



THE DISTRICT SCHOOL BOARD OF LAKE COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TAVARES, FLORIDA

JUNE 30, 2017
FISCAL YEAR ENDED





LAKE COUNTY SCHOOLS, TAVARES FLORIDA

Comprehensive Annual Financial Report

of the

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

for

Fiscal Year Ended June 30, 2017



Issued By: The Finance Department



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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LAKE COUNTY SCHOOLS, TAVARES FLORIDA

INTRODUCTORY SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



Superintendent:
Diane S. Kornegay, M.Ed.

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

201 West Burleigh Boulevard • Tavares • FL 32778-2496
(352) 253-6500 • Fax: (352) 253-6503 • www.lake.k12.fl.us

January 29, 2018

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

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

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

The State of Florida Auditor General has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report on financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the provisions of the Uniform Guidance. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this Single Audit, including the schedule of expenditures of Federal Awards, the independent auditor's reports on internal control over financial reporting and on compliance and other matters, the independent auditor's report on federal program compliance, and the schedule of findings and questioned costs, is included in the single audit section of this report.

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

Profile of the School District

The District and its governing body were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered and supervised by the District school officials in accordance with Chapter 1001.30, Florida Statutes. The District School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Lake County. The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules and District policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District, as prescribed by the State Board of Education. The geographic boundaries of the District are those of Lake County.

This report contains the audited financial statements for all operations over which the School Board is financially accountable. Various potential component units were evaluated to determine whether they should be considered as a part of the District's reporting entity. Accordingly, included are all funds of the District, the Financing Corporation for the School Board of Lake County, Florida, Inc., the Educational Foundation of Lake County, Inc., (the "Foundation") and eight charter schools, which comprise the reporting entity. The Financing Corporation for the School Board of Lake County, Florida, Inc., was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Lake County. The charter schools are public schools operating under performance contracts with the District. The Foundation and charter schools are included in the CAFR as discretely presented component units.

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

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

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

In order to provide budgetary control for salaries the District utilizes a centralized position control system. On an annual basis, the District adopts a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria. See further discussion of future changes to the budgeting process under "Long-term Financial Planning".

Economic Condition and Outlook

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

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

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

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

Financial Information

Long-term Financial Planning

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

Financial Information

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

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

Budgetary Controls

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

Retirement Program

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

Audit

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

Awards and Acknowledgements

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

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

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

Respectfully submitted,



Diane S. Kornegay
Superintendent



Karen C. Briggs, CPA
Chief Financial Officer



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

Elected Officials – School Board Members

Mr. Bill Mathias District 1
Term 2014-2018

Dr. Kristi Burns District 2
Term 2016-2020

Mr. Marc Dodd District 3
Term 2014-2018

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

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

Appointed Officials

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

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

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

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

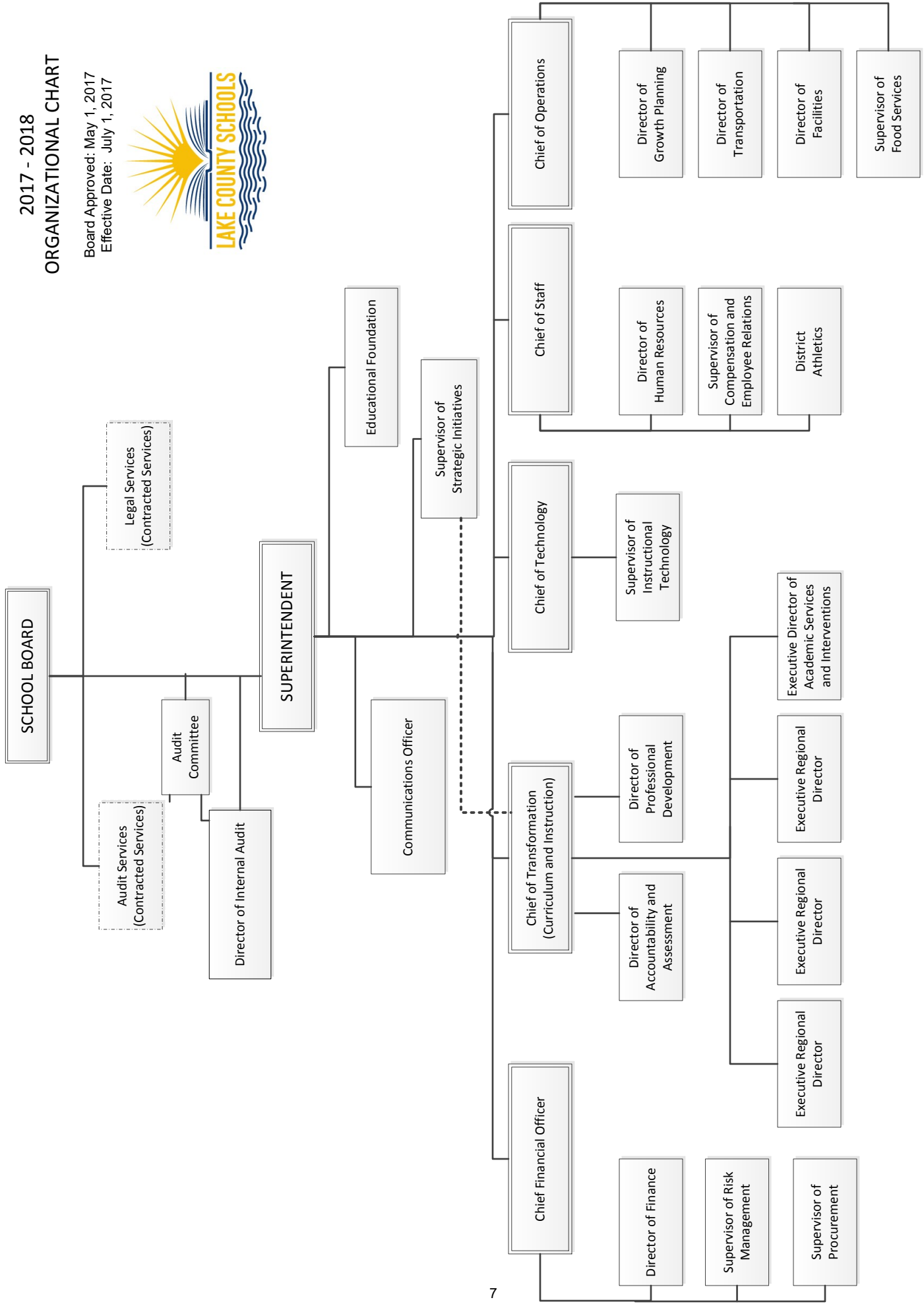
Dr. Emily Weiskopf.....Chief of Transformation

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

2017 - 2018

ORGANIZATIONAL CHART

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





Government Finance Officers Association

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

Presented to

**District School Board of Lake County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrell

Executive Director/CEO



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

FINANCIAL SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

INDEPENDENT AUDITOR'S REPORT



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lake County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 12 percent of the assets and 24 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lake County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General Fund**, **Budgetary Comparison Schedule – Special Revenue– Food Service Fund**, **Budgetary Comparison Schedule – Special Revenue – Other Federal Programs Fund**, **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability**, **Schedule of District Contributions – Pension Plans**, and **Notes to the Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

LAKE COUNTY DISTRICT SCHOOL BOARD MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

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

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

Overview of the Financial Statements

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

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

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

Major Features of the Government-Wide and Fund Financial Statements

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

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

Government-Wide Financial Statements Reporting the District as a Whole

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

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

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

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be put into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position can be found on pages 34 through 35 of this report.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

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

Notes to the Required Supplementary Information

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

Government-Wide Financial Analysis

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

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

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

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

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

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

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

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

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

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

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

Financial Analysis of the Government's Funds

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

Major Governmental Funds

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

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

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

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

- Restricted
- Committed
- Assigned
- Unassigned

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

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

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

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

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

Proprietary Funds

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

General Fund Budgetary Highlights

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

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

Capital Assets and Debt Administration

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

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

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

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

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

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

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

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

Other Matters of Significance

Factors Bearing on the District's Future

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

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

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

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

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Adjustment to Beginning Net Position

Net Position - Beginning, as Restated

Net Position - Ending

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

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

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

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

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

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

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

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

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

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

B. Reporting Entity

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

Component Units

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

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

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

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

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

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

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

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

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

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

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

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

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

The District reports the following proprietary funds:

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

The District reports the following fiduciary funds:

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

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

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

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

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

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

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

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

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

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

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available in order to be accrued. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property and sales taxes to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

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

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

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

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

(1) Cash and Cash Equivalents

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

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

(2) Investments

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

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

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

(3) Receivables and Payables

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

(4) Inventories and Prepaid Items

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

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

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

(5) Capital Assets

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

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

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

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

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

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

(6) Long-Term Liabilities

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

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

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

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

(7) Pensions

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

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

(8) Deferred Outflows / Inflows of Resources

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

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

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

(9) Compensated Absences

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

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

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

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(10) Net Position Flow Assumption

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

(11) Fund Balance Flow Assumptions

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

(12) Fund Balance Policies

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

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

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

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

G. Revenues

(1) Program Revenues

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

(2) State Revenue Sources

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

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

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

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

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

(3) District Property Taxes

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

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

The Board adopted the 2016 tax levy on September 12, 2016. Tax bills are mailed by the Lake County Tax Collector's Office in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are budgeted at 96 percent of the levy to account for the potential early payment discounts. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Lake County Tax Collector at fiscal year end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

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

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(4) Local Sales Tax

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

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

(5) Educational Impact Fees

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

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

(6) Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to,

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and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

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

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

2. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

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

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

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Interest Rate Risk

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

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

Credit Risk

The District's investment policy authorizes the following investments:

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

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

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415 (18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by, the Board should

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

Concentration of Credit Risk

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

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

Foreign Currency Risk

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

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B. Receivables

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

C. Changes in Capital Assets

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

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

D. State Retirement Program and Net Pension Liability

(1) General Information about the FRS

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

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

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

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

(2) FRS Pension Plan

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

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

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

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

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

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular 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 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	2.00

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

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

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

<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 totaled \$9,065,673 for the fiscal year ended June 30, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6 percent) or 1-percentage-point higher (8.6 percent) than the current rate:

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

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

(3) HIS Pension Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) FRS – Defined Contribution Pension Plan

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

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

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

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

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

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

E. Other Post-Employment Benefits (OPEB)

Plan Description.

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

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

Funding Policy.

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

Annual OPEB Cost and Net OPEB Obligation.

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

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

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

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

Funded Status and Funding Progress.

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

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

Actuarial Methods and Assumptions.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term perspective. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2017, and to estimate the District's 2016-17 fiscal year annual required contribution. This method was selected because it produced the lowest OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.5 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, an inflation rate of 2.5 percent, and an annual healthcare cost trend rate of 6.5 percent for the 2016-17 fiscal year, reduced to an ultimate rate of 4.49 percent after 23 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2017, was 21 years.

F. Other Significant Commitments

Encumbrances:

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

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

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

G. Risk Management Programs

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

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

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

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

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

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

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

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

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

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

H. Lease Obligation

(1) Capital Lease Commitment

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

Amounts payable for the Capital Lease are as follows:

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

I. Long-Term Liabilities

(1) Certificates of Participation

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

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

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

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

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

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

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

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

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

The District Properties included in the ground leases under this arrangement include:

Series 1998 Certificates

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

Series 2002 Certificates

Pine Ridge Elementary
Leesburg High
Mt. Dora High

Series 2003 Certificates

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

Series 2004A Certificates

Carver Middle
Mascotte Elementary - Charter
Lake Hills

Series 2005A Certificates

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

Series 2006A Certificates

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

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

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

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

(2) Bonds Payable

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

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

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

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

State School Bonds

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

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

(3) Sales Tax Notes Payable

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

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

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

(4) Changes in Long-Term Liabilities

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

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

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

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

(5) Defeased Debt

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

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

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

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

J. Net Position – Net Investment in Capital Assets

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

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

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

K. Fund Balance Reporting

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

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

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

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

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

L. Interfund Receivables and Payables

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

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

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

M. Donor-Restricted Endowments

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

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

N. Revenues

(1) Schedule of State Revenues

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

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

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

(2) Property Taxes

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

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

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

O. INTERFUND TRANSFERS

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

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

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

3. DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation and Contingencies

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

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

REQUIRED SUPPLEMENTARY INFORMATION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

1. Budgetary Basis of Accounting

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

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

2. Schedule of Funding Progress – Other Postemployment Benefits Plan

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

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

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

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

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

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

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

**OTHER SUPPLEMENTARY
INFORMATION
COMBINING STATEMENTS AND
SCHEDULES**



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

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

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

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

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

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

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

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

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

STATISTICAL SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA STATISTICAL SECTION

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

Financial Trend Information

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

Revenue Capacity Information

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

Debt Capacity Information

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

Demographic and Economic Information

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

Operating Information

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Fund balances restated to reflect implementation of GASB 54.

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Source: District Records

(Continued)

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

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

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

Notes:

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

Source: District Records

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

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

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

Source: Lake County Property Appraiser

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

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

Source: Lake County Property Appraiser

(Continued)

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

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

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

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, a majority of taxes are collected in the fiscal year levied.

Source:

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

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

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

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

Source:

(A) District Records

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

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

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

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

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

Source: District Records

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

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

Source: District Records



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

(1) Personal income is in thousands.

Sources:

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

(Continued)

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

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

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

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

(Continued)

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

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

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

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

Source: District Records

(Continued)

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

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

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

Notes:

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

Source: District Records and Florida Department of Education Staffing Report

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

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

10 Month Teachers

Source: District Records

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

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

Source: District Records

(Continued)

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



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

SINGLE AUDIT ACT AND OTHER AUDIT REPORTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

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

The notes below are an integral part of this schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lake County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance: National School Lunch Program. Includes \$1,521,978 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lake County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2018, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



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



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

Report on Compliance for the Major Federal Program

We have audited the Lake County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2017. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major Federal program:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Type of auditor's report issued on compliance for major Federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major Federal program:

CFDA Number:

84.010

Name of Federal Program or Cluster:

Title I Grants to Local Educational Agencies

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

\$1,145,996

Auditee qualified as low risk auditee?

Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDING AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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