,097</u>	<u>\$ 148,288,126</u>
\$	\$	\$	\$	\$
			10,774	3,321,279
	107,985	2,134,967	3,473	290,765
		201,847		2,427,357
			70,403	201,847
920,014			161,234	70,403
		102,847	1,494	1,937,525
				155,770
<u>920,014</u>	<u>107,985</u>	<u>2,439,661</u>	<u>247,378</u>	<u>8,404,946</u>
			99,507	118,236
		100,000		551,109
		100,000	99,507	669,345
	4,674,574	100,840,340	1,002,175	106,517,089
14,211,956			4,828,646	19,040,602
			1,071,391	1,071,391
				466,612
<u>14,211,956</u>	<u>4,674,574</u>	<u>100,840,340</u>	<u>6,902,212</u>	<u>127,095,694</u>
		3,095,511		3,095,511
				873,083
		3,095,511		3,968,594
				8,149,547
<u>14,211,956</u>	<u>4,674,574</u>	<u>104,035,851</u>	<u>7,001,719</u>	<u>139,883,180</u>
<u>\$ 15,131,970</u>	<u>\$ 4,782,559</u>	<u>\$ 106,475,512</u>	<u>\$ 7,249,097</u>	<u>\$ 148,288,126</u>



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MONROE COUNTY SCHOOL DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2017

Total Fund Balances - Governmental Funds

\$ 139,883,180

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

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

Capital Asset Not Being Depreciated	\$	13,658,724	
Capital Asset Being Depreciated		351,384,984	
Accumulated Depreciation		<u>(89,147,020)</u>	275,896,688

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

3,318,659

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

Deferred Outflows Related to Pensions	\$	22,689,270	
Deferred Inflows Related to Pensions		<u>(519,633)</u>	22,169,637

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

Bonds Payable, Net	\$	(75,434,669)	
Certificates of Participation Payable		(40,842,000)	
Compensated Absences Payable		(6,263,118)	
Net Pension Liability		(51,865,224)	
Other Postemployment Benefits Payable		<u>(3,568,000)</u>	(177,973,011)

Net Position - Governmental Activities

\$ 263,295,153

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

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

	General Fund	Special Revenue - Other Fund
REVENUES		
Federal Direct Sources:		
Federal Impact, Current Operations	\$ 247,823	\$
Miscellaneous Federal Direct	31,480	1,289,873
Total Federal Direct Sources	279,303	1,289,873
Federal Through State Sources:		
Medicaid	392,829	
Food Service		
Other Federal Through State Sources	1,500	4,746,504
Total Federal Through State Sources	394,329	4,746,504
State Sources:		
Categorical Educational Program - Class Size Reduction	9,018,838	
Florida Education Finance Program	4,986,362	
Workforce Development Program	799,422	
Voluntary Prekindergarten	518,348	
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913	
School Recognition	278,836	
Racing Commission Funds	223,250	
Diagnostic and Learning Resources Centers	212,438	
Discretionary Lottery Funds	140,129	
Mobile Home License Tax	32,260	
Food Service Supplement		
Miscellaneous	389,959	
Total State Sources	16,604,755	
Local Sources:		
Ad Valorem Taxes	72,870,014	
Sales Taxes		
Food Service Sales		
Interest Income	150,703	
Miscellaneous	1,938,301	
Total Local Sources	74,959,018	
Total Revenues	92,237,405	6,036,377

(Continued)

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

Debt Service - AARA Economic Stimulus Fund	Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
1,840,028				247,823
				3,161,381
1,840,028				3,409,204
				392,829
			2,662,351	2,662,351
				4,748,004
			2,662,351	7,803,184
				9,018,838
				4,986,362
				799,422
				518,348
			327,747	332,660
				278,836
				223,250
				212,438
				140,129
				32,260
			34,367	34,367
			246,903	636,862
			609,017	17,213,772
	12,190,559			85,060,573
		17,730,317		17,730,317
			839,486	839,486
198,769	50,192	574,119	152,786	1,126,569
(3,856)		19,100	65	1,953,610
194,913	12,240,751	18,323,536	992,337	106,710,555
2,034,941	12,240,751	18,323,536	4,263,705	135,136,715

(Continued)

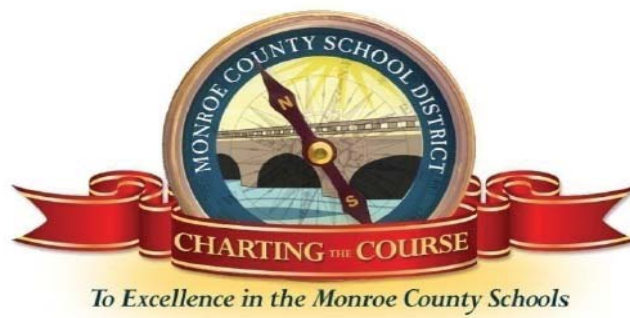
MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue - Other Fund
EXPENDITURES		
Current - Education:		
Instruction	\$ 65,404,232	\$ 3,234,158
Student Support Services	4,203,449	971,048
Instructional Media Services	502,982	
Instruction and Curriculum Development Services	1,688,617	1,035,420
Instructional Staff Training Services	810,659	423,455
Instruction Related Technology	1,696,115	1,079
School Board	709,113	
General Administration	569,893	195,260
School Administration	4,897,330	1,184
Facilities Services	546,090	
Fiscal Services	1,111,926	
Food Services	16,226	
Central Services	1,779,761	
Student Transportation Services	3,575,941	116
Operation of Plant	6,993,869	1,715
Maintenance of Plant	2,673,838	
Administrative Technology Services	399,636	
Community Services	883,896	
Capital Outlay:		
Facilities Acquisition and Construction		
Other Capital Outlay	84,909	172,942
Debt Service:		
Principal		
Interest and Fiscal Charges		
Total Expenditures	<u>98,548,482</u>	<u>6,036,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,311,077)</u>	
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets		
Insurance Loss Recoveries	2,344	
Issuance of Bonds		
Premium on Bonds Issued		
Transfers In	5,122,911	
Transfers Out		
Total Other Financing Sources (Uses)	<u>5,125,255</u>	
Net Change in Fund Balances	<u>(1,185,822)</u>	
Fund Balances, Beginning	<u>11,144,902</u>	
Fund Balances, Ending	<u><u>\$ 9,959,080</u></u>	<u><u>\$ 0</u></u>

(Continued)

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

Debt Service - ARRA Economic Stimulus Fund	Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
				68,638,390
				5,174,497
				502,982
				2,724,037
				1,234,114
				1,697,194
				709,113
				765,153
				4,898,514
	2,616,039	5,623,754	50,231	8,836,114
				1,111,926
			3,457,024	3,473,250
				1,779,761
				3,576,057
				6,995,584
				2,673,838
				399,636
				883,896
	54,273	6,405,613		6,459,886
	1,382,217	506,233	22,010	2,168,311
			318,000	318,000
2,055,250			1,347,594	3,402,844
2,055,250	4,052,529	12,535,600	5,194,859	128,423,097
(20,309)	8,188,222	5,787,936	(931,154)	6,713,618
			2,136	2,136
				2,344
		67,956,201	768,799	68,725,000
		7,048,541		7,048,541
1,951,871			722,146	7,796,928
	(6,912,337)	(637,688)	(246,903)	(7,796,928)
1,951,871	(6,912,337)	74,367,054	1,246,178	75,778,021
1,931,562	1,275,885	80,154,990	315,024	82,491,639
12,280,394	3,398,689	23,880,861	6,686,695	57,391,541
\$ 14,211,956	\$ 4,674,574	\$ 104,035,851	\$ 7,001,719	\$ 139,883,180



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**MONROE COUNTY SCHOOL DISTRICT, 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**

Net Change in Fund Balances - Governmental Funds **\$ 82,491,639**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period. 2,529,352

In the statement of activities, the loss on disposal or sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the capital assets disposed or sold. (19,214)

Issuing long-term bonded debt is an other financing source in the governmental funds, but issuing new debt increases long-term liabilities in the statement of net position. This is the long-term debt that was issued in the current period. (68,725,000)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The following details the amount of long-term debt principal repaid in the current period:

Bonds Principal Repayments	\$ 8,000	
Certificates of Participation Repayments	310,000	318,000

Governmental funds report the effect of premiums, discounts, and prepaid insurance in the year debt is issued, but these amounts are deferred and amortized over the life of the debt in the statement of activities. The following details effects of premiums in the current period:

Premium on Bonds Issued	\$ (7,048,541)	
Amortization of Premiums	338,872	(6,709,669)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. (9,060)

Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net decrease in the other postemployment benefits liability for the current fiscal year. 62,000

Governmental funds report contributions to defined benefit plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit plans reduces future net pension liability and is reported as part of deferred outflows of resources. 4,240,603

In the statement of activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (7,059,377)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 295,809

Change in Net Position - Governmental Activities **\$ 7,415,083**

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 300,000	\$ 293,520	\$ 247,823	\$ (45,697)
Miscellaneous Federal Direct	25,000	31,480	31,480	
Total Federal Direct Sources	325,000	325,000	279,303	(45,697)
Federal Through State and Local Sources:				
Medicaid	500,000	500,000	392,829	(107,171)
Other Federal Through State Sources		1,500	1,500	
Other Federal Through Local Sources	120,000	120,000		(120,000)
Total Federal Through State and Local Sources	620,000	621,500	394,329	(227,171)
State Sources:				
Categorical Educational Program - Class Size Reduction	9,051,327	9,018,837	9,018,838	1
Florida Education Finance Program	4,559,838	5,142,340	4,986,362	(155,978)
Workforce Development Program	799,422	799,422	799,422	
Workforce Education Performance Incentives	6,000	6,000		(6,000)
Voluntary Prekindergarten	613,975	586,970	518,348	(68,622)
Motor Vehicle License Tax (Capital Outlay and Debt Service)	30,000	32,260	4,913	
School Recognition	531,931	278,840	278,836	(4)
Racing Commission Funds	223,250	223,250	223,250	
Diagnostic and Learning Resources Centers	211,378	233,812	212,438	(21,374)
Discretionary Lottery Funds		140,129	140,129	
Mobile Home License Tax			32,260	
Miscellaneous	342,795	394,872	389,959	
Total State Sources	16,369,916	16,856,732	16,604,755	(251,977)
Local Sources:				
Ad Valorem Taxes	72,375,424	72,876,004	72,870,014	(5,990)
Interest Income	120,000	170,000	150,703	(19,297)
Miscellaneous	2,054,494	2,222,112	1,938,301	(283,811)
Total Local Sources	74,549,918	75,268,116	74,959,018	(309,098)
Total Revenues	91,864,834	93,071,348	92,237,405	(833,943)
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	37,139,437	37,998,348	37,855,914	142,434
Employee Benefits	12,440,128	12,232,079	12,187,680	44,399
Purchased Services	12,749,210	13,784,073	13,337,867	446,206
Energy Services	5,100	3,292	1,750	1,542
Materials and Supplies	1,464,783	1,265,251	1,045,208	220,043
Capital Outlay	320,836	416,049	149,173	266,876
Other	303,781	854,989	826,640	28,349
Total Instruction	64,423,275	66,554,081	65,404,232	1,149,849
Student Support Services:				
Salaries	3,141,016	2,986,332	2,980,535	5,797
Employee Benefits	1,017,102	993,476	985,263	8,213
Purchased Services	218,840	312,937	217,188	95,749
Materials and Supplies	37,336	14,321	11,178	3,143
Capital Outlay	3,000	3,859	1,141	2,718
Other		8,144	8,144	
Total Student Support Services	4,417,294	4,319,069	4,203,449	115,620

(Continued)

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
EXPENDITURES				
Current - Education: (continued)				
Instructional Media Services:				
Salaries	\$ 392,796	\$ 367,477	\$ 367,477	\$
Employee Benefits	130,119	116,839	116,839	
Purchased Services	3,200	3,654	3,322	332
Materials and Supplies	1,500	1,230	630	600
Capital Outlay	33,487	33,453	14,714	18,739
Other	1,000			
Total Instructional Media Services	562,102	522,653	502,982	19,671
Instruction and Curriculum Development Services:				
Salaries	1,277,844	1,230,658	1,217,894	12,764
Employee Benefits	388,492	363,661	351,343	12,318
Purchased Services	137,536	152,633	103,313	49,320
Materials and Supplies	30,949	10,228	4,216	6,012
Capital Outlay	1,900	3,853	3,622	231
Other	3,025	8,496	8,229	267
Total Instruction and Curriculum Development Services	1,839,746	1,769,529	1,688,617	80,912
Instructional Staff Training Services:				
Salaries	592,919	583,803	583,059	744
Employee Benefits	139,434	140,629	138,302	2,327
Purchased Services	87,816	121,099	74,216	46,883
Materials and Supplies	20,180	8,719	4,767	3,952
Other	17,288	17,057	10,315	6,742
Total Instructional Staff Training Services	857,637	871,307	810,659	60,648
Instruction Related Technology:				
Salaries	1,391,371	1,294,907	1,294,907	
Employee Benefits	436,256	396,271	389,103	7,168
Purchased Services	9,300	14,196	7,756	6,440
Energy Services	1,000	964	3,898	(2,934)
Materials and Supplies	8,000	3,898	401	3,497
Capital Outlay	2,150	1,047	50	
Other		50		50
Total Instruction Related Technology	1,848,077	1,711,333	1,696,115	14,221
School Board:				
Salaries	151,090	150,623	150,623	
Employee Benefits	130,252	133,584	128,857	4,727
Purchased Services	462,156	551,464	411,098	140,366
Materials and Supplies	66,450	1,450	194	1,256
Capital Outlay	500	500		500
Other	50,600	50,600	18,341	32,259
Total School Board	861,048	888,221	709,113	179,108

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
EXPENDITURES				
Current - Education: (continued)				
General Administration:				
Salaries	\$ 407,135	\$ 403,866	\$ 403,866	\$
Employee Benefits	124,662	121,468	121,468	
Purchased Services	39,085	42,823	23,326	19,497
Energy Services	1,000	1,000		1,000
Materials and Supplies	63,200	6,726	6,081	645
Capital Outlay	700	1,269	1,186	83
Other	19,000	17,521	13,966	3,555
Total General Administration	654,782	594,673	569,893	24,780
School Administration:				
Salaries	3,435,112	3,646,175	3,646,174	
Employee Benefits	1,144,285	1,178,749	1,178,749	
Purchased Services	46,789	43,137	33,380	9,757
Materials and Supplies	45,177	49,085	30,032	19,053
Capital Outlay	5,787	4,651	3,429	1,222
Other	8,044	8,732	5,566	3,166
Total School Administration	4,685,194	4,930,529	4,897,330	33,198
Facilities Services:				
Salaries	233,825	196,530	196,531	(1)
Employee Benefits	71,860	55,240	55,240	
Purchased Services	301,128	311,428	290,228	21,200
Energy Services	8,000	6,794	1,185	5,609
Materials and Supplies	4,250	3,107	1,224	1,883
Capital Outlay	10,000	1,456	1,382	74
Other	750	643	300	343
Total Facilities Services	629,813	575,198	546,090	29,108
Fiscal Services:				
Salaries	778,942	817,039	817,039	
Employee Benefits	245,939	229,147	229,147	
Purchased Services	52,350	49,335	32,711	16,624
Energy Services	400			
Materials and Supplies	27,150	4,736	2,874	1,862
Capital Outlay	18,000	24,953	24,515	438
Other	4,500	5,815	5,640	175
Total Fiscal Services	1,127,281	1,131,025	1,111,926	19,099
Food Services:				
Salaries		15,611	15,611	
Employee Benefits		615	615	
Total Food Services		16,226	16,226	
Central Services:				
Salaries	939,124	798,565	798,566	(1)
Employee Benefits	881,193	818,700	818,700	
Purchased Services	234,897	161,309	130,258	31,051
Energy Services	5,000	4,288		4,288
Materials and Supplies	68,920	18,347	15,870	2,477
Capital Outlay	50,000	50,303		50,303
Other	8,500	18,679	16,367	2,312
Total Central Services	2,187,634	1,870,191	1,779,761	90,430

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
Student Transportation Services:				
Salaries	\$ 1,865,409	\$ 2,008,484	\$ 2,008,483	\$ 1
Employee Benefits	837,351	785,917	785,917	
Purchased Services	253,121	308,499	288,918	19,581
Energy Services	290,000	260,355	245,185	15,170
Materials and Supplies	232,400	184,627	173,333	11,294
Other	46,128	75,577	74,105	1,472
Total Student Transportation Services	3,524,409	3,623,459	3,575,941	47,518
Operation of Plant:				
Salaries	274,964	271,519	270,285	1,234
Employee Benefits	99,028	104,671	103,345	1,326
Purchased Services	4,744,719	4,917,358	4,535,383	381,975
Energy Services	2,013,900	2,045,487	2,033,178	12,309
Materials and Supplies	86,250	51,130	48,856	2,274
Capital Outlay		2,990	2,822	168
Total Operation of Plant	7,218,861	7,393,155	6,993,869	399,286
Maintenance of Plant:				
Salaries	1,557,139	1,536,690	1,536,691	(1)
Employee Benefits	569,648	539,802	539,802	
Purchased Services	300,500	287,399	207,936	79,463
Energy Services	72,000	66,625	16,797	49,828
Materials and Supplies	395,635	354,973	333,857	21,116
Capital Outlay	20,300	34,337	29,260	5,077
Other	1,360	10,360	9,495	865
Total Maintenance of Plant	2,916,582	2,830,186	2,673,838	156,348
Administrative Technology Services:				
Salaries	348,852	284,320	284,320	
Employee Benefits	101,534	82,591	82,591	
Purchased Services	9,575	27,293	23,644	3,649
Materials and Supplies	2,700	1,463	1,181	282
Capital Outlay	900	900	427	473
Other	300	7,573	7,473	100
Total Administrative Technology Services	463,861	404,140	399,636	4,504
Community Services:				
Salaries	331,800	347,652	347,652	
Employee Benefits	154,630	132,622	132,622	
Purchased Services	399,018	398,998	391,953	7,045
Materials and Supplies	16,619	18,328	7,706	10,622
Capital Outlay		862	828	34
Other	1,000	3,135	3,135	
Total Community Services	903,067	901,597	883,896	17,701

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund		
	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final	
Capital Outlay:			
Other Capital Outlay	\$	\$ 84,909	\$ 84,909
Total Expenditures	99,120,663	100,991,481	98,548,482
Deficiency of Revenues Over Expenditures	(7,255,829)	(7,920,133)	(6,311,077)
OTHER FINANCING SOURCES			
Sale of Capital Assets		760	(760)
Insurance Loss Recoveries		1,584	2,344
Transfers In	5,373,418	5,398,673	5,122,911
Total Other Financing Sources	5,373,418	5,401,017	5,125,255
Net Change in Fund Balance	(1,882,411)	(2,519,116)	(1,185,822)
Fund Balance, Beginning	11,144,902	11,144,902	11,144,902
Fund Balance, Ending	\$ 9,262,491	\$ 8,625,786	\$ 9,959,080
			\$ 1,333,294

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 1,452,281	\$ 1,452,281	\$ 1,289,873	\$ (162,408)
Federal Through State Sources:				
Vocational Education Acts	76,034	78,356	70,102	(8,254)
Adult General Education	27,569	27,569	121,364	93,795
English Literacy and Civics Education	44,219	44,219	43,032	(1,187)
Teacher Quality State Grants	601,445	548,667	349,631	(199,036)
Eisenhower Math and Science				
Individuals with Disabilities Education Act	5,479,395	5,544,726	2,159,358	(3,385,368)
Elementary And Secondary Education Act, Title I	2,166,596	2,234,709	1,572,635	(662,074)
English Language Acquisition Grants Title III	125,869	129,065	111,928	(17,137)
Other Federal Through State Sources	565,682	546,726	318,454	(228,272)
Total Federal Through State Sources	9,086,809	9,154,037	4,746,504	(4,407,533)
Total Revenues	10,539,090	10,606,318	6,036,377	(4,569,941)
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	2,535,610	2,562,062	2,051,194	510,868
Employee Benefits	975,204	976,047	716,895	259,152
Purchased Services	191,325	217,681	149,075	68,606
Energy Services				
Materials and Supplies	346,816	400,394	170,492	229,902
Capital Outlay	439,053	475,488	85,193	390,295
Other	218,048	247,141	61,309	185,832
Total Instruction	4,706,056	4,878,813	3,234,158	1,644,655
Student Support Services:				
Salaries	970,857	956,145	671,693	284,452
Employee Benefits	354,266	330,154	213,486	116,668
Purchased Services	161,489	171,886	71,993	99,893
Materials and Supplies	60,262	66,369	12,751	53,618
Capital Outlay	137,000	137,000	1,125	135,875
Other	500			
Total Student Support Services	1,684,374	1,661,554	971,048	690,506

(Continued)

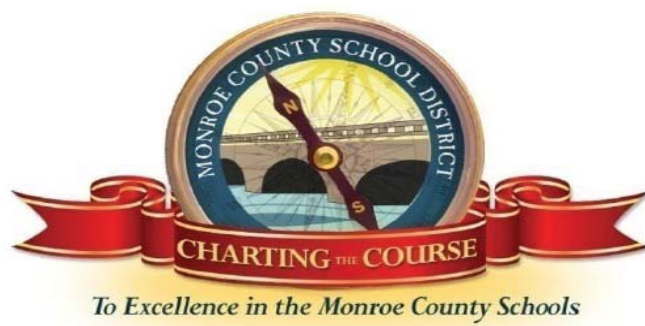
The accompanying notes to financial statements are an integral part of this statement.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue - Other Fund			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
EXPENDITURES				
Current - Education: (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 777,909	\$ 816,127	\$ 703,365	\$ 112,762
Employee Benefits	274,913	269,183	231,544	37,639
Purchased Services	157,608	191,069	52,556	138,513
Energy Services	2,859	2,859	199	2,660
Materials and Supplies	32,999	37,545	22,541	15,004
Capital Outlay	913,392	831,840	19,661	812,179
Other	15,073	13,073	5,554	7,519
Total Instruction and Curriculum Development Services	2,174,753	2,161,696	1,035,420	1,126,276
Instructional Staff Training Services:				
Salaries	437,618	331,072	235,726	95,346
Employee Benefits	142,769	140,467	57,378	83,089
Purchased Services	514,680	504,216	110,747	393,469
Materials and Supplies	66,392	58,489	10,010	48,479
Capital Outlay	2,179	2,179	2,090	89
Other	27,473	8,977	7,504	1,473
Total Instructional Staff Training Services	1,191,111	1,045,400	423,455	621,945
Instruction Related Technology:				
Salaries	1,150	1,170	940	1,150
Employee Benefits	205	207	139	68
Total Instructional Related Technology	1,355	1,377	1,079	1,218
General Administration:				
Other Expenses	211,115	288,052	195,260	92,792
School Administration:				
Purchased Services	220,000	220,000	1,184	218,816
Other Expenses	20,000	20,000		20,000
Total School Administration	240,000	240,000	1,184	238,816
Student Transportation Services:				
Salaries	10	10		10
Employee Benefits	3	3		3
Energy-Gas,Elec,Oil,Fuel,Other	6,000	6,000		6,000
Materials and Supplies	116	116	116	
Capital Outlay	316,748	316,748		316,748
Total Student Transportation Services	322,877	322,877	116	322,761

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue - Other Fund		
	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final	
EXPENDITURES			
Current - Education: (continued)			
Operation of Plant:			
Purchased Services	\$ 6,449	\$ 6,449	\$ 1,715
			\$ 4,734
Maintenance of Plant:			
Purchased Services	1,000	100	
			100
Capital Outlay:			
Other Capital Outlay			172,942
			(172,942)
Total Expenditures	10,539,090	10,606,318	6,036,377
			4,569,941
Excess of Revenues Over Expenditures			
Net Change in Fund Balance			
Fund Balance, Beginning			
Fund Balance, Ending	\$ 0	\$ 0	\$ 0
			\$ 0



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MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 7,427,907
Accounts Receivable	8,946
Due from Insurer	1,119,066
Prepaid Items	162,122
Total Assets	8,718,041
LIABILITIES	
Current Liabilities:	
Payroll Deductions and Withholdings Payable	14
Accounts Payable	1,276,434
Estimated Insurance Claims Payable	1,983,564
Total Current Liabilities	3,260,012
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	2,139,370
Total Liabilities	5,399,382
NET POSITION	
Unrestricted	\$ 3,318,659

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

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

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Contributions	\$ 14,478,674
Insurance Loss Recoveries	2,575,932
Total Operating Revenues	<u>17,054,606</u>
OPERATING EXPENSES	
Salaries	187,253
Employee Benefits	143,016
Purchased Services	1,747,722
Materials and Supplies	11,308
Capital Outlay	8,259
Insurance Claims	14,751,770
Total Operating Expenses	<u>16,849,328</u>
Operating Income	<u>205,278</u>
NONOPERATING REVENUES	
Interest Revenue	40,531
Miscellaneous	50,000
Total Nonoperating Revenues	<u>90,531</u>
Change in Net Position	295,809
Total Net Position, Beginning	<u>3,022,850</u>
Total Net Position, Ending	<u><u>\$ 3,318,659</u></u>

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 14,918,004
Cash Received from Loss Recoveries	2,575,932
Cash Payments to Suppliers for Goods and Services	(1,972,503)
Cash Payments to Employees for Services	(330,254)
Cash Payments for Insurance Claims	(14,695,558)
Net Cash Provided by Operating Activities	495,621
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous	50,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	40,531
Net Increase in Cash	586,152
Cash, Beginning	6,841,755
Cash, Ending	\$ 7,427,907
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 205,278
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(8,946)
Decrease in Due from Insurer	448,276
Increase in Prepaid Items	(27,684)
Increase in Payroll Deductions and Withholdings Payable	14
Decrease in Accounts Payable	(177,529)
Increase Estimated Insurance Claims Payable	56,212
Total Adjustments	290,343
Net Cash Provided by Operating Activities	\$ 495,621

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 197,557	\$ 1,540,609
Investments in Florida PRIME	1,641	
Accounts Receivable	241	
TOTAL ASSETS	<u>199,439</u>	<u>1,540,609</u>
LIABILITIES		
Internal Accounts Payable		<u>\$ 1,540,609</u>
NET POSITION		
Held in Trust for Pension Benefits	<u>\$ 199,439</u>	

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

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

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 58,511
Investment Earnings:	
Interest	1,310
Total Additions	<u>59,821</u>
DEDUCTIONS	
Benefits Paid to Participants	<u>58,511</u>
Change in Net Position	1,310
Net Position - Beginning	<u>198,129</u>
Net Position - Ending	<u><u>\$ 199,439</u></u>

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Monroe County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

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

Blended Component Unit. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as part of the District. The Monroe County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note II.H.1. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component units' columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District.

The District's charter schools, Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Key West Montessori Elementary Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc., are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Monroe County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2017. The audit reports are filed in the District's administrative offices at 241 Trumbo Road, Key West, Florida, 33040.

C. Basis of Presentation: Government-Wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

The District reports the following major governmental funds:

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

- 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 – Other Fund – to account for certain Federal grant program resources.
- Debt Service – ARRA Economic Stimulus Fund – to account for principal and interest payments related to the ARRA Qualified School Construction Bonds.
- Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund – to account for financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.
- Capital Projects – Other Fund – to account for financial resources earmarked for capital projects, generated by all sources not required to be reported in any other fund, such as local sales tax, certificates of participation, and Federal Emergency Management Agency proceeds.

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

- Internal Service Funds – to account for the District’s individual self-insurance programs.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

E. Measurement Focus and Basis of Accounting

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

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 45 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 45 days of year end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

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

F. Budgetary Basis of Accounting. The Board follows procedures established by State statutes and SBE rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student 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.

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

- 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.

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

1. Cash

The District's cash includes cash on hand, demand deposits, and certificates of deposit. Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Investments

Investments consist 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 amounts in the China Construction Bank Commercial Paper, United States Treasury Notes, and money market funds and are reported at fair value.

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

3. Inventories and Prepaid Items

Inventories consist of purchased and donated foods of the food service program and fuel for the District's vehicles which are held for consumption in the course of District operations. Inventories are stated at cost, 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 weighted-average method is used in pricing the fuel inventory. The first-in, first-out method is used in pricing the purchased and donated foods inventories. The costs of inventories are recorded as expenditures when used rather than purchased.

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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.

4. Capital Assets

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

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

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

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

5. Pensions

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

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

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

6. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums are deferred and amortized over the life of the bonds using the effective interest methods. Bonds payable are reported net of the applicable premium.

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

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has one item that qualifies for reporting in this category, the deferred amount on pensions. The deferred outflows of resources related to pensions are discussed in a subsequent note.

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

8. Net Position Flow Assumption

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

9. Fund Balance Flow 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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

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

The committed fund balance classification 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 balances at 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 classifies amounts as assigned based on actions of the Superintendent, as authorized by Board Policy 6320. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The District has adopted Board Policy 6210, which provides that the Board shall maintain a fund balance in its operating fund that are not classified as restricted, committed, or non-spendable at a minimum of 5 percent of the General Fund's annual expenditures. At June 30, 2017, the District met this policy with unassigned and assigned fund balances totaling 9.16 percent of General Fund expenditures.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. State Revenue Sources

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

The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same educational programs. The FDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

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

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

3. District Property Taxes

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

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

The Board adopted the 2016 tax levy on September 13, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

4. Capital Outlay Surtax

On November 4, 2014, the voters of the County approved the continuation of the one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2016. The surtax proceeds are used to upgrade and address security needs at school facilities, equip school with modern technology, construct new or replacement facilities, provide for renovations to existing school structure and other permitted capital improvements, in accordance with Section 212.055(6), Florida Statutes.

5. Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

6. Compensated Absences

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

7. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk; however, Board Policy 6140, provides that all public funds shall be deposited in a qualified public depository, unless exempt under the laws of the State. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	Amount			
China Construction Bank Commercial Paper	\$ 4,266,000	\$ 4,266,000	\$	\$
US Treasury Notes State and Local Government Series	561,689	561,689		
US Treasury Notes	14,211,891	14,211,891		
Total investments measured at fair value	\$ 19,039,580	\$ 19,039,580	\$	\$

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Interest Rate Risk

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

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Florida PRIME	39 Day Weighted Average	\$ 74,261,365
Money Market Funds:		
Fidelity Institutional Money Market Government Portfolio - Class I (1)	26 Day Weighted Average	65
Fidelity Institutional Money Market Treasury Portfolio - Class I (2)	23 Day Weighted Average	957
China Construction Bank Commercial Paper (3)	July 3, 2017	4,266,000
US Treasury Notes State & Local Government Series (3)	December 29, 2020	561,689
US Treasury Notes (1)	November 30, 2017	14,211,891
Total Investments		<u>\$ 93,301,967</u>

- Notes: (1) These investments are held by a paying agent in connection with the Qualified School Construction Bonds financing arrangement (see Note II.H.1.).
- (2) These investments are held by a paying agent in connection with the Qualified Zone Academy Bonds (QZAB) financing arrangement (see Note II.H.1.).
- (3) These investments are held by a paying agent in connection with the QZAB financing arrangement (see Note II.H.1.).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy (Policy) provides that an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. The Policy limits current short-term funds investments to a maximum of one year, and investments of bond reserves, construction moneys, and other core funds to a term appropriate to the need for moneys and in accordance with debt covenants, but not to exceed 3 years.

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

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

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agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, limits investments to the SBA’s Florida PRIME, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; Federal agencies and instrumentalities; rated or unrated bonds, notes or instruments backed by the full faith and credit of the government of Israel; securities of, or other interest in, an open-ended or closed-ended management type investment company or investments trust registered under the Investment Company Act of 1940; and other investments authorized by law or by resolution for a school district. The District’s investment policy authorizes investing in the Local Government Surplus Funds Trust Fund, or any intergovernmental pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; United States Government securities; SEC registered money market funds; interest-bearing time deposits or saving accounts; securities of, or other interest in, an open-ended or closed-ended management type investment company or investments trust registered under the Investment Company Act of 1940; and other investments as authorized by State law and not prohibited by the investment policy.

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

The Fidelity Institutional Money Market Government Portfolio – Class I normally invests at least 99.5 percent of the fund’s total assets in cash equivalents, United States Government securities or repurchase agreements for those securities. As of June 30, 2017, the District’s investments in the Fidelity Institutional Money Market Government Portfolio – Class I were rated AAAm by Standard & Poor’s and AAA-mf by Moody’s Investors Service.

The Fidelity Institutional Money Market Treasury Portfolio – Class I normally invest at least 99.5 percent of the fund’s total assets in cash equivalents, United States Treasury securities or repurchase agreements for those securities. As of June 30, 2017, the District’s investments in the Fidelity Institutional Money Market Treasury Portfolio – Class I were rated AAAm by Standard & Poor’s and AAA-mf by Moody’s Investors Service.

The District’s investment in the China Construction Bank Commercial Paper is rated A-1 by Standard & Poor’s and P-1 by Moody’s Investors Service. This investment is made pursuant to the QZAB financing agreement, and thus is not subject to the District’s investment policy.

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Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy limits investments, which are subject to concentration of credit risk, to a maximum of 10 percent of available moneys. This policy does not apply to pension moneys, trust funds, and debt proceeds where there are other existing policies, resolutions, or indentures in effect for the investment of such moneys. Moneys held by State agencies (e.g., SBA) are also not subject to the provisions of this policy.

The District's investment in the China Construction Bank Commercial Paper is 5 percent of the District's total investments and 88 percent of the investments in the Debt Service – Other Fund. These investments are made pursuant to agreements with the QZAB paying agents (see note II.H.1.).

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,465,175	\$ 200,000	\$	\$ 6,665,175
Construction In Progress	1,013,747	6,035,044	55,242	6,993,549
	<u>7,478,922</u>	<u>6,235,044</u>	<u>55,242</u>	<u>13,658,724</u>
Total Assets Not Being Depreciated				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	13,003,426	55,242		13,058,668
Buildings and Fixed Equipment	312,558,117	224,842		312,782,959
Furniture, Fixtures, and Equipment	17,060,197	852,629	2,416,347	15,496,479
Motor Vehicles	7,065,444	1,294,369	26,699	8,333,114
Audio Visual Materials and Computer Software	3,972,713	28,500	2,287,449	1,713,764
	<u>353,659,897</u>	<u>2,455,582</u>	<u>4,730,495</u>	<u>351,384,984</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	10,855,806	432,684		11,288,490
Buildings and Fixed Equipment	53,696,203	4,251,056		57,947,259
Furniture, Fixtures, and Equipment	14,520,179	889,272	2,397,886	13,011,565
Motor Vehicles	5,233,535	476,423	26,699	5,683,259
Audio Visual Materials and Computer Software	3,446,547	56,596	2,286,696	1,216,447
	<u>87,752,270</u>	<u>6,106,031</u>	<u>4,711,281</u>	<u>89,147,020</u>
Total Accumulated Depreciation				
Total Capital Assets Being Depreciated, Net	265,907,627	(3,650,449)	19,214	262,237,964
	<u>265,907,627</u>	<u>(3,650,449)</u>	<u>19,214</u>	<u>262,237,964</u>
Governmental Activities Capital Assets, Net	\$ 273,386,549	\$ 2,584,595	\$ 74,456	\$ 275,896,688
	<u>\$ 273,386,549</u>	<u>\$ 2,584,595</u>	<u>\$ 74,456</u>	<u>\$ 275,896,688</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 398,395
Unallocated	5,707,636
	<u>5,707,636</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,106,031</u>

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D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

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

The District's FRS and HIS pension expense totaled \$7,059,377 for the fiscal year ended June 30, 2017.

FRS Pension Plan

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees

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enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statutes, if the member was 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 was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual

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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:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
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 to the Plan totaled \$3,271,866 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 \$31,083,110 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 0.123101039 percent, which was a decrease of 0.001538857 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 \$5,010,276. 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 of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,379,962	\$ 289,405
Change of assumptions	1,880,435	
Net difference between projected and actual earnings on FRS pension plan investments	8,034,605	
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,140,107	182,894
District FRS contributions subsequent to the measurement date	3,271,866	
Total	<u>\$ 16,706,975</u>	<u>\$ 472,299</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$3,271,866, 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	\$ 1,924,472
2019	1,924,472
2020	5,056,859
2021	3,427,469
2022	488,374
Thereafter	141,164
Total	<u>\$ 12,962,810</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.

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

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description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equities	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%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 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:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
District's proportionate share of the net pension liability	\$ 57,226,108	\$ 31,083,110	\$ 9,322,515

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

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HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$968,737 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 net pension liability of \$20,782,114 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the 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 0.178317054 percent, which was an increase of 0.010675516 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$2,049,101. 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 of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 47,334
Change of assumptions	3,261,242	
Net difference between projected and actual earnings on HIS pension plan investments	10,508	
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,741,808	
District contributions subsequent to the measurement date	968,737	
Total	\$ 5,982,295	\$ 47,334

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$968,737, will be recognized as a reduction of the net pension liability in the fiscal year ended 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	\$ 899,760
2019	899,760
2020	897,759
2021	896,799
2022	760,308
Thereafter	611,838
Total	\$ 4,966,224

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

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

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

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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:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 23,841,806	\$ 20,782,114	\$ 18,242,736

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

2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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; 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 \$795,311 for the fiscal year ended June 30, 2017.

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3. Early Retirement Plan

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (ERP) effective July 1, 1992. The ERP is a single-employer public employee retirement system (PERS) and was offered for only one year. The purpose of the ERP was to provide eligible District employees, who elected to retire under the early retirement provisions of the FRS described in Note II.D.1., with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62.

Plan Administration

The Board administers the ERP assets in a pension trust fund and is responsible for their investment. The Board appoints and removes the ERP administrator. The ERP does not issue a stand-alone financial report and is not included in the report of a public employee retirement system of another entity.

Plan Membership

As of June 30, 2017, employee membership data related to the ERP were as follows:

Summary of Population Statistics

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>0</u>
Total	<u>8</u>

Benefits Provided

All full-time United Teachers of Monroe bargaining unit members or administrative support personnel who were members of the FRS or the Teachers Retirement System (TRS) and who had attained the age of 55 as of August 1, 1992, completed 25 or more years of creditable service as determined by the FRS or the TRS, and have made application for benefits on or before June 10, 1992, are eligible to be members of the ERP. Benefits are paid in the amount of early payment reduction in monthly benefits from the FRS or the TRS as a consequence of early retirement.

Contributions and Reserves

The ERP was established by the Board on July 1, 1992, and may be amended by Board action. Pursuant to the ERP agreement, no contribution shall be required or permitted from any member. Board

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contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 6.62 years based on the July 1, 2015, actuarial study.

Periodic employer contributions to the ERP are determined on an actuarial basis using the aggregate cost method. Under this actuarial cost method, a funding cost is developed for the ERP as a level dollar amount per individual. The level dollar amount is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the life expectancy for current retired participants and their beneficiaries. The normal cost is equal to the level dollar amount multiplied by the total life expectancy for retired participants and their beneficiaries solely during the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

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

Total contributions to the ERP in the 2016-17 fiscal year amounted to \$58,511, all of which were paid by the Board, and were \$10,942 more than the actuarially determined contribution requirement of \$47,569 determined through the actuarial valuation performed as of July 1, 2015.

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the ERP are financed through the ERP's resources (employer contributions and investment earnings).

Summary of Significant Accounting Policies

Significant accounting policies related to basis of accounting and method of asset valuation are disclosed in Note I. Investment disclosures related to the pension trust fund are in Note II.B.

Investments

Investment Policy. The District manages the ERP's assets in accordance with the Board's investment policy discussed in Note II.B., the same as for all other District investments. ERP investments at June 30, 2017, consisted of amounts placed with the Florida PRIME investment pool.

Rate of Return. For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.78 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the ERP at June 30, 2017, were as follows:

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Total Pension Liability	\$ 448,182
Plan Fiduciary Net Position	<u>(199,439)</u>
Net Pension Liability	<u>\$ 248,743</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.5%

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

Investment rate of return	3%
Projected salary increases	Not Applicable
Postemployment benefit increases	3%

Post-Retirement Mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, as projected to 2015 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code section 430; future generational improvements in mortality have not been reflected.

The Total Pension Liability used in calculating the Net Pension Liability presented above is based on the actuarial valuation performed as of July 1, 2015. Actuarial update procedures were used to roll forward the Total Pension Liability to June 30, 2017, the ERP's fiscal year end.

As total investments represent less than a percent of total ERP assets, the District did not calculate the long-term expected rate of return on ERP investments.

Discount Rate. The discount rate used to measure the total pension liability was 3 percent (2.75 percent, per annum, is attributable to long-term inflation). This rate was used to discount all future benefit payments.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the normal cost rate of the ERP calculated using the discount rate of 3 percent, as well as what the normal cost rate would be if it were calculated using a discount rate that is 1 percentage point lower (2 percent) or 1 percentage point higher (4 percent) than the current rate:

	1% Decrease (2%)	Current Discount Rate (3%)	1% Increase (4%)
Net Pension Liability	\$ 277,021	\$ 248,743	\$ 223,336

E. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes,

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employees who retire from the District are eligible to participate in the District's healthcare and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. Additionally, the District contributes a portion of the premium cost for retiree healthcare coverage. The amounts contributed are determined annually by Board action. Retirees are assumed to enroll in the Federal Medicare Program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity.

Funding Policy. Plan contribution requirements of the District and OPEB Plan members are established and may be amended through 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, 76 retirees received other postemployment benefits. The District provided required contributions of \$662,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of excess insurance), administrative expenses, and excess insurance premiums, and net of retiree contributions totaling \$511,178 which represents 0.9 percent of covered payroll.

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

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Description	Amount
Normal Cost (service cost for one year)	\$ 287,000
Amortization of Unfunded Actuarial	
Accrued Liability	302,000
Interest on Normal Cost and Amortization	<u>24,000</u>
Annual Required Contribution	613,000
Interest on Net OPEB Obligation	145,000
Adjustment to Annual Required Contribution	<u>(158,000)</u>
Annual OPEB Cost (Expense)	600,000
Contribution Toward the OPEB Cost	<u>(662,000)</u>
Decrease in Net OPEB Obligation	(62,000)
Net OPEB Obligation, Beginning of Year	<u>3,630,000</u>
Net OPEB Obligation, End of Year	<u>\$ 3,568,000</u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014-15	\$ 660,000	78.5%	\$ 3,535,000
2015-16	677,000	86.0%	3,630,000
2016-17	600,000	110.3%	3,568,000

Funded Status and Funding Progress. As of July 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$6,926,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$6,926,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$58,404,686, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.9 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes

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to financial statements 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. Consistent with this 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.

The District's OPEB actuarial valuation as of July 1, 2016, used the projected unit credit 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. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent annual discount 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 2 percent per year, an inflation rate of 3 percent per year, and an annual healthcare cost trend rate of 7 percent initially for the 2016-17 fiscal year, reduced by 0.5 percent per year, until an ultimate rate of 4.5 percent is reached. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis.

F. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2017:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Gerald Adams Elementary	\$ 9,401,921	\$ 430,378	\$ 8,971,543
Plantation Key Elementary/Middle	35,075,489	3,349,068	31,726,421
Total	\$ 44,477,410	\$ 3,779,446	\$40,697,964

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 fiscal year are carried forward and the next fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2017:

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Major Funds					
General	Special Revenue - Other	Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 651,276	\$ 84,522	\$ 1,567,923	\$ 48,139,583	\$ 27,757	\$ 50,471,061

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. Property and casualty, including workers' compensation coverage and group medical insurance for its employees, retirees, and their dependents is being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Under the plan for property and casualty, including workers' compensation, the District's liability is limited to various per occurrence amounts ranging between \$1,000 and \$10 million, depending on the type of peril coverage. The District's commercial property insurance for wind damage provides for a \$50 million primary limit with a \$5 million sublimit per named windstorm after a deductible of 5 percent of total insured values per location subject to a minimum of \$10 million per occurrence. All other windstorm/hail coverage provides for a \$100,000 deductible per occurrence.

The plan for group medical insurance provides that the District contributes premiums as a fringe benefit to employees. The District also contributes for dependent coverage for several administrative employees. Dependent coverage for other employees and coverage for retirees and their dependents is by prepaid premium. The District's liability under the group medical plan is limited to \$275,000 annually for each person. The District's reimbursement from excess insurance coverage for aggregate claims is limited to a total of \$2 million annually.

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

A liability in the amount of \$4,122,934 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group medical, workers' compensation, and automobile and general liability self-insurance programs at June 30, 2017.

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

<u>Fiscal Year</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2015-16	\$ 3,638,844	\$ 14,912,380	\$ (14,484,502)	\$ 4,066,722
2016-17	4,066,722	14,751,770	(14,695,558)	4,122,934

H. Long-Term Liabilities

1. Certificates of Participation

The District entered into a financing arrangement on October 15, 1996, which arrangement was characterized as a lease-purchase agreement, with the Monroe County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities in the total amount of \$28,000,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1996A, to be repaid from the proceeds of rents paid by the District.

On June 30, 2004, the District advance-refunded the Certificates of Participation, Series 1996A, maturing after August 1, 2006, through the issuance of Certificates of Participation, Series 2004A, with a total value of \$18,170,000, to be paid from the proceeds of rent paid by the District. The proceeds of the Series 2004A Certificates were deposited in an escrow fund with a trustee and be invested in certain qualified governmental obligations. The final principal and interest payment was made on August 1, 2017.

On December 29, 2005, the master financing arrangement was amended and the Leasing Corporation issued Certificates of Participation, Qualified Zone Academy Bonds (QZAB), Series 2005, in the amount of \$4,842,000 for heating, ventilation, and conditioning; electrical; and general facilities improvements at several District properties. Under the terms of the lease agreement, the District is required to make ten annual payments of \$341,008 each, which are deposited with a trustee and invested in accordance with a security delivery agreement until maturity and, when combined with interest earnings, will be sufficient to pay off the principal balance in full, at maturity on December 29, 2020. On August 1, 2013, the Board transferred Glynn Archer Elementary to the City of Key West, Florida, and such facility ceased being used as a qualified zone academy. In accordance with Federal tax law, an escrow deposit agreement was established on October 29, 2013, and \$561,689 (the amount of QZAB funds spent on the Glynn Archer Elementary facility) was deposited into the account. Such funds will remain on deposit until December 29, 2020, the date the 2005 QZAB matures.

On June 24, 2010, Certificates of Participation, Series 2010A, were issued under the Qualified School Construction Bond program in the amount of \$36,000,000 to finance the construction of a new middle

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school. The Qualified School Construction Bond program was established under the American Recovery and Reinvestment Act of 2009, to provide for a taxable obligation to be issued by the school district with a Federal subsidy for interest. The Series 2010A Certificates were issued by the Leasing Corporation as direct pay bonds whereby the District pays interest of 5.7 percent and receives a 5.49 percent interest subsidy, which is paid directly to the District by the United States Treasury. Under the terms of the trust agreement, the District is required to make annual payments of \$2,117,647 each, which are to be deposited with a trustee and invested in accordance with a trust agreement until maturity and, when combined with interest earnings, will be sufficient to pay off the principal balance in full, at maturity on June 1, 2027.

As a condition of the financing arrangements, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The initial term of the lease is 25 years commencing on October 15, 1996 and ending August 1, 2021. A separate ground lease commencing on June 1, 2010, and ending on June 1, 2032, was given to the Leasing Corporation for the facilities being financed by the Series 2010A Certificates. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

The District properties included in the ground leases under these arrangements are as follows:

- Gerald Adams Elementary School
- Horace O'Bryant Middle School
- Marathon High School
- Stanley Switlik Elementary School
- Sugarloaf Middle School

On March 30, 2015, the District entered into a Forward Delivery Agreement (Sinking Fund Agreement) among the Trustee for the Series 2010A Certificates of Participation and the Deutsche Bank AG, New York Branch (the Provider). Under the terms of the agreement, the District agreed to purchase Treasury securities on a periodic basis from the Provider at a fixed rate of return for delivery to the Trustee and deposit into the sinking fund. As a result, the District locked in a long-term fixed rate of return for future sinking fund deposits and reduced the amount of their annual sinking fund deposits from \$2,117,647 to \$1,745,563, an annual savings of \$372,084. The Board's total cash flow savings over the remaining life of the Series 2010A Certificates of Participation will be \$4,835,296.

Except for the QZAB, Series 2005 issue, which fully matures on December 29, 2020, with interest paid by the Federal Government in the form of annual tax credits to the holders of the certificates, the lease

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payments are payable by the District, semiannually, on payment dates and interest rates ranging as follows:

<u>Certificates</u>	<u>Payment Dates</u>	<u>Interest Rates</u>
Series 2004A	February 1 and August 1	4.375 percent
Series 2010A	June 1 and December 1	5.7 (0.21 net) percent

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,052,000	\$	\$ 2,052,000
2019	2,052,000		2,052,000
2020	2,052,000		2,052,000
2021	6,894,000	4,842,000	2,052,000
2022	2,052,000		2,052,000
2023-2027	46,260,000	36,000,000	10,260,000
Total Minimum Lease Payments	\$ 61,362,000	\$ 40,842,000	\$ 20,520,000

2. Bonds Payable

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
District Sales Tax Revenue Bonds:			
Series 2017	\$ 68,725,000	2-5	2026
Plus: Unamortized Premiums	6,709,669		
Total Bonds Payable, Net	<u>\$ 75,434,669</u>		

The bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

District Revenue Bonds

The Board issued Sales Tax Revenue Bonds, Series 2017, on January 19, 2017, totaling \$68,725,000. These bonds are authorized by Chapters 212, 1001, 1011, and 1013, Florida Statutes. These bonds are secured by a pledge of the proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and all moneys including investments thereof in the funds and accounts established pursuant to the bond resolution.

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

The bonds were issued for the purpose of financing the costs of acquisition, construction, equipping, installation of, and renovation to, various capital improvements and educational facilities.

The District has pledged a combined total of \$83,610,375 of discretionary surtax sales revenues (sales tax revenues) in connection with the Series 2017 Sales Tax Revenue Bond issues described above. The pledged sales tax revenues are committed until final maturity of the debt, or October 1, 2025. Assuming a nominal growth rate of 0 percent in the collection of sales tax revenues, which are levied through October 1, 2025, approximately 54 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
District Sales Tax Revenue Bonds:			
2018	\$ 9,291,700	\$ 6,465,000	\$ 2,826,700
2019	9,288,850	6,660,000	2,628,850
2020	9,291,950	6,935,000	2,356,950
2021	9,290,375	7,215,000	2,075,375
2022	9,289,500	7,520,000	1,769,500
2023-2026	<u>37,158,000</u>	<u>33,930,000</u>	<u>3,228,000</u>
Total District Sales Tax Revenue Bonds	<u>83,610,375</u>	<u>68,725,000</u>	<u>14,885,375</u>

3. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Estimated Insurance Claims Payable	\$ 4,066,722	\$ 14,746,454	\$ 14,690,242	\$ 4,122,934	\$ 1,983,564
Bonds Payable	8,000	68,725,000	8,000	68,725,000	6,465,000
Unamortized Premiums	-	7,048,541	338,872	6,709,669	813,293
Bonds Payable, Net	<u>8,000</u>	<u>75,773,541</u>	<u>346,872</u>	<u>75,434,669</u>	<u>7,278,293</u>
Certificates of Participation Payable	41,152,000		310,000	40,842,000	
Compensated Absences Payable	6,254,058	680,481	671,421	6,263,118	680,000
Net Pension Liability	33,195,714	29,734,011	11,064,501	51,865,224	599,141
Other Postemployment Benefits Payable	<u>3,630,000</u>	<u>600,000</u>	<u>662,000</u>	<u>3,568,000</u>	
Total Governmental Activities	<u>\$ 88,306,494</u>	<u>\$ 121,534,487</u>	<u>\$ 27,745,036</u>	<u>\$ 182,095,945</u>	<u>\$ 10,540,998</u>

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

For the governmental activities, compensated absences, employee pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary funds, as discussed in note II.G.

I. Fund Balance Reporting

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

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

J. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 953,362	\$
Special Revenue:		
Other		856,277
Debt Service:		
ARRA Economic Stimulus		920,014
Capital Projects:		
Other	984,163	
Nonmajor Governmental		161,234
Total	\$ 1,937,525	\$ 1,937,525

The amount due to the General Fund from the Special Revenue – Other Fund is to finance authorized activities of grants and contracts, which are financed on a cost reimbursement basis. The amount due to the General Fund from the nonmajor governmental funds is for money advanced to the nonmajor Special

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Revenue – Food Service Fund to finance the District’s food service program. The amount due to the Capital Projects – Other Fund from Debt Service – ARRA Economic Stimulus Fund is for a temporary loan of cash relating to debt service of the Certificates of Participation, Series 2010A. The amount due to the Capital Projects – Other Fund from the nonmajor governmental funds is for a temporary loan of cash relating to Capital Projects – Public Education Capital Outlay Fund is to finance authorized capital projects, which are financed on a cost reimbursement basis.

K. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

<u>Source</u>	<u>Amount</u>
Categorical Educational Program - Class Size Reduction	\$ 9,018,838
Florida Education Finance Program	4,986,362
Workforce Development Program	799,422
Voluntary Prekindergarten	518,348
Motor Vehicle License Tax (Capital Outlay and Debt Service)	332,660
School Recognition	278,836
Racing Commission Funds	223,250
Diagnostic and Learning Resources Centers	212,438
District Discretionary Lottery	140,129
Food Service Supplement	34,367
Mobile Home License Tax	32,260
Miscellaneous	636,862
Total	\$ 17,213,772

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

2. Property Taxes

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

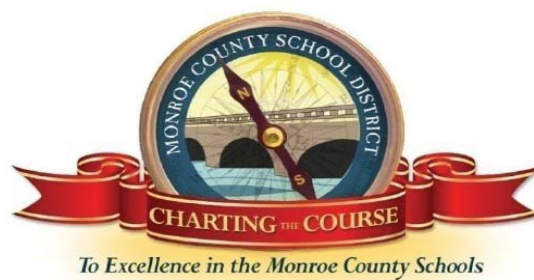
	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	1.736	\$ 43,669,106
Basic Discretionary Local Effort	0.748	18,815,952
Voted School Tax		
Additional Operating	0.500	12,577,507
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	0.500	12,577,507
Total	<u>3.484</u>	<u>\$ 87,640,072</u>

L. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 5,122,911	\$
Debt Service:		
ARRA Economic Stimulus	1,951,871	
Capital Projects:		
Section 1011.71(2), F.S., Local		
Capital Improvement Tax		6,912,337
Other		637,688
Nonmajor Governmental	722,146	246,903
Total	<u>\$ 7,796,928</u>	<u>\$ 7,796,928</u>

Interfund transfers represent permanent transfer of moneys between funds. The transfers out of the Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund to the Debt Service – ARRA Economic Stimulus Fund and the nonmajor Debt Service – Other Fund were to make debt service payments for the certificates of participation. The transfers out of the Capital Projects – Other Fund to the nonmajor Debt Service – Other Fund were to make debt service payments for the sales tax revenue bonds. Additionally, the transfers out of the Capital Projects – Section 1011.71, F.S. Local Capital Improvement Tax Fund to the General Fund were to reimburse maintenance, capital expenditures, and property and casualty insurance premiums recorded in the General Fund. The transfers out of the nonmajor governmental funds were to the General Fund for charter school capital outlay expenditures.



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MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS -
OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - (1) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
July 1, 2012	\$ -	\$ 8,565,000	\$ 8,565,000	0.0%	\$ 45,772,676	18.7%
July 1, 2014	-	7,627,000	7,627,000	0.0%	51,999,967	14.7%
July 1, 2016	-	6,926,000	6,926,000	0.0%	58,404,686	11.9%

Notes: (1) The actuarial cost method used to calculate the liability was the projected unit credit with benefits attributed from the date of hire to expected retirement age.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS -
EARLY RETIREMENT PLAN
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability:				
Service Cost	\$	\$	\$	\$
Interest	13,833	17,690	18,748	19,741
Deomgraphic Experience	5,419	(102,872)		
Changes of Assumptions		12,829		1,610
Benefit Payments, Including Refunds of Member Contributions	(58,511)	(56,808)	(53,754)	(53,546)
Net Change in Total Pension Liability	<u>(39,259)</u>	<u>(129,161)</u>	<u>(35,006)</u>	<u>(32,195)</u>
Total Pension Liability, Beginning	<u>\$ 487,441</u>	<u>\$ 616,602</u>	<u>651,608</u>	<u>683,803</u>
Total Pension Liability, Ending (A)	<u><u>\$ 448,182</u></u>	<u><u>\$ 487,441</u></u>	<u><u>\$ 616,602</u></u>	<u><u>\$ 651,608</u></u>
Plan Fiduciary Net Position:				
Employer Contributions	\$ 58,511	\$ 56,808	\$ 55,152	\$ 53,546
Net Investment Income	1,310	1,003	923	578
Benefit Payments, Including Refunds of Member Contributions	(58,511)	(56,808)	(55,152)	(53,546)
Administrative Expense				
Net Change in Plan Fiduciary Net Position	<u>1,310</u>	<u>1,003</u>	<u>923</u>	<u>578</u>
Plan Fiduciary Net Position, Beginning	<u>198,129</u>	<u>197,126</u>	<u>196,203</u>	<u>195,625</u>
Plan Fiduciary Net Position, Ending (B)	<u><u>\$ 199,439</u></u>	<u><u>\$ 198,129</u></u>	<u><u>\$ 197,126</u></u>	<u><u>\$ 196,203</u></u>
Net Pension Liability, Ending (A)-(B)	<u><u>\$ 248,743</u></u>	<u><u>\$ 289,312</u></u>	<u><u>\$ 419,476</u></u>	<u><u>\$ 455,405</u></u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	44.50%	40.65%	31.97%	30.11%
Covered Payroll	(1)	(1)	(1)	(1)
Net Pension Liability As a Percentage of Covered Payroll	(1)	(1)	(1)	(1)

Note: (1) The Covered Payroll and Net Pension Liability as a Percentage of Covered Payroll are not presented because all participants in the plan are retired.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 14,471	\$ 14,471	\$ 5,622	\$ 5,621	\$ 12,976	\$ 12,976
25,601	25,601	26,920	26,920	31,396	31,395
78,647				25,826	25,826
(51,986)	(50,472)	(48,855)	(48,558)	(47,283)	(45,906)
<u>66,733</u>	<u>(10,400)</u>	<u>(16,313)</u>	<u>(16,017)</u>	<u>22,915</u>	<u>24,291</u>
617,070	627,470	643,783	659,800	636,885	612,594
<u>\$ 683,803</u>	<u>\$ 617,070</u>	<u>\$ 627,470</u>	<u>\$ 643,783</u>	<u>\$ 659,800</u>	<u>\$ 636,885</u>
\$ 51,986	\$ 50,500	\$ 50,000	\$ 63,976	\$ 63,976	\$ 63,976
13	14	11	8	10	2,849
(51,986)	(50,472)	(48,855)	(48,558)	(47,283)	(45,906)
		(855)	(2,006)	(2,512)	(3,000)
<u>13</u>	<u>42</u>	<u>301</u>	<u>13,420</u>	<u>14,191</u>	<u>17,919</u>
195,612	195,570	195,269	181,849	167,658	149,739
<u>\$ 195,625</u>	<u>\$ 195,612</u>	<u>\$ 195,570</u>	<u>\$ 195,269</u>	<u>\$ 181,849</u>	<u>\$ 167,658</u>
<u>\$ 488,178</u>	<u>\$ 421,458</u>	<u>\$ 431,900</u>	<u>\$ 448,514</u>	<u>\$ 477,951</u>	<u>\$ 469,227</u>
28.61%	31.70%	31.17%	30.33%	27.56%	26.32%
(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
EARLY RETIREMENT PLAN
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 47,569	\$ 47,569	\$ 50,885	\$ 50,885
Contributions in Relation to the Actuarially Determined Contribution	58,511	79,754	55,152	53,546
Contributions Deficiency (Excess)	<u>\$ (10,942)</u>	<u>\$ (32,185)</u>	<u>\$ (4,267)</u>	<u>\$ (2,661)</u>
Covered Payroll	(1)	(1)	(1)	(1)
Contributions as a Percentage of Covered Payroll	(1)	(1)	(1)	(1)

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

(1) The Covered Payroll and Net Pension Liability as a Percentage of Covered Payroll are not presented because all participants in the plan are retired.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Aggregate Cost Method
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	6.62 Years
Asset Valuation Method	Market Value
Inflation	N/A - All participants in plan are retired.
Salary Increases	N/A - All participants in plan are retired.
Investment Rate of Return	3% per annum
Cost of Living Adjustment	3% per annum
Retirement Age	N/A - All participants in plan are retired.
Mortality	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA as published by the Internal Revenue Service for purposes of Internal Revenue Code section 430; future generational improvements in mortality have not been reflected.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 49,857	\$ 49,857	\$ 50,365	\$ 50,365	\$ 63,976	\$ 63,976
51,986	50,500	50,000	63,976	63,976	63,976
<u>\$ (2,129)</u>	<u>\$ (643)</u>	<u>\$ 365</u>	<u>\$ (13,611)</u>	<u>\$ 0</u>	<u>\$ 0</u>
(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS -
EARLY RETIREMENT PLAN

	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.78%	0.60%	1.93%	1.94%

Note: GASB Statement No. 67 was adopted for the 2013-14 fiscal year and 10-year trend information will be developed from that date forward.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

District Fiscal Year Ending	Plan Sponsor Measurement Date	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability (1)	District's Covered Payroll (2)	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2017	June 30, 2016	0.123101039%	\$ 31,083,110	\$ 56,592,210	54.92%	84.88%
June 30, 2016	June 30, 2015	0.124639896%	16,098,914	51,999,967	30.96%	92.00%
June 30, 2015	June 30, 2014	0.119195080%	7,272,653	48,305,552	15.06%	96.09%
June 30, 2014	June 30, 2013	0.112980889%	19,449,039	45,772,676	42.49%	88.54%

Notes: (1) Changes of Assumptions. The long-term expected rate of return used to determine total pension liability decreased from 7.65 percent to 7.6 percent from the June 30, 2015, measurement date to the June 30, 2016, measurement date causing an increase in the liability. In addition, the active member mortality assumption was updated.

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

District Fiscal Year Ending	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll (1)	FRS Contributions as a Percentage of Covered Payroll
June 30, 2017	\$ 3,271,866	\$ 3,271,866	\$ -	\$ 58,404,686	5.60%
June 30, 2016	3,002,015	3,002,015	-	56,592,210	5.30%
June 30, 2015	3,038,827	3,038,827	-	51,999,967	5.84%
June 30, 2014	2,610,878	2,610,878	-	48,305,552	5.40%

Note: (1) Covered payroll includes defined benefit actives, investment plan members, and members in DROP.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN

District Fiscal Year Ending	Plan Sponsor Measurement Date	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability (1)	District's Covered Payroll (2)	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2017	June 30, 2016	0.178317054%	\$ 20,782,114	\$ 56,592,210	36.72%	0.97%
June 30, 2016	June 30, 2015	0.167641538%	17,096,800	51,999,967	32.88%	0.50%
June 30, 2015	June 30, 2014	0.158905880%	14,858,088	48,305,552	30.76%	0.99%
June 30, 2014	June 30, 2013	0.152803671%	13,303,569	45,772,676	29.06%	1.78%

- Notes:
- (1) Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.8 percent to 2.85 percent from the June 30, 2015, measurement date to the June 30, 2016, measurement date causing an increase in the liability.
 - (2) Covered payroll includes defined benefit actives, investment plan members, and members in DROP.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE DISTRICT CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN**

District Fiscal Year Ending	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll (1)	HIS Contributions as a Percentage of Covered Payroll
June 30, 2017	\$ 968,737	\$ 968,737	\$ -	\$ 58,404,686	1.66%
June 30, 2016	913,989	913,989	-	56,592,210	1.62%
June 30, 2015	640,830	640,830	-	51,999,967	1.23%
June 30, 2014	544,358	544,358	-	48,305,552	1.13%

Notes: (1) Covered payroll includes defined benefit actives, investment plan members, and members in DROP.

Nonmajor Governmental Funds

Special Revenue Fund

The Special Revenue Fund accounts for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities included within the fund are as follows:

Food Service Fund - To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest on long-term debt.

Debt Service - Other Fund - To account for and report on the payment of principal, interest, and related costs on the sales tax bond issues, certificates of participation issues, and other debt issues.

State Board of Education Bonds Fund - To account for and report on the payment of principal, interest, and related costs of the school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Public Education Capital Outlay (PECO) Fund - To account for and report on funds received from the State for the construction and maintenance of schools.

Capital Outlay & Debt Service Fund - To account for and report on the excess dollars received through the State's Capital Outlay and Debt Service program used for construction and maintenance of schools.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

		Special Revenue Fund	
	Total Nonmajor Governmental Funds	Total Nonmajor Special Revenue Fund	Food Service Fund
ASSETS			
Cash	\$ 2,133,133	\$ 1,135,137	\$ 1,135,137
Accounts Receivable	7,485	6,263	6,263
Due from Other Agencies	180,326	113,221	113,221
Restricted Investments	4,828,646		
Inventories	99,507	99,507	99,507
Total Assets	\$ 7,249,097	\$ 1,354,128	\$ 1,354,128
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payroll Deductions and Withholdings Payable	\$ 10,774	\$ 10,774	\$ 10,774
Accounts Payable	3,473	3,473	3,473
Deposits Payable	70,403	70,403	70,403
Due to Other Funds	161,234	97,086	97,086
Due to Other Agencies	1,494	1,494	1,494
Total Liabilities	247,378	183,230	183,230
Fund Balances:			
Nonspendable:			
Inventories	99,507	99,507	99,507
Restricted for:			
Capital Projects	1,002,175		
Debt Service	4,828,646		
Food Service	1,071,391	1,071,391	1,071,391
Total Fund Balances	7,001,719	1,170,898	1,170,898
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,249,097	\$ 1,354,128	\$ 1,354,128

Debt Service Funds			Capital Projects Funds		
Total Nonmajor Debt Service Funds	Debt Service - Other Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$	\$	\$	\$ 997,996	\$	\$ 997,996
			1,222		1,222
4,828,646	4,828,646		67,105	64,148	2,957
\$ 4,828,646	\$ 4,828,646	\$	\$ 1,066,323	\$ 64,148	\$ 1,002,175
\$	\$	\$	\$	\$	\$
			64,148	64,148	
			64,148	64,148	
4,828,646	4,828,646		1,002,175		1,002,175
4,828,646	4,828,646		1,002,175		1,002,175
\$ 4,828,646	\$ 4,828,646	\$ 0	\$ 1,066,323	\$ 64,148	\$ 1,002,175

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

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Funds	Food Service Fund
REVENUES			
Federal Through State and Local Sources:			
Food Service	\$ 2,662,351	\$ 2,662,351	\$ 2,662,351
State Sources:			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	327,747		
Food Service Supplement	34,367	34,367	34,367
Miscellaneous	246,903		
Total State Sources	609,017	34,367	34,367
Local Sources:			
Food Service Sales	839,486	839,486	839,486
Interest Income	152,786	7,964	7,964
Miscellaneous	65	65	65
Total Local Sources	992,337	847,515	847,515
Total Revenues	4,263,705	3,544,233	3,544,233

(Continued)

Debt Service Funds			Capital Projects Funds		
Total Nonmajor Debt Service Funds	Debt Service - Other Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$	\$	\$	\$	\$	\$
8,197		8,197	319,550		319,550
			246,903	246,903	
8,197		8,197	566,453	246,903	319,550
139,277	139,277		5,545		5,545
139,277	139,277		5,545		5,545
147,474	139,277	8,197	571,998	246,903	325,095

(Continued)

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

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Funds	Food Service Fund
EXPENDITURES			
Current - Education:			
Facilities Services	\$ 50,231	\$	\$
Food Service	3,457,024	3,457,024	3,457,024
Capital Outlay:			
Other Capital Outlay	22,010	22,010	22,010
Debt Service:			
Principal	318,000		
Interest and Fiscal Charges	1,347,594		
Total Expenditures	<u>5,194,859</u>	<u>3,479,034</u>	<u>3,479,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(931,154)</u>	<u>65,199</u>	<u>65,199</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	2,136	2,136	2,136
Issuance of Bonds	768,799		
Transfers In	722,146		
Transfers Out	(246,903)		
Total Other Financing Sources (Uses)	<u>1,246,178</u>	<u>2,136</u>	<u>2,136</u>
Net Change in Fund Balances	315,024	67,335	67,335
Fund Balances, Beginning	<u>6,686,695</u>	<u>1,103,563</u>	<u>1,103,563</u>
Fund Balances, Ending	<u><u>\$ 7,001,719</u></u>	<u><u>\$ 1,170,898</u></u>	<u><u>\$ 1,170,898</u></u>

Debt Service Funds			Capital Projects Funds		
Total Nonmajor Debt Service Funds	Debt Service - Other Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$	\$	\$	\$ 50,231	\$ 50,231	\$
318,000	310,000	8,000			
1,347,594	1,347,188	406			
1,665,594	1,657,188	8,406	50,231	50,231	
(1,518,120)	(1,517,911)	(209)	521,767	196,672	325,095
768,799	768,799				
722,146	722,146		(246,903)	(246,903)	
1,490,945	1,490,945		(246,903)	(246,903)	
(27,175)	(26,966)	(209)	274,864	(50,231)	325,095
4,855,821	4,855,612	209	727,311	50,231	677,080
\$ 4,828,646	\$ 4,828,646	\$ 0	\$ 1,002,175	\$ 0	\$ 1,002,175

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities within the funds are as follows:

Major Special Revenue Funds

Special Revenue - Other Fund - To account for and report on activities of various Federal programs according to the specifications and requirements of each funding source.

Nonmajor Special Revenue Fund

Food Service Fund - To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)

	Special Revenue Funds			
	Governmental Funds			
	Major	Nonmajor	Totals	
	Special Revenue - Other Fund	Food Service Fund	2017	2016
ASSETS				
Cash	\$	\$ 1,135,137	\$ 1,135,137	\$ 1,023,778
Accounts Receivable		6,263	6,263	5,295
Due from Other Agencies	921,711	113,221	1,034,932	985,862
Inventories		99,507	99,507	85,086
Total Assets	\$ 921,711	\$ 1,354,128	\$ 2,275,839	\$ 2,100,021
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payroll Deductions and Withholdings Payable	\$ 49,320	\$ 10,774	\$ 60,094	\$ 52,212
Accounts Payable	2,297	3,473	5,770	1,344
Deposits Payable		70,403	70,403	65,224
Due to Other Funds	856,277	97,086	953,363	865,687
Due to Other Agencies	13,817	1,494	15,311	11,991
Total Liabilities	921,711	183,230	1,104,941	996,458
Fund Balances:				
Nonspendable				
Inventories		99,507	99,507	85,086
Restricted for:				
Food Service		1,071,391	1,071,391	1,018,477
Total Fund Balances		1,170,898	1,170,898	1,103,563
TOTAL LIABILITIES AND FUND BALANCES	\$ 921,711	\$ 1,354,128	\$ 2,275,839	\$ 2,100,021

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	Special Revenue Funds		
	Governmental Funds		
	Major	Nonmajor	Totals
	Special Revenue - Other Fund	Food Service Fund	
			2017
			2016
REVENUES			
Federal Direct Sources:			
Miscellaneous Federal Direct	\$ 1,289,873	\$	\$ 1,289,873 \$ 1,189,865
Federal Through State Sources:			
Food Service		2,662,351	2,662,351 2,539,760
Other Federal Through State Sources	4,746,504		4,746,504 5,128,666
Total Federal Through State Sources	4,746,504	2,662,351	7,408,855 7,668,426
State Sources:			
Food Service Supplement		34,367	34,367 35,404
Local Sources:			
Food Service Sales		839,486	839,486 890,261
Interest Income		7,964	7,964 3,970
Miscellaneous		65	65
Total Local Sources		847,515	847,515 894,231
Total Revenues	6,036,377	3,544,233	9,580,610 9,787,926

(Continued)

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	Special Revenue Funds			
	Governmental Funds			
	Major	Nonmajor	Totals	
	Special Revenue - Other Fund	Food Service Fund	2017	2016
EXPENDITURES				
Current - Education:				
Instruction	\$ 3,234,158	\$	\$ 3,234,158	\$ 3,378,598
Student Support Services	971,048		971,048	944,000
Instruction and Curriculum Development Services	1,035,420		1,035,420	1,105,325
Instructional Staff Training Services	423,455		423,455	557,089
Instruction Related Technology	1,079		1,079	12,392
General Administration	195,260		195,260	248,271
School Administration	1,184		1,184	2,976
Food Services		3,457,024	3,457,024	3,276,070
Student Transportation Services	116		116	
Operation of Plant	1,715		1,715	1,551
Capital Outlay:				
Other Capital Outlay	172,942	22,010	194,952	134,125
Total Expenditures	6,036,377	3,479,034	9,515,411	9,660,397
Excess of Revenues Over Expenditures		65,199	65,199	127,529
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets		2,136	2,136	
Total Other Financing Sources (Uses)		2,136	2,136	
Net Change in Fund Balances		67,335	67,335	127,529
Fund Balances, Beginning		1,103,563	1,103,563	976,034
Fund Balances, Ending	\$ 0	\$ 1,170,898	\$ 1,170,898	\$ 1,103,563

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local Sources:				
Food Service	\$ 2,540,600	\$ 2,662,351	\$ 2,662,351	\$
State Sources:				
Food Service Supplement	33,600	34,367	34,367	
Local Sources:				
Food Service	901,400	839,486	839,486	
Interest Income	5,280	7,964	7,964	
Miscellaneous		65	65	
Total Local Sources	906,680	847,515	847,515	
Total Revenues	3,480,880	3,544,233	3,544,233	
EXPENDITURES				
Current - Education:				
Food Services:				
Salaries	1,228,734	1,241,025	1,195,901	45,124
Employee Benefits	621,578	629,477	570,550	58,927
Purchased Services	210,775	194,828	169,011	25,817
Energy Services	129,300	119,970	98,611	21,359
Materials and Supplies	1,510,382	1,527,169	1,402,749	124,420
Capital Outlay	45,400	11,690	2,354	9,336
Other	24,075	24,075	17,848	6,227
Total Food Services	3,770,244	3,748,234	3,457,024	291,210
Capital Outlay:				
Other Capital Outlay		22,010	22,010	
Total Expenditures	3,770,244	3,770,244	3,479,034	291,210
Excess (Deficiency) of Revenues Over Expenditures	(289,364)	(226,011)	65,199	291,210
OTHER FINANCING SOURCES				
Sale of Capital Assets		2,136	2,136	
Net Change in Fund Balances	(289,364)	(223,875)	67,335	291,210
Fund Balances, Beginning	1,103,563	1,103,563	1,103,563	
Fund Balances, Ending	\$ 814,199	\$ 879,688	\$ 1,170,898	\$ 291,210

Debt Service Funds

The Debt Service Funds are used to account for the payment of principal and interest on long-term debt.

Major Debt Service Funds

ARRA Economic Stimulus Fund - To account for and report on the payment of principal, interest, and related costs for the Certificates of Participation, Series 2010A, issued under the Qualified School Construction Bond program.

Nonmajor Debt Service Fund

Debt Service - Other Fund - To account for and report on the payment of principal, interest, and related costs on the sales tax bond issues, certificates of participation issues, and other debt issues.

State Board of Education Bonds Fund - To account for and report on the payment of principal, interest, and related costs on the school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)

	Debt Service Funds				
	Governmental Funds				
	Major	Nonmajor		Totals	
	Debt Service - ARRA Economic Stimulus Fund	Debt Service - Other	State Board of Education Bonds Fund	2017	2016
ASSETS					
Cash	\$	\$	\$	\$	\$
Due From Other Agencies	920,014.00			920,014	77,343
Investments					209
Restricted Investments	14,211,956	4,828,646		19,040,602	17,058,663
Total Assets	\$ 15,131,970	\$ 4,828,646	\$	\$ 19,960,616	\$ 17,136,215
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ 920,014	\$	\$	\$ 920,014	\$
Fund Balances:					
Restricted for:					
Debt Service	14,211,956	4,828,646		19,040,602	17,136,215
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,131,970	\$ 4,828,646	\$ 0	\$ 19,960,616	\$ 17,136,215

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	Debt Service Funds				
	Governmental Funds				
	Major	Nonmajor		Totals	
	Debt Service - ARRA Economic Stimulus Fund	Debt Service - Other	State Board of Education Bonds Fund	2017	2016
REVENUES					
Federal Direct:					
Miscellaneous Federal Direct	\$ 1,840,028.00	\$	\$	\$ 1,840,028	\$ 1,845,569
State Sources:					
Motor Vehicle License Tax (Capital Outlay and Debt Service)			8,197	8,197	21,710
Local Sources:					
Interest Income	198,769	139,277		338,046	310,168
Miscellaneous	(3,856)			(3,856)	
Total Local Sources	194,913	139,277		334,190	310,168
Total Revenues	2,034,941	139,277	8,197	2,182,415	2,177,447
EXPENDITURES					
Debt Service:					
Principal		310,000	8,000	318,000	12,617,000
Interest and Fiscal Charges	2,055,250	1,347,188	406	3,402,844	2,297,620
Total Expenditures	2,055,250	1,657,188	8,406	3,720,844	14,914,620
Deficiency of Revenues Over Expenditures	(20,309)	(1,517,911)	(209)	(1,538,429)	(12,737,173)
OTHER FINANCING SOURCES					
Issuance of Bonds		768,799		768,799	
Transfers In	1,951,871	722,146		2,674,017	9,065,909
Total Other Financing Sources	1,951,871	1,490,945		3,442,816	9,065,909
Net Change in Fund Balances	1,931,562	(26,966)	(209)	1,904,387	(3,671,264)
Fund Balances, Beginning	12,280,394	4,855,612	209	17,136,215	20,807,479
Fund Balances, Ending	\$ 14,211,956	\$ 4,828,646	\$ 0	\$ 19,040,602	\$ 17,136,215

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE - ARRA ECONOMIC STIMULUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

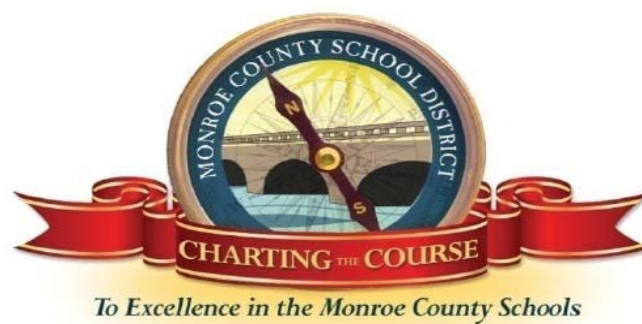
Debt Service - ARRA Economic Stimulus Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct:				
Miscellaneous Federal Direct	\$ 1,832,123	\$ 1,840,028	\$ 1,840,028	\$
Local Sources:				
Interest Income		194,913	198,769	3,856
Miscellaneous			(3,856)	(3,856)
Total Revenues	<u>1,832,123</u>	<u>2,034,941</u>	<u>2,034,941</u>	
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	<u>2,055,250</u>	<u>2,055,250</u>	<u>2,055,250</u>	
Deficiency of Revenues Over Expenditures	<u>(223,127)</u>	<u>(20,309)</u>	<u>(20,309)</u>	
OTHER FINANCING SOURCES				
Transfers In	<u>1,895,000</u>	<u>1,951,871</u>	<u>1,951,871</u>	
Net Change in Fund Balances	<u>1,671,873</u>	<u>1,931,562</u>	<u>1,931,562</u>	
Fund Balances, Beginning	<u>12,280,394</u>	<u>12,280,394</u>	<u>12,280,394</u>	
Fund Balances, Ending	<u>\$ 13,952,267</u>	<u>\$ 14,211,956</u>	<u>\$ 14,211,956</u>	<u>\$ 0</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Debt Service - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Interest Income	\$	\$ 139,277	\$ 139,277	\$
EXPENDITURES				
Debt Service:				
Principal	310,000	310,000	310,000	
Interest and Fiscal Charges	10,881	1,347,188	1,347,188	
Total Expenditures	320,881	1,657,188	1,657,188	
Deficiency of Revenues Over Expenditures	(320,881)	(1,517,911)	(1,517,911)	
OTHER FINANCING SOURCES				
Issuance of Bonds		768,799	768,799	
Transfers In	322,000	722,146	722,146	
Total Other Financing Sources	322,000	1,490,945	1,490,945	
Net Change in Fund Balances	1,119	(26,966)	(26,966)	
Fund Balances, Beginning	4,855,612	4,855,612	4,855,612	
Fund Balances, Ending	\$ 4,856,731	\$ 4,828,646	\$ 4,828,646	\$ 0

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE - STATE BOARD OF EDUCATION BONDS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Debt Service - State Board of Education Bonds Fund			
	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final	
REVENUES			
State Sources:			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 8,400	\$ 8,197	\$ 8,197
EXPENDITURES			
Debt Service:			
Principal	8,000	8,000	8,000
Interest and Fiscal Charges	400	406	406
Total Expenditures	8,400	8,406	8,406
Deficiency of Revenues Over Expenditures		(209)	(209)
Net Change in Fund Balances		(209)	(209)
Fund Balances, Beginning	209	209	209
Fund Balances, Ending	\$ 209	\$ 0	\$ 0



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Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing buildings, or major renovation projects. Specific funding sources included herein are:

Major Capital Projects Fund

Section 1011.71(2), F.S., Local Capital Improvement Tax Fund - To account for the funds received through the levy of ad valorem taxes for capital outlay purposes.

Capital Projects - Other Fund - To account for and report on funds received from various sources designated for construction remodeling and renovation, expansion of schools and ancillary facilities, and maintenance of schools. Those various sources include sales tax funds collected through a voter approved sales tax referendum; funds received through the issuance of certificates of participation; and local capital improvement funds not required to be accounted for separately.

Nonmajor Capital Projects Funds

Public Education Capital Outlay (PECO) Fund - To account for and report on funds received from the State for the construction and maintenance of schools.

Capital Outlay & Debt Service Fund - To account for capital project activity funded by the District's portion of the State Capital Outlay and Debt Service Program.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)

	Capital Projects Funds					
	Governmental Funds					
	Major		Nonmajor		Totals	
	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2017	2016
ASSETS						
Cash	\$ 4,776,206	\$ 29,656,855	\$	\$ 997,996	\$ 35,431,057	\$ 17,018,226
Investments		74,259,724			74,259,724	10,274,763
Accounts Receivable	5,634	38,522		1,222	45,378	
Due from Other Funds		984,163			984,163	192,316
Due from Other Agencies	719	1,436,248	64,148	2,957	1,504,072	1,641,376
Prepaid Items		100,000			100,000	24,934
Total Assets	\$ 4,782,559	\$ 106,475,512	\$ 64,148	\$ 1,002,175	\$ 112,324,394	\$ 29,151,615
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 107,985	\$ 2,134,967	\$	\$	\$ 2,242,952	\$ 651,212
Construction Contracts Payable		201,847			201,847	196,201
Due to Other Funds			64,148		64,148	192,316
Due to Other Agencies		102,847			102,847	102,847
Advanced Revenue						2,178
Total Liabilities	107,985	2,439,661	64,148		2,611,794	1,144,754
Fund Balances:						
Nonspendable:						
Prepaid Amounts		100,000			100,000	24,934
Restricted for:						
Capital Projects	4,674,574	100,840,340		1,002,175	106,517,089	24,852,164
Assigned for:						
Capital Projects		3,095,511			3,095,511	3,129,763
Total Fund Balances	4,674,574	104,035,851		1,002,175	109,712,600	28,006,861
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,782,559	\$ 106,475,512	\$ 64,148	\$ 1,002,175	\$ 112,324,394	\$ 29,151,615

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	Capital Projects Funds					
	Governmental Funds					
	Major		Nonmajor		Totals	
	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2017	2016
REVENUES						
State Sources:						
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$	\$	\$	\$ 319,550	\$ 319,550	\$ 313,546
Miscellaneous			246,903		246,903	311,288
Total State Sources			246,903	319,550	566,453	624,834
Local Sources:						
Ad Valorem Taxes	12,190,559				12,190,559	11,219,852
Sales Taxes		17,730,317			17,730,317	17,375,355
Interest Income	50,192	574,119		5,545	629,856	129,817
Miscellaneous		19,100			19,100	165,891
Total Local Sources	12,240,751	18,323,536		5,545	30,569,832	28,890,915
Total Revenues	12,240,751	18,323,536	246,903	325,095	31,136,285	29,515,749
EXPENDITURES						
Current:						
Facilities Services	2,616,039	5,623,754	50,231		8,290,024	6,940,374
Capital Outlay:						
Facilities Acquisition and Construction	54,273	6,405,613			6,459,886	1,326,642
Other Capital Outlay	1,382,217	506,233			1,888,450	2,036,183
Debt Service:						
Interest and Fiscal Charges						236
Total Expenditures	4,052,529	12,535,600	50,231		16,638,360	10,303,435
Excess of Revenues Over Expenditures	8,188,222	5,787,936	196,672	325,095	14,497,925	19,212,314
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds		67,956,201			67,956,201	
Premium on Sale of Bonds		7,048,541			7,048,541	
Transfers Out	(6,912,337)	(637,688)	(246,903)		(7,796,928)	(13,194,804)
Total Other Financing Sources (Uses)	(6,912,337)	74,367,054	(246,903)		67,207,814	
Net Change in Fund Balances	1,275,885	80,154,990	(50,231)	325,095	81,705,739	6,017,510
Fund Balances, Beginning	3,398,689	23,880,861	50,231	677,080	28,006,861	21,989,351
Fund Balances, Ending	\$ 4,674,574	\$ 104,035,851	\$ 0	\$ 1,002,175	\$ 109,712,600	\$ 28,006,861

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS -
SECTION 1011.71(2), F.S., LOCAL CAPITAL IMPROVEMENT TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Ad Valorem Taxes	\$ 12,195,279	\$ 12,190,559	\$ 12,190,559	\$
Interest Income		50,192	50,192	
Total Local Sources	12,195,279	12,240,751	12,240,751	
Total Revenues	12,195,279	12,240,751	12,240,751	
EXPENDITURES				
Current - Education:				
Facilities Services		6,018,760	2,616,039	3,402,721
Capital Outlay:				
Facilities Acquisition and Construction	8,123,766	283,446	54,273	229,173
Other Capital Outlay		1,770,453	1,382,217	388,236
Total Capital Outlay	8,123,766	2,053,899	1,436,490	617,409
Total Expenditures	8,123,766	8,072,659	4,052,529	4,020,130
Excess of Revenues Over Expenditures	4,071,513	4,168,092	8,188,222	4,020,130
OTHER FINANCING USES				
Transfers Out	(7,256,290)	(7,155,031)	(6,912,337)	242,694
Net Change in Fund Balance	(3,184,777)	(2,986,939)	1,275,885	4,262,824
Fund Balance, Beginning	3,398,689	3,398,689	3,398,689	
Fund Balance, Ending	\$ 213,912	\$ 411,750	\$ 4,674,574	\$ 4,262,824

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

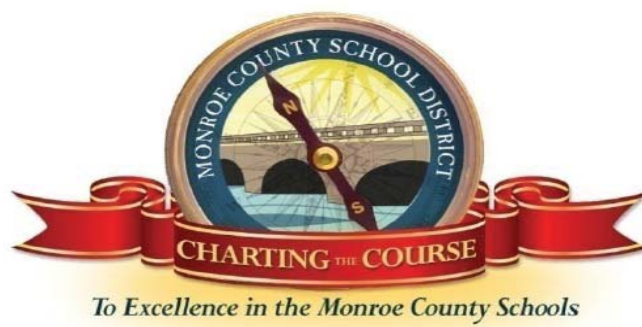
	Capital Projects - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources:				
Sales Taxes	\$ 17,750,000	\$ 17,730,317	\$ 17,730,317	\$
Interest Income		574,119	574,119	
Miscellaneous		19,101	19,100	(1)
Total Local Sources	17,750,000	18,323,537	18,323,536	(1)
Total Revenues	17,750,000	18,323,537	18,323,536	(1)
EXPENDITURES				
Current - Education:				
Facilities Services		42,375,683	5,623,754	36,751,929
Capital Outlay:				
Facilities Acquisition and Construction	104,938,507	66,235,686	6,405,613	59,830,073
Other Capital Outlay	96,687	1,982,439	506,233	1,476,206
Total Capital Outlay	105,035,194	68,218,125	6,911,846	61,306,279
Total Expenditures	105,035,194	110,593,808	12,535,600	98,058,208
Excess (Deficiency) of Revenues Over Expenditures	(87,285,194)	(92,270,271)	5,787,936	98,058,207
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	75,000,000	75,004,742	67,956,201	(7,048,541)
Premium on Sale of Bonds			7,048,541	7,048,541
Transfers Out	(75,000)	(653,270)	(637,688)	15,582
Total Other Financing Sources (Uses)	74,925,000	74,351,472	74,367,054	15,582
Change in Fund Balance	(12,360,194)	(17,918,799)	80,154,990	98,073,789
Fund Balance, Beginning	23,880,861	23,880,861	23,880,861	
Fund Balance, Ending	\$ 11,520,667	\$ 5,962,062	\$ 104,035,851	\$ 98,073,789

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS - PUBLIC EDUCATION CAPITAL OUTLAY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Capital Projects - Public Education Capital Outlay (PECO) Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources:				
Miscellaneous	\$ 524,173	\$ 524,173	\$ 246,903	\$ (277,270)
EXPENDITURES				
Current - Education:				
Facilities Services	315,276	315,276	50,231	265,045
Excess of Revenue Over Expenditures	208,897	208,897	196,672	(12,225)
OTHER FINANCING USES				
Transfers Out	(259,128)	(259,128)	(246,903)	12,225
Change in Fund Balance	(50,231)	(50,231)	(50,231)	
Fund Balance, Beginning	50,231	50,231	50,231	
Fund Balance, Ending	\$ 0	\$ 0	\$ 0	\$ 0

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS - CAPITAL OUTLAY & DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Capital Projects - Capital Outlay & Debt Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 99,570	\$ 319,799	\$ 319,550	\$ (249)
Local Sources:				
Interest Income		5,545	5,545	
Total Revenues	99,570	325,344	325,095	(249)
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges		249		249
Excess of Revenues Over Expenditures	99,570	325,095	325,095	
Net Change in Fund Balance	99,570	325,095	325,095	
Fund Balance, Beginning	677,080	677,080	677,080	
Fund Balance, Ending	<u>\$ 776,650</u>	<u>\$ 1,002,175</u>	<u>\$ 1,002,175</u>	<u>\$ 0</u>



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Internal Service Funds

Internal Service Funds are nonmajor proprietary funds reported as governmental activities. They are used to account for the self-insurance activities of the District. The following funds are included in the Internal Service Funds:

Self Insurance - Workers' Compensation/General Liability - To account for and report on funds received for and used to pay for claims under the District's self-insured property, casualty, liability, and workers' compensation program.

Self Insurance - Vista - To account for and report on funds received for and used to pay administration costs for the District's employee benefit plans.

Self Insurance - Health Insurance - To account for and report on funds received for and used to pay for healthcare claims under the District's self-insured health program.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2017
(With Comparative Totals for June 30, 2016)

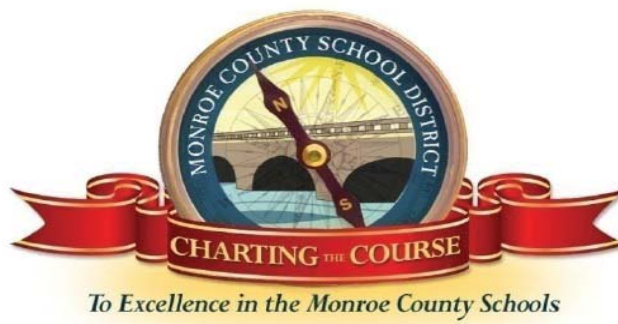
	Proprietary Funds - Internal Service Funds				
	Governmental Activities			Totals	
	Self-Insurance				
	Workers' Compensation/ General Liability	Vista	Health Insurance	2017	2016
ASSETS					
Current Assets					
Cash	\$ 2,886,374	\$ 577,549	\$ 3,963,984	\$ 7,427,907	\$ 6,841,755
Accounts Receivable	3,374	704	4,868	8,946	
Due from Insurer	1,119,066			1,119,066	1,567,342
Prepaid Items	162,122			162,122	134,438
TOTAL ASSETS	4,170,936	578,253	3,968,852	8,718,041	8,543,535
LIABILITIES					
Current Liabilities:					
Payroll Deductions and Withholdings Payable	7		7	14	
Account Payable		834	1,275,600	1,276,434	1,453,963
Estimated Insurance Claims Payable	915,480		1,068,084	1,983,564	1,909,077
Total Current Liabilities	915,487	834	2,343,691	3,260,012	3,363,040
Noncurrent Liabilities:					
Estimated Insurance Claims Payable	2,139,370			2,139,370	2,157,645
TOTAL LIABILITIES	3,054,857	834	2,343,691	5,399,382	5,520,685
NET POSITION					
Unrestricted	\$ 1,116,079	\$ 577,419	\$ 1,625,161	\$ 3,318,659	\$ 3,022,850

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	Proprietary Funds - Internal Service Funds				
	Governmental Activities				
	Self-Insurance			Totals	
	Workers' Compensation/ General Liability	Vista	Health Insurance	2017	2016
OPERATING REVENUES					
Premium Contributions	\$ 1,629,019	\$ 179,584	\$ 12,670,071	\$ 14,478,674	\$ 13,956,790
Insurance Loss Recoveries	1,448,000	250	1,127,682	2,575,932	1,210,522
Total Operating Revenues	3,077,019	179,834	13,797,753	17,054,606	15,167,312
OPERATING EXPENSES					
Salaries	93,345		93,908	187,253	177,012
Employees Benefits	55,389	54,940	32,687	143,016	134,462
Purchased Services	314,917	17,141	1,415,664	1,747,722	1,648,991
Materials and Supplies	666		10,642	11,308	9,925
Capital Outlay			8,259	8,259	8,796
Insurance Claims	1,659,552		13,092,218	14,751,770	14,912,380
Total Operating Expenses	2,123,869	72,081	14,653,378	16,849,328	16,891,566
Operating Income (Loss)	953,150	107,753	(855,625)	205,278	(1,724,254)
NONOPERATING REVENUES					
Interest Revenue	14,898	3,823	21,810	40,531	34,175
Miscellaneous			50,000	50,000	75,000
Total Nonoperating Revenues	14,898	3,823	71,810	90,531	109,175
Change in Net Position	968,048	111,576	(783,815)	295,809	(1,615,079)
Total Net Position, Beginning	148,031	465,843	2,408,976	3,022,850	4,637,929
Total Net Position, Ending	<u>\$ 1,116,079</u>	<u>\$ 577,419</u>	<u>\$ 1,625,161</u>	<u>\$ 3,318,659</u>	<u>\$ 3,022,850</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2017

	Proprietary Funds - Internal Service Funds			
	Governmental Activities			
	Self-Insurance		Totals	
	Workers' Compensation/ General Liability	Vista	Health Insurance	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Board Funds and Participants	\$ 2,072,722	\$ 178,880	\$ 12,666,402	\$ 14,918,004
Cash Received from Loss Recoveries	1,448,001	250	1,127,681	2,575,932
Cash Payments to Suppliers for Goods and Services	(343,268)	(16,808)	(1,612,427)	(1,972,503)
Cash Payments to Employees for Services	(148,735)	(54,940)	(126,579)	(330,254)
Cash Payments for Insurance Claims	(1,703,495)		(12,992,063)	(14,695,558)
Net Cash Provided (Used) by Operating Activities	1,325,225	107,382	(936,986)	495,621
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous			50,000	50,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	14,898	3,823	21,810	40,531
Net Increase (Decrease) in Cash	1,340,123	111,205	(865,176)	586,152
Cash, Beginning	1,546,250	466,344	4,829,161	6,841,755
Cash, Ending	\$ 2,886,373	\$ 577,549	\$ 3,963,985	\$ 7,427,907
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 953,150	\$ 107,753	\$ (855,625)	\$ 205,278
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(3,375)	(704)	(4,867)	(8,946)
Decrease in Due from Insurer	447,077		1,199	448,276
Increase in Prepaid Items	(27,684)			(27,684)
Increase in Payroll Deductions and Withholdings Payable	7		7	14
Increase (Decrease) in Accounts Payable		333	(177,862)	(177,529)
Increase (Decrease) in Estimated Insurance Claims Payable	(43,950)		100,162	56,212
Total Adjustments	372,075	(371)	(81,361)	290,343
Net Cash Provided (Used) by Operating Activities	\$ 1,325,225	\$ 107,382	\$ (936,986)	\$ 495,621



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Discretely Presented Component Units

The component units' columns in the basic financial statements include the financial data of the District's discretely presented component units.

Nonmajor Discretely Presented Component Units

Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Key West Montessori Elementary Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc. are separate not for profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These six charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District because the District is financially accountable for the charter schools and there is the potential for the charter schools to impose specific financial burdens on the District.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Key West Montessori Elementary Charter School, Inc.	Treasure Village Montessori
ASSETS				
Cash	\$ 77,749	\$ 23,130	\$ 436,483	\$ 245,945
Investments		200,000		
Accounts Receivables	6,581		15,260	12,965
Due from Other Agencies		7,086		
Prepaid Items	11,391	19,407	2,724	47,866
Deposits Receivable				17,838
Other Assets	8,638		22,074	
Capital Assets:				
Non-Depreciable				
Depreciable (Net)	9,464	42,175	117,372	401,000
TOTAL ASSETS	113,823	291,798	593,913	725,614
LIABILITIES				
Salaries and Benefits Payable	59,508	20,632		151,786
Accounts Payable	5,152	22,000	32,074	17,819
Advanced Revenue			707	
Noncurrent Liabilities:				
Portion Due Within One Year	23,785			
Portion Due in More Than One Year	74,262			
TOTAL LIABILITIES	162,707	42,632	32,781	169,605
NET POSITION				
Investment in Capital Assets	9,464	42,175	117,372	401,000
Unrestricted	(58,348)	206,991	443,760	155,009
TOTAL NET POSITION - COMPONENT UNITS	\$ (48,884)	\$ 249,166	\$ 561,132	\$ 556,009

Charter Schools		
Ocean Studies Charter School, Inc.	Sigsbee Charter School, Inc.	Total Charter Schools
\$ 157,119	\$ 2,655,000	\$ 3,595,426
	495,618	695,618
	1,631	36,437
4,348	75,375	86,809
13,598	168,437	263,423
		17,838
		30,712
	3,043,279	3,043,279
94,643	6,453,112	7,117,766
269,708	12,892,452	14,887,308
63,649	242,024	537,599
15,712	83,790	176,547
	8,806	9,513
17,428	6,993	48,206
11,907	29,557	115,726
108,696	371,170	887,591
65,308	9,496,391	10,131,710
95,704	3,024,891	3,868,007
\$ 161,012	\$ 12,521,282	\$ 13,999,717

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
JUNE 30, 2017

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Key West Montessori Elementary Charter School, Inc.	Treasure Village Montessori
Governmental Activities:				
Instruction	\$ 908,976	\$ 345,711	\$ 864,385	\$ 1,309,746
Student Support Services	90,375		54,757	78,615
Instructional Media Services				
Instruction and Curriculum Development Services			28,421	
Instructional Staff Training Services		8,690	10,158	28,653
Instruction Related Technology				
School Board		8,599	19,056	457
General Administration				
School Administration	236,474	222,211	303,628	347,737
Facilities Services			39,567	318,275
Fiscal Services		12,075	61,381	63,618
Food Services	23,174			
Central Services		15,240	7,917	
Student Transportation Services	11,206		4,013	112
Operation of Plant	232,560	114,655	56,247	160,461
Maintenance of Plant	238,064			
Administrative Technology Services			2,422	5,196
Community Services	13,161		32,051	
Interest on Long-Term Debt				
Unallocated Depreciation Expense	5,376			57,783
Loss on Disposal of Capital Assets			8,749	
Total Governmental Activities	1,759,366	727,181	1,492,752	2,370,653
Program Revenue				
Charge for Services:				
Instruction				148,837
Food Services				
Community Services			27,582	
Total Charges for Services			27,582	148,837
Operating Grants and Contributions:				
Instruction				19,976
Operation of Plant	232,560			
Community Services	9,493			
Total Operating Grants and Contributions	242,053			19,976
Capital Grants and Contributions:				
Facilities Services				55,118
Operation of Plant		26,061		
Total Capital Grants and Contributions		26,061		55,118
Total Program Revenues	242,053	26,061	27,582	223,931
Net (Expense) Revenue	(1,517,313)	(701,120)	(1,465,170)	(2,146,722)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs	1,487,470	727,992	1,366,745	1,902,648
Unrestricted Investment Earnings		13,332		
Miscellaneous	40,019		175,864	168,007
Total General Revenues	1,527,489	741,324	1,542,609	2,070,655
Change in Net Position	10,176	40,204	77,439	(76,067)
Net Position - Beginning	(59,060)	208,962	483,693	632,076
Net Position - Ending	\$ (48,884)	\$ 249,166	\$ 561,132	\$ 556,009

Charter Schools		
Ocean Studies Charter School, Inc.	Sigsbee Charter School, Inc.	Total Charter Schools
\$ 518,372	\$ 2,846,451	\$ 6,793,641
	46,002	269,749
135	195,478	195,613
49,134	74,037	151,592
18,285	185,169	250,955
6,514	69,110	75,624
	15,616	43,728
	49,508	49,508
206,098	368,277	1,684,425
2,050		359,892
5,805		142,879
	104,144	127,318
		23,157
1,532		16,863
233,086	711,011	1,508,020
30,453	44,837	313,354
		7,618
	57,572	102,784
1,372		1,372
		63,159
		8,749
1,072,836	4,767,212	12,190,000
		148,837
	84,209	84,209
	5,792	33,374
	90,001	266,420
	112,366	132,342
		232,560
	49,952	59,445
	162,318	424,347
	184,488	239,606
28,344		54,405
28,344	184,488	294,011
28,344	436,807	984,778
(1,044,492)	(4,330,405)	(11,205,222)
970,874	5,756,911	12,212,640
	8,278	21,610
116,436	111,054	611,380
1,087,310	5,876,243	12,845,630
42,818	1,545,838	1,640,408
118,194	10,975,444	12,359,309
\$ 161,012	\$ 12,521,282	\$ 13,999,717

General Fund

The General Fund is the primary operating fund of the School Board. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The General Fund is reported as a major governmental fund.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE BALANCE SHEET
GENERAL FUND
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)

	General Fund	
	Major Governmental Fund	
	Totals	
	2017	2016
ASSETS		
Cash	\$ 11,572,160	\$ 11,260,580
Investments		49,394
Accounts Receivable	17,307	29,232
Due from Other Funds	953,362	865,687
Due from Other Agencies	714,610	1,976,275
Prepaid Items	451,109	498,088
Inventories	18,729	7,571
Total Assets	\$ 13,727,277	\$ 14,686,827
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 3,321,279	\$ 3,055,828
Payroll Deductions and Withholdings Payable	230,671	190,081
Accounts Payable	178,635	266,845
Due to Other Agencies	37,612	29,171
Total Liabilities	3,768,197	3,541,925
Fund Balances:		
Nonspendable:		
Inventories	18,729	7,571
Prepaid Amounts	451,109	498,088
Restricted for:		
State Required Carryover Programs	466,612	415,440
Assigned for:		
Carryover/Contractual Agreements	873,083	961,312
Unassigned Fund Balance	8,149,547	9,262,491
Total Fund Balances	9,959,080	11,144,902
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,727,277	\$ 14,686,827

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	General Fund	
	Major Governmental Fund	
	Totals	
	2017	2016
REVENUES		
Federal Direct Sources:		
Federal Impact, Current Operations	\$ 247,823	\$ 228,351
Miscellaneous Federal Direct	31,480	31,480
Total Federal Direct Sources	279,303	259,831
Federal Through State and Local Sources:		
Medicaid	392,829	476,882
Other Federal Through State Sources	1,500	1,500
Other Federal Through Local Sources		139,485
Total Federal Through State and Local Sources	394,329	617,867
State Sources:		
Categorical Educational Program - Class Size Reduction	9,018,838	9,099,494
Florida Education Finance Program	4,986,362	4,169,048
Workforce Development Program	799,422	807,080
Voluntary Prekindergarten	518,348	537,532
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913	4,913
School Recognition	278,836	531,931
Racing Commission Funds	223,250	223,250
Diagnostic and Learning Resources Centers	212,438	213,982
Discretionary Lottery Funds	140,129	
Mobile Home License Tax	32,260	31,749
Miscellaneous	389,959	364,928
Total State Sources	16,604,755	15,983,907
Local Sources:		
Ad Valorem Taxes	72,870,014	68,562,278
Interest Income	150,703	122,789
Miscellaneous	1,938,301	2,413,032
Total Local Sources	74,959,018	71,098,099
Total Revenues	92,237,405	87,959,704

(Continued)

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

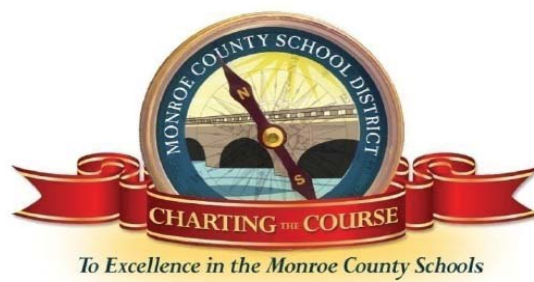
	General Fund	
	Major Governmental Fund	
	Totals	
	2017	2016
EXPENDITURES		
Current - Education:		
Instruction	\$ 65,404,232	\$ 61,376,478
Student Support Services	4,203,449	4,092,098
Instructional Media Services	502,982	693,827
Instruction and Curriculum Development Services	1,688,617	1,536,514
Instructional Staff Training Services	810,659	1,026,934
Instruction Related Technology	1,696,115	1,329,487
School Board	709,113	553,959
General Administration	569,893	475,253
School Administration	4,897,330	4,489,895
Facilities Services	546,090	404,711
Fiscal Services	1,111,926	1,104,187
Food Services	16,226	26,791
Central Services	1,779,761	1,651,079
Student Transportation Services	3,575,941	3,507,104
Operation of Plant	6,993,869	7,292,992
Maintenance of Plant	2,673,838	2,513,232
Administrative Technology Services	399,636	516,839
Community Services	883,896	745,701
Capital Outlay:		
Other Capital Outlay	84,909	118,057
Debt Service:		
Interest and Fiscal Charges		37,630
Total Expenditures	98,548,482	93,492,768
Deficiency of Revenues		
Over Expenditures	(6,311,077)	(5,533,064)
OTHER FINANCING SOURCES		
Insurance Loss Recoveries	2,344	6,279
Transfers In	5,122,911	4,128,895
Total Other Financing Sources	5,125,255	4,135,174
Net Change in Fund Balances	(1,185,822)	(1,397,890)
Fund Balances, Beginning	11,144,902	12,542,792
Fund Balances, Ending	\$ 9,959,080	\$ 11,144,902

Agency Funds

School Internal Funds - To account for resources of the schools' internal funds that are used to administer moneys collected for student activities and groups.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	School Internal Funds			
	July 1, 2016	Additions	Deletions	June 30, 2017
Assets				
Cash and Cash Equivalents	\$ 1,407,644	\$ 2,654,457	\$ 2,521,492	\$ 1,540,609
Liabilities				
Internal Accounts Payable	\$ 1,407,644	\$ 2,654,457	\$ 2,521,492	\$ 1,540,609



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STATISTICAL SECTION

This part of the District School Board of Monroe County, Florida's comprehensive annual financial report presents detail information as a context for understanding the information presented in the financial statements, note disclosures, and required supplementary information.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	136
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	145
Debt Capacity	
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.	152
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.	159
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.	161

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental Activities:				
Net Investment in Capital Assets	\$ 178,648,816	\$ 178,481,969	\$ 188,381,501	\$ 195,923,231
Restricted	28,442,734	27,259,547	34,711,052	33,718,528
Unrestricted (Deficit)	297,239	(1,184,440)	(7,161,488)	(7,284,973)
Total Governmental Activities Net Position	<u>\$ 207,388,789</u>	<u>\$ 204,557,076</u>	<u>\$ 215,931,065</u>	<u>\$ 222,356,786</u>

Source: District Records

Fiscal Year Ended					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 200,927,125	\$ 206,453,854	\$ 213,926,467	\$ 221,890,858	\$ 232,226,549	\$ 233,879,743
29,278,587	33,456,362	36,209,794	41,272,048	43,532,316	53,035,477
(2,946,074)	2,955,000	8,398,228	(18,233,793)	(19,878,795)	(23,620,067)
<u>\$ 227,259,638</u>	<u>\$ 242,865,216</u>	<u>\$ 258,534,489</u>	<u>\$ 244,929,113</u>	<u>\$ 255,880,070</u>	<u>\$ 263,295,153</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
CHANGES IN NET POSITION: GOVERNMENT-WIDE
LAST 10 FISCAL YEARS
(Unaudited)

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental Activities:				
Expenses:				
Instruction	\$ 61,132,269	\$ 58,322,129	\$ 60,464,426	\$ 62,785,276
Student Support Services	5,404,292	5,300,909	5,656,826	4,835,421
Instructional Media Services	1,054,749	986,821	954,712	1,082,039
Instruction and Curriculum Development Services	3,457,546	2,788,699	2,596,069	2,564,134
Instructional Staff Training Services	2,160,182	1,457,881	1,431,370	1,316,912
Instruction Related Technology	1,294,139	1,258,556	1,249,020	1,102,466
School Board	642,017	835,663	838,991	960,471
General Administration	1,078,544	922,472	930,658	926,134
School Administration	5,618,028	5,397,130	5,209,039	4,940,773
Facility Services	8,776,504	3,991,982	2,399,134	2,139,186
Fiscal Services	1,210,252	1,167,689	910,079	895,112
Food Service	3,164,511	3,061,850	3,156,720	3,246,770
Central Services	1,240,067	1,223,061	3,935,838	1,022,265
Student Transportation Services	4,699,026	4,327,131	4,158,324	3,917,152
Operation of Plant	8,958,820	8,423,865	8,088,266	7,153,402
Maintenance of Plant	2,926,116	3,110,214	3,339,022	2,978,823
Administrative Technology Services	386,065	379,213	381,442	389,371
Community Services	1,259,227	1,046,229	761,908	780,800
Unallocated Interest on Long-term Debt	3,779,213	3,980,917	3,433,567	2,837,095
Unallocated Depreciation Expense	6,362,390	10,675,856	6,129,171	6,109,528
Loss on Disposal of Capital Assets		4,627,628		
Total Primary Government Expenses	124,603,957	123,285,895	116,024,582	111,983,130
Program Revenues:				
Charges for Services	2,479,017	2,116,761	1,966,790	1,890,693
Operating Grants and Contributions	2,985,822	3,020,592	2,140,612	2,543,150
Capital Grants and Contributions	4,867,671	982,577	505,155	846,360
Total Program Revenues	10,332,510	6,119,930	4,612,557	5,280,203
Net Expense	(114,271,447)	(117,165,965)	(111,412,025)	(106,702,927)
General Revenues:				
Taxes:				
Property taxes, Levied for Operational Purposes (1)	67,685,265	62,829,967	64,150,485	66,966,325
Property Taxes, Levied for Capital Projects (1)	13,772,457	12,944,959	11,110,246	7,819,121
Local Sales Taxes	12,677,932	11,611,512	11,694,939	11,286,363
Grants and Contributions Not Restricted to Specific Programs	24,812,462	24,421,834	23,681,900	25,667,271
Unrestricted Investment Earnings	2,201,974	1,046,244	517,025	265,356
Miscellaneous	5,772,664	1,479,736	3,743,776	1,124,213
Special Items			3,260,014	
Total General Revenues and Special Items	126,922,754	114,334,252	118,158,385	113,128,649
Changes in Net Position	\$ 12,651,307	\$ (2,831,713)	\$ 6,746,360	\$ 6,425,722

Note: (1) Changes in property tax revenues are a product of underlying changes in property values and tax rates. See schedules 8-11.

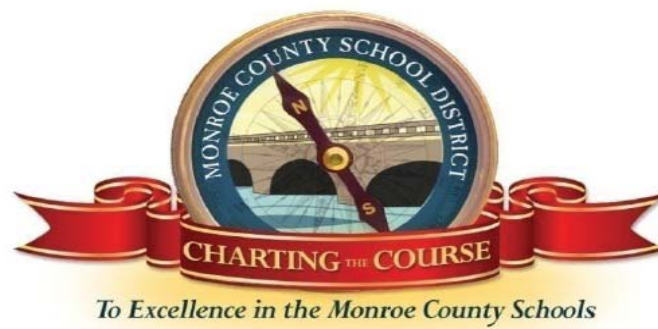
Source: District Records

June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 52,496,018	\$ 50,374,881	\$ 54,619,327	\$ 58,457,631	\$ 65,059,767	\$ 70,286,144
4,355,291	4,122,685	4,463,142	4,619,822	5,065,455	5,325,296
759,919	763,251	700,704	611,896	697,774	518,154
2,185,009	1,976,806	2,253,404	2,221,883	2,656,391	2,803,365
1,310,010	1,277,434	970,765	1,498,488	1,592,458	1,267,921
973,501	844,143	999,498	1,059,720	1,350,273	1,750,697
1,099,668	761,163	654,142	540,105	555,228	715,332
860,669	820,602	636,902	807,927	726,648	781,828
4,076,673	3,818,756	3,851,690	4,197,990	4,520,157	5,049,063
5,589,461	2,459,319	4,035,005	5,665,800	7,346,554	8,837,042
817,157	777,885	884,669	1,071,178	1,110,566	1,145,660
3,265,882	3,101,574	3,214,748	3,158,300	3,312,320	3,523,272
1,934,048	1,570,726	1,455,853	1,465,561	1,657,789	1,820,455
5,497,672	3,013,233	3,290,014	3,684,860	3,952,544	4,057,382
6,007,533	5,453,336	6,109,750	6,559,838	7,296,777	7,006,744
2,149,658	2,150,849	1,991,606	2,123,140	2,524,839	2,737,288
362,414	351,986	457,369	392,591	520,078	411,374
706,321	633,537	642,095	769,408	748,162	898,273
4,332,292	4,081,382	3,249,827	2,801,169	2,335,486	3,063,972
8,371,323	8,344,508	5,792,393	5,578,519	5,464,950	5,707,636
	1,173,823	1,519,564	6,431	1,932	19,214
107,150,519	97,871,879	101,792,467	107,292,257	118,496,148	127,726,112
1,632,279	1,663,856	1,794,616	1,688,266	1,638,555	1,624,010
2,139,222	2,212,832	2,309,174	2,566,440	2,575,164	2,696,718
449,743	418,021	324,190	458,846	484,917	327,747
4,221,244	4,294,709	4,427,980	4,713,552	4,698,636	4,648,475
(102,929,275)	(93,577,170)	(97,364,487)	(102,578,705)	(113,797,512)	(123,077,637)
57,990,332	59,476,513	63,577,031	65,705,892	68,562,278	72,870,014
9,442,181	9,408,793	9,999,768	10,511,321	11,219,852	12,190,559
13,440,925	15,205,186	15,342,494	16,442,313	17,375,355	17,730,317
25,298,455	23,437,140	22,391,727	23,129,180	23,624,557	25,401,695
370,055	526,302	262,547	395,542	566,744	1,120,103
1,290,178	1,507,223	1,460,193	2,386,454	3,399,683	1,180,032
107,832,126	109,561,157	113,033,760	118,570,702	124,748,469	130,492,720
\$ 4,902,851	\$ 15,983,987	\$ 15,669,273	\$ 15,991,997	\$ 10,950,957	\$ 7,415,083

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Post-GASB 54						
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
General Fund							
Nonspendable	\$ 497,905	\$ 514,349	\$ 493,607	\$ 360,657	\$ 564,727	\$ 505,659	\$ 469,838
Restricted	193,670	232,386	221,644	551,317	632,418	415,440	466,612
Committed	125,278	485,964					
Assigned	112,612	198,109	3,051,513	1,283,879	837,323	961,312	873,083
Unassigned	4,534,643	3,946,956	6,006,475	10,147,076	10,508,324	9,262,491	8,149,547
Total General Fund	\$ 5,464,108	\$ 5,377,764	\$ 9,773,239	\$ 12,342,929	\$ 12,542,792	\$ 11,144,902	\$ 9,959,080
All Other Governmental Funds							
Nonspendable	\$ 27,921	\$ 36,991	\$ 78,766	\$ 45,170	\$ 70,408	\$ 110,020	\$ 199,507
Restricted	56,347,818	38,782,078	33,155,952	35,613,307	40,569,222	43,006,856	126,629,082
Committed							
Assigned		4,963,331	3,217,746	3,174,085	3,133,234	3,129,763	3,095,511
Unassigned							
Total All Other Governmental Funds	\$ 56,375,739	\$ 43,782,400	\$ 36,452,464	\$ 38,832,562	\$ 43,772,864	\$ 46,246,639	\$ 129,924,100
	Pre-GASB 54						
	June 30, 2008	June 30, 2009	June 30, 2010				
General Fund							
Reserved	\$ 840,119	\$ 707,765	\$ 628,751				
Unreserved	7,242,959	6,310,220	3,407,992				
Total General Fund	\$ 8,083,078	\$ 7,017,985	\$ 4,036,743				
All Other Governmental Funds							
Reserved	\$ 16,935,978	\$ 10,157,119	\$ 12,250,789				
Unreserved, reported in:							
Special Revenue Funds	72,841	190,178	334,121				
Capital Projects Funds	11,397,095	16,999,910	57,233,401				
Total All Other Governmental Funds	\$ 28,405,914	\$ 27,347,207	\$ 69,818,311				

Source: District Records



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MONROE COUNTY SCHOOL DISTRICT, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Federal Direct Sources: (1)										
Federal Impact, Current Operations	\$ 264,839	\$ 229,681	\$ 217,686	\$ 285,845	\$ 205,026	\$ 290,048	\$ 161,368	\$ 232,262	\$ 228,351	\$ 247,823
ROTC	40,753	65,529	25,851	20,191	6,791					
Miscellaneous Federal Direct	1,375,378	1,681,053	1,489,815	1,514,753	3,493,911	3,262,283	3,180,127	3,037,881	3,066,914	3,161,381
Total Federal Direct Sources	1,680,970	1,976,263	1,733,352	1,820,789	3,705,728	3,552,331	3,341,495	3,269,943	3,295,265	3,409,204
Federal Through State and Local Sources: (1)										
Medicaid	543,569	471,583	480,979	393,442	431,862	552,501	359,213	418,968	476,882	382,829
Food Service	1,423,724	1,592,861	1,961,594	1,897,414	1,935,833	2,004,571	2,088,487	2,245,569	2,278,955	2,662,351
Donated Foods and Cash in Lieu of Donated Foods	157,856	160,885	139,379	216,324	175,299	171,041	183,542	285,742	260,805	260,805
Other Federal Through State Sources	5,678,105	5,921,514	10,115,545	11,091,642	6,519,701	4,868,913	2,973,242	4,298,552	5,130,166	4,748,004
Other Federal Through Local Sources						120,219		379,259	139,485	
Total Federal Through State Sources	7,803,254	8,146,843	12,697,457	13,598,822	9,062,695	7,717,245	5,604,484	7,628,090	8,286,293	7,803,184
State Sources: (1)										
Categorical Educational Program - Class Size Reduction	8,123,406	8,332,927	8,621,368	8,925,079	9,076,199	9,104,181	9,225,944	9,121,712	9,089,494	9,018,838
Florida Education Finance Program	3,599,690	3,579,894	774,408	1,206,970	3,522,545	3,061,267	3,904,893	3,635,778	4,189,048	4,986,362
Workforce Development Program	921,291	875,818	806,691	847,926	671,534	720,614	711,711	807,080	807,080	799,422
Voluntary Prekindergarten Program	642,131	529,787	575,200	499,780	491,618	438,925	542,022	545,192	537,532	518,348
Motor Vehicle License Tax (Capital Outlay and Debt Service)	339,158	324,426	323,352	323,363	323,067	331,789	329,103	317,227	340,169	332,660
School Recognition	569,024	549,906	370,254	523,011	357,660	518,154	319,695	333,058	531,931	278,836
Instructional Materials	789,308	777,377								
Transportation	1,365,387	1,227,829								
Racing Commission Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Diagnostic and Learning Resources Centers	181,000	181,000	185,000	188,000	188,000	150,000	198,790	210,075	213,982	212,438
Discretionary Lottery Funds	398,178	198,575	22,389	30,275	26,600		81,201	29,546		140,129
Adults with Disabilities	95,702	85,290	80,864	71,154	70,796	64,859	64,577	65,858		
Mobile Home License Tax	33,577	31,883	31,057	30,308	28,586	29,347	28,734	30,856	31,749	32,260
Food Service Supplement	38,854	39,016	39,679	35,970		37,220	37,145	35,129	35,404	34,367
Public Education Capital Outlay	1,949,607	792,848	181,803	522,997	28,091			147,157	148,681	
Class Size Reduction - Construction	1,688,742									
Florida Teachers Lead Program	142,864	110,180		72,767						
Excellent Teaching Program	377,530	228,647								
Classrooms for Kids	890,164									
Miscellaneous	813,757	213,234	256,277	136,937	111,080	118,991	412,048	401,149	527,535	636,862
Total State Sources	23,182,820	18,301,897	12,491,792	13,637,787	15,118,998	14,798,597	16,079,113	15,903,067	16,665,855	17,213,772
Local Sources: (1)										
Ad Valorem Taxes	81,158,349	75,774,927	75,260,731	74,785,446	67,432,513	68,885,306	73,576,799	76,217,213	79,782,130	85,060,573
Sales Taxes	12,677,932	11,611,512	11,694,939	11,286,363	13,440,925	15,205,186	15,342,494	16,442,313	17,375,355	17,730,317
Food Service Sales	1,472,683	1,324,568	1,251,897	1,159,969	1,064,721	995,349	1,013,615	927,114	890,261	839,486
Interest Income and Others	2,094,862	1,043,876	516,994	265,260	292,630	651,519	168,186	395,542	566,744	1,126,569
Miscellaneous	4,668,359	1,881,563	2,566,662	1,846,751	1,634,681	1,964,155	2,318,799	2,494,063	2,578,923	1,953,610
Total Local Sources	102,072,185	91,636,446	91,291,223	89,343,789	83,865,470	87,701,515	92,419,893	96,476,245	101,193,413	106,710,555
Total Revenues	134,739,029	120,061,449	118,213,824	118,401,187	111,752,891	113,769,688	117,444,985	123,277,345	129,440,826	135,136,715

(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures:										
Current - Education:										
Instruction	\$ 59,568,562	\$ 57,577,336	\$ 59,789,399	\$ 61,783,207	\$ 55,802,569	\$ 51,818,893	\$ 56,580,555	\$ 60,362,143	\$ 64,755,076	\$ 68,638,390
Student Support Services	5,260,255	5,229,212	5,589,639	4,753,620	4,324,635	4,247,431	4,667,117	4,808,502	5,036,098	5,174,497
Instructional Media Services	1,026,664	973,486	943,144	1,063,177	754,801	785,298	732,305	636,011	693,827	502,982
Instruction and Curriculum										
Development Services	3,364,610	2,752,159	2,564,253	2,519,875	2,169,059	2,038,574	2,356,115	2,312,675	2,641,839	2,724,037
Instructional Staff Training Services	2,115,941	1,444,733	1,416,709	1,298,489	1,302,989	1,302,923	1,011,287	1,551,167	1,584,023	1,234,114
Instruction Related Technology	1,256,950	1,240,638	1,233,207	1,082,692	966,100	871,267	1,048,342	1,107,022	1,341,879	1,697,194
School Board	634,305	831,818	835,134	952,525	1,086,542	768,992	664,034	548,763	553,959	709,113
General Administration	1,058,117	913,163	922,399	912,068	855,931	841,729	660,240	829,550	723,524	765,153
School Administration	5,457,469	5,318,731	5,142,957	4,852,541	4,046,760	3,938,411	4,033,717	4,380,781	4,492,871	4,898,514
Facilities Services	8,776,504	4,349,173	2,392,469	2,128,696	5,585,861	2,430,274	4,317,531	5,671,962	7,345,085	8,836,114
Food Service	1,180,286	1,152,946	899,982	880,940	811,763	800,029	925,217	1,117,568	1,104,187	1,111,926
Central Services	3,115,184	3,038,784	3,134,928	3,216,494	3,254,769	3,146,209	3,283,184	3,219,687	3,302,861	3,473,250
Student Transportation Services	4,227,498	1,211,046	1,140,664	2,015,701	1,929,615	2,787,459	1,484,224	1,500,288	1,651,079	1,779,761
Operation of Plant	8,857,399	8,862,696	3,669,398	3,416,695	2,840,591	2,704,659	3,108,006	3,363,912	3,507,104	3,576,057
Maintenance of Plant	2,873,268	3,071,090	3,319,278	7,097,051	6,000,973	5,453,417	6,121,880	6,573,798	7,294,543	6,995,584
Administrative Technology Services	375,360	373,558	376,514	2,932,857	2,136,149	2,201,664	2,064,178	2,191,230	2,513,232	2,673,838
Community Services	1,235,559	1,036,970	754,882	772,172	703,168	644,459	656,773	409,722	516,839	389,636
Capital Outlay:										
Facilities Acquisition and Construction	24,598,677	3,781,606	1,641,129	13,246,878	13,314,327	11,089,553	897,167	402,021	1,326,642	6,459,886
Other Capital Outlay	4,309,656	239,876	404,998	410,109	316,244	366,163	2,091,882	1,150,657	2,288,365	2,168,311
Debt Service:										
Principal	11,615,301	11,535,278	11,653,695	11,931,859	11,855,335	19,825,000	12,081,832	12,430,329	12,617,000	318,000
Interest and Fiscal Charges	3,709,138	3,917,849	3,370,499	2,774,027	4,307,081	4,081,382	3,249,827	2,801,169	2,335,486	3,402,844
Total Expenditures	155,833,532	122,224,390	119,238,068	130,423,963	124,734,894	122,507,326	112,511,954	118,156,419	128,371,220	128,423,097
Excess (Deficiency) of Revenues over (under) Expenditures	(21,094,503)	(2,162,941)	(1,024,244)	(12,022,776)	(12,982,003)	(8,737,639)	4,933,031	5,120,926	1,069,606	6,713,618
Other Financing Sources (Uses)										
Sale of Capital Assets	15,208		4,385,207		300,479	86,178	16,160	3,511		2,136
Loss Recoveries	2,392,448	39,140	128,900	7,568			596	16,303	6,279	2,344
Bonds Issued					655,000	5,717,000		29,000		68,725,000
Refunding Bonds			36,000,000							
Certificates of Participation	2,481,480				55,082	1,850				
Inception of Capital Leases										
Premium on Refunding Bonds Issued					(708,241)			(31,425)		7,048,541
Payments to Refunding Bonds Escrow Agent					20,390,795	19,469,485	20,076,426	18,829,807	13,194,804	7,796,928
Transfers In	16,629,777	19,237,303	20,555,435	20,604,716	(20,390,795)	(19,469,485)	(20,076,426)	(18,829,807)	(13,194,804)	(7,796,928)
Transfers Out	(16,629,777)	(19,237,303)	(20,555,435)	(20,604,716)	(20,390,795)	(19,469,485)				
Total Other Financing Sources	4,889,136	39,140	40,514,107	7,568	302,320	5,803,178	16,756	19,239	6,279	75,778,021
Net Change in Fund Balance	\$ (16,205,367)	\$ (2,123,801)	\$ 39,489,863	\$ (12,015,208)	\$ (12,679,683)	\$ (2,934,460)	\$ 4,949,787	\$ 5,140,165	\$ 1,075,885	\$ 82,491,639
Debt Service as a Percentage of Noncapital Expenditures	12.07%	13.07%	12.82%	12.59%	14.55%	21.53%	14.00%	13.06%	11.99%	3.11%

Notes: (1) District records were used to disaggregate audited totals for this report.

Source: District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SUMMARY OF REVENUE AND EXPENSES-GENERAL FUND
LAST 10 FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended									
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Revenues										
Federal Direct	\$ 410,833	\$ 376,284	\$ 318,015	\$ 380,546	\$ 248,918	\$ 326,038	\$ 194,372	\$ 258,547	\$ 259,831	\$ 279,303
Federal through State and Local Sources	744,557	761,244	725,979	563,871	715,639	675,760	359,213	801,434	617,867	394,329
State Sources	18,280,166	17,149,966	11,817,028	12,759,634	14,694,479	14,345,446	15,382,919	15,131,996	15,983,907	18,604,755
Local	70,737,934	65,711,489	66,173,730	68,970,736	59,888,309	61,607,076	65,837,219	68,009,473	71,088,099	74,959,018
Total Revenues	90,173,490	83,998,983	79,634,752	82,674,787	75,547,345	76,954,320	81,773,723	84,201,450	87,959,704	92,237,405
Expenditures										
Instruction	56,036,833	53,522,965	52,377,413	52,886,051	52,051,842	48,888,305	54,143,968	57,521,150	61,376,478	65,404,232
Student Support Services	4,295,870	4,347,804	4,692,704	3,654,297	3,108,542	3,108,090	4,410,761	3,895,863	4,092,098	4,203,449
Instructional Media Services	1,017,413	970,477	939,034	1,063,177	674,734	735,380	730,934	636,011	693,827	502,982
Instruction and Curriculum Development Services	2,370,799	1,732,378	1,523,488	1,425,926	1,160,922	1,152,722	1,488,103	1,421,369	1,536,514	1,686,617
Instructional Staff Training Services	1,375,927	783,091	737,159	473,163	358,886	362,637	610,557	1,001,519	1,026,934	810,659
Instruction Related Technology	1,243,577	1,227,623	1,173,228	1,055,475	966,100	871,267	1,048,342	1,105,499	1,329,487	1,696,115
School Board	634,305	831,818	833,311	952,525	1,095,882	759,477	663,380	548,763	553,959	709,113
General Administration	896,170	679,285	680,761	785,563	627,455	694,310	546,541	584,072	475,253	569,893
School Administration	5,457,469	5,318,731	5,138,656	4,846,294	4,020,380	3,918,149	4,031,481	4,379,902	4,489,895	4,897,330
Facilities Services	207,637	323,945	655,983	585,596	1,019,285	124,263	471,480	422,301	404,711	546,090
Fiscal Services	1,180,286	1,152,946	899,482	880,940	795,263	800,028	925,217	1,117,568	1,104,187	1,111,926
Food Service	69,706	22,879	29,137	39,659	17,591	18,730	30,588	11,804	26,791	16,226
Central Services	1,216,829	1,211,046	1,136,664	2,015,165	1,929,615	2,787,459	1,482,601	1,500,288	1,651,079	1,779,761
Student Transportation Services	4,204,478	3,787,590	3,601,658	3,397,057	2,792,471	2,694,216	3,084,538	3,349,260	3,507,104	3,575,941
Operation of Plant	8,851,958	8,367,524	8,040,809	7,087,651	5,995,862	5,453,307	6,120,978	6,571,956	7,292,992	6,993,869
Maintenance of Plant	2,873,268	3,071,090	3,317,996	2,932,523	2,133,810	2,201,664	2,064,178	2,191,230	2,513,232	2,673,838
Administrative Technology Services	375,360	369,173	376,514	382,290	359,612	363,540	476,541	409,722	516,839	399,636
Community Services	1,235,559	1,036,970	754,590	771,394	601,001	644,459	656,773	787,462	745,701	883,896
Capital Outlay:										
Facilities Acquisition and Construction		35,927		5,250	1,500	85,986		11,800		
Other Capital Outlay	48,165		67,054	47,399	35,892	84,586	60,282	159,154	118,057	84,909
Debt Service:										
Interest and Fiscal Charges	403,173	446,510	150,123	58,395	44,320	63,376	104,834	53,100	37,630	
Total Expenditures	93,954,782	89,239,772	87,125,764	85,345,780	79,790,965	75,801,951	83,152,087	87,679,793	93,492,768	98,548,482
Excess (Deficiency) of Revenues over Expenditures	(3,781,292)	(5,240,789)	(7,491,012)	(2,670,993)	(4,243,620)	1,152,369	(1,378,364)	(3,478,343)	(5,533,064)	(6,311,077)
Total Other Financing Sources (Uses)	3,262,474	4,175,696	4,509,770	4,098,358	4,157,276	3,243,106	3,948,054	3,678,206	4,135,174	5,125,255
Net Change in Fund Balances	(518,818)	(1,065,093)	(2,981,242)	1,427,365	(86,344)	4,395,475	2,569,690	199,863	(1,397,890)	(1,185,822)
Beginning Fund Balance	8,601,896	8,083,078	7,017,985	4,036,743	5,464,108	5,377,764	9,773,239	12,342,929	12,542,792	11,144,902
Ending Fund Balance	\$ 8,083,078	\$ 7,017,985	\$ 4,036,743	\$ 5,464,108	\$ 5,377,764	\$ 9,773,239	\$ 12,342,929	\$ 12,542,792	\$ 11,144,902	\$ 9,959,080

Source: District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Projected Sales Tax Revenues
(Unaudited)

<u>Fiscal Year Ending</u>	<u>Sales Tax Revenue</u>
June 30, 2018	18,000,000
June 30, 2019	18,200,000
June 30, 2020	18,400,000
June 30, 2021	18,600,000
June 30, 2022	19,000,000

Source: District records of sales tax collections received from the Florida Department of Revenue.

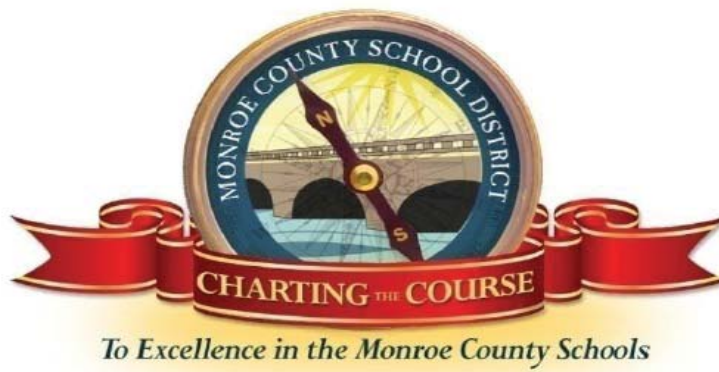
MONROE COUNTY SCHOOL DISTRICT, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST 10 FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Just Value (1)		Less: Exemptions	Net Assessed Taxable Value (2)	Total Direct Rate
	Real Property	Personal Property			
2017	\$ 35,359,403,243	\$ 712,226,526	\$ 10,916,614,616	\$ 25,155,015,153	3.4840
2016	30,730,378,081	729,104,179	8,041,867,555	23,417,614,705	3.5500
2015	28,683,662,702	719,993,296	7,437,380,121	21,966,275,877	3.6260
2014	26,616,428,610	740,963,901	6,986,640,765	20,370,751,746	3.6810
2013	25,619,313,512	760,488,508	6,828,495,669	19,551,306,351	3.6600
2012	25,558,799,632	798,092,402	7,009,112,330	19,347,779,704	3.5650
2011	26,540,872,618	828,515,769	7,291,527,525	20,077,860,862	3.8235
2010	30,948,868,141	847,780,599	8,887,064,408	22,909,584,332	3.3870
2009	36,544,684,798	843,984,940	10,673,636,368	26,715,033,370	2.9220
2008	39,857,204,003	829,566,470	12,253,253,703	28,433,516,770	2.9460

Notes: (1) Just values are the total estimated actual values subject to taxation, as defined by Section 193.011, Florida Statutes.

(2) Net Taxable Assessed Values are net Taxable Values after deducting allowable statutory exemptions.

Source: Monroe County Property Appraiser



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MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST 10 FISCAL YEARS
(per \$1,000 Assessed Valuation)
(Unaudited)

	For the Fiscal Year Ended June 30			
	2008	2009	2010	2011
District School Board:				
Required Local Effort	1.4080	1.3940	1.6880	1.9440
Discretionary Local	0.5100	0.4980	0.6990	0.7295
Critical Operating Needs				0.2500
Supplemental Discretionary	0.0280	0.0300		
Additional Voted Operating	0.5000	0.5000	0.5000	0.5000
Capital Improvement	0.5000	0.5000	0.5000	0.4000
Total District School Board	2.9460	2.9220	3.3870	3.8235
Other County-Wide:				
Board of County Commissioners	2.2656	2.6883	3.0837	3.3445
Other	1.0415	1.0038	1.0502	1.0836
Total County-Wide	3.3071	3.6921	4.1339	4.4281
Total Direct & Overlapping Rates	6.2531	6.6141	7.5209	8.2516
Other Includes:				
Monroe County Mosquito Control				
South Florida Water Management				
Okeechobee Basin Fund				
Big Cypress Fund				
Everglades Construction Project				
Monroe County Road Patrol Law Enforcement				

Note: Property is assessed as of January 1 and taxes on those assessments are levied according to the tax rate in effect during that tax year and become due on November 1. Therefore, assessments and tax levies applicable to a certain tax year are collected in the fiscal year ending during the following calendar year.

Sources: Monroe County Property Appraiser
District Records

For the Fiscal Year Ended June 30					
2012	2013	2014	2015	2016	2017
1.8170	1.9120	1.9330	1.8780	1.8020	1.7360
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
3.5650	3.6600	3.6810	3.6260	3.5500	3.4840
3.9833	3.8045	3.8262	3.7432	3.5582	3.3556
0.9199	0.9460	0.9179	0.8666	0.8570	0.9138
4.9032	4.7505	4.7441	4.6098	4.4152	4.2694
8.4682	8.4105	8.4251	8.2358	7.9652	7.7534

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND 10 YEARS AGO
(Unaudited)

Taxpayer	For the Fiscal Year Ended June 30					
	2017			2008		
	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)
Florida Keys Electric Cooperative Association, Inc.	1	114,908,691	0.457%	1	83,469,255	0.294%
CWI Keys Hotel LLC	2	101,312,167	0.403%			
Ocean Reef Club Inc	3	94,733,023	0.377%			
Sunset City, LLC	4	93,275,911	0.371%			
Casa Marina Owner LLC	5	84,000,128	0.334%	6	66,650,103	0.234%
Galleon Condominium Association, Inc.	6	74,735,248	0.297%	3	72,566,263	0.255%
Tannex Development LLC	7	62,928,614	0.250%			
Ocean Walk Key West LLC	8	60,583,497	0.241%			
Windward Pointe II LLC	9	58,910,738	0.235%	8	51,039,144	0.180%
NWCL LLC	10	58,375,499	0.232%			
BellSouth/Southern Bell				2	76,707,307	0.270%
City of Key West				4	67,739,655	0.238%
SH5 LTD/Holiday Inn Key West				5	66,682,765	0.235%
Hyatt Key West				7	66,402,706	0.234%
BlueGreen Resorts Management				9	45,945,715	0.162%
MM70 Owner LLC				10	40,615,761	0.143%
Total		\$ 803,763,516	3.197%		\$ 637,818,674	2.245%

Note: (1) Percent of total taxable value is calculated using the value from Schedule 7.

Sources: Monroe County Tax Collector
Monroe County Property Appraiser

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of The Levy		Collections In Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount (1)	Percentage of Levy
2017	\$ 87,640,072	\$ 84,833,407	96.80%	N/A	84,833,407	96.80%
2016	83,132,532	79,589,614	95.74%	114,587	79,704,201	95.88%
2015	79,649,716	76,016,117	95.44%	192,516	76,208,633	95.68%
2014	75,215,392	72,592,727	96.51%	201,096	72,793,823	96.78%
2013	71,739,827	68,658,744	95.71%	208,139	68,866,883	96.00%
2012	68,974,835	66,911,669	97.01%	316,110	67,227,779	97.47%
2011	77,593,445	74,388,457	95.87%	370,370	74,758,827	96.35%
2010	78,740,144	75,260,732	95.58%	399,629	75,660,361	96.09%
2009	78,061,328	75,435,457	96.64%	728,771	76,164,228	97.57%
2008	83,765,140	81,158,349	96.89%	369,819	81,528,168	97.33%

Note: (1) Net of allowable discounts.

N/A: Information is not yet available for the 2017 fiscal year.

Sources: Monroe County Tax Collector.
District Records.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Debt Per Capita (1)
2017	\$	\$ 40,842,000	\$ 75,434,669	\$ 116,276,669	N/A	1,506
2016	8,000	41,152,000	-	41,160,000	0.0007%	554
2015	29,000	43,347,000	10,401,000	53,777,000	0.0009%	726
2014	250,000	45,452,000	20,493,000	66,195,000	0.0012%	858
2013	495,000	47,477,000	30,292,000	78,264,000	0.0018%	1,025
2012	755,000	49,427,000	42,190,000	92,372,000	0.0021%	1,234
2011	1,010,000	51,307,000	51,860,000	104,177,000	0.0025%	1,407
2010	1,220,000	53,117,000	61,215,000	115,552,000	0.0029%	1,578
2009	1,420,000	18,852,000	70,265,000	90,537,000	0.0023%	1,247
2008	1,615,000	20,532,000	79,035,000	101,182,000	0.0023%	1,391

Note: (1) Total Primary Government Debt divided by Personal Income and Population from Schedule 18.
N/A: Information is not yet available for the 2017 calendar year.

Sources: District Records
United States Department of Commerce, Bureau of Economic Analysis

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

Fiscal Year Ended June 30	Taxable Assessed Value (1)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (2)
2017	\$ 25,155,015,153	\$ 2,368,781	0.099 mills
2016	23,417,614,705	4,307,206	0.194 mills
2015	21,966,275,877	4,305,950	0.206 mills
2014	20,370,751,746	4,308,550	0.223 mills
2013	19,551,306,351	4,310,613	0.232 mills
2012	19,347,779,704	4,452,497	0.242 mills
2011	20,077,860,862	4,452,467	0.233 mills
2010	22,909,584,332	2,266,644	0.104 mills
2009	26,715,033,370	2,273,713	0.090 mills
2008	28,433,516,770	2,278,438	0.084 mills

Notes: (1) Taxable Assessed Value is the net taxable value after deducting allowable statutory exemptions.

(2) Millage rate calculated using 95 percent of the school taxable valuation.

Sources: District Records
Monroe County Property Appraiser

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PLEDGED REVENUE COVERAGE
LAST 10 FISCAL YEARS
(UNAUDITED)**

HISTORICAL SALES SURTAX COLLECTIONS

Fiscal Year Ending June 30,	District Revenue Bonds					
	Actual Sales Tax Revenues Received by the School District (1)	Interest Revenue	Debt Service		Other Dues & Fees	Debt Service Coverage
			Principal	Interest		
2017	17,730,317	574,119	-	578,270	760,137	13.68
2016	17,375,355	100,921	10,401,000	176,602	350	1.65
2015	16,442,313	46,421	10,092,000	510,160	2,100	1.55
2014	15,342,494	32,275	9,799,000	814,222	350	1.45
2013	15,205,186	79,909	11,898,000	1,563,698	46,490	1.13
2012	13,440,925	472	9,670,000	1,769,335	350	1.17
2011	11,286,363	264	9,355,000	2,088,628	350	0.99
2010	11,694,939	88	9,050,000	2,394,433	356	1.02
2009	11,611,512	549	8,770,000	2,684,528	5,675	1.01
2008	12,677,932	423,421	8,575,000	2,453,589	33,210	1.18

HISTORICAL CAPITAL OUTLAY AD VALOREM TAX COLLECTIONS

Fiscal Year Ending June 30,	Certificates of Participation					
	Actual Capital Outlay Taxes Received by the School District	Interest Revenue	Debt Service		Other Dues & Fees	Debt Service Coverage
			Principal (2)	Interest		
2017	12,190,559	50,192	310,000	2,058,781	5,250	5.16
2016	11,219,852	26,074	2,195,000	2,112,206	7,000	2.61
2015	10,511,321	23,696	2,105,000	2,200,950	24,000	2.43
2014	9,999,768	41,275	2,025,000	2,283,550	18,603	2.32
2013	9,408,793	190,579	1,950,000	2,360,613	10,225	2.22
2012	9,442,181	17,178	1,880,000	2,431,250	5,000	2.19
2011	7,819,122	79,735	1,810,000	2,374,950	12,917	1.88
2010	11,110,246	229,981	2,076,008	531,644	164,209	4.09
2009	12,944,959	357	2,021,008	593,713	4,850	4.94
2008	13,772,457	266,952	1,976,008	643,438	3,600	5.35

Notes: (1) The School District began to receive the Sales Tax Revenues beginning January 1, 1996.

(2) Annual principal payments include Qualified Zone Academy Bonds (QZAB) and Qualified School Construction Bonds (QSCB) payments which are deposited with a trustee and invested in accordance with trust agreements until maturity and when combined with interest earnings will be sufficient to pay off the principal balances in full, at maturity on December 29, 2020, and June 1, 2027, respectively.

Source: District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
June 30, 2017
(Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Other Debt Outstanding	Direct Debt		Direct and Overlapping Debt	
			Percentage Applicable to This Governmental Unit	Amount Applicable to This Governmental Unit	Percentage Applicable to Monroe County	Amount Applicable to Monroe County
Monroe County Board of County Commissioners	\$	\$	0%	\$	0%	\$
District School Board of Monroe County Direct Debt						
Bonds Payable		75,434,669	100%	75,434,669	100%	75,434,669
Certificates of Participation Payable		40,842,000	100%	40,842,000	100%	40,842,000
Total Direct and Overlapping Debt	\$	\$ 116,276,669		\$ 116,276,669		\$ 116,276,669

Sources: Monroe County, Florida Comprehensive Annual Financial Report as of September 30, 2016.
District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30				
	2008	2009	2010	2011	2012
Assessed Value (1)	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704
Debt Limit on Assessed Value (2)	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704
Amount of Debt Applicable to Debt Limit					
Bonds Payable (3)	\$	\$	\$	\$	\$
Less: Amount Available for Debt Service					
Total Debt Application to the Debt Limit					
Legal Debt Margin	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704
Total Net Debt Application to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year Ending June 30				
	2013	2014	2015	2016	2017
Assessed Value (1)	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705	\$ 25,155,015,153
Debt Limit on Assessed Value (2)	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705	\$ 25,155,015,153
Amount of Debt Applicable to Debt Limit					
Bonds Payable (3)	\$	\$	\$	\$	\$
Less: Amount Available for Debt Service					
Total Debt Application to the Debt Limit					
Legal Debt Margin	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705	\$ 25,155,015,153
Total Net Debt Application to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Notes: (1) Assessed value is as of January 1.
(2) The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.
(3) Includes General Obligation Bonds only.

Source: Monroe County Property Appraiser

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Direct Non-General Obligation Debt
June 30, 2017
(Unaudited)

District Sales Tax Revenue Bonds:
Series 2017

\$ 75,434,669

Source: District Records.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Comparative Ratios of Bonded Debt
And Certificates of Participation
To Taxable Assessed Valuation and
Per Capita Indebtedness

Population (2017)	77,196
Total taxable valuation (2017 Fiscal Year)	\$ 25,155,015,153
Direct non-general obligation debt and certificates of participation at June 30, 2017	\$ 116,276,669
(a) As a percent of taxable valuation	0.46%
(b) Per capita	\$ 1,506.25

Sources: District Records.

Population obtained from the University of Florida, Bureau of Economic and
Business Research, Florida Population Studies Bulletin 177, April 2017

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST 10 CALENDAR YEARS
(Unaudited)**

Calendar Year	Population	Personal Income (1)	Per Capita Personal Income (A)	Unemployment Rate (B)
2017	77,196	N/A	N/A	2.8%
2016	74,270	5,869,890,000	79,034	3.1%
2015	74,101	5,804,521,000	78,333	3.5%
2014	77,136	5,368,160,000	69,593	3.7%
2013	76,351	4,415,284,000	57,829	3.5%
2012	74,849	4,373,456,000	58,430	4.7%
2011	74,028	4,126,047,000	55,736	6.4%
2010	73,209	4,053,020,000	55,362	8.0%
2009	72,627	3,900,911,000	53,712	7.3%
2008	72,730	4,370,463,000	60,092	4.0%

Note: (1) Personal Income is in thousands.

N/A: Information is not yet available for the 2017 calendar year.

Sources:

- (A) Population, Personal Income, and Per Capita Personal Income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.
- (B) Unemployment Rates were obtained from the Florida Department of Economic Opportunity, Labor Market Statistics and the United States Department of Labor, Bureau of Labor Statistics.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND 9 YEARS AGO
(Unaudited)

Employer	Fiscal Year					
	2016-2017			2007-2008		
	Employees (1)	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
United States Armed Services, Including Civilian Support & Contractors	2,190	1	4.88%	1,269	2	2.79%
School District of Monroe County, Florida	1,096	2	2.44%	1,362	1	2.99%
Ocean Reef Club	962	3	2.15%	1,000	3	2.20%
Monroe County Sheriff's Office	595	4	1.33%	539	6	1.18%
Publix Stores	540	5	1.20%	392	8	0.86%
Monroe County Government	516	6	1.15%	810	4	1.78%
City of Key West	497	7	1.11%	521	7	1.14%
Community Health Care Center						
Lower Keys Medical Center, Key West	430	8	0.96%	700	5	1.54%
Westin Resort & Marina/Sunset Key	400	9	0.89%			
Hawk's Cay Resort	385	10	0.86%			
Historic Tours of America				350	9	0.77%
Casa Marina Resort				300	10	0.66%
Total Principal Employers	7,611		16.97%	7,243		15.91%

Notes: (1) As of September 2016

Sources: Key West Chamber of Commerce
The Florida Research and Economic Information Database Application

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF SELECTED OPERATING INFORMATION
AVERAGE GENERAL FUND EXPENDITURES PER STUDENT
GRADES K - 12
LAST 10 FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Number of Schools (1) (2)	Number of Classroom Instructors	Unweighted Full-Time Equivalent Students (1) (2)	Average General Fund Expenditures Per Student
2017	16	661	8,217	\$ 11,993
2016	16	573	8,102	11,539
2015	16	567	8,090	10,838
2014	16	532	8,064	10,312
2013	17	593	7,947	9,538
2012	17	644	8,031	9,935
2011	15	615	7,964	10,716
2010	14	637	7,896	11,034
2009	14	635	7,919	11,269
2008	14	638	8,044	11,680

Notes: (1) Information is from Schedule 21.
(2) Includes charter schools.

Sources: Florida Department of Education
District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST 10 FISCAL YEARS
(Unaudited)

	Placed in Service (1)	Square Footage (2)	Full-Time Equivalent Enrollment Data Fiscal Year Ended June 30		
			2008	2009	2010
Elementary Schools					
Gerald Adams Elementary	1974	70,755	452.13	444.67	440.90
Glynn Archer Elementary	1926	11,039	244.76	245.95	257.33
Poinciana Elementary	2005	90,997	590.83	588.55	611.98
Stanley Switlik Elementary	1971	102,886	564.66	457.69	469.12
Total Elementary			1,852.38	1,736.86	1,779.33
K-8 Schools					
Horace O'Bryant Middle	1998	188,132	761.00	699.77	710.33
Key Largo Middle	2007	204,833	888.64	908.26	897.20
Plantation Key Middle	1976	76,376	564.53	540.32	505.56
Sugarloaf Middle	1997	191,600	683.91	659.36	659.20
Total K-8 Schools			2,898.08	2,807.71	2,772.29
Combination Middle High Schools					
Marathon Middle High	2005	241,676	567.07	621.99	619.49
High Schools					
Coral Shores High	2003	229,009	778.46	751.01	745.99
Key West High	2003	263,862	1,338.69	1,368.47	1,343.78
Total High Schools			2,117.15	2,119.48	2,089.77
Charter Schools					
Big Pine Elementary Academy, Inc.	1980	13,713	81.00	91.05	95.52
Key West Collegiate School					
Key West Montessori Elementary Charter School, Inc.			73.00	83.00	93.50
Treasure Village Montessori School	1949	10,000	151.50	162.00	171.00
Ocean Studies Charter School, Inc.					
Sigsbee Charter School, Inc.	1959	50,239	221.97	229.68	227.90
Total Charter Schools			527.47	565.73	587.92
Other Programs					
Pace Upper Keys	Included above		1.54		
Pace Lower Keys	Included above		31.90		
May Sands School	1974	35,960	20.90	24.31	
Hurricane Island Outward Bound	Included above		8.00	12.56	13.00
Academic Connections for Excellence	Included above				
Florida Department of Juvenile Justice	Included above		5.38	6.09	5.84
Keys Center Academy	Included above			17.61	17.45
McKay Scholarship	Included above		14.50	6.50	6.00
District Virtual Instruction					5.00
Monroe Virtual Franchise					
Monroe Virtual Instruction					
Monroe Virtual Academy					
Total Other Programs			82.22	67.07	47.29
Total District			8,044.37	7,918.84	7,896.09

Notes: (1) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodelings.

(2) Square footage is current including portables.

Sources: District Records

Florida Department of Education, Educational Facilities, Florida Inventory of School Houses (FISH)
Florida Department of Education, Bureau of Finance, FTE Counts

Full-Time Equivalent Enrollment Data Fiscal Year Ended June 30						
2011	2012	2013	2014	2015	2016	2017
442.83	461.56	477.75	466.48	477.27	487.50	509.90
272.05	310.96	336.78				
608.56	591.34	590.23	620.53	622.33	597.08	570.12
492.05	479.26	474.04	484.96	517.98	527.76	525.69
1,815.49	1,843.12	1,878.80	1,571.97	1,617.58	1,612.34	1,605.71
712.73	702.84	642.08	964.33	984.85	1,018.32	1,074.09
884.99	851.66	818.97	821.97	794.90	799.40	786.02
522.18	485.66	475.60	461.32	443.03	427.54	463.90
614.26	576.80	552.86	537.65	511.99	531.19	562.00
2,734.16	2,616.96	2,489.51	2,785.27	2,734.77	2,776.45	2,886.01
606.51	621.60	625.31	614.48	654.16	663.37	666.75
764.38	765.05	731.25	710.33	724.40	703.09	719.83
1,304.18	1,213.90	1,183.45	1,167.14	1,167.21	1,145.65	1,159.50
2,068.56	1,978.95	1,914.70	1,877.47	1,891.61	1,848.74	1,879.33
116.56	142.00	144.18	150.27	138.16	134.50	136.62
	35.27	49.00	65.77	76.44	78.45	74.90
93.50	103.58	106.70	114.59	145.20	145.10	139.10
172.09	188.50	196.00	97.47	191.00	200.50	195.03
	38.50	68.50	483.07	104.00	106.00	100.73
285.50	378.50	428.60	199.92	474.50	481.00	490.80
667.65	886.35	992.98	1,111.09	1,129.30	1,145.55	1,137.18
5.00	15.00	12.00	8.94	10.50	5.00	6.24
34.11	35.42	4.25	11.03	10.45		
6.64	6.17	4.67	3.75	3.02	0.51	
20.49	21.60	15.35	16.42	12.86	11.33	2.58
3.50	4.00	5.00	8.73	19.00	30.50	32.00
1.61	0.84	0.01			2.83	
	1.18	0.92	0.79	1.84	2.75	0.41
		3.00	1.90	3.65	0.84	
				1.08	1.84	1.12
71.35	84.21	45.20	51.56	62.40	55.60	42.35
7,963.72	8,031.19	7,946.50	8,011.84	8,089.82	8,102.05	8,217.33

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Profile of Enrollments
By Grade/Program
Last 10 Fiscal Years
(Unaudited)

Full-Time Equivalent Students For The Fiscal Year Ended June 30										
Grade/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Grades K-3	1,739.50	1,786.09	1,765.41	1,862.52	1,968.44	1,994.09	2,078.35	1,982.94	1,914.38	2,414.85
Grades 4-8	2,115.32	2,039.69	2,132.89	2,183.38	2,212.65	2,151.49	2,125.93	2,197.88	2,198.22	2,979.92
Grades 9-12	1,672.66	1,656.17	1,602.64	1,589.00	1,607.35	1,651.29	1,582.35	1,608.66	1,576.97	2,029.46
Exceptional Ed	1,862.23	1,839.89	1,758.60	1,708.07	1,646.80	1,608.00	1,589.89	1,559.95	1,621.69	47.19
Vocational Ed	240.63	217.61	187.88	183.08	140.71	43.48	176.37	209.11	229.09	176.76
ESOL	414.03	379.39	448.67	437.67	455.24	498.15	458.95	531.28	561.70	569.15
Total	8,044.37	7,918.84	7,896.09	7,963.72	8,031.19	7,946.50	8,011.84	8,089.82	8,102.05	8,217.33

Source: Florida Department of Education, Bureau of Finance, FTE Counts.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
NUMBER OF PERSONNEL
LAST 10 FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2017	748	58	494	1,300	10.99	12.90
2016	652	51	435	1,138	12.43	12.78
2015	586	50	418	1,054	13.81	11.72
2014	607	43	386	1,036	13.20	14.12
2013	630	41	393	1,064	12.61	15.37
2012	671	40	427	1,138	11.97	16.78
2011	690	51	542	1,283	11.54	13.53
2010	704	48	575	1,327	11.22	14.67
2009	704	54	619	1,377	11.25	13.04
2008	725	62	617	1,404	11.10	11.69

Note: This schedule reports full-time employees funded with General Fund moneys.

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

(B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors
Directors, Managers, Coordinators

(C) Paraprofessionals, Bus Drivers, Maintenance, Clerical, Etc.

Source: District Records

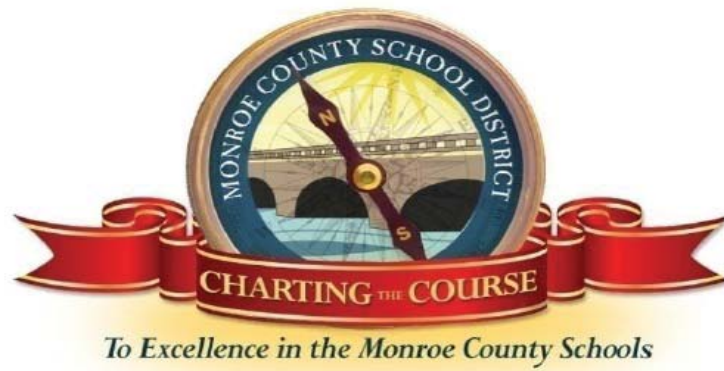
MONROE COUNTY SCHOOL DISTRICT, FLORIDA
TEACHER BASE SALARIES
LAST 10 FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Minimum Salary (1)	Maximum Salary (1)	District Average Salary (2)	Statewide Average Salary (2)
2017	\$ 46,300	\$ 82,000	\$ 56,868	\$ 47,858
2016	46,000	80,800	58,389	48,179
2015	45,300	77,400	58,309	47,950
2014	44,906	73,544	56,202	47,780
2013	43,177	71,669	53,631	46,583
2012	43,824	72,744	53,808	46,479
2011	42,330	70,264	57,798	45,723
2010	42,330	70,264	56,674	46,696
2009	42,330	70,264	56,272	46,938
2008	41,500	68,886	54,083	46,922

Notes: (1) 10-Month Teachers with Bachelor's Degree.
(2) Averages include all degree levels.

Sources: District Records

Florida Department of Education Web Site - Accountability, Data Systems, Data Publications and Reports



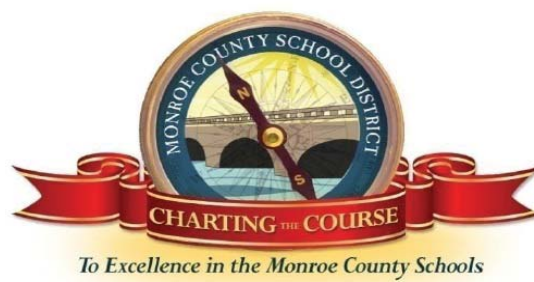
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Monroe County District School Board
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster:			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	17002	\$ 456,554.40
National School Lunch Program	10.555	17001, 17003	2,058,205.30
Summer Food Service Program for Children	10.559	17006, 17007	97,157.79
Total Child Nutrition Cluster			2,611,917.49
Special Education Cluster:			
United States Department of Education:			
Special Education - Grants to States:	84.027	263	2,056,913.75
Florida Department of Education		None	1,500.00
University of South Florida			2,058,413.75
Total Special Education - Grants to States	84.027		
Special Education - Preschool Grants:			
Florida Department of Education	84.173	267	46,697.17
Total Special Education Cluster			2,105,110.92
Not Clustered			
United States Department of Agriculture:			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4374	50,433.03
Total United States Department of Agriculture			50,433.03
United States Department of Education:			
Impact Aid	84.041	N/A	247,822.88
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	N/A	31,480.00
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	116,771.63
Title I Grants to Local Educational Agencies	84.010	212	1,572,635.10
Career and Technical Education - Basic Grants to States	84.048	161	117,725.24
Education for Homeless Children and Youth	84.196	127	39,968.59
Charter Schools	84.282	298	29,847.86
Twenty-First Century Community Learning Centers	84.287	244	269,609.41
English Language Acquisition State Grants	84.365	102	146,704.31
Improving Teacher Quality State Grants	84.367	224	349,630.66
Total United States Department of Education			2,922,195.68
United States Department of Health and Human Services:			
Head Start	93.600	N/A	1,289,873.08
Total Expenditures of Federal Awards			\$ 8,979,530.20

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 Monroe 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 cash in lieu of donated food of \$218,096.62 and \$36,577.46 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start. Expenditures include \$112,669.84 for grant number/program year 04CH4752/02 and \$1,177,203.24 for grant number/program year 04CH4752/03.



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Auditor General

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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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe 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 March 19, 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
March 19, 2018
Audit Report No. 2018-168



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 EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the Monroe 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 each of the District's major Federal programs for the fiscal year ended June 30, 2017. The District's major Federal programs are 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 each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs 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 each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a middle initial.

Sherrill F. Norman, CPA
Tallahassee, Florida
March 19, 2018
Audit Report No. 2018-168

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 programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
84.027 and 84.173	Special Education Cluster
93.600	Head Start
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

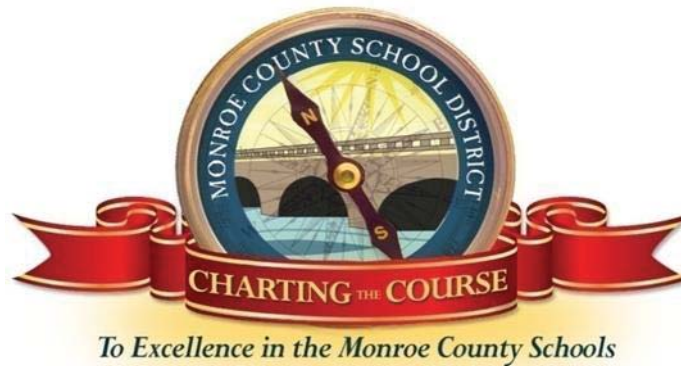
No matters are reported.

PRIOR AUDIT FOLLOW-UP

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

MARK T. PORTER
Superintendent of Schools



Members of the Board

District # 1
BOBBY HIGHSMITH
Chairman

District # 2
ANDY GRIFFITHS

District # 3
MINDY CONN
Vice-Chair

District # 4
JOHN R. DICK

District # 5
RONALD A. MARTIN

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
2016-093 (2015-001)	Title I Grants to Local Educational Agencies (CFDA No. 84.010)	District did not properly allocate Title I Schoolwide Program resources, resulting in \$25,181.64 in questioned costs.	Fully Corrected	The District restored the questioned costs to the program.