

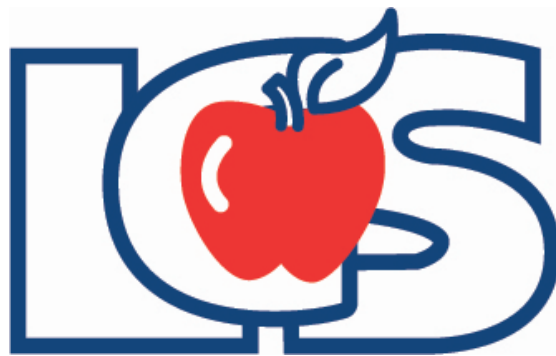


COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

District School Board Of Lake County - Tavares, Florida

June 30, 2015
Fiscal Year Ended





LAKE COUNTY SCHOOLS, TAVARES FLORIDA

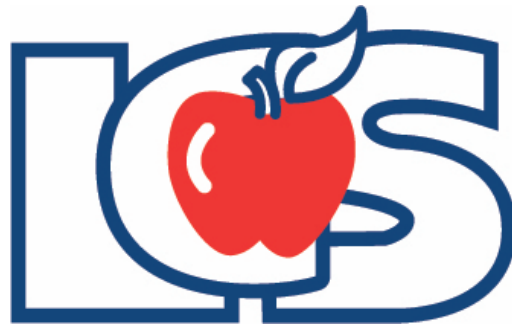
Comprehensive Annual Financial Report

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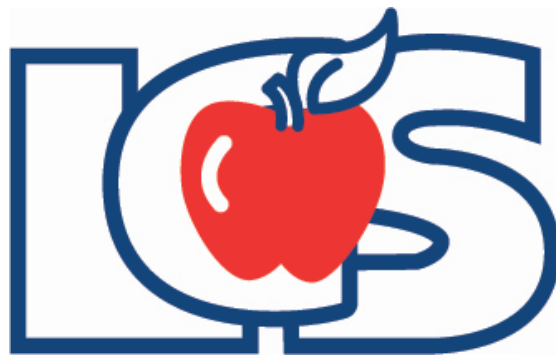
***District School Board of Lake County, Florida
Tavares, Florida***

for

Fiscal Year Ended June 30, 2015



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, 2015

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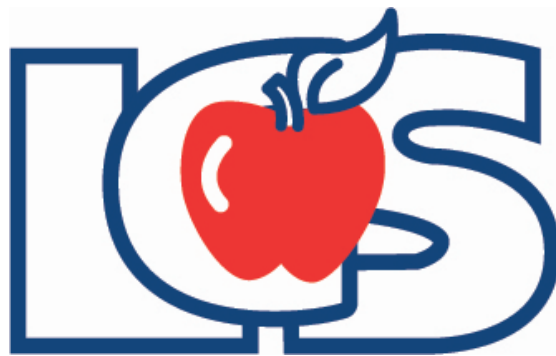
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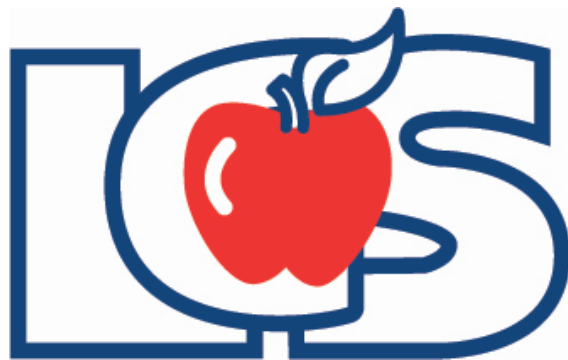
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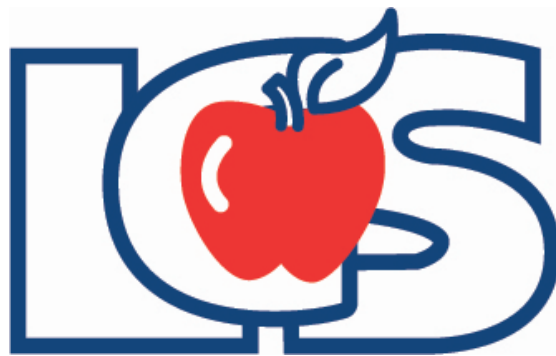


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

INTRODUCTORY SECTION



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



Superintendent:
Susan Moxley, Ed.D.

School Board Members:
District 1
Bill Mathias
District 2
Rosanne Brandenburg
District 3
Marc Dodd
District 4
Debbie Stivender
District 5
Stephanie Luke

Leading our Children to Success

201 West Burleigh Boulevard • Tavares • FL 32778-2496
(352) 253-6500 • Fax: (352) 343-0198 • www.lake.k12.fl.us

March 4, 2016

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, 2015, 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 District's financial statements have been independently audited by the independent certified accounting firm, Purvis Gray and Company, CPA's. 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, 2015, 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 unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2015, 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 Single Audit Act of 1996 and the United States Office of Management and Budget ("OMB") *Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. 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, schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, is included in the single audit section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The 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 ten 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 2014-15 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 10 charter schools that are component units of the District. In total, the District reported serving approximately 41,343 unweighted full-time equivalent students. State projected enrollment for the 2015-16 fiscal year is 41,674. In the prior fiscal year, the State of Florida changed the reporting of FTE by limiting the base funding for any unweighted student enrolled to one FTE regardless of any enrollment in excess of one FTE. This change in reporting is reported as "Recalibrated FTE" and is the result of the Legislative appropriation process.

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.

Economy. 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 5,769 full and part-time employees, including 2,920 Instructional personnel during the 2014-15 fiscal year.

Long-term Financial Planning. Funding for school districts in the State of Florida is set by the Florida Legislature annually through the General Appropriations Act.

In June 2013, Lake County Schools was one of four school districts selected to participate in the "Spending Money Smartly" Initiative sponsored by the Bill and Melinda Gates foundation. Locally the project called, "EngageLCS" has the mission of aligning resources to support key teacher-, leader-, and student-directed initiatives in order to develop students who are "C2 Ready"—prepared for college and a career. It embraces a bold set of initiatives that hold the promise of meeting the need of redefining how to grow student achievement. It aligns resources to instructional priorities and outlines a long-term plan to make these priorities a reality.

From the onset of the process, the district focused on identifying instructional priorities in key areas, including Compensation & Staffing, Professional Development, Technology, and Teaching and Learning. Through careful analysis of our resource allocation, additional needs for English Language Learner students and students struggling with less than proficient exam scores were identified. Together, a course was charted to improve academics and accelerate student achievement

On December 16, 2013, the Board approved the first Three-Year Strategic Finance Plan (SPF) for the District that identified the Investment Opportunities to provide funding for the Instructional Priorities identified. The SFP earmarks an investment of approximately \$21.1 million for the instructional priorities in 2015 through 2017.

The SFP now serves to guide our annual budgeting process to ensure our instructional priorities are being funded and budget gaps are closed. The plan will be updated each year on a rolling basis, evaluating activities of the prior year and adding one year onto

the plan. The plan's extended time horizon and rolling nature increase our ability to spend money smarter—so that every dollar is used to support the community's educational vision and priorities.

Relevant Financial Policies. The District follows procedures established by Board Policy, Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the object level (e.g. salaries, benefits, and purchased services) within each function activity (e.g. instruction, pupil personnel services, and school administration) and may be amended at any Board meeting prior to the due date for the annual financial report.

Unassigned fund balance in the general fund (4.15 percent of total general fund revenues) exceeds the District policy of 4.0 percent of recurring expenditures. During the initial planning for the budget, the District each year sets aside 4.0 percent of its revenues in order to ensure compliance with this policy.

Major Initiatives

Enterprise Resource Program: In November 2012, the Board approved the purchase of a District-wide Enterprise Resource Program (ERP) computer system to replace the legacy system that has been used by the District since the late 1970's. The new ERP system consists of two major components, the Business Suite and the Student Suite. The Business Suite became operational on October 1, 2013 and is now generating all Financial, Payroll and Human Resource records for the District. The Student Suite installation began with Student Scheduling in April 2014 and is continuing to convert all student records. It is expected that the installation and conversion will be completed by the end of the 2015-16 fiscal year.

Capital Outlay Program. Following several years of continued decline in property value, the county is beginning to see an increase in both property value and new construction. However, the continuing decline in the ad valorem levy as the result of State Legislative action, the suspension and subsequent later reinstatement of Impact Fees by the Board of County Commissioners, took funds from the District that will not be replaced and have caused the District to postpone future maintenance, renovations, and additions to District capital facilities. Of further concern is a change in enrollment projections from an estimate of continued stable slow growth to one of enrollment increases in excess of 1% per year.

After several years of suspended impact fees by the Board of County Commissioners, the Educational Impact Fees were reinstated at 100% of the recommended study amount in September 2015 with an effective date of January 2016. In addition, in November 2015, the voters of Lake County overwhelmingly approved a continuation of

the Infrastructure Sales Tax from which the District received one-third cent. The sales tax scheduled to expire on December 2017 has now been extended an additional 15 years.

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, 2014. This was the eleventh 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.

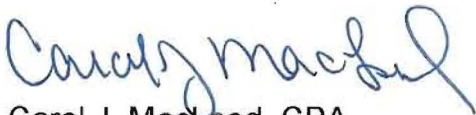
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Susan E. Moxley, Ed.D.
Superintendent of Schools



Carol J. MacLeod, CPA
Chief Financial Officer



Karen C. Briggs, CPA
Director of Finance

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
ELECTED AND APPOINTED OFFICIALS
As of March 4, 2016**

Elected Officials - School Board Members

Bill Mathias, Chairman.....District 1
Term 2014-2018

Rosanne Brandenburg.....District 2
Term 2012-2016

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

Debbie Stivender.....District 4
Term 2012-2016

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

APPOINTED OFFICIALS

Dr. Susan E. Moxley.....Superintendent of Schools

Mr. Bill Miller.....Chief Academic Officer

Dr. Marilyn Doyle.....Chief of Administration

Ms. Carol MacLeod.....Chief Financial Officer

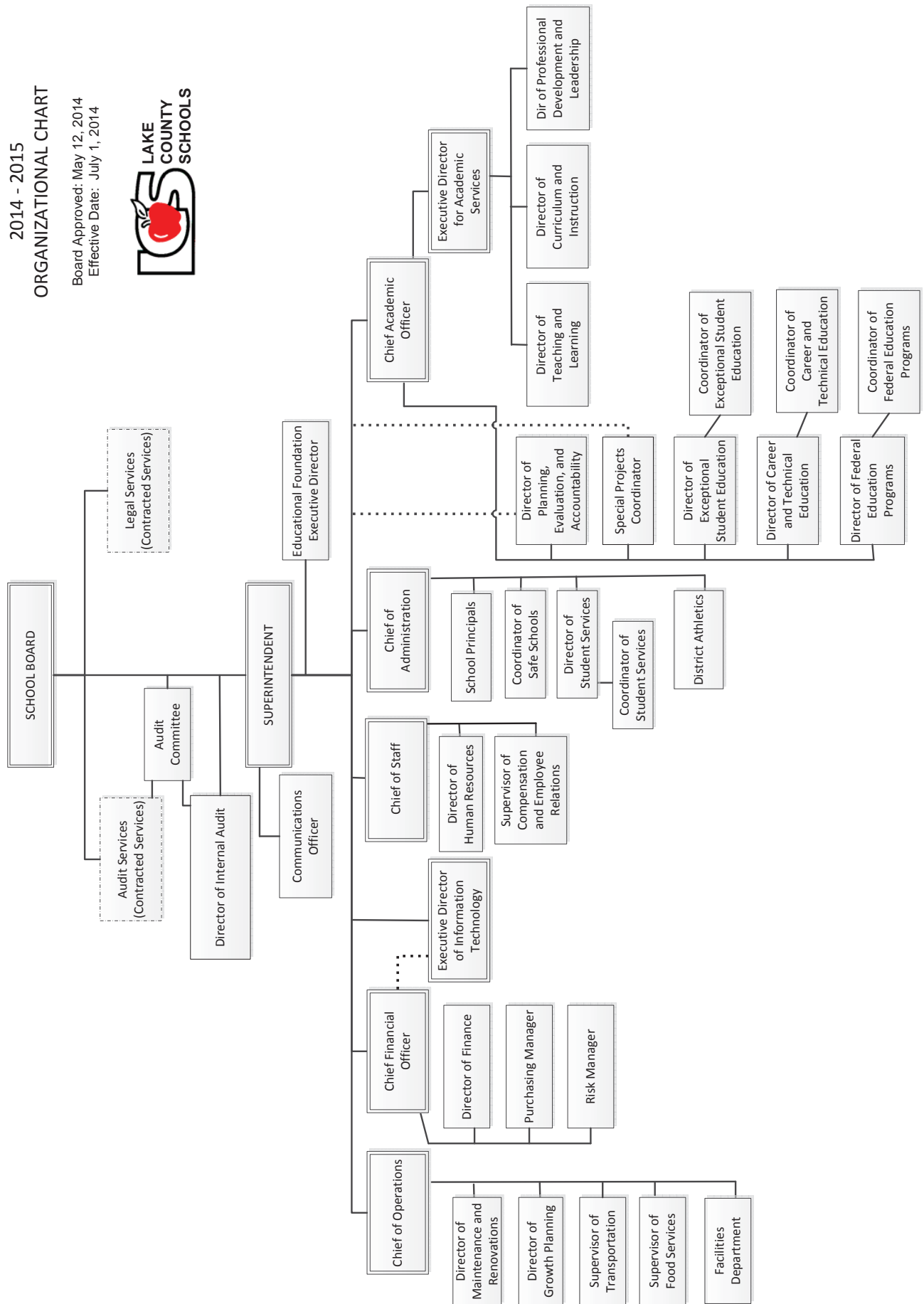
Mr. John Carr.....Chief of Operations

Ms. Laurie Marshall..... Chief of Staff

Dr. Creed Wheeler.....Executive Director of Information Technology

2014 - 2015
ORGANIZATIONAL CHART

Board Approved: May 12, 2014
Effective Date: July 1, 2014





Government Finance Officers Association

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

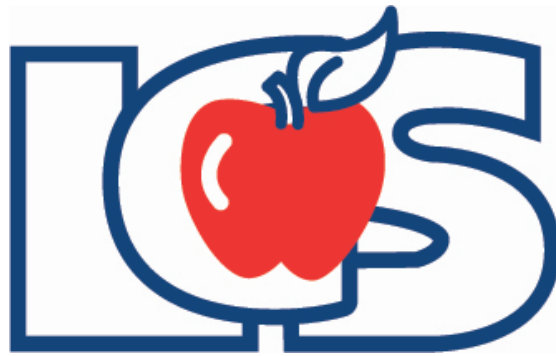
Presented to

**District School Board of Lake County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

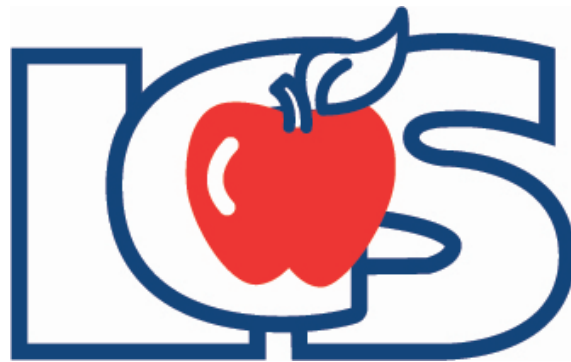
June 30, 2014

Executive Director/CEO

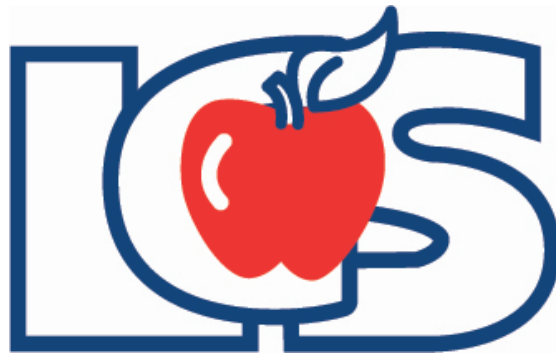


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

FINANCIAL SECTION

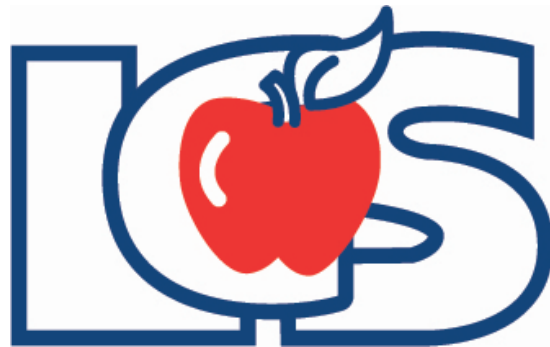


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

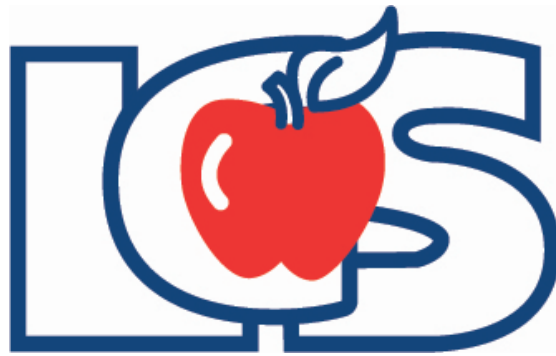


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

INDEPENDENT AUDITOR'S REPORT



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

INDEPENDENT AUDITORS' REPORT

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

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 District School Board of Lake County, Florida (the District), as of and for the fiscal year ended June 30, 2015, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units (identified in Note 1) of the accompanying financial statements. The aggregate discretely presented component units' financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's aggregate discretely presented component units, is based solely on the report 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 of 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 and the report of the other auditors are sufficient and appropriate to provide a basis for our audit opinions.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the agency fund and the aggregate remaining fund information of the District, as of June 30, 2015, 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.

Adoption of New Accounting Standards

As described in the notes to the financial statements in 2015, the District adopted new accounting guidance, Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for other postemployment benefits and major fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 and other auditors have applied certain limited procedures to the required supplemental 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 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.

The major fund budgetary comparison schedules are the responsibility of management and was 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major fund budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other budgetary comparison schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

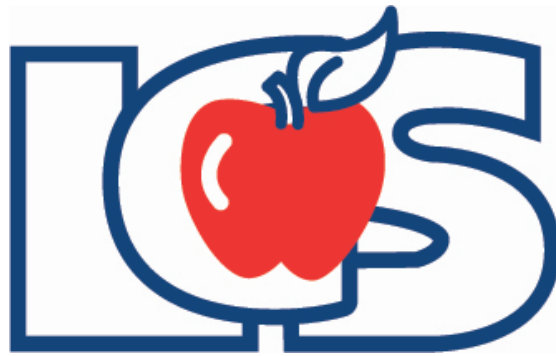
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. 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 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.

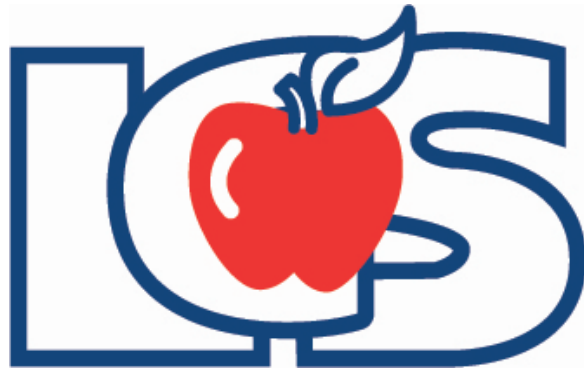


March 1, 2016
Ocala, Florida

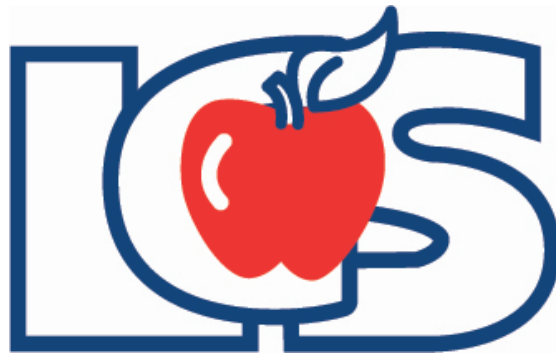


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

MANAGEMENT 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, 2015. We encourage readers to consider the information presented here in conjunction with our financial statements.

Financial Highlights

Key financial highlights for the fiscal year 2014-15 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 \$341,664,308.
- The District's total Net Position decreased by \$102,756,086. The decrease includes an adjustment decreasing the beginning net position in the amount of \$ 112,267,370. The majority of the adjustment was the result of District adopting the provisions of the Government Accounting Standards Board (GASB) Statement No. 68. For more information on this adjustment, please refer to the notes to financial statements, note 2B.
- As of the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$79,761,921, a decrease of \$17,486,031 in comparison with the prior fiscal year.
- The District's government-wide revenues totaled \$380,664,650, of which general revenues totaled \$354,758,838, or 93.2 percent of all revenues. In the prior fiscal year, general revenues totaled \$ 341,699,354, or 93.6 percent.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,952,102 or 4.15 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 \$54,208,011 or approximately 16.5 percent during the current fiscal year. The key factor in this increase was the recording of a net pension liability of \$82,039,772 required under GASB 68 and a decrease of \$35,167,756 from the repayment and restructuring of outstanding debt. A complete discussion of the implementation of GASB 68 is included in the notes to the financial statements, note 3D.

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 Balance.	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statement of Fiduciary Assets and Liabilities
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 as 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 or 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, pupil personnel services, administration, pupil 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 10 charter schools and the Educational Foundation of Lake County, Inc., 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 23 through 25 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 11 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, and one 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 non-major governmental funds is provided in the form of combining statements found on pages 95 through 98 of this report. The basic governmental fund financial statements can be found on pages 26 through 31 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 copy center. 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 108 through 110 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 32 through 34 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 35 through 36 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 37 through 86 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 and the Special Revenue – Food Service Fund on pages 87 through 88 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 89 through 91.

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 page 92 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 \$340,535,069 at June 30, 2015.

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, 2015 compared to the Net Position as of June 30, 2014.

	Governmental		Business-Type		Total	
	Activities		Activities			
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Current and Other Assets	\$ 113,046,788	\$ 132,147,631	\$ 1,221,151	\$ 1,421,389	\$ 114,267,939	\$ 133,569,020
Capital Assets	\$ 660,286,068	\$ 668,850,695			\$ 660,286,068	\$ 668,850,695
Total Assets	\$ 773,332,856	\$ 800,998,326	\$ 1,221,151	\$ 1,421,389	\$ 774,554,007	\$ 802,419,715
Deferred Outflow of Resources	\$ 27,617,147	\$ 3,379,431	\$ -	\$ -	\$ 27,617,147	\$ 3,379,431
Current Liabilities	\$ 31,229,146	\$ 33,325,011	\$ 91,912	\$ 19,204	\$ 31,321,058	\$ 33,344,215
Noncurrent Liabilities	\$ 382,093,050	\$ 327,885,039			\$ 382,093,050	\$ 327,885,039
Total Liabilities	\$ 413,322,196	\$ 361,210,050	\$ 91,912	\$ 19,204	\$ 413,414,108	\$ 361,229,254
Deferred Inflow of Resources	\$ 47,092,738	\$ 131,557		\$ 17,941	\$ 47,092,738	\$ 149,498
Net Position						
Net Investment in						
Capital Assets	\$ 394,523,506	\$ 381,271,147			\$ 394,523,506	\$ 381,271,147
Restricted	\$ 62,358,146	\$ 74,689,386			\$ 62,358,146	\$ 74,689,386
Unrestricted (deficit)	\$ (116,346,583)	\$ (12,924,383)	\$ 1,129,239	\$ 1,384,244	\$ (115,217,344)	\$ (11,540,139)
Total Net Position	\$ 340,535,069	\$ 443,036,150	\$ 1,129,239	\$ 1,384,244	\$ 341,664,308	\$ 444,420,394

A portion of the District's Net position, \$62,358,146, represents resources that are subject to external restrictions on how they may be used. A decrease of \$12,331,230 in restricted net position reported in connection with the District's governmental activities was the result of construction expenses during the fiscal year from restricted capital funds.

The remaining deficit net position, \$116,346,583, 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, 2015. The most significant liabilities (claims) against the unrestricted assets include the pension liability of \$82,039,772, compensated absence liability of \$16,690,190, and the other post-employment benefits (OPEB) liability of \$9,542,761. Of the compensated absence liability, \$15,290,190, 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, 2015 and June 30, 2014 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues:						
Program Revenues						
Charge for Services	\$ 5,053,811	\$ 5,297,559	\$ 2,855,793	\$ 2,837,515	\$ 7,909,604	\$ 8,135,074
Operating Grants and Contributions	15,812,980	15,435,995			15,812,980	15,435,995
Capital Grants and Contributions	2,283,228	2,627,495			2,283,228	2,627,495
General Revenues:						
Property Taxes	121,491,820	114,946,404			121,491,820	114,946,404
Other Taxes	14,021,477	12,158,522			14,021,477	12,158,522
Grants and Contributions (FEFP etc.)	208,519,225	207,545,391			208,519,225	207,545,391
Unrestricted Investment Earnings	30,787	19,159	278	646	31,065	19,805
Miscellaneous	10,714,797	7,029,232			10,714,797	7,029,232
Total Revenues	<u>377,928,125</u>	<u>365,059,757</u>	<u>2,856,071</u>	<u>2,838,161</u>	<u>380,784,196</u>	<u>367,897,918</u>
Expenses:						
Instruction	193,588,155	192,465,779			193,588,155	192,465,779
Pupil Personnel Services	17,012,506	16,093,486			17,012,506	16,093,486
Instructional Media Services	3,438,954	3,277,822			3,438,954	3,277,822
Instruction and Curr Development	8,146,058	7,710,547			8,146,058	7,710,547
Instructional Staff Training Services	9,204,244	6,002,273			9,204,244	6,002,273
Instruction Related Technology	1,385,748	1,994,896			1,385,748	1,994,896
Board of Education	772,594	833,945			772,594	833,945
General Administration	1,545,354	1,581,653			1,545,354	1,581,653
School Administration	17,204,641	16,804,142			17,204,641	16,804,142
Facility Services	6,280,902	4,521,695			6,280,902	4,521,695
Fiscal Services	1,644,580	1,700,875			1,644,580	1,700,875
Food Services	18,600,056	17,841,157			18,600,056	17,841,157
Central Services	5,844,099	8,133,693			5,844,099	8,133,693
Pupil Transportation Services	16,398,971	16,047,770			16,398,971	16,047,770
Operation of Plant	24,535,385	24,250,418			24,535,385	24,250,418
Maintenance of Plant	7,277,443	6,858,011			7,277,443	6,858,011
Administrative Technology Services	3,502,836	2,979,728			3,502,836	2,979,728
Community Services	91,030	71,989			91,030	71,989
Interest on Long-Term Debt	10,121,367	11,589,897			10,121,367	11,589,897
Depreciation - Unallocated	21,903,645	22,077,972			21,903,645	22,077,972
Extended Learning Center Program			2,654,798	2,326,854	2,654,798	2,326,854
Total Expenses	<u>368,498,568</u>	<u>362,837,748</u>	<u>2,654,798</u>	<u>2,326,854</u>	<u>371,153,366</u>	<u>365,164,602</u>
Excess (Deficiency) before Transfers	9,429,557	2,222,009	201,273	511,307	9,630,830	2,733,316
Transfers	<u>336,732</u>	<u>511,307</u>	<u>(456,278)</u>	<u>(511,307)</u>	<u>(119,546)</u>	<u>-</u>
Change in Net Position	<u>9,766,289</u>	<u>2,733,316</u>	<u>(255,005)</u>	<u>-</u>	<u>9,511,284</u>	<u>2,733,316</u>
Net Position, Beginning of Year	443,036,150	440,302,834	1,384,244	1,384,244	444,420,394	441,687,078
Adjustment to Net Position (1)	<u>(112,267,370)</u>				<u>(112,267,370)</u>	<u>-</u>
Net Position, Beginning as Restated	330,768,780	440,302,834	1,384,244	1,384,244	332,153,024	441,687,078
Net Position, Ending	<u>\$ 340,535,069</u>	<u>\$ 443,036,150</u>	<u>\$ 1,129,239</u>	<u>\$ 1,384,244</u>	<u>\$ 341,664,308</u>	<u>\$ 444,420,394</u>

(1) Adjustment to beginning net position due to the implementation of GASB Statement 68.
See Note to Financial Statement 3.

The District's Net Position decreased by \$102,756,086 during the current fiscal year which included adjustments to beginning Net Position of \$112,267,370.

Governmental Activities. Governmental activities increased the District's Net Position by \$9,766,289 following the adjustment to reduce beginning Net Position by \$112,267,370, thereby accounting for substantially all of the total increase in the Net Position of the District. For the most part, increases in expenses closely paralleled inflation and reduced growth in the number of students.

Business-Type Activities. Business-type activities decreased the District's Net Position by \$255,005.

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 \$79,761,921, a decrease of \$17,486,031 comparison with the prior fiscal year. This is mainly due to completion of the construction of an Elementary School and repayment of debt.

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 \$11,952,102 while total fund balance reached \$17,039,286. As a measure of the General Fund's liquidity, it may useful to compare both unassigned fund balance and total fund balance to total revenues. Unassigned fund balance represents approximately 4.1 percent of total General Fund revenues, while total fund balance represents approximately 5.9 percent of that same amount. The remainder of fund balance is spendable subject to the level of restriction. The assigned fund balance includes encumbrances of \$3,276,842 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 \$110,460 are reported as restricted; inventory valued at \$1,676,004 and prepaid instructional material items totaling \$23,878 are reported as non-spendable.

Special Revenue Fund – Food Service is used to account for the financial resources of the School Food Service Programs. Included in this fund are the revenues from the Federal

Student 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 account substantially equal to 3 months operating expenditures.

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 \$36,783,227, a decrease of \$10,625,398 from the prior fiscal year. The decrease is partially reflected by the increase of \$13,261,914 in Net Investment in Capital Assets.

Proprietary Funds

The District's proprietary funds provide the same type of information as business-type activities found in the government-wide financial statements.

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 more than the original budgeted change by approximately \$3.3 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 net investment in capital assets for the governmental activities as of June 30, 2015, amounted to \$660,286,068 (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; audio visual materials and computer software; and construction in progress. The total decrease in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was approximately 1.3 percent.

	Governmental Activities	
	June 30, 2015	June 30, 2014
Land	\$ 19,420,146	\$ 19,454,943
Construction in Progress	13,378,821	6,598,323
Improvements Other Than Buildings, Net	877,873	654,423
Buildings and Fixed Equipment, Net	607,591,833	620,842,359
Furniture, Fixtures, and Equipment, Net	8,144,579	7,844,870
Motor Vehicles, Net	5,120,165	6,163,876
Property under Capital Lease	4,496,204	4,998,186
Audio Visual Materials and Computer Software, Net	1,256,447	2,293,715
	<u>\$ 660,286,068</u>	<u>\$ 668,850,695</u>

Additional information on the District's capital assets can be found in note 3C 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 \$273,810,327 as follows:

State Board of Education Bonds	\$	8,085,000
Certificates of Participation		247,483,719
Capital Leases		6,306,608
Sales Tax Notes Payable		11,945,000
		<hr/>
Total	\$	273,820,327
		<hr/> <hr/>

During the current fiscal year, the District paid \$35,167,756 for principal payments on existing long-term debt related to capital assets as follows:

Scheduled Payments		
State School Bonds	\$	867,000
Sales Tax Revenue Bonds		6,595,000
Sales Tax Note Payable		3,885,000
Certificates of Participation Payable		14,750,000
Property under Capital Lease		1,655,756
		<hr/>
Sub-total		27,752,756
Refunded COP		7,415,000
		<hr/>
	\$	35,167,756
		<hr/> <hr/>

Additional information on the District's long-term debt can be found in note 3H of the notes to the basic financial statements.

Other Matters of Significance

Factors Bearing on the District's Future

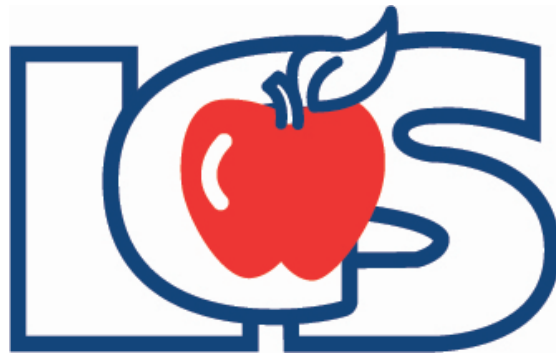
At the time these financial statements were prepared, the District was aware of four existing circumstances that could significantly affect its financial future.

- 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 2015-16 fiscal year show an increase, the third 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.
- The State has announced a proration of State funding for Fiscal Year 2015-16, this will be the fifth consecutive year in which the State has failed to provide school districts with the full amount of earned funding. For the District, the State proration in Fiscal Year 2014-15 was \$1.5 million, an amount significantly higher than in previous years. For that reason, the District will continue to closely monitor its reserve funds to protect programs from likely additional State proration in Fiscal Year 2015-16.

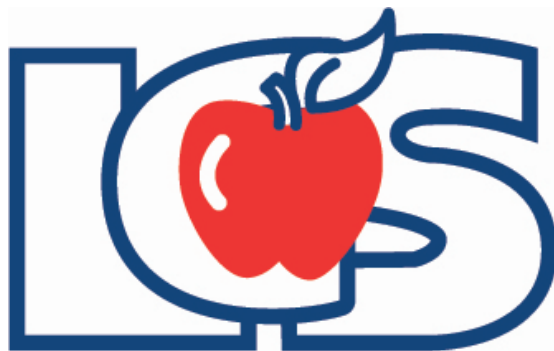
Requests for Information

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.

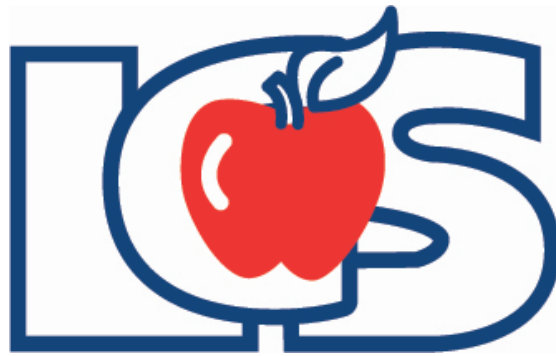


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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, 2015

		Primary Government		
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 65,932,513	\$ 1,071,924	\$ 67,004,437	\$ 29,615,314
Investments	27,676,471		27,676,471	1,254,343
Accounts Receivable	7,128,148		7,128,148	222,102
Prepaid Items	23,878		23,878	456,938
Due from Other Agencies	9,177,312	149,227	9,326,539	
Inventories	2,347,453		2,347,453	
Prepaid Insurance Costs	761,013		761,013	
Other Current Assets				85,640
Capital Assets:				
Land and Construction in Progress	32,798,967		32,798,967	494,880
Depreciable Capital Assets	870,549,027		870,549,027	6,500,810
Accumulated Depreciation	(243,061,926)		(243,061,926)	(2,778,006)
Other Non-Current Assets				3,139,062
TOTAL ASSETS	\$ 773,332,856	\$ 1,221,151	\$ 774,554,007	\$ 38,991,083
DEFERRED OUTFLOWS OF RESOURCES				
Pension Costs	\$ 20,795,344	\$	\$ 20,795,344	\$ 2,173,421
Net Carrying Amount of Debt Refunding	6,821,803		6,821,803	45,807
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 27,617,147	\$	\$ 27,617,147	\$ 2,219,228
LIABILITIES				
Salaries and Benefits Payable	\$ 17,848,953	\$ 30,790	\$ 17,879,743	\$ 493,955
Payroll Deductions and Withholdings	6,305,270	15,013	6,320,283	
Accounts Payable	3,982,924	4,816	3,987,740	130,038
Other Expenses				44,707
Unearned Revenues	126,586	41,293	167,879	
Deposits Payable	192,142		192,142	
Due to Other Agencies	14,682		14,682	4,757,926
Estaimted Insurance Claims Payable	2,758,589		2,758,589	
Long-Term Liabilities:				
Portion Due Within One Year	32,994,392		32,994,392	2,131,217
Portion Due After One Year:	349,098,658		349,098,658	10,247,119
TOTAL LIABILITIES	\$ 413,322,196	\$ 91,912	\$ 413,414,108	\$ 17,804,962
DEFERRED INFLOWS OF RESOURCES				
Pension Costs	\$ 47,056,585	\$	\$ 47,056,585	\$ 4,689,053
Unearned Revenue	36,153		36,153	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 47,092,738	\$	\$ 47,092,738	\$ 4,689,053
NET POSITION				
Net Investment in Capital Assets	\$ 394,523,506	\$	\$ 394,523,506	\$ 2,663,905
Restricted for:				
State Required Carryover Programs	110,460		110,460	
Debt Service	2,199,219		2,199,219	201,703
Capital Projects	47,880,984		47,880,984	
Special Revenue - Food Service	12,167,483		12,167,483	
Scholarships, Endowments, and Other Programs				7,700,913
Unrestricted	(116,346,583)	1,129,239	(115,217,344)	8,149,775
TOTAL NET POSITION	\$ 340,535,069	\$ 1,129,239	\$ 341,664,308	\$ 18,716,296

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, 2015

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 193,588,155	\$	\$
Pupil Personnel Services	17,012,506		
Instructional Media Services	3,438,954		
Instruction and Curriculum Development Services	8,146,058		
Instructional Staff Training Services	9,204,244		
Instruction Related Technology	1,385,748		
Board of Education	772,594		
General Administration	1,545,354		
School Administration	17,204,641		
Facility Services	6,280,902		
Fiscal Services	1,644,580		
Food Services	18,600,056	4,391,876	15,812,980
Central Services	5,844,099		
Pupil Transportation Services	16,398,971	661,935	
Operation of Plant	24,535,385		
Maintenance of Plant	7,277,443		
Administrative Technology Services	3,502,836		
Community Services	91,030		
Interest on Long-Term Debt	10,121,367		
Unallocated Depreciation Expense	21,903,645		
Total Governmental Activities	368,498,568	5,053,811	15,812,980
Total Business-Type Activities	2,654,798	2,855,793	
Total Primary Government	\$ 371,153,366	\$ 7,909,604	\$ 15,812,980
Component Units			
Charter Schools	\$ 45,565,321	\$ 3,780,965	\$ 3,713,554
Educational Foundation	1,652,494		1,645,129
Total Component Units	\$ 47,217,815	\$ 3,780,965	\$ 5,358,683
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			
Investment Earnings			
Miscellaneous			
Total General Revenues			
Excess (Deficiency) before Transfers			
Transfers			
Change in Net Position			
Net Position - July 1, 2014 as Restated			
Net Position - June 30, 2015			

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

(Continued)

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

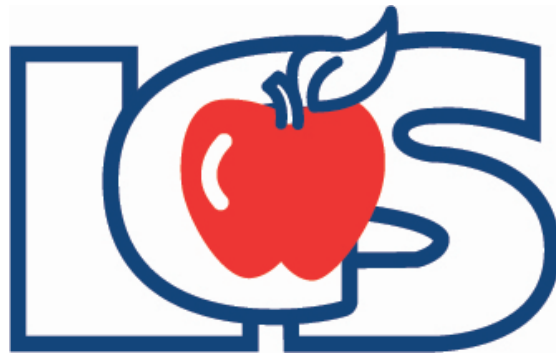
June 30, 2015

	General Fund	Special Revenue Food Service Fund
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 29,284,055	\$ 10,339,906
Investments	20,335	
Accounts Receivable	7,121,832	
Due from Other Funds	2,851,932	
Due from Other Agencies	904,944	1,841,561
Inventories	1,676,004	652,050
Prepaid Items	23,878	
	<u> </u>	<u> </u>
	<u>\$ 41,882,980</u>	<u>\$ 12,833,517</u>
Salaries and Benefits Payable	\$ 16,408,821	\$ 154,723
Payroll Deductions and Withholdings	6,020,749	70,818
Accounts Payable	2,326,984	248,351
Due to Other Funds	71,560	
Deposits Payable		192,142
Due to Other Funds		
Due to Other Agencies	14,682	
Unearned Revenue	898	
	<u> </u>	<u> </u>
Total Liabilities	<u>24,843,694</u>	<u>666,034</u>
Deferred Inflow of Resources		
Unearned Revenue		
	<u> </u>	<u> </u>
Total Deferred Inflow of Resources	<u> </u>	<u> </u>
Nonspendable	1,699,882	652,050
Spendable:		
Restricted	110,460	11,515,433
Assigned	3,276,842	
Unassigned	11,952,102	
	<u> </u>	<u> </u>
Total Fund Balances	<u>17,039,286</u>	<u>12,167,483</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,882,980</u>	<u>\$ 12,833,517</u>

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

(Continued)

Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 7,569,246	\$ 14,378,216	\$ 61,571,423
27,427,628	228,508	27,676,471
	5,566	7,127,398
		2,851,932
1,786,353	4,513,867	9,046,725
		2,328,054
		23,878
\$ 36,783,227	\$ 19,126,157	\$ 110,625,881
\$	\$ 1,285,409	\$ 17,848,953
	213,703	6,305,270
185,063	858,423	3,618,821
	2,271,946	2,343,506
		192,142
500,000		500,000
		14,682
	3,535	4,433
685,063	4,633,016	30,827,807
	36,153	36,153
	36,153	36,153
		2,351,932
36,098,164	14,456,988	62,181,045
		3,276,842
		11,952,102
36,098,164	14,456,988	79,761,921
\$ 36,783,227	\$ 19,126,157	\$ 110,625,881



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

DISTRICT SCHOOL BOARD OF LAKE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Fund Balances - Governmental Funds **\$79,761,921**

Amounts reported for *governmental activities* in the statement of net assets 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	32,798,967	
Depreciable Assets	627,487,101	660,286,068

Unamortized Deferred Loss of Bond Refundings are not expensed in the government-wide statements, but are reported as deferred outflows and amortized over the life of the debt. 6,821,803

Debt Issuance Costs of Bond Refundings are not expensed in the government-wide statements, but are reported as deferred inflows and amortized over the life of the debt. 761,013

Internal Service Funds are used by management to charge the costs of its self-funded employee health insurance and printshop 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	4,511,826	
Less, Total Liabilities - Internal Service Funds	(3,253,271)	1,258,555

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. (20,218,719)

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	(8,085,000)	
Certificates of Participation Payable	(227,265,000)	
Capital Lease Payable	(6,306,608)	
Note Payable	(11,945,000)	
Compensated Absences Payable	(16,690,190)	
Other Postemployment Benefits Payable	(9,542,761)	
Net Pension Liability	(82,039,772)	(361,874,331)

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	16,547,660	(47,027,123)	
FRS - Health Insurance Subsidy	4,247,684	(29,462)	
	20,795,344	(47,056,585)	(26,261,241)

Total Net Position - Governmental Activities **\$340,535,069**

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

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, 2015

	General Fund	Special Revenue Food Service Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 318,503	\$
Federal Through State	1,289,093	15,563,901
State	182,565,687	249,079
Local:		
Ad Valorem Taxes	96,340,255	
Local Sales Tax		
Impact Fees		
Food Service		4,391,876
Other Local Revenue	7,145,530	40,263
	<u>287,659,068</u>	<u>20,245,119</u>
Instruction	186,975,443	
Pupil Personnel Services	14,440,562	
Instructional Media Services	3,502,550	
Instruction and Curriculum Development Services	4,094,183	
Instructional Staff Training Services	4,721,470	
Instruction Related Technology	1,412,397	
Board of Education	787,451	
General Administration	760,975	
School Administration	17,535,498	
Facility Services	402,108	
Fiscal Services	1,676,206	
Food Services		18,957,748
Central Services	5,696,420	
Pupil Transportation Services	16,660,606	
Operation of Plant	25,004,931	
Maintenance of Plant	7,417,393	
Administrative Technology Services	3,562,698	
Community Services	88,559	
Fixed Capital Outlay:		
Facilities Acquisition and Construction	347	
Other Capital Outlay	611,057	798,312
Debt Service:		
Principal		
Interest and Fiscal Charges		
	<u>295,350,854</u>	<u>19,756,060</u>
Total Expenditures		
	<u>295,350,854</u>	<u>19,756,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,691,786)</u>	<u>489,059</u>
Other Financing Sources (Uses)		
Sale of Capital Assets		
Premium on Sale of Bonds		
Refunding Bonds Issued		
Payments to Refunding Escrow Agent		
Transfers In	10,056,278	
Transfers Out	(896,512)	
	<u>9,159,766</u>	
Total Other Financing Sources (Uses)		
	<u>9,159,766</u>	
Net Change in Fund Balances	1,467,980	489,059
Fund Balances, July 1, 2014	15,571,306	11,678,424
Fund Balances, June 30, 2015	<u>\$ 17,039,286</u>	<u>12,167,483</u>

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

(Continued)

Capital Projects- Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$	\$ 33,677	\$ 352,180
	23,285,685	40,138,679
91,150	3,053,811	185,959,727
	25,151,565	121,491,820
	14,021,477	14,021,477
5,093,059		5,093,059
		4,391,876
18,198	487,585	7,691,576
5,202,407	66,033,800	379,140,394
	10,335,542	197,310,985
	2,899,106	17,339,668
	2,537	3,505,087
	4,208,529	8,302,712
	4,659,778	9,381,248
		1,412,397
		787,451
	814,097	1,575,072
		17,535,498
		402,108
		1,676,206
		18,957,748
	260,065	5,956,485
	53,728	16,714,334
	2,286	25,007,217
		7,417,393
	7,500	3,570,198
	4,222	92,781
8,162,150	9,581,561	17,744,058
	71,972	1,481,341
	27,752,756	27,752,756
	11,658,962	11,658,962
8,162,150	72,312,641	395,581,705
(2,959,743)	(6,278,841)	(16,441,311)
190,875		190,875
	15,967,306	15,967,306
	126,890,000	126,890,000
	(144,429,632)	(144,429,632)
	30,013,718	40,069,996
(7,349,415)	(31,487,338)	(39,733,265)
(7,158,540)	(3,045,946)	(1,044,720)
(10,118,283)	(9,324,787)	(17,486,031)
46,216,447	23,781,775	97,247,952
\$ 36,098,164	\$ 14,456,988	\$ 79,761,921

**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, 2015**

Net Change in Fund Balances - Governmental Funds **\$ (17,486,031)**

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 net capital outlays that exceeded the depreciation expense of \$21,903,645 (8,406,096)

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	761,013	
Less Prior Year	<u>590,282</u>	
Net reduction in expenses from Deferred Charges		170,731

Unamortized Premiums/ Deferred Loss:		
Current Year	(20,218,719)	
Less Prior Year	<u>(10,491,668)</u>	
Net increase in expenses from Unamortized Premiums		(9,727,051)

Unamortized Deferred Loss		
Current Year	6,821,803	
Less Prior Year	<u>3,379,431</u>	
Net increase in expenses from Deferred Loss		3,442,372

Other postemployment benefit costs are recorded in the Governmental Funds under the pay-as-you-go method, but under the full accrual method in the Government-Wide Governmental Activities. Current year accruals totaled: (667,634)

Pension Costs are recorded in the Governmental Funds under the pay-as-you-go method, but under the full accrual method in the Government-Wide Governmental Activities. Current year accruals totaled: 6,610,078

Repayments of long-term liabilities are expenditures in the governmental funds, but repayments reduce long-term liabilities in the statement of net assets.

Notes Payable	3,885,000	
Bonds Payable	7,462,000	
Certificates of Participation	14,750,000	
Obligations under Capital Lease	<u>1,655,756</u>	
		27,752,756

In addition to the scheduled repayment of long-term liabilities shown above, principal was further reduced through the refunding of existing debt

New Principal Issued	(126,890,000)	
Refunded Principal Retired	<u>134,305,000</u>	
		7,415,000

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.

Internal Service Funds - Change in Net Position		247,195
---	--	---------

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. 414,969

Change in Net Position - Governmental Activities **\$ 9,766,289**

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, 2015

	Business-Type Activities <u>Extended Learning Center</u>	Governmental Activities <u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,071,924	\$ 4,361,090
Accounts Receivable		750
Due from Other Agencies	149,227	130,587
Inventories		19,399
	<u>1,221,151</u>	<u>4,511,826</u>
Total Current Assets	<u>1,221,151</u>	<u>4,511,826</u>
Total Assets	<u><u>\$ 1,221,151</u></u>	<u><u>\$ 4,511,826</u></u>
Current Liabilities:		
Accrued Salaries & Benefits	\$ 30,790	\$
Payroll Deductions & Withholding	15,013	
Accounts Payable	4,816	364,102
Due to Other Funds		8,427
Unearned Revenues	41,293	122,153
Insurance Claims Payable		2,758,589
	<u>91,912</u>	<u>3,253,271</u>
Total Liabilities	<u>91,912</u>	<u>3,253,271</u>
Unrestricted	<u>1,129,239</u>	<u>1,258,555</u>
Total Net Position	<u>1,129,239</u>	<u>1,258,555</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,221,151</u></u>	<u><u>\$ 4,511,826</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, 2015

	Business-Type Activities <u>Extended Learning Center</u>	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 2,855,792	\$ 41,812,900
	<u>2,855,792</u>	<u>41,812,900</u>
OPERATING EXPENSES		
Salaries	1,726,613	236,454
Employee Benefits	509,245	74,684
Purchased Services	45,678	120,642
Energy Services	6,297	20,388
Materials & Supplies	72,165	638,952
Capital Outlay	267,299	
Other Expenses	27,501	40,594,306
	<u>2,654,798</u>	<u>41,685,426</u>
Total Operating Expenses	<u>2,654,798</u>	<u>41,685,426</u>
Operating Income	<u>200,994</u>	<u>127,474</u>
Non-Operating Revenues & Transfers		
Interest Income	278	175
Transfers In	(456,277)	119,546
	<u>(255,005)</u>	<u>247,195</u>
Change in Net Position	<u>(255,005)</u>	<u>247,195</u>
Total Net Position, June 30, 2014	<u>1,384,244</u>	<u>1,011,360</u>
Total Net Position, June 30, 2015	<u><u>\$ 1,129,239</u></u>	<u><u>\$ 1,258,555</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, 2015

	Business-Type Activities <u>Extended Learning Center Program</u>	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Services	\$ 2,729,917	\$ 42,104,323
Cash Payments to Suppliers for Goods and Services	(433,327)	(44,060,456)
Cash Payments to Employees for Services	<u>(2,190,055)</u>	<u>(311,138)</u>
Net Cash Provided (Used) by Operating Activities	<u>106,535</u>	<u>(2,267,271)</u>
CASH FLOWS FROM INVESTING FINANCING ACTIVITIES		
Interest Income	<u>278</u>	<u>175</u>
Net Cash Provided by Investing Activities	<u>278</u>	<u>175</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In/Out	<u>(456,278)</u>	<u>119,546</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(456,278)</u>	<u>119,546</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(349,465)</u>	<u>(2,147,550)</u>
Cash and Cash Equivalents, Beginning	<u>1,421,389</u>	<u>6,508,640</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,071,924</u></u>	<u><u>\$ 4,361,090</u></u>
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Income (Loss)	<u>\$ 200,994</u>	<u>\$ 127,474</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable		201,751
Decrease in Inventories		9,173
Increase in Due from Other Agencies	(149,227)	92,173
Increase in Accrued Salaries & Benefits	30,790	
Increase in Payroll Deductions & Withholding	15,013	
Decrease in Accounts Payable	(14,388)	100,177
Decrease in Claims Payable		(2,801,475)
Decrease in Due to Other Funds		8,427
Decrease in Unearned Revenue	<u>23,353</u>	<u>(4,971)</u>
Total Adjustments	<u>(94,459)</u>	<u>(2,394,745)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 106,535</u></u>	<u><u>\$ (2,267,271)</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, 2015

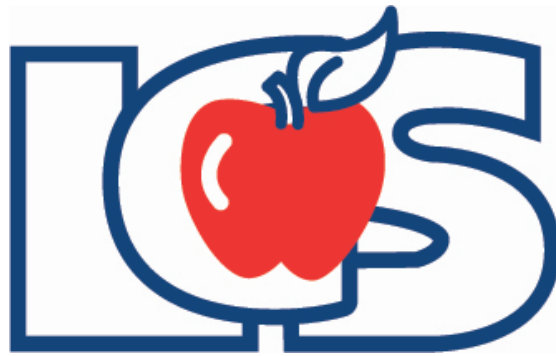
	Private-Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 200,902	\$ 2,640,575
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 200,902	\$ 2,640,575
	<u> </u>	<u> </u>
LIABILITIES		
Internal Accounts Payable	\$	\$ 2,640,575
	<u> </u>	<u> </u>
Total Liabilities		\$ 2,640,575
		<u> </u>
Net Position		
Assets Held in Trust for Scholarships and Other Purposes	<u>200,902</u>	
	<u> </u>	
TOTAL NET POSITION	\$ 200,902	
	<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, 2015

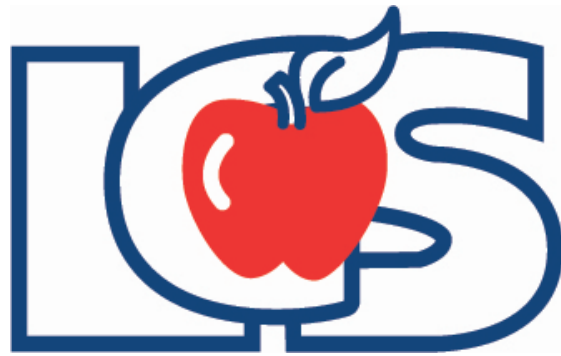
	Private-Purpose Trust Funds
	<u> </u>
ADDITIONS	
Investment Earnings:	
Interest, Dividends, and Other	\$ <u> 902 </u>
	<u> 902 </u>
DEDUCTIONS	
Other Expenses	<u> 967 </u>
Change in Net Position	(65)
Net Position, July 1, 2014	<u> 200,967 </u>
Net Position, June 30, 2015	<u><u> \$ 200,902 </u></u>

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

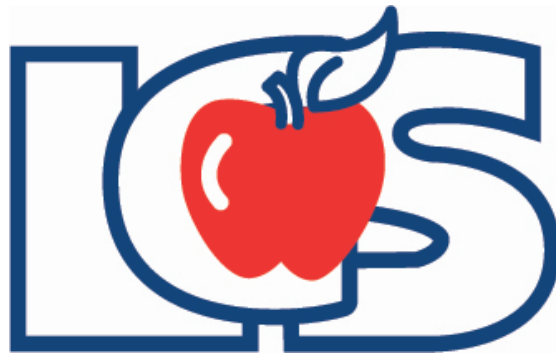


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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, and is governed by State laws and State Board of Education (SBE) rules.

The governing body of the District is the Lake County District School Board (School Board), which is composed of five elected members and has direct responsibility for operation, control, and supervision of District schools. The appointed Superintendent of Schools is the executive officer of the School 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 that 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 District used guidance provided in a Florida Department of Education memorandum, dated October 8, 2012, in the application of these criteria for 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, as further discussed in Note 9. The governing board of the Financing Corporation is the Lake County District School Board. Due to

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 ten charter schools: Alee Academy, Inc.; Altoona School, Inc.; Imagine Schools of South Lake (dba South Lake Charter School); Humanities and Fine Arts Charter School, Inc. (closed June 30, 2015); Milestones Community School of Lake County, Inc. (closed June 30, 2015); Lake Technical Center, Inc.; Mascotte Elementary School, Inc.; Minneola Elementary School, Inc.; Round Lake Elementary School, Inc.; and Spring Creek Elementary 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 financial data reported for each of the Charter Schools was derived from audited financial statements on file in the District's administrative offices.

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 on behalf 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 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.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 office.

In addition to being Charter Schools, Lake Technical Center, Inc.; Mascotte Elementary School, Inc.; Minneola Elementary School, Inc.; Round Lake Elementary School, Inc.; and Spring Creek Elementary 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. As such, they are included in District reporting in two specific areas related to employee benefits; Florida Retirement System (FRS) and Postemployment Health Care Benefits. The proportionate share of each liability is discussed further under notes 3D and 3E, respectively.

B. Basis of Presentation – Government-wide Financial Statements

Government-wide financial statements, i.e., the statement of net assets and the statement of activities, present information about the District as a whole. These statements do not include the fiduciary financial activity of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements, except for transfers between governmental activities and business-type activities. Interfund transactions include transactions involving the internal service funds. These transactions were eliminated by allocating the change in net assets of the internal

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

service fund in direct proportion to how they were charged as expenses to the various functions or programs.

C. Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund- Food Service – 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.
- 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; and 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 the District Copy Center.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 interest, and not principal, may be used for scholarship purposes. A complete description of this Donor-Restricted Endowment is included in note 3L.

D. 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 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. 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.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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.

Agency (fiduciary) funds are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus. Agency funds use the accrual basis of accounting to recognize receivables and payables.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges for services. The principal operating expenses for the proprietary funds include salaries and benefits, and cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When restricted, assigned and unassigned resources in the governmental funds are available for use, it is the District's policy to use restricted resources first, assigned resources second, and then unassigned resources as they are needed.

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.

Alee Academy, Inc.; Altoona School, Inc.; Imagine Schools of South Lake (dba South Lake Charter School); Humanities and Fine Arts Charter School, Inc. (closed June 30

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

2105); Lake Technical Center, Inc.; Mascotte Elementary School, Inc.; Milestones Community School of Lake County, Inc. (closed June 30, 2015); Minneola Elementary School, Inc.; Round Lake Elementary School, Inc.; and Spring Creek Elementary School, Inc., are shown as discretely presented component units. The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

E. Budgetary Compliance and Accountability

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function level (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- During the fiscal year ended June 30, 2015, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, etc. These amendments were made as part of the routine budget process of the District, and were not deemed to be significant by management.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. 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. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund Investment Pool.

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 in the SBA debt service accounts for investment of debt service moneys, 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 3A.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

(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 stated at cost on a weighted-average basis. Copy Center inventory is stated at last invoice, which approximates the first-in, first-out 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 assets 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 fair 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.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 Leases	4 years
Audio Visual Materials and Software	3 – 10 years

Current-year information relative to changes in capital assets is described in note 3C.

(6) Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. 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 3H(5).

(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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 3D.

(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 represents a consumption of net position that applies to future period(s) 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 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 outflow 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 represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting as deferred inflows of resources in the government-wide statement of net position, and one item that qualifies as a deferred inflow of resources in the governmental funds. In the government-wide statement of net position, the first item is the deficit net carrying amount of debt refunding. The amount is the difference between the reacquisition price and the net carrying amount of the old debt, resulting in a deficit net carrying amount. The 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 inflow related to pensions. The deferred inflows related

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. In the governmental funds, a deferred inflow of resources is reported for unavailable revenues in the non-major governmental funds balance sheet related to motor vehicle license fees that have not been disbursed to the District.

Details on the composition of deferred outflows and inflows related to pensions are reported in note 3D.

(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 3H(5).

(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.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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, 2015.

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 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.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

H. 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 Florida Department of Education (Department) 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 Department. The Department 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 Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same 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 reserved in the governmental fund financial statements for the balance of these educational 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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 3M(1).

(3) District Property Taxes

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

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

The School Board adopted the 2014 tax levy on September 8, 2014. 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% 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 3M(2).

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
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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% 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% 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 Study was presented to the Board of County Commissioners and the Commissioners voted to increase the impact fee to 100% of the rate recommended in the new study effective January 11, 2016.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

(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, 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 Fund Operating and Non-Operating Revenues and Expenses

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

2. ACCOUNTING CHANGES, ADJUSTMENTS TO BEGINNING NET POSITION AND RELATED DEFICIT NET POSITION

A. Change in Accounting Principle

Governmental Accounting Standards Board Statement No. 68. The District participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plans. The District participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by the Florida Department of Management Services, Division of Retirement. The requirements of this Statement are being implemented prospectively, with the District reporting its proportionate share of the actuarially determined FRS and HIS liabilities of \$90,232,921 at July 1, 2014, date of transition, amortized over 30 years.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
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Lake County has five conversion charter schools. Under the terms of the charter school agreements, the employees at all of these schools remain employees of Lake County Schools and participate in the FRS. Therefore, for the purposes of the actuarially determined FRS and HIS liabilities for Lake County Schools of \$90,232,921 at July 1, 2014; \$82,039,772 (90.92%) are reported on the financial statements of Lake County Schools and \$8,193,149 (9.08%) are reported on the financial statements of the conversion charter schools.

The effects of implementing this statement are discussed in note 3D.

B. Adjustment(s) to Beginning Net Position

The beginning net position of the District, was decreased by \$114,911,091 due to the adoption of a new GASB Pronouncement, Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 requires the District to recognize its proportionate share of the net pension liabilities and operating statement activities related to changes in the collective pension liabilities of cost-sharing multiple-employer FRS and HIS defined benefit plans. The District's proportionate share of the net FRS and HIS pension liabilities at July 1, 2014, totaled \$27,182,538 and \$54,857,234, respectively.

The beginning net position of the District was increased by \$2,643,721 due to adjustments made to Compensated Absences Payable of \$1,681,849 and to the Other Post-Employment Benefits (OPEB) Liability of \$961,872. As with the adjustment for the implementation of GASB 68, the District has been reporting compensated absences liability and OPEB liability for of all eligible employees, including those working at the conversion charter schools. This lead to an overstatement of the compensated absence liability and the OPEB liability. The adjustments represent the proportionate share related to the charter school employees.

Net Adjustment to Beginning Net Position:

Beginning Net Position	\$ 443,036,150
Adjustment for GASB 68	(114,911,091)
Adjustment for Compensated Absence Liability	1,681,849
Adjustment for OPEB Liability	961,872
	<hr/>
Beginning Net Position, as Restated	<u><u>\$ 330,768,780</u></u>

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

3. 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, 2015, the District had the following investments and maturities:

<u>Security Type</u>	<u>Maturities</u>	<u>S&P Rating</u>	<u>Fair Value</u>
Florida PRIME ("SBA") Debt Service Accounts	29 Days	AAAm	\$ 221,429
Money Market - First American Treasury Oblig Fund	6 Months	AAAm	1,395,678
Commercial Paper			
BANK OF TOKYO MITSUBIS C P	6 Months	A-1	4,093,513
BNP PARIBAS FIN INC C P	6 Months	A-1	4,990,853
GENERAL ELEC CAPT CORP C P	6 Months	A-1+	3,994,431
JP MORGAN SEC LL C P	6 Months	A-1	4,991,500
RABOBANK NEDERLAND NV NY C P	6 Months	A-1	3,994,067
TOYOTA MOTOR CREDIT CO C P	6 Months	A-1+	3,995,000
Total Investment, Primary Government			\$ 27,676,471

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized by District policy.

- **Interest Rate Risk**

Section 218.415(7), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. District policies limit 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 two 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:

- The Florida PRIME Investment Fund (SBA)

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

- 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, governmental agencies, and Federal instrumentalities with maturities under five 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 "AAm" or "AAm-G" 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.

The District's Investments in money market mutual funds totaling \$1,395,678 are reported at fair value. These funds were invested in First American Treasury Obligations Money Market Fund. The money market fund is rated Aaa by Moody's Investors Service and AAAm by Standard & Poor's.

The District's investments of \$221,429 in the State Board of Administration - debt service accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the State Board of Administration for managing credit risk for this account.

- **Custodial Credit Risk**

Section 218.415 (18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other State or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's \$1,395,678 invested in money market funds and \$26,059,364 of Federal Instrumentalities and Commercial Paper are held by the safekeeping agent, in the name of the District.

- **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:

- Florida PRIME Investment Fund ("SBA") – 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%

Based on review of quarterly investment summary reports, the District complied with the concentration of credit risk provisions of the investment policy.

Approximately 99 percent of the District's total investments, reported as investments in the Capital Projects – Other Fund, are held with issuers that individually represent 5 percent or more of the District's investments. As the District had the following issuer concentration based on fair value:

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

<u>Security Type</u>	<u>Fair Value</u>	<u>Portfolio Asset Allocation</u>
Florida PRIME ("SBA") Debt Service Accounts	\$ 221,429	0.80%
Money Market - First American Treasury Oblig Fund	1,395,678	5.04%
Commercial Paper		
BANK OF TOKYO MITSUBIS C P	4,093,513	14.79%
BNP PARIBAS FIN INC C P	4,990,853	18.03%
GENERAL ELEC CAPT CORP C P	3,994,431	14.43%
JP MORGAN SEC LL C P	4,991,500	18.04%
RABOBANK NEDERLAND NV NY C P	3,994,067	14.43%
TOYOTA MOTOR CREDIT CO C P	3,995,000	14.43%
Total	<u>\$ 27,676,471</u>	<u>100.00%</u>

- **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.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

C. Changes in Capital Assets

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

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 19,454,943	\$ 156,078	\$ 190,875	\$ 19,420,146
Construction in Progress	6,598,323	6,780,498		13,378,821
Total Capital Assets Not Being Depreciated	26,053,266	6,936,576	190,875	32,798,967
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	16,802,198	223,450	120,816	16,904,832
Buildings and Fixed Equipment	759,519,648	1,939,296	28,570	761,430,374
Furniture, Fixtures, and Equipment	42,208,472	3,405,150	1,497,277	44,116,345
Motor Vehicles	31,759,602	701,240	1,040,120	31,420,722
Property Under Capital Leases	5,937,322			5,937,322
Audio Visual Materials and Computer Software	10,425,501	324,181	10,250	10,739,432
Total Capital Assets Being Depreciated	866,652,743	6,593,317	2,697,033	870,549,027
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(16,147,775)		(120,816)	(16,026,959)
Buildings and Fixed Equipment	(138,677,289)	(15,189,822)	(28,570)	(153,838,541)
Furniture, Fixtures, and Equipment	(34,363,602)	(3,105,441)	(1,497,277)	(35,971,766)
Motor Vehicles	(25,595,726)	(1,744,951)	(1,040,120)	(26,300,557)
Property Under Capital Leases	(939,136)	(501,982)		(1,441,118)
Audio Visual Materials and Computer Software	(8,131,786)	(1,361,449)	(10,250)	(9,482,985)
Total Accumulated Depreciation	(223,855,314)	(21,903,645)	(2,697,033)	(243,061,926)
Total Capital Assets Being Depreciated, Net	642,797,429	(15,310,328)	-	627,487,101
Governmental Activities Capital Assets, Net	\$ 668,850,695	\$ (8,373,752)	\$ 190,875	\$ 660,286,068

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

D. Pension Obligations

(1) General Information about the Florida Retirement System (FRS)

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered Florida Retirement System (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 Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a cost-sharing, multiple-employer public-employee retirement system with two defined benefit plans and other nonintegrated programs administered by the Department of Management Services, Division of Retirement. 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, Division of Retirement. The FRS Investment Plan is administered by the Florida State Board Administration (SBA), and is reported in an SBA annual financial statement and in the State of Florida Comprehensive Annual Financial Report.

For 2014-15, the District reported covered payroll of \$195,861,537 (\$178,263,325 for District and \$17,598,212 for Conversion Charters) for all pension plans administered by FRS

(2) Florida Retirement System (FRS) Defined Benefit Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.

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NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions

Employees enrolled in the Plan prior to July 1, 2011, vest at six 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. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS 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. 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:

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Class, Initial Enrollment, and Retirement Age/Years of Service % Value

Regular Class members initially enrolled before July 1, 2011

Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68

Regular Class members initially enrolled on or after July 1, 2011

Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68

Elected County Officers	3.00
Senior Management Service Class	2.00

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

Contributions. The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.37
Florida Retirement System, Senior Management	3.00	21.14
Florida Retirement System, Elected County Officers	3.00	43.24
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.28
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

The District's contributions, including employee contributions, totaled \$17,901,201 (\$16,258,887 for District and \$1,642,314 for Charters) to the defined-benefit pension plan.

As discussed in Note 2, five conversion charter schools within Lake County are considered employees of Lake County Schools and participate in FRS through Lake County Schools. For the purposes of the following note disclosure, Lake County Schools represents 90.92% and the Charter Schools collectively represent 9.08% of the amounts reported in the actuarially determined amounts related to the pension liabilities that follow. Only those amounts related to Lake County Schools are presented.

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

At June 30, 2015, the District reported a liability of \$27,182,538 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportionate share was 0.489999972 percent, which was an increase of 0.007193554 percent from its proportionate share measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$6,610,078. 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	\$ -	\$ 1,682,137
Change of assumptions	5,654,742	
Net difference between projected and actual earnings on FRS pension plan investments	-	45,344,986
District FRS contributions subsequent to the measurement date	10,892,918	
Total	<u>\$ 16,547,660</u>	<u>\$ 47,027,123</u>

The deferred outflows of resources related to pensions totaling \$10,892,918 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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>Total</u>	<u>Outflows</u>	<u>Inflows</u>
2016	\$ (8,441,744)	892,854	(9,334,598)
2017	(8,441,744)	892,854	(9,334,598)
2018	(8,441,744)	892,854	(9,334,598)
2019	(8,441,744)	892,854	(9,334,598)
2020	(8,441,744)	892,854	(9,334,598)
Thereafter	836,339	1,190,472	(354,133)
Total	<u>\$ (41,372,381)</u>	<u>\$ 5,654,742</u>	<u>\$ (47,027,123)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2014, 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	7.65 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, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As a result of the 2014 actuarial experience study, the inflation rate assumption was decreased from 3.00 % to 2.60%, the real payroll growth assumption as decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Board US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Retn.	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	100.00%			

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

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 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	<u>1% Decrease 6.65%</u>	<u>Current Discount Rate 7.65%</u>	<u>1% Increase 8.65%</u>
District's proportionate share of the net pension liability	\$ 116,263,325	\$ 27,182,538	\$ (46,915,680)

FRS 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. The comprehensive annual financial report of the FRS is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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(3) Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State District System Optional Retirement Program are not eligible to receive benefits from the HIS plan.

Benefits Provided. 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 Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

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Contributions. The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS 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 defined-benefit pension plan totaled \$10,892,918 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a net pension liability of \$54,857,234 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportionate share was 0.645284941 percent, which was a decrease of 0.000432217 from its proportionate share measured as of June 30, 2014.

For the year ended June 30, 2015, the District recognized pension expense of \$7,088,340. 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
Change of assumptions	\$ 1,952,038	-
Net difference between projected and actual earnings on HIS pension plan investments	26,333	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	-	29,462
District contributions subsequent to the measurement date	2,269,313	-
Total	<u>\$ 4,247,684</u>	<u>\$ 29,462</u>

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The deferred outflows of resources totaling \$2,269,313 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 year ended June 30, 2016. 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>Total</u>	<u>Outflows</u>	<u>Inflows</u>
2016	\$ 270,449	\$ 274,513	\$ (4,064)
2017	270,449	274,513	(4,064)
2018	270,449	274,513	(4,064)
2019	270,449	274,513	(4,064)
2020	270,449	274,513	(4,064)
Thereafter	596,664	605,806	(9,142)
Total	<u>\$ 1,948,909</u>	<u>\$ 1,978,371</u>	<u>\$ (29,462)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2014, 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	7.65 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, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 4.29 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.

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 4.29 percent, as well as what the District's proportionate share of the net pension liability would be

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if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
District's proportionate share of the net pension liability	\$ 62,395,661	\$ 54,857,234	\$ 48,564,804

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. Service retirement benefits are based upon the value of the member's account upon retirement.

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. 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 Class, 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. Allocations to the investment member's accounts during the 2014-15 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. 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 five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$2,181,260 (\$2,026,781 for District and 154,479 for Charters) for the fiscal year ended June 30, 2015.

E. Other Post-Employment Benefits (OPEB)

Beginning with the 2007-08 fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health care benefits provided by the District. The requirements of this Statement are being implemented prospectively, with the actuarially determined liability of \$30,749,335 at the October 1, 2007, date of transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of transition.

Plan Description.

The Postemployment Health Care Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida

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Statutes, former 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 plan on average than those of active employees. The Postemployment Health Care Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy.

The District plans to fund this postemployment benefit on a pay-as-you-go basis. The plan as established by the Board, would require Board action to amend. For the 2014-2015 fiscal year, 225 retirees received postemployment health care benefits. For the 2014-15 fiscal year the District provided required contributions of \$1,830,788 (\$1,651,772 for District and \$179,016 for Charters) toward the annual OPEB costs, comprised of payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions.

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 Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for Postemployment Health Care Benefits:

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Description	Total	District	Charter Schools
Normal Cost (service cost for one year)	\$ 1,094,271	\$ 987,272	\$ 106,999
Amortization of Unfunded Actuarial Accrued Liability	736,517	664,500	72,017
Interest on Normal Cost and Amortization	-		
Annual Required Contribution	1,830,788	1,651,772	179,016
Interest on Net OPEB Obligation	363,880	328,299	35,581
Adjustment to Annual Required Contribution	(379,042)	(341,979)	(37,063)
Annual OPEB Cost (Expense)	1,815,626	1,638,092	177,534
Contribution Toward the OPEB Cost	(1,075,635)	(970,458)	(105,177)
Increase in Net OPEB Obligation	739,991	667,634	72,357
Net OPEB Obligation, Beginning of Year	9,836,999	8,875,127	961,872
Net OPEB Obligation, End of Year	\$ 10,576,990	\$ 9,542,761	\$ 1,034,229

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015, and the two proceeding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012-13	2,992,110	47.34%	9,097,008
2013-14	1,815,626	59.24%	9,836,999
2014-15	1,815,626	59.24%	10,576,990

Funded Status and Funding Progress.

As of June 30, 2014, the most recent valuation date, the actuarial accrued liability for benefits was \$17,333,163, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$17,333,163. The covered payroll (annual payroll of active participating employees) was \$159,035,412 for the 2013-14 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.90 percent.

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Actuarial Method and Assumptions

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

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

The District's initial OPEB actuarial valuation as of October 1, 2007, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2008, and to estimate the District's 2007-08 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 4 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 4 percent per year, an inflation rate of 3 percent, and an annual healthcare cost trend rate of 16 percent initially for the 2007-08 fiscal year, reduced by 6% in the first year and 0.5% thereafter to an ultimate rate of 5.58 percent after ten 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, 2015, was 23 years.

F. Construction and Other Significant Commitments

(1) 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

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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:

<u>Major Funds</u>			
<u>General Fund</u>	<u>Other Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>\$ 3,276,842</u>	<u>\$ 1,375,576</u>	<u>\$ 4,481,963</u>	<u>\$ 9,134,381</u>

(2) Construction, Remodeling and Renovation Contracts:

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Eustis Heights Elementary Renovation			
Contractor	<u>13,419,150</u>	<u>12,079,714</u>	<u>1,339,436</u>
Totals	<u>\$ 13,419,150</u>	<u>\$ 12,079,714</u>	<u>\$ 1,339,436</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. The District limits its exposure to these risks through its membership in the Florida Municipal Insurance Trust (Trust). The Trust provides coverage for public entities within the State of Florida. The Trust is organized to meet and fulfill a member's obligations and liabilities under the Florida Workers' Compensation Act, and to write certain other lines of coverage including property protection, money and securities, employee fidelity and faithful performance, boiler and machinery, and general and auto liability to participating members. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program.

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

On July 1, 2007, 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 \$100,000,000 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 3 percent of the Total Insured Value, per location, subject to a minimum of \$35,000 deductible per occurrence. This participation agreement allowed the District to increase its coverage from \$25,000,000 to a shared \$100,000,000.

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 \$250,000, with an aggregate stop-loss of \$2,000,000. The District had had only 7 claims in excess of the \$250,000 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.

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.

H. Long-Term Liabilities

(1) Capital Lease Commitments

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

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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 nine (9) annual installments of \$776,967 through September 14, 2020.

On August 27, 2012, the District entered into a Voice Over Internet Protocol and Infrastructure Upgrade Contract under a Master Lease Agreement for VOIP equipment purchase and infrastructure upgrade at various locations. The project is funded through Key Government Finance, Inc. in the amount of \$4,914,948. The Board's intent is to repay the loan in five (5) annual installments of \$982,990 through July 1, 2016.

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>
2016	\$ 1,759,956	\$ 1,669,739	\$ 90,217
2017	1,759,956	1,684,013	75,943
2018	776,967	715,594	61,373
2019	776,967	730,467	46,500
2020	776,966	745,649	31,317
2021	776,966	761,146	15,820
	<u>\$ 6,627,778</u>	<u>\$ 6,306,608</u>	<u>\$ 321,170</u>

(2) 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 ground

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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, 2015, are as follows:

Certificates of Participation	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Series 2005C, Refunding	25,280,000	\$ 19,705,000	5.25	2018
Series 2006A	77,715,000	2,110,000	3.500 - 5.000	2031
Series 2006B, Refunding	34,855,000	27,350,000	5.000	2023
Series 2012A Refunding	23,065,000	13,990,000	1.000 - 5.000	2028
Series 2012B Refunding	20,655,000	18,495,000	3.000 - 5.000	2028
Series 2013A Refunding	20,875,000	19,800,000	3.000 - 5.000	2029
Series 2014A Refunding	55,800,000	55,800,000	3.000 - 5.000	2030
Series 2015A Refunding	13,970,000	13,745,000	1.680	2018
Series 2015B Refunding	56,270,000	56,270,000	3.000 - 5.000	2031
Subtotal		227,265,000		
Plus Unamortized Premium		20,218,719		
Total Certificates of Participation		<u><u>\$ 247,483,719</u></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 2006B, Refunding	Portion of Series 1998
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 2006B

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015**

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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 26,120,678	\$ 15,785,000	\$ 10,335,678
2017	26,386,173	16,635,000	9,751,173
2018	26,879,217	17,780,000	9,099,217
2019	18,494,125	10,115,000	8,379,125
2020	18,505,275	10,595,000	7,910,275
2021-2025	92,329,188	60,870,000	31,459,188
2026-2030	92,837,475	77,320,000	15,517,475
2031	19,073,250	18,165,000	908,250
Subtotal	320,625,381	227,265,000	93,360,381
Unamortized Premium	20,218,719	20,218,719	
Total Minimum Lease Payments	<u><u>\$ 340,844,100</u></u>	<u><u>\$ 247,483,719</u></u>	<u><u>\$ 93,360,381</u></u>

On March 10, 2014, the Board entered into a Forward Lock Rate Agreement, referred to as Series 2015A COP, which guarantees the advance refunding of \$13,970,000 of the Series 2005B COP at a future interest rate of 1.68%. The advance refunding will reduce total debt service payments in future years by \$734,487 and obtain an economic gain of \$695,867. The advance refunding closed on March 3, 2015.

On July 16, 2014, the Board issued Series 2014A COP, which advance refunded \$55,800,000 of the Series 2005A COP at future interest rates ranging between 3 and 5 percent. The advance refunding will reduce total debt service payments in future years by \$4,563,995 and obtain an economic gain of \$3,500,515.

On January 15, 2015, the Board issued Series 2015B COP, which advance refunded \$56,270,000 of the Series 2006A COP at future interest rates ranging between 3 and 5 percent. The advance refunding will reduce total debt service payments in future years by \$8,846,082 and obtain an economic gain of \$7,168,239.

On June 8, 2015, the Board entered into a Forward Lock Rate Agreement, referred to as Series 2016A COP, which guarantees the advance refunding of \$27,820,000 of the Series 2006B COP at a future interest rate of 2.60%. The advance refunding will reduce total debt service payments in future years by \$3,054,933 and obtain an economic gain of \$2,775,353. The advance refunding will close on March 3, 2016 and will be fully disclosed in the 2015-16 fiscal year.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

(3) Bonds Payable

Bonds payable at June 30, 2015, are as follows:

Bond Type	Original Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2006A	900,000	\$ 685,000	4.000 - 5.000	2026
Series 2008A	2,990,000	2,390,000	3.500 - 5.000	2028
Series 2009A	625,000	575,000	4.000 - 5.000	2029
Series 2009A, Refunding	485,000	220,000	4.000 - 5.000	2019
Series 2010A	335,000	310,000	3.500 - 5.000	2030
Series 2010A, Refunding	1,615,000	1,150,000	4.000 - 5.000	2022
Series 2011A, Refunding	765,000	565,000	3.000 - 5.000	2023
Series 2014A, Refunding	1,342,000	1,340,000	1.000 - 5.000	2025
Series 2014B, Refunding	850,000	850,000	3.000 - 5.000	2020
Total Bonds Payable		\$ 8,085,000		

Annual debt service requirements to maturity for all bonded debt as of June 30, 2015 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2016	\$ 1,233,463	\$ 852,000	\$ 381,463
2017	1,165,050	827,000	338,050
2018	1,138,157	840,000	298,157
2019	949,495	693,000	256,495
2020	914,208	690,000	224,208
2021-2025	3,567,181	2,903,000	664,181
2026-2030	1,406,925	1,280,000	126,925
Total State School Bonds	\$ 10,374,479	\$ 8,085,000	\$ 2,289,479

State School Bonds

These bonds are issued by the State Board of Education (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 State Board of Education and the State Board of Administration.

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

(4) Sales Tax Notes Payable

On May 3, 2012, the District refunded a portion of the outstanding balance of the 2003 A Sales Tax Bonds. The fixed interest rate is 1.22% 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>
2016	\$ 4,051,756	\$ 3,930,000	\$ 121,756
2017	4,058,474	3,985,000	73,474
2018	4,054,583	4,030,000	24,583
	<u>\$ 12,164,813</u>	<u>\$ 11,945,000</u>	<u>\$ 219,813</u>

(5) CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015	Due in One Year
GOVERNMENTAL ACTIVITIES					
Debt Related to Capital Assets					
Note Payable	\$ 15,830,000		\$ 3,885,000	\$ 11,945,000	\$ 3,930,000
Bonds Payable					
State School Bonds	9,012,000	850,000	1,777,000	8,085,000	852,000
Sales Tax Bonds	6,595,000		6,595,000	-	-
Unamortized Premium	-			-	
Total Bonds Payable	<u>15,607,000</u>	<u>850,000</u>	<u>8,372,000</u>	<u>8,085,000</u>	<u>852,000</u>
Certificates of Participation Payable	249,370,000	126,040,000	148,145,000	227,265,000	15,785,000
Unamortized Premium	10,491,668	15,892,387	6,165,336	20,218,719	
Total Certificates of Participation Payable	<u>259,861,668</u>	<u>141,932,387</u>	<u>154,310,336</u>	<u>247,483,719</u>	<u>15,785,000</u>
Obligations under Capital Lease	<u>7,962,364</u>		<u>1,655,756</u>	<u>6,306,608</u>	<u>1,669,739</u>
Sub-Total Debt Related to Capital Assets	299,261,032	142,782,387	168,223,092	273,820,327	22,236,739
Other Long-Term Liabilities:					
* Other Postemployment Benefits Payable	8,875,127	667,634		9,542,761	
* Compensated Absences Payable	17,105,159		414,969	16,690,190	1,400,000
* Net Pension Liability					
FRS - Defined Benefit Program	65,807,345		38,624,807	27,182,538	2,269,313
FRS - Health Insurance Subsidy	49,103,749	5,753,485		54,857,234	7,088,340
Total Net Pension Liability	<u>114,911,094</u>	<u>5,753,485</u>	<u>38,624,807</u>	<u>82,039,772</u>	<u>9,357,653</u>
Total Governmental Activities	<u>\$ 440,152,412</u>	<u>\$ 149,203,506</u>	<u>\$ 207,262,868</u>	<u>\$ 382,093,050</u>	<u>\$ 32,994,392</u>

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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 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.

(6) Defeased Debt

In prior years, the Board defeased in-substance certain other outstanding certificates of participation (COPs) by placing the proceeds of new COPs in an irrevocable trust to provide for all future debt service payments on the old debt. The old debt is scheduled to be paid in full at the original call date. Accordingly, the trust assets and the liability for the in-substance defeased COPs and Sales Tax Bonds have been removed from the government-wide financial statements and only those refunded COP issues which have yet to reach the call date are reported.

As of June 30, 2015, debt considered defeased in-substance by the District is as follows:

<u>Bond Issues</u>	<u>Amount Outstanding</u>
Certificates of Participation, Series 2006A	<u>56,270,000</u>
Call Date: 6/01/2016	
Total Defeased Debt	<u><u>\$ 56,270,000</u></u>

I. 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, 2015, is shown in the table below:

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated Depreciation	\$ 660,286,068
Less related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 227,265,000
Bonds Payable	8,085,000
Notes Payable	11,945,000
Capital Leases	6,306,608
Unamortized Debt Premiums	20,218,719
Deferred Amount on Refunding	(6,821,803)
Prepaid Insurance Costs	(761,013)
Unspent Debt Proceeds	(474,949)
Total Related Debt, Net of Unspent Proceeds	<u>(265,762,562)</u>
Net Investment in Capital Assets	<u>\$ 394,523,506</u>

J. Fund Balance Reporting

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.
- The deficit unassigned fund balance of the Other Governmental Funds represents prepaid items in a nonmajor special revenue fund which does not accumulate a fund balance.

K. Interfund Receivables, Payables and Transfers

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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

Funds	Interfund Receivables	Payables
Major Funds:		
General	\$ 2,851,932	\$ 71,559
Nonmajor Governmental Funds		2,771,946
Subtotal	2,851,932	2,843,505
Proprietary Funds:		
Internal Service Funds		8,427
Total	\$ 2,851,932	\$ 2,851,932

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within twelve months. In general, the General Fund advances funds to Federal and capital projects funds for funding sources that are received by the District as a reimbursement of expenditures.

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

Funds	Interfund Transfers In	Transfers Out
Major Funds:		
General	\$ 10,056,278	\$ 896,512
Capital Projects-District Bonds		
Capital Projects-Other Capital Projects		\$ 7,349,415
Nonmajor Governmental Funds	30,013,718	31,487,337
Subtotal	40,069,996	39,733,264
Proprietary Funds:		
Enterprise Fund		456,278
Internal Service Fund	119,546	
Total	\$ 40,189,542	\$ 40,189,542

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.

L. 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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

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.

M. Revenues

1. Schedule of State Revenues

The following is a schedule of the District's State revenue for the 2014-15 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 129,590,728
Categorical Educational Program: Class Size Reduction	44,885,199
Workforce Development Program	5,014,101
School Recognition	728,304
Preschool Projects	1,481,808
CO&DS withheld for SBE Bonds	1,253,936
Public Education Capital Outlay - Maintenance	798,403
Public Education Capital Outlay - Charter Schools	621,750
Mobile Home License Tax	364,600
School Breakfast/ Lunch Supplement	249,079
Motor Vehicle License Tax (Capital Outlay and Debt Service)	229,796
Racing Commission Funds	148,833
Discretionary Lottery Funds	144,749
CO&DS withheld for Administrative Expenses	22,684
Interest on Undistributed CO&DS	1,093
Miscellaneous	424,664
Total	<u><u>\$ 185,959,727</u></u>

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

2. Property Taxes

The following is a summary of millages and taxes levied on the 2014 Final Certified Taxable Value of Property in the County of \$17,305,159,049 for the 2014-2015 fiscal year:

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2015

	Millages	Taxes Levied
GENERAL FUND		
Nonvoted School Tax:		
Required Local Effort	4.998	\$ 86,491,185
Basic Discretionary Local Effort	0.748	12,944,259
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvements	1.500	<u>25,957,739</u>
Total	7.246	<u><u>\$ 125,393,182</u></u>

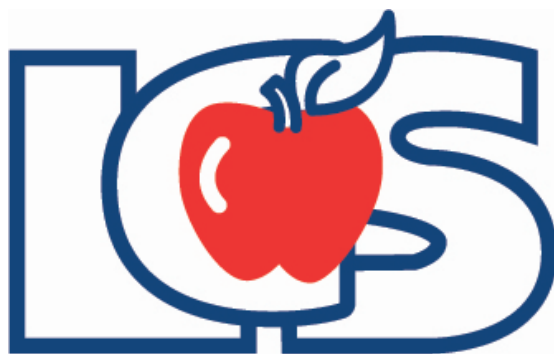
4. DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation and Contingencies

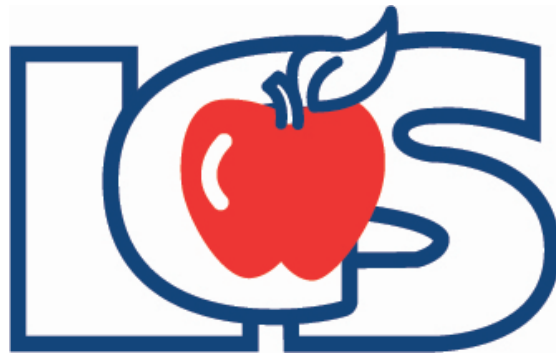
The District is subject to potential litigation in the normal course of business. It is the opinion of management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses 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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
Federal Direct				
ROTC	\$ 330,000	\$ 318,502	\$ 318,502	\$ -
Federal Through State				
Medicaid	700,000	790,700	790,700	-
National Forest Funds	85,000	84,931	84,931	-
Miscellaneous Federal Through State Funds	750,000	413,462	413,462	-
State				
Florida Educational Finance Program	131,389,047	129,590,728	129,590,728	-
Categorical Educational Programs	46,925,080	47,095,311	47,095,311	-
Workforce Development Program	4,866,423	4,868,423	4,868,423	-
Miscellaneous State Funds	2,489,780	1,011,225	1,011,225	-
Local:				
District School Tax	95,594,396	96,340,255	96,340,255	-
Investment Income	300,000	4,186	4,186	-
Miscellaneous Local Funds	4,391,781	7,136,368	7,136,368	-
Total Revenues	287,821,507	287,654,091	287,654,091	-
Expenditures				
Current - Education:				
Instruction				
Salaries	104,774,331	104,461,553	104,461,553	-
Employee Benefits	29,694,803	31,767,702	31,767,702	-
Purchased Services	41,846,094	43,726,120	43,726,120	-
Energy Services	1,800	263	263	-
Materials and Supplies	6,342,908	2,785,378	2,785,378	-
Capital Outlay	584,427	503,733	503,733	-
Other Expenditures	2,441,894	3,730,694	3,730,694	-
Pupil Personnel Services				
Salaries	9,474,827	9,929,433	9,929,433	-
Employee Benefits	2,907,490	3,263,618	3,263,618	-
Purchased Services	1,518,751	1,074,358	1,074,358	-
Materials and Supplies	65,881	84,845	84,845	-
Capital Outlay	14,043	36,778	36,778	-
Other Expenditures	6,000	51,530	51,530	-
Instructional Media Services				
Salaries	2,404,121	2,349,102	2,349,102	-
Employee Benefits	683,719	673,354	673,354	-
Purchased Services	63,754	94,992	94,992	-
Energy Services				-
Materials and Supplies	26,209	58,473	58,473	-
Capital Outlay	306,554	283,445	283,445	-
Other Expenditures	51,030	43,184	43,184	-
Instruction and Curriculum Development Services				
Salaries	2,639,166	2,952,383	2,952,383	-
Employee Benefits	791,367	951,598	951,598	-
Purchased Services	160,690	104,691	104,691	-
Energy Services	1,050	656	656	-
Materials and Supplies	40,019	50,582	50,582	-
Capital Outlay	57,684	24,369	24,369	-
Other Expenditures	2,785	9,904	9,904	-
Instructional Staff Training Services				
Salaries	2,872,667	2,569,237	2,569,237	-
Employee Benefits	743,861	775,737	775,737	-
Purchased Services	651,256	861,747	861,747	-

(Continued)

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Materials and Supplies	176,933	221,992	221,992	-
Capital Outlay	277,222	88,526	88,526	-
Other Expenditures	479,576	204,231	204,231	-
Instruction Related Technology				
Salaries	1,130,267	1,119,201	1,119,201	-
Employee Benefits	288,396	281,863	281,863	-
Purchased Services	8,506	150	150	-
Materials and Supplies		11,083	11,083	-
Capital Outlay				-
Other Expenditures		100	100	-
Board of Education				
Salaries	280,632	281,457	281,457	-
Employee Benefits	147,828	133,733	133,733	-
Purchased Services	492,472	347,798	347,798	-
Materials and Supplies	3,000	2,201	2,201	-
Other Expenditures	22,252	22,262	22,262	-
General Administration				
Salaries	554,897	541,775	541,775	-
Employee Benefits	157,961	150,756	150,756	-
Purchased Services	24,348	41,509	41,509	-
Energy Services	500	320	320	-
Materials and Supplies	6,880	6,566	6,566	-
Capital Outlay	400	800	800	-
Other Expenditures	23,613	19,249	19,249	-
School Administration				
Salaries	12,496,081	13,116,555	13,116,555	-
Employee Benefits	4,656,762	3,988,005	3,988,005	-
Purchased Services	88,561	217,566	217,566	-
Energy Services				-
Materials and Supplies	16,632	89,160	89,160	-
Capital Outlay	18,061	64,482	64,482	-
Other Expenditures	35,300	59,730	59,730	-
Facility Services				
Salaries	414,397	292,594	292,594	-
Employee Benefits	119,341	100,625	100,625	-
Purchased Services	1,370	1,905	1,905	-
Materials and Supplies	1,150	2,202	2,202	-
Capital Outlay	14,337	4,102	4,102	-
Other Expenditures	250	680	680	-
Fiscal Services				
Salaries	1,194,944	1,156,466	1,156,466	-
Employee Benefits	342,210	345,952	345,952	-
Purchased Services	220,550	135,617	135,617	-
Materials and Supplies	16,500	16,469	16,469	-
Capital Outlay	1,750	2,144	2,144	-
Other Expenditures		19,558	19,558	-
Central Services				
Salaries	3,635,153	3,607,544	3,607,544	-
Employee Benefits	1,061,825	1,018,442	1,018,442	-
Purchased Services	1,121,631	750,915	750,915	-
Energy Services	45,625	29,266	29,266	-
Materials and Supplies	235,928	167,570	167,570	-
Capital Outlay	123,741	42,421	42,421	-
Other Expenditures	82,544	80,262	80,262	-
Pupil Transportation Services				
Salaries	7,365,312	7,885,523	7,885,523	-
Employee Benefits	2,921,496	3,385,238	3,385,238	-
Purchased Services	1,234,152	1,465,362	1,465,362	-

(Continued)

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Energy Services	3,275,000	2,291,391	2,291,391	-
Materials and Supplies	1,126,989	1,087,841	1,087,841	-
Capital Outlay	23,217	13,541	13,541	-
Other Expenditures	495,740	531,710	531,710	-
Operation of Plant				
Salaries	7,440,355	7,127,815	7,127,815	-
Employee Benefits	2,955,134	3,251,796	3,251,796	-
Purchased Services	6,163,655	5,860,154	5,860,154	-
Energy Services	7,374,340	7,835,707	7,835,707	-
Materials and Supplies	689,899	759,165	759,165	-
Capital Outlay	11,719	43,207	43,207	-
Other Expenditures		127,087	127,087	-
Maintenance of Plant				
Salaries	4,432,190	4,514,230	4,514,230	-
Employee Benefits	1,563,301	1,700,352	1,700,352	-
Purchased Services	1,013,902	677,743	677,743	-
Energy Services	236,980	176,951	176,951	-
Materials and Supplies	229,440	317,344	317,344	-
Capital Outlay	128,564	29,851	29,851	-
Other Expenditures	400	922	922	-
Administrative Technology Services				
Salaries	1,151,163	1,157,738	1,157,738	-
Employee Benefits	335,365	358,917	358,917	-
Purchased Services	1,920,540	1,753,136	1,753,136	-
Materials and Supplies	94,121	64,673	64,673	-
Capital Outlay	1,225,290	223,909	223,909	-
Other Expenditures	12,800	4,325	4,325	-
Community Services				
Salaries	47,277	59,813	59,813	-
Employee Benefits	13,458	15,204	15,204	-
Purchased Services	11,000	10,701	10,701	-
Materials and Supplies	2,000	1,080	1,080	-
Capital Outlay	200	1,561	1,561	-
Other Expenditures		200	200	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction		347	347	
Other Capital Outlay		611,057	611,057	
Total Expenditures	294,684,506	295,350,854	295,350,854	-
Excess (Deficiency) of Revenues Over Expenditures	(6,862,999)	(7,696,763)	(7,696,763)	-
Other Financing Sources (Uses)				
Loss Recoveries		4,977	4,977	-
Transfers In	5,760,000	10,056,278	10,056,278	-
Transfers Out	(776,966)	(896,512)	(896,512)	-
Total Other Financing Sources (Uses)	4,983,034	9,164,743	9,164,743	-
Net Changes in Fund Balance	(1,879,965)	1,467,980	1,467,980	-
Fund Balance, July 1, 2014	14,381,779	15,571,306	15,571,306	
Fund Balance, June 30, 2015	\$ 12,501,814	\$ 17,039,286	\$ 17,039,286	\$ -

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS - FOOD SERVICE
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Intergovernmental:				
Federal Through State	\$ 14,513,169	\$ 15,563,901	\$ 15,563,901	\$ -
State	264,323	249,079	249,079	-
Local:	5,425,558			-
Food Service Revenue	11,833	4,394,359	4,394,359	-
Other Local Revenue		37,780	37,780	-
Total Revenues	<u>20,214,883</u>	<u>20,245,119</u>	<u>20,245,119</u>	
Expenditures				
Current - Education:				
Food Service				
Salaries	5,471,914	5,666,183	5,666,183	-
Employee Benefits	2,398,023	2,648,705	2,648,705	-
Purchased Services	714,440	407,273	407,273	-
Energy Services	261,216	260,644	260,644	-
Materials & Supplies	10,580,610	9,170,865	9,170,865	-
Capital Outlay	833,596	324,859	324,859	-
Other	611,286	479,219	479,219	-
Other Capital Outlay		798,312	798,312	-
Total Expenditures	<u>20,871,085</u>	<u>19,756,060</u>	<u>19,756,060</u>	
Excess (Deficiency) of Revenues Over Expenditures	(656,202)	489,059	489,059	-
Other Financing Sources				
Net Change in Fund Balances	(656,202)	489,059	489,059	-
Fund Balances, July 1, 2014	11,678,424	11,678,424	11,678,424	-
Fund Balances, June 30, 2015	<u><u>\$ 11,022,222</u></u>	<u><u>\$ 12,167,483</u></u>	<u><u>\$ 12,167,483</u></u>	<u><u>\$</u></u>

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	[(B-A)/C]
October 1, 2007	\$	\$ 30,749,335	\$ 30,749,335	0.0%	\$ 147,423,032	20.86%
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%

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.489999972%	0.482806418%
District's Proportionate Share of the Net Pension Liability	27,182,538	75,565,860
District's Covered-Employee Payroll	198,240,418	187,605,510
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	13.71%	40.28%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	96.09%	(1)

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

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	10,892,918	9,758,515
Contributions in Relation to the Contractually Required Contribution	<u>10,892,918</u>	<u>9,758,515</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	198,240,418	187,605,510
Contributions as a percentage of Covered-Employee Payroll	5.49%	5.20%

Notes:

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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

	Total	
	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.645284941%	0.645717158%
District's Proportionate Share of the Net Pension Liability	54,857,234	51,113,559
District's Covered-Employee Payroll	198,240,418	187,605,510
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	27.67%	27.25%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	0.99%	(1)

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

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	2,495,945	2,210,519
Contributions in Relation to the Contractually Required Contribution	<u>2,495,945</u>	<u>2,210,519</u>
Contribution Deficiency (Excess)	0	0
District's Covered-Employee Payroll	191,773,178	187,605,510
Contributions as a percentage of Covered-Employee Payroll	1.30%	1.18%

Notes:

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

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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.

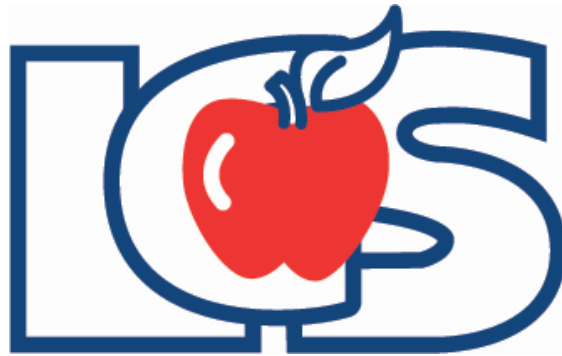
2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

- *Changes of Assumptions.* As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.6 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent.

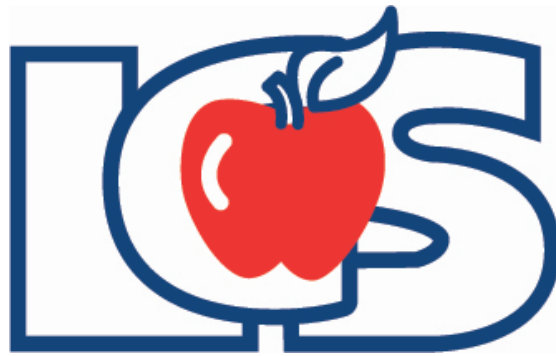
3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

- *Changes of Assumptions.* The municipal rate used to determine total pension liability decreased from 4.63 percent to 4.29 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

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government, and other local and private sources which are required to finance designated activities. Activities included within the non-major special revenue funds are as follows:

Other Federal Program Funds - To account for programs funded by Federal, State and local sources, requiring separate accountability in accordance with legal or regulatory restrictions.

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 Funds – To account for and report on payment of principal, interest and related costs on sales surtax bonds, 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 Bond Fund - To account for the financial resources generated by State Special Act Bond 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.

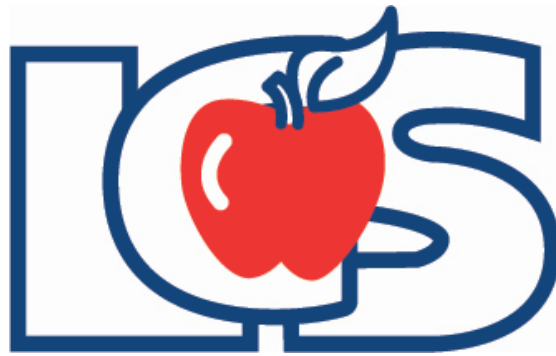
District Bond Fund - To account for the financial resources generated by the one cent local infrastructure sales surtax to be used for educational capital outlay needs, including

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
Combining Statements and Schedules of
Non-major Governmental Funds
(Continued)

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 Funds - To account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs.



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Reveue	Debt Service	
	Other Federal Programs	State Board of Education Bonds (SBE) Fund	Other Debt Service Funds
ASSETS			
Cash	\$	\$	\$ 1,970,711
Investments		193,679	34,829
Accounts Receivable	(703)		
Due from Other Agencies	3,288,993		
Inventories			
TOTAL ASSETS	<u>\$ 3,288,290</u>	<u>\$ 193,679</u>	<u>\$ 2,005,540</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries & Benefits	\$ 1,285,409	\$	\$
Patroll Deductions & Withholding	213,703		
Accounts Payable	513,697		
Construction Contracts Payable - Retainage			
Accrued Interest Payable			
Deposits Payable			
Due to Other Funds	1,271,946		
Due to Other Agencies			
Unearned Revenue	3,535		
Total Liabilities	<u>3,288,290</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES			
Unearned Revenue			
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Non-Spendable			
Restricted for:			
Food Service			
Debt Service		193,679	2,005,540
Capital Projects			
Total Fund Balances		<u>193,679</u>	<u>2,005,540</u>
TOTAL LIABILITIES, DEFERRED INFLOWS of Servcies and Fund Balances	<u>\$ 3,288,290</u>	<u>\$ 193,679</u>	<u>\$ 2,005,540</u>

(Continued)

Capital Outlay Special Act Bonds Fund	Public Education Capital Outlay (PECO) Funds	Capital Projects		Local Capital Improvement Funds (LCIF)	Total Nonmajor Governmental Funds
		District Bond Fund	Capital Outlay & Debt Service (CO&DS) Fund		
\$ 1,341,074	\$	\$ 7,808,449	\$ 662,992	\$ 2,595,990	\$ 14,379,216
				6,269	228,508
		959,761	265,113		5,566
					4,513,867
					-
<u>\$ 1,341,074</u>	<u>\$ -</u>	<u>\$ 8,768,210</u>	<u>\$ 928,105</u>	<u>\$ 2,602,259</u>	<u>\$ 19,127,157</u>
\$	\$	\$	\$	\$	\$ 1,285,409
		45,314		299,412	213,703
					858,423
					-
					-
1,000,000					2,271,946
					-
					3,535
<u>1,000,000</u>	<u>-</u>	<u>45,314</u>	<u>-</u>	<u>299,412</u>	<u>4,633,016</u>
			36,153		36,153
			36,153		36,153
-	-	-		-	-
					-
					-
341,074		8,722,896	891,952	2,301,847	2,199,219
					12,257,769
<u>341,074</u>	<u>-</u>	<u>8,722,896</u>	<u>891,952</u>	<u>2,301,847</u>	<u>14,456,988</u>
<u>\$ 1,341,074</u>	<u>\$ -</u>	<u>\$ 8,768,210</u>	<u>\$ 928,105</u>	<u>\$ 2,601,259</u>	<u>\$ 19,126,157</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, 2015

	Special Revenue		Debt Service		
	Other Federal Programs		State Board of Education Bonds (SBE) Fund	Other Debt Service Funds	Capital Outlay Special Act Bonds Fund
Revenues					
Intergovernmental:					
Federal Direct	\$ 33,677	\$		\$	\$
Federal Through State	23,295,419				
State			1,255,029		148,833
Local:					
Ad Valorem Taxes					
Local Sales Tax					
Food Service					
Other Local Revenue				447,686	219
Total Revenues	<u>23,329,096</u>		<u>1,255,029</u>	<u>447,686</u>	<u>149,052</u>
Expenditures					
Instruction	10,335,628				
Student Support Services	2,899,106				
Instruction Media Services	2,537				
Instruction and Curriculum Development Services	4,208,529				
Instructional Staff Training Services	4,665,068				
Instruction Related Technology					
General Administration	814,097				
School Administration					
Facility Services					
Fiscal Services					
Food Services					
Central Services	264,423				
Pupil Transportation Services	53,728				
Operation of Plant	2,286				
Administrative technology Services	7,500				
Community Services	4,222				
Fixed Capital Outlay:					
Facilities Acquisition and Construction					
Other Capital Outlay	71,972				
Debt Service:					
Principal			867,000	26,885,756	
Interest and Fiscal Charges			380,513	11,277,613	
Total Expenditures	<u>23,329,096</u>		<u>1,247,513</u>	<u>38,163,369</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>		<u>7,516</u>	<u>(37,715,683)</u>	<u>149,052</u>
Other Financing Sources (Uses)					
Premium on Sale of Bonds			74,919		
Refunding Bonds Issued			850,000		
Loans					
Proceeds of Certificates of Participation				126,040,000	
Premium on Certificates of Participation				15,892,387	
Payments to Refunding Bond Agent			(2,497,245)	(141,932,387)	
Transfers In				30,013,718	
Transfers Out					(1,000,000)
Total Other Financing Sources (Uses)	<u>-</u>		<u>(1,572,326)</u>	<u>30,013,718</u>	<u>(1,000,000)</u>
Net Change in Fund Balances			(1,564,810)	(7,701,965)	(850,948)
Fund Balances, July 1, 2014			1,758,489	9,707,505	1,192,022
Fund Balances, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>193,679</u>	<u>2,005,540</u>	<u>\$ 341,074</u>

(Continued)

Capital Projects				
Public Education Capital Outlay (PECO) Funds	District Bond Fund	Capital Outlay & Debt Service (CO&DS) Fund	Local Capital Improvement Funds (LCIF)	Total Nonmajor Governmental Funds
	\$	\$	\$	\$
				33,677
				23,295,419
1,420,153		229,796		3,053,811
			25,151,565	25,151,565
	14,021,477			14,021,477
				-
	1,464	115	38,101	487,585
1,420,153	14,022,941	229,911	25,189,666	66,043,534
				10,335,628
				2,899,106
				2,537
				4,208,529
				4,665,068
				-
				814,097
				-
				-
				-
				264,423
				53,728
				2,286
				7,500
				4,222
				-
1,420,153	909,598		7,251,810	9,581,561
				71,972
				27,752,756
		836		11,658,962
1,420,153	909,598	836	7,251,810	72,322,375
-	13,113,343	229,075	17,937,856	(6,278,841)
				74,919
				850,000
				-
				126,040,000
				15,892,387
				(144,429,632)
				30,013,718
	(10,492,662)		(19,994,675)	(31,487,337)
-	(10,492,662)		(19,994,675)	(3,045,945)
-	2,620,681	229,075	(2,056,819)	(9,324,786)
	6,102,215	662,877	4,358,666	23,781,774
-	\$ 8,722,896	\$ 891,952	\$ 2,301,847	\$ 14,456,988

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS- OTHER
For the Fiscal Year Ended June 30, 2015

	Special Revenue - Other Funds			Variance with Final Budget - Under/ (Over)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$	\$	\$	\$
Federal Through State	24,455,440	23,295,419	23,295,419	
State				
Local				
Total Revenues	<u>24,455,440</u>	<u>23,329,096</u>	<u>23,329,096</u>	
Expenditures				
Current - Education:				
Instruction	10,474,845	10,335,628	10,335,628	
Pupil Personnel Services	3,034,326	2,899,106	2,899,106	
Instructional Media Services		2,537	2,537	
Instruction and Curriculum Development Services	3,885,242	4,208,529	4,208,529	
Instructional Staff Training Services	5,424,827	4,665,068	4,665,068	
Instruction Related Technology				
General Administration	869,765	814,097	814,097	
School Administration				
Facility Services - Non-Capitalized				
Fiscal Services				
Central Services	521,209	264,423	264,423	
Pupil Transportation Services	83,876	53,728	53,728	
Operation of Plant	450	2,286	2,286	
Administrative Technology Services	158,900	7,500	7,500	
Community Services	2,000	4,222	4,222	
Fixed Capital Outlay:				
Other Capital Outlay		71,972	71,972	
Total Expenditures	<u>24,455,440</u>	<u>23,329,096</u>	<u>23,329,096</u>	
Excess of Revenues Over Expenditures	<u>-</u>			
Fund Balances, July 1, 2014				
Fund Balances, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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, 2015

	Debt Service Funds - State Board of Education Bonds (SBE)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
State	\$ 1,308,868	\$ 1,255,029	\$ 1,255,029	\$
Total Revenues	<u>1,308,868</u>	<u>1,255,029</u>	<u>1,255,029</u>	
Expenditures				
Debt Service:				
Principal	867,000	867,000	867,000	
Interest and Fiscal Charges	<u>441,868</u>	<u>380,513</u>	<u>380,513</u>	
Total Expenditures	<u>1,308,868</u>	<u>1,247,513</u>	<u>1,247,513</u>	
Excess of Revenues Over Expenditures		<u>7,516</u>	<u>7,516</u>	
Other Financing Sources (Uses)				
Premium on Sale of Bonds		74,919	74,919	
Refunding Bonds Issued		850,000	850,000	
Payments to Refunding Bond Agent		<u>(2,497,245)</u>	<u>(2,497,245)</u>	
Total Other Financing Sources (Uses)		<u>(1,572,326)</u>	<u>(1,572,326)</u>	
Net Change in Fund Balances		<u>(1,564,810)</u>	<u>(1,564,810)</u>	
Fund Balances, July 1, 2014	<u>1,748,488</u>	<u>1,758,489</u>	<u>1,758,489</u>	
Fund Balances, June 30, 2014	<u>\$ 1,748,488</u>	<u>\$ 193,679</u>	<u>\$ 193,679</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, 2015

	Debt Service Funds - Other Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Local:				
Other Local Revenue	\$	\$ 447,686	\$ 447,686	\$
Total Revenues		447,686	447,686	
Expenditures				
Debt Service:				
Principal	26,660,756	26,885,756	26,885,756	
Interest and Fiscal Charges	12,293,059	11,277,613	11,277,613	
Total Expenditures	38,953,815	38,163,369	38,163,369	
Deficiency of Revenues Over Expenditures	(38,953,815)	(37,715,683)	(37,715,683)	
Other Financing Sources				
Loans Incurred				
Certificates of Participation Issued		126,040,000	126,040,000	
Premium on Certificates of Participation		15,892,387	15,892,387	
Payments to Refunded Bond Escrow Agent		(141,932,387)	(141,932,387)	
Transfers	31,205,209	30,013,718	30,013,718	
Total Other Financing Sources	31,205,209	30,013,718	30,013,718	
Net Change in Fund Balances	(7,748,606)	(7,701,965)	(7,701,965)	
Fund Balances, July 1, 2014	9,714,585	9,707,505	9,707,505	
Fund Balances, June 30, 2015	<u>\$ 1,965,979</u>	<u>\$ 2,005,540</u>	<u>\$ 2,005,540</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, 2015

	Capital Projects Funds - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
Federal through State	\$	\$	\$	\$
State		91,150	91,150	
Local:				
Impact Fees	1,500,000	5,093,059	5,093,059	
Other Local Revenue		18,198	18,198	
Total Revenues	<u>1,500,000</u>	<u>5,202,407</u>	<u>5,202,407</u>	
Expenditures				
Current - Education:				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Other Capital Outlay	14,675,726	8,162,150	8,162,150	
Total Expenditures	<u>14,675,726</u>	<u>8,162,150</u>	<u>8,162,150</u>	
Excess/(Deficiency) of Revenues Over Expenditures	<u>(13,175,726)</u>	<u>(2,959,743)</u>	<u>(2,959,743)</u>	
Other Financing Sources (Uses)				
Sale of Capital Assets		190,875	190,875	
Transfers Out	(6,000,000)	(7,349,415)	(7,349,415)	
Total Other Financing Sources (Uses)	<u>(6,000,000)</u>	<u>(7,158,540)</u>	<u>(7,158,540)</u>	
Net Change in Fund Balances	<u>(19,175,726)</u>	<u>(10,118,283)</u>	<u>(10,118,283)</u>	
Fund Balances, July 1, 2014	<u>44,884,580</u>	<u>46,216,447</u>	<u>46,216,447</u>	
Fund Balances, June 30, 2015	<u>\$ 25,708,854</u>	<u>\$ 36,098,164</u>	<u>\$ 36,098,164</u>	<u>\$</u>

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUNDS - SPECIAL ACTS BOND
For the Fiscal Year Ended June 30, 2013

	Capital Outlay Funds - Special Acts Bond			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
State	\$ 148,833	\$ 148,833	\$ 148,833	\$
Local		219	219	
Total Revenues	<u>148,833</u>	<u>149,052</u>	<u>149,052</u>	
Total Expenditures				
Excess of Revenues Over Expenditures	<u>148,833</u>	<u>149,052</u>	<u>149,052</u>	
Other Financing Uses	148,833			
Transfers Out		(1,000,000)	(1,000,000)	
Total Other Financing Uses		<u>(1,000,000)</u>	<u>(1,000,000)</u>	
Net Change in Fund Balances	148,833	(850,948)	(850,948)	
Fund Balances, July 1, 2014	<u>1,192,021</u>	<u>1,192,022</u>	<u>1,192,022</u>	
Fund Balances, June 30, 2015	<u><u>\$ 1,340,854</u></u>	<u><u>\$ 341,074</u></u>	<u><u>\$ 341,074</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, 2015

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
State	789,503	1,420,153	1,420,153	
Local	\$	\$ -	\$ -	\$
Total Revenues	<u>789,503</u>	<u>1,420,153</u>	<u>1,420,153</u>	
Expenditures				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	789,503	1,420,153	1,420,153	
Other Capital Outlay				
Total Expenditures	<u>789,503</u>	<u>1,420,153</u>	<u>1,420,153</u>	
Excess/(Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances, July 1, 2014		-	-	
Fund Balances, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</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, 2015

	Capital Projects Funds - District Bond Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Local:				
Sales Tax Revenue	\$ 11,000,000	\$ 14,021,477	\$ 14,021,477	\$
Other Local Revenue		1,464	1,464	
Total Revenues	<u>11,000,000</u>	<u>14,022,941</u>	<u>14,022,941</u>	
Expenditures				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	2,511,442	909,598	909,598	
Other Capital Outlay				
Total Expenditures	<u>2,511,442</u>	<u>909,598</u>	<u>909,598</u>	
Excess of Revenues Over Expenditures	<u>8,488,558</u>	<u>13,113,343</u>	<u>13,113,343</u>	
Other Financing Uses				
Transfers Out	(8,000,000)	(10,492,662)	(10,492,662)	
Total Other Financing Uses	<u>(8,000,000)</u>	<u>(10,492,662)</u>	<u>(10,492,662)</u>	
Net Change in Fund Balances	488,558	2,620,681	2,620,681	
Fund Balances, July 1, 2014	<u>6,105,215</u>	<u>6,102,215</u>	<u>6,102,215</u>	
Fund Balances, June 30, 2015	<u>\$ 6,593,773</u>	<u>\$ 8,722,896</u>	<u>\$ 8,722,896</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, 2015

	Capital Projects Funds - Capital Outlay and Debt Service (CO&DS)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Intergovernmental:				
State	\$ 160,000	\$ 229,796	\$ 229,796	\$
Local:				
Other Local Revenue		115	115	
Total Revenues	<u>160,000</u>	<u>229,911</u>	<u>229,911</u>	
Expenditures				
Current - Education				
Facility Services		-	-	
Fixed Capital Outlay:				
Facilities Acquisition and Construction	662,877			
Debt Service:				
Interest and Fiscal Charges		836	836	
Total Expenditures	<u>662,877</u>	<u>836</u>	<u>836</u>	
Excess/(Deficiency) of Revenues Over Expenditures	<u>(502,877)</u>	<u>229,075</u>	<u>229,075</u>	
Net Change in Fund Balances	<u>(502,877)</u>	<u>229,075</u>	<u>229,075</u>	
Fund Balances, July 1, 2014	<u>662,877</u>	<u>662,877</u>	<u>662,877</u>	
Fund Balances, June 30, 2015	<u><u>\$ 160,000</u></u>	<u><u>\$ 891,952</u></u>	<u><u>\$ 891,952</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, 2015

	Capital Projects Funds - Local Capital Improvement Fund (LCIF)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Revenues				
Local:				
Ad Valorem Taxes	\$ 24,857,134	\$ 25,151,565	\$ 25,151,565	\$
Other Local Revenue		38,101	38,101	
Total Revenues	<u>24,857,134</u>	<u>25,189,666</u>	<u>25,189,666</u>	
Expenditures				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	7,702,871	7,251,810	7,251,810	
Other Capital Outlay				
Total Expenditures	<u>7,702,871</u>	<u>7,251,810</u>	<u>7,251,810</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>17,154,263</u>	<u>17,937,856</u>	<u>17,937,856</u>	
Other Financing Uses				
Transfers	(20,991,660)	(19,994,675)	(19,994,675)	
Total Other Financing Uses	<u>(20,991,660)</u>	<u>(19,994,675)</u>	<u>(19,994,675)</u>	
Net Change in Fund Balances	<u>(3,837,397)</u>	<u>(2,056,819)</u>	<u>(2,056,819)</u>	
Fund Balances, July 1, 2014	<u>4,357,485</u>	<u>4,358,667</u>	<u>4,358,667</u>	
Fund Balances, June 30, 2015	<u>\$ 520,088</u>	<u>\$ 2,301,848</u>	<u>\$ 2,301,848</u>	<u>\$</u>

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2015

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Printing Services	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,971,009	\$ 118,296	1,271,785	\$ -	\$ 4,361,090
Accounts Receivable				750	750
Due from Other Funds					-
Due from Other Agencies	130,587				130,587
Inventories				19,399	19,399
Total Current Assets	<u>3,101,596</u>	<u>118,296</u>	<u>1,271,785</u>	<u>20,149</u>	<u>4,511,826</u>
TOTAL ASSETS	<u>\$ 3,101,596</u>	<u>\$ 118,296</u>	<u>1,271,785</u>	<u>\$ 20,149</u>	<u>\$ 4,511,826</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 220,854	\$	131,526	\$ 11,722	\$ 364,102
Due to Other Funds				8,427	8,427
Unearned Revenue	122,153				122,153
Insurance Claims Payable	2,758,589				2,758,589
Total Current Liabilities	<u>3,101,596</u>	<u>-</u>	<u>131,526</u>	<u>20,149</u>	<u>3,253,271</u>
Total Liabilities	<u>3,101,596</u>	<u>-</u>	<u>131,526</u>	<u>20,149</u>	<u>3,253,271</u>
NET POSITION					
Unrestricted	<u>-</u>	<u>118,296</u>	<u>1,140,259</u>	<u>-</u>	<u>1,258,555</u>
Total Net Position	<u>-</u>	<u>118,296</u>	<u>1,140,259</u>	<u>-</u>	<u>1,258,555</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,101,596</u>	<u>\$ 118,296</u>	<u>1,271,785</u>	<u>\$ 20,149</u>	<u>\$ 4,511,826</u>

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

**COMBINING STATEMENT OF NET POSITION
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Printing Services	Total Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 39,230,050	\$ 236,990	\$ 2,014,107	\$ 331,753	\$ 41,812,900
Total Operating Revenues	<u>39,230,050</u>	<u>236,990</u>	<u>2,014,107</u>	<u>331,753</u>	<u>41,812,900</u>
OPERATING EXPENSES					
Salaries	113,418			123,036	236,454
Employee Benefits	29,273			45,411	74,684
Purchased Services	53,683			66,959	120,642
Energy Services	7,186			13,202	20,388
Materials and Supplies	439,288			199,664	638,952
Capital Outlay	-				-
Other Expenses	38,843,775	215,789	1,531,709	3,033	40,594,306
Total Operating Expenses	<u>39,486,623</u>	<u>215,789</u>	<u>1,531,709</u>	<u>451,305</u>	<u>41,685,426</u>
Operating Income (Loss)	<u>(256,573)</u>	<u>21,201</u>	<u>482,398</u>	<u>(119,552)</u>	<u>127,474</u>
NONOPERATING REVENUES					
Interest Income	4		165	6	175
Other Miscellaneous Income					
Transfers In/(Out)	-			119,546	119,546
Change in Net Assets	<u>(256,569)</u>	<u>21,201</u>	<u>482,563</u>	<u>-</u>	<u>247,195</u>
Total Net Position, July 1, 2014	<u>256,569</u>	<u>97,095</u>	<u>657,696</u>		<u>1,011,360</u>
Total Net Position, June 30, 2015	<u>\$ -</u>	<u>\$ 118,296</u>	<u>\$ 1,140,259</u>	<u>\$ -</u>	<u>\$ 1,258,555</u>

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Print Shop	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Services	\$ 39,522,223	\$ 236,990	\$ 2,014,107	\$ 331,003	\$ 42,104,323
Cash Payments to Suppliers for Goods and Services	(42,091,550)	(215,789)	(1,471,009)	(282,108)	(44,060,456)
Cash Payments to Employees for Services	(142,691)			(168,447)	(311,138)
Net Cash Provided/(Used) by Operating Activities	(2,712,018)	21,201	543,098	(119,552)	(2,267,271)
CASH FLOWS FROM INVESTING FINANCING ACTIVITIES					
Interest Income	4		165	6	175
Net Cash Provided by Investing Activities	4	-	165	6	175
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Other Miscellaneous Income					
Transfers In/Out				119,546	119,546
Net Cash Provided by Noncapital Financing Activities	-	-	-	119,546	119,546
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,712,014)	21,201	543,263	-	(2,147,550)
Cash and Cash Equivalents, Beginning (as Restated)	5,683,023	97,095	728,522	-	6,508,640
Cash and Cash Equivalents, Ending	\$ 2,971,009	\$ 118,296	\$ 1,271,785	\$ -	\$ 4,361,090
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:					
Operating Income (Loss)	\$ (256,573)	\$ 21,201	\$ 482,398	\$ (119,552)	\$ 127,474
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	200,000			1,751	201,751
Increase in Due from Other Agencies	92,173				92,173
Decrease in Inventory				9,173	9,173
Increase in Accounts Payable	58,828		60,700	(19,351)	100,177
Decrease in Claims Payable	(2,801,475)				(2,801,475)
(Decrease) in Due to/from Other Funds				8,427	8,427
Increase in Unearned Revenue	(4,971)				(4,971)
Total Adjustments	(2,455,445)	-	60,700	-	(2,394,745)
Net Cash Used by Operating Activities	\$ (2,712,018)	\$ 21,201	\$ 543,098	\$ (119,552)	\$ (2,267,271)

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 Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2015

	School Internal Accounts			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 2,582,305	\$ 6,145,156	\$ 6,086,885	\$ 2,640,576
Total Assets	<u>\$ 2,582,305</u>	<u>\$ 6,145,156</u>	<u>\$ 6,086,885</u>	<u>\$ 2,640,576</u>
Liabilities				
Internal accounts payable	\$ 2,582,305	\$ 6,145,156	\$ 6,086,885	\$ 2,640,576
Total Liabilities	<u>\$ 2,582,305</u>	<u>\$ 6,145,156</u>	<u>\$ 6,086,885</u>	<u>\$ 2,640,576</u>

LAKE COUNTY SCHOOLS
Schedule of School Internal Accounts Activity
For the Fiscal Year Ended June 30, 2015

School	7/1/2014 Balance	Receipts	Expenditures	6/30/2015 Balance
Astatula Elementary	\$ 42,666	\$ 109,887	\$ 125,582	\$ 26,971
Beverly Shores Elementary	11,357	32,965	41,965	2,356
Carver Middle	47,979	86,701	82,623	52,057
Clermont Elementary	7,668	56,759	55,687	8,740
Clermont Middle	66,660	162,282	153,389	75,552
Cypress Ridge Elementary	80,377	111,943	117,909	74,412
East Ridge High	276,309	580,382	523,879	332,812
East Ridge Middle	109,442	203,197	200,830	111,809
Eustis Elementary	10,136	78,359	69,341	19,154
Eustis Heights Elementary	28,906	45,372	58,241	16,037
Eustis High	166,408	384,651	361,527	189,532
Eustis Middle	33,543	78,570	73,915	38,198
Fruitland Park Elementary	35,209	72,444	68,910	38,744
Grassy Lake Elementary	32,150	182,528	171,092	43,586
Gray Middle	73,814	158,024	162,540	69,298
Groveland Elementary	18,543	69,213	76,770	10,987
Lake Hills Center	22,885	35,176	19,231	38,831
Lake Minneola High	138,447	439,678	386,050	192,076
Leesburg Elementary	32,409	115,187	113,713	33,882
Leesburg High	177,925	389,784	482,362	85,346
Lost Lake Elementary	19,414	102,608	110,850	11,172
Mount Dora High	262,867	416,722	393,421	286,167
Mount Dora Middle	29,897	113,322	109,518	33,702
Oak Park Middle	31,095	62,695	68,300	25,490
Pine Ridge Elementary	41,035	101,363	94,066	48,332
Rimes Elementary	15,590	12,289	12,976	14,903
Sawgrass Bay Elementary	20,892	132,918	131,815	21,996
Seminole Springs Elementary	9,229	41,493	42,089	8,633
Sorrento Elementary	11,920	76,823	73,408	15,335
South Lake High	187,288	411,289	408,120	190,456
Student Services	11,976	10,113	9,969	12,120
Tavares Elementary	29,702	108,747	113,195	25,253
Tavares High	101,993	292,643	308,693	85,943
Tavares Middle	80,119	103,570	106,386	77,304
Treadway Elementary	49,086	68,044	60,949	56,181
Triangle Elementary	18,499	30,441	27,970	20,970
Umatilla Elementary	8,026	62,705	54,721	16,010
Umatilla High	96,341	266,054	275,808	86,587
Umatilla Middle	36,141	76,846	86,597	26,390
Villages of Lady Lake Elem	39,570	49,080	49,713	38,937
Windy Hill Middle	68,789	212,291	202,763	78,317
TOTALS	\$ 2,582,305	\$ 6,145,156	\$ 6,086,885	\$ 2,640,575

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
Combining Statement of Net Position
Component Units
For the Year Ended June 30, 2015

	Alee Academy, Inc.	Altoona School, Inc.	Humanites and Fine Arts Charter School, Inc.	Mascotte Elementary School, Inc.	Minneola Elementary School, Inc.
Assets					
Cash	\$ 532,767	\$ 187,848		\$ 4,324,939	\$ 6,265,456
Investments					
Accounts Receivable, Net				20,578	3,445
Due from Other Agencies					
Prepaid Expenses				23,115	25,591
Other Current Assets		4,301			
Land	305,395				
Construction in Progress		335,534			
Improvements Other Than Buildings	46,166				
Buildings and Fixed Equipment	1,650,971	358,852			
Furniture, Fixtures and Equipment	407,035	129,605		5,115	12,726
Motor Vehicles	156,129	17,636		319,764	244,780
Computer Software				104,300	
Accumulated Depreciation	(1,208,009)	(209,120)		(172,638)	(89,998)
Other Non-Current Assets					
Total Assets	\$ 1,890,454	\$ 824,656	\$ -	\$ 4,625,173	\$ 6,462,000
Deferred Outflows of Resources					
Deferred Pension Costs				475,024	538,572
Deferred Loan Costs, net	45,807				
Total Deferred Outflows of Resources	\$ 45,807	\$ -	\$ -	\$ 475,024	\$ 538,572
Liabilities					
Accrued Payroll and Other Expenses		\$ 103,806		\$ 27,800	\$ 7,623
Payroll deductions and withholdings					
Accounts Payable	2,385				
Construction contracts payable					
Due to fiscal agent				1,296,180	1,100,415
Accrued expenses					
Noncurrent Liabilities:					
Portion Due Within One Year:					
Notes Payable	189,224	26,000			
Other Long-Term Liabilities					
Liability for compensated absences				296,028	371,082
Portion Due After One Year:					
Notes Payable	610,824				
Net Pension Liability				1,647,767	2,006,241
Other Post Employment Benefit Liabilities				238,134	234,658
Liability for compensated absences					
Other Long-term Liabilities					19,897
Total Liabilities	\$ 802,433	\$ 129,806	\$ -	\$ 3,505,909	\$ 3,739,916
Deferred Inflows of Resources					
Deferred Pension Costs				944,542	1,150,023
Deferred Revenue					
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ 944,542	\$ 1,150,023
Net Position					
Invested in Capital Assets, Net of Related Debt	\$ 603,446	\$ 632,507		\$ 256,541	\$ 167,508
Restricted for:					
Debt Service	201,703				
Other Purposes	17,500	12,433		225,671	761,001
Unrestricted	311,179	49,910		167,534	1,182,124
Total Net Position	\$ 1,133,828	\$ 694,850	\$ -	\$ 649,746	\$ 2,110,633

(Continued)

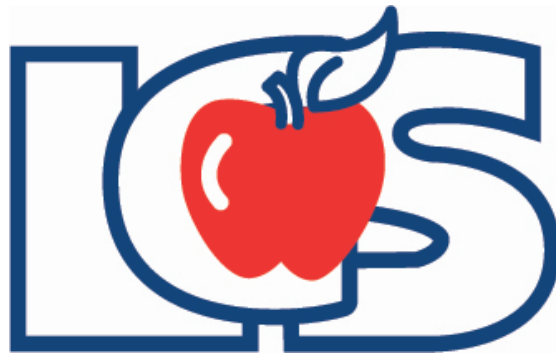
Round Lake Elementary School, Inc.	Spring Creek Elementary School, Inc.	Lake Technical Center, Inc.	Milestones Community School, Inc.	South Lake Charter Elementary School	Total Charter Schools	Educational Foundation of Lake County, Inc.	Total Component Units
\$ 6,776,218	\$ 2,650,043	\$ 7,939,998		\$ 377,760	\$ 29,055,029	\$ 560,285	\$ 29,615,314
1,001,138					1,001,138	253,205	1,254,343
4,259	3,834	151,295		4,528	187,939	34,163	222,102
				456,938	456,938		456,938
15,093		7,156		14,685	85,640		85,640
					4,301	163,184	167,485
		22,000			327,395		327,395
		216,215			551,749		551,749
81,314					127,480		127,480
148,393				553,406	2,711,622		2,711,622
164,127	116,378	160,084		349,459	1,344,529		1,344,529
	536,366	20,761		261,994	1,557,430		1,557,430
		82,500		21,200	208,000		208,000
(231,017)	(105,936)	(145,521)		(615,767)	(2,778,006)		(2,778,006)
					-	3,139,062	3,139,062
<u>\$ 7,959,525</u>	<u>\$ 3,200,685</u>	<u>\$ 8,454,488</u>	<u>\$ -</u>	<u>\$ 1,424,203</u>	<u>\$ 34,841,184</u>	<u>\$ 4,149,899</u>	<u>\$ 38,991,083</u>
385,028	299,189	475,608			2,173,421		2,173,421
					45,807		45,807
<u>\$ 385,028</u>	<u>\$ 299,189</u>	<u>\$ 475,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,219,228</u>	<u>\$ -</u>	<u>\$ 2,219,228</u>
\$ 27,004	\$ 18,965	\$ 76,190		\$ 232,567	\$ 493,955		\$ 493,955
					-		-
				6,089	8,474	121,564	130,038
					-		-
937,580	873,847	549,904			4,757,926		4,757,926
		44,707			44,707		44,707
					-		-
	102,637				317,861		317,861
18,204	12,923	22,779		22,622	76,528		76,528
310,945	189,986	568,787			1,736,828		1,736,828
					-		-
	342,781				953,605		953,605
1,626,331	1,242,556	1,600,326			8,123,221		8,123,221
245,087	163,391	152,962			1,034,232		1,034,232
					-		-
54,611	38,768	22,785			136,061		136,061
<u>\$ 3,219,762</u>	<u>\$ 2,985,854</u>	<u>\$ 3,038,440</u>	<u>\$ -</u>	<u>\$ 261,278</u>	<u>\$ 17,683,398</u>	<u>\$ 121,564</u>	<u>\$ 17,804,962</u>
950,594	726,556	917,338			4,689,053		4,689,053
					-		-
<u>\$ 950,594</u>	<u>\$ 726,556</u>	<u>\$ 917,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,689,053</u>	<u>\$ -</u>	<u>\$ 4,689,053</u>
\$ 90,002	\$ 49,699	\$ 310,475		\$ 547,670	\$ 2,657,848	\$ 6,057	\$ 2,663,905
					201,703		201,703
638,049	72,083	2,234,879		80,190	4,041,806	3,659,107	7,700,913
3,446,146	(334,318)	2,428,964		535,065	7,786,604	363,171	8,149,775
<u>\$ 4,174,197</u>	<u>\$ (212,536)</u>	<u>\$ 4,974,318</u>	<u>\$ -</u>	<u>\$ 1,162,925</u>	<u>\$ 14,687,961</u>	<u>\$ 4,028,335</u>	<u>\$ 18,716,296</u>

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
Combining Statement of Net Activities
Component Units
For the Year Ended June 30, 2015

	Alee Academy, Inc.	Altoona School, Inc.	Humanities & Fine Arts Charter School, Inc.	Mascotte Elementary School, Inc.	Minneola Elementary School, Inc.
Expenses:					
Instruction	\$ 793,969	\$ 1,221,187	\$ 451,929	\$ 3,805,907	\$ 4,431,414
Pupil Personnel Services		22,253			
Instructional Support Services				282,193	308,677
Instructional Media Services				63,351	58,689
Instruction and Curriculum Development Services				65,548	93,690
Instructional Staff Training Services				58,819	132,016
Instructional Related Technology				55,384	138,522
Board				31,980	29,986
General Administration	75,189	83,867	207,378	132,382	143,371
School Administration	429,934	205,303	100,331	599,211	611,739
Facility Services					
Fiscal Services		44,908			
Food Services					
Central Services					
Pupil Transportation Services	160,558	47,200		161,354	212,621
Operation of Plant	183,969	175,419	189,884	468,947	575,895
Maintenance of Plant				41,645	
Community Services		59,009		187,176	293,636
Interest on Long-Term Debt	45,562		877		
Loss on disposal of fixed assets					
Total Expenses	<u>\$ 1,689,181</u>	<u>\$ 1,859,146</u>	<u>\$ 950,399</u>	<u>\$ 5,953,897</u>	<u>\$ 7,030,256</u>
Program Revenues:					
Charges for Services		\$ 4,935		\$ 177,419	\$ 264,670
Operating Grants and Contributions				497,044	164,701
Capital Grants and Contributions					
Total Program Revenues	<u>\$ -</u>	<u>\$ 4,935</u>	<u>\$ -</u>	<u>\$ 674,463</u>	<u>\$ 429,371</u>
Net (Expenses) Revenues	<u>\$ (1,689,181)</u>	<u>\$ (1,854,211)</u>	<u>\$ (950,399)</u>	<u>\$ (5,279,434)</u>	<u>\$ (6,600,885)</u>
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs	\$ 2,099,118	\$ 1,810,572	\$ 981,856	\$ 5,443,265	\$ 7,146,920
Miscellaneous	17,499	45,296	(193,122)	50,634	105,587
Total General Revenues	<u>\$ 2,116,617</u>	<u>\$ 1,855,868</u>	<u>\$ 788,734</u>	<u>\$ 5,493,899</u>	<u>\$ 7,252,507</u>
Net Position - Beginning	\$ 706,392	\$ 693,193		\$ 2,892,998	\$ 4,405,398
Prior Period Adjustment			161,665	(2,457,717)	(2,946,387)
Net Position - Beginning, as restated	<u>706,392</u>	<u>693,193</u>	<u>161,665</u>	<u>435,281</u>	<u>1,459,011</u>
Net Position - Ending	<u><u>\$ 1,133,828</u></u>	<u><u>\$ 694,850</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 649,746</u></u>	<u><u>\$ 2,110,633</u></u>

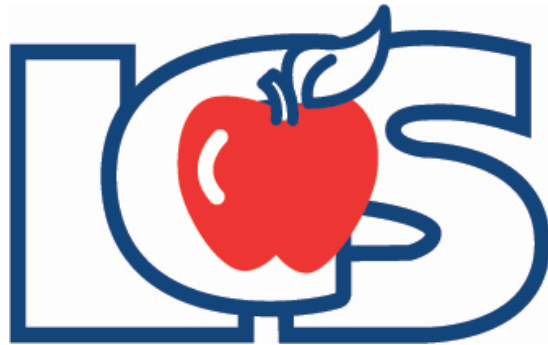
(Continued)

Round Lake Elementary School, Inc.	Spring Creek Elementary School, Inc.	Lake Technical Center, Inc.	Milestones Community School, Inc.	Imagine Schools at South Lake	Total Charter Schools	Educational Foundation of Lake County, Inc.	Total Component Units
\$ 3,732,060	\$ 2,610,337	\$ 6,143,117	\$ 711,396	\$ 3,192,792	\$ 27,094,108	\$ -	\$ 27,094,108
				1,707	23,960	-	23,960
266,407	214,938	744,719			1,816,934	-	1,816,934
91,225	61,541			1,764	276,570	-	276,570
64,164		61,931			285,333	-	285,333
69,069	52,057	9,547	1,616	19,776	342,900	-	342,900
		225,240	3,182		422,328	-	422,328
26,115	23,251	59,159	10,203	15,200	195,894	-	195,894
132,481	115,511	80,440			970,619	-	970,619
465,738	428,566	718,870	212,551	1,508,635	5,280,878	-	5,280,878
31,122			158,806		189,928	-	189,928
		359,713	66,693		471,314	-	471,314
			25,877	213,099	238,976	-	238,976
		73,061	8,955	41,674	123,690	-	123,690
72,269	277,236		99,734	160,270	1,191,242	-	1,191,242
410,493	362,856	723,476	149,088	1,837,592	5,077,619	-	5,077,619
		42,478	16,505	114,319	214,947	-	214,947
203,761	117,745			90,278	951,605	1,652,494	2,604,099
	16,738			2,238	65,415		65,415
			331,061		331,061		331,061
<u>\$ 5,564,904</u>	<u>\$ 4,280,776</u>	<u>\$ 9,241,751</u>	<u>\$ 1,795,667</u>	<u>\$ 7,199,344</u>	<u>\$ 45,565,321</u>	<u>\$ 1,652,494</u>	<u>\$ 47,217,815</u>
\$ 183,422	\$ 47,132	\$ 2,854,673		\$ 248,714	\$ 3,780,965	\$ -	\$ 3,780,965
136,092	403,863	1,961,327	74,642	475,885	3,713,554	1,645,129	5,358,683
			11,722		11,722		11,722
<u>\$ 319,514</u>	<u>\$ 450,995</u>	<u>\$ 4,816,000</u>	<u>\$ 86,364</u>	<u>\$ 724,599</u>	<u>\$ 7,506,241</u>	<u>\$ 1,645,129</u>	<u>\$ 9,151,370</u>
<u>\$ (5,245,390)</u>	<u>\$ (3,829,781)</u>	<u>\$ (4,425,751)</u>	<u>\$ (1,709,303)</u>	<u>\$ (6,474,745)</u>	<u>\$ (38,059,080)</u>	<u>\$ (7,365)</u>	<u>\$ (38,066,445)</u>
					-	-	
\$ 5,563,148	\$ 3,800,859	\$ 5,114,497	\$ 1,309,576	6,418,607	\$ 39,688,418	\$ -	\$ 39,688,418
209,519	44,129	269,626	25,305	500,827	1,075,300	5,887	1,081,187
<u>\$ 5,772,667</u>	<u>\$ 3,844,988</u>	<u>\$ 5,384,123</u>	<u>\$ 1,334,881</u>	<u>\$ 6,919,434</u>	<u>\$ 40,763,718</u>	<u>\$ 5,887</u>	<u>\$ 40,769,605</u>
\$ 6,179,035	\$ 1,687,840	\$ 6,312,961	\$ 374,422	\$ 718,236	\$ 23,970,475	\$ 4,029,813	\$ 28,000,288
(2,532,115)	(1,915,583)	(2,297,015)			(11,987,152)	-	(11,987,152)
<u>3,646,920</u>	<u>(227,743)</u>	<u>4,015,946</u>	<u>374,422</u>	<u>718,236</u>	<u>11,983,323</u>	<u>4,029,813</u>	<u>16,013,136</u>
<u>\$ 4,174,197</u>	<u>\$ (212,536)</u>	<u>\$ 4,974,318</u>	<u>\$ -</u>	<u>\$ 1,162,925</u>	<u>\$ 14,687,961</u>	<u>\$ 4,028,335</u>	<u>\$ 18,716,296</u>

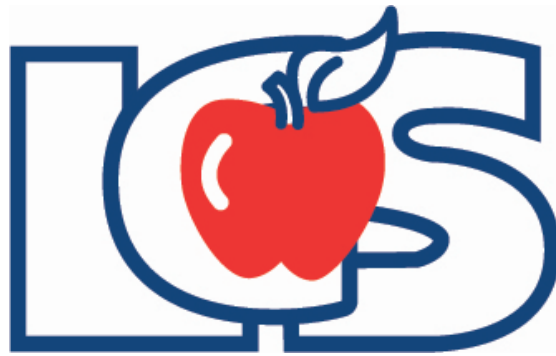


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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)

	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 275,104,412	\$ 308,195,823	\$ 271,111,705	\$ 272,951,278
Restricted	14,846,719	24,746,869	158,181,484	171,884,275
Unrestricted	<u>(7,250,544)</u>	<u>4,874,751</u>	<u>3,236,910</u>	<u>6,359,936</u>
Total Governmental Activities Net Position	<u>282,700,587</u>	<u>337,817,443</u>	<u>432,530,099</u>	<u>451,195,489</u>
Business-Type Activities:				
Unrestricted	<u>433,237</u>	<u>603,832</u>	<u>528,746</u>	<u>745,738</u>
Total Business-Type Activities Net Position	<u>433,237</u>	<u>603,832</u>	<u>528,746</u>	<u>745,738</u>
Primary Government:				
Net Investment on Capital Assets	275,104,412	308,195,823	271,111,705	272,951,278
Restricted	14,846,719	24,746,869	158,181,484	171,884,275
Unrestricted	<u>(6,817,307)</u>	<u>5,478,583</u>	<u>3,765,656</u>	<u>7,105,674</u>
Total Primary Government Net Position	<u><u>\$ 283,133,824</u></u>	<u><u>\$ 338,421,275</u></u>	<u><u>\$ 433,058,845</u></u>	<u><u>\$ 451,941,227</u></u>

Source: District Records

(Continued)

<u>June 30, 2010</u>	<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>
\$ 329,704,774	\$ 353,813,915	\$ 362,431,576	\$ 376,152,850	\$ 381,271,147	\$ 394,523,506
125,582,246	103,376,488	92,821,950	78,577,667	74,689,386	62,358,146
19,261,207	19,513,316	4,749,709	(12,304,549)	(12,924,383)	(116,346,583)
<u>474,548,227</u>	<u>476,703,719</u>	<u>460,003,235</u>	<u>442,425,968</u>	<u>443,036,150</u>	<u>340,535,069</u>
<u>1,054,923</u>	<u>1,135,239</u>	<u>1,228,940</u>	<u>1,384,244</u>	<u>1,384,244</u>	<u>1,129,239</u>
<u>1,054,923</u>	<u>1,135,239</u>	<u>1,228,940</u>	<u>1,384,244</u>	<u>1,384,244</u>	<u>1,129,239</u>
329,704,774	353,813,915	362,431,576	376,152,850	381,271,147	394,523,506
125,582,246	103,376,488	92,821,950	78,577,667	74,689,386	62,358,146
20,316,130	20,648,555	5,978,649	(10,920,305)	(11,540,139)	(115,217,344)
<u>\$ 475,603,150</u>	<u>\$ 477,838,958</u>	<u>\$ 461,232,175</u>	<u>\$ 443,810,212</u>	<u>\$ 444,420,394</u>	<u>\$ 341,664,308</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 Ending	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Expenses:				
Governmental Activities:				
Instruction	\$ 165,074,296	\$ 181,376,758	\$ 202,687,392	\$ 192,313,386
Pupil Personnel Services	13,073,037	14,005,254	15,169,099	16,391,773
Instructional Media Services	3,433,158	3,613,327	3,809,340	3,555,707
Instruction and Curriculum Development Services	5,653,349	6,577,283	7,301,745	8,555,240
Instructional Staff Training Services	6,608,908	7,175,881	8,032,580	8,264,672
Instruction Related Technology (a)	1,819,829	2,267,854	2,686,279	3,014,937
Board of Education	744,824	591,518	1,199,774	1,062,337
General Administration	1,396,989	1,291,510	1,437,635	1,376,414
School Administration	14,922,963	16,351,813	17,302,826	17,563,599
Facility Services	12,532,579	49,215	9,748,826	3,439,352
Fiscal Services	1,778,358	2,098,246	1,862,969	1,871,890
Food Services	13,341,653	14,111,709	15,269,624	15,425,111
Central Services	3,792,366	4,537,733	4,936,060	4,458,428
Pupil Transportation Services	16,908,646	16,027,027	17,304,697	16,461,927
Operation of Plant	20,458,568	21,920,610	23,362,272	23,486,694
Maintenance of Plant	5,863,572	6,694,281	6,600,430	6,725,548
Administrative Technology Services (a)	376,231	443,920	462,297	463,696
Community Services	862,814	704,462	594,796	137,383
Interest on Long-Term Debt	20,028,810	18,709,706	16,863,469	16,437,148
Depreciation/Amortization	15,210,725	17,961,240	19,046,510	25,620,360
Loss on Disposal of Capital Assets			432,930	
Total Governmental Activities Expenses	323,881,675	336,509,347	376,111,550	366,625,602
Business-Type Activities:				
Extended Learning Center Program	1,999,377	2,033,489	2,102,235	2,199,535
Total Business-Type Activities Expenses	1,999,377	2,033,489	2,102,235	2,199,535
Total Primary Government Expenses	325,881,052	338,542,836	378,213,785	368,825,137

Notes:

- (a) In the fiscal year ended June 30, 2006, two new function/program expense classifications were established to report technology expenses previously reported in Central Services.

Source: District Records

(Continued)

<u>June 30, 2010</u>	<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>
\$ 190,140,397	\$ 206,581,994	185,176,901	187,740,245	192,465,779	193,588,155
14,691,305	15,268,590	15,022,695	16,191,197	16,093,486	17,012,506
3,300,094	3,550,457	3,254,266	3,242,448	3,277,822	3,438,954
7,660,339	8,378,033	7,497,574	8,232,173	7,710,547	8,146,058
6,788,821	7,193,618	6,524,557	6,479,677	6,002,273	9,204,244
3,153,920	2,892,326	2,675,147	2,516,538	1,994,896	1,385,748
929,493	991,238	847,582	855,214	833,945	772,594
1,512,690	1,506,187	1,315,892	1,659,231	1,581,653	1,545,354
16,420,907	17,651,051	16,363,194	16,554,207	16,804,142	17,204,641
4,708,561	8,216,240	10,597,935	7,937,827	4,521,695	6,280,902
1,909,073	1,970,019	1,735,704	1,636,310	1,700,875	1,644,580
15,933,617	16,394,223	17,842,617	19,259,048	17,841,157	18,600,056
4,387,764	5,187,313	6,874,137	7,362,386	8,133,693	5,844,099
16,158,913	16,955,865	17,731,007	17,447,933	16,047,770	16,398,971
21,829,068	22,383,280	22,756,923	23,745,175	24,250,418	24,535,385
7,044,004	7,450,390	7,099,108	6,875,276	6,858,011	7,277,443
477,908	517,815	735,183	1,375,321	2,979,728	3,502,836
119,276	99,824	146,101	131,004	71,989	91,030
16,516,893	15,520,442	14,325,852	13,102,556	11,589,897	10,121,367
19,018,205	18,437,812	16,776,044	18,632,121	22,077,972	21,903,645
<u>352,701,248</u>	<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>2,007,605</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>2,007,605</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>354,708,853</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>

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

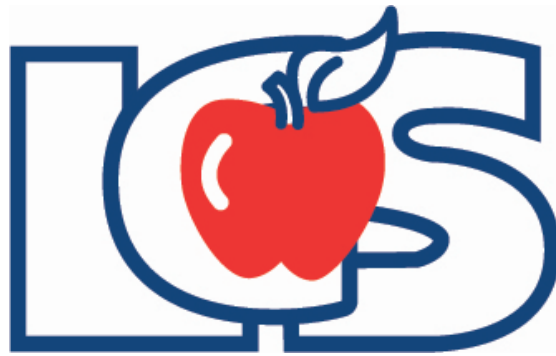
Fiscal Year Ending	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Program Revenues:				
Governmental Activities:				
Charges for Services				
Instruction	325,938	469,954	576,261	28,175
Food Services	7,817,717	7,120,958	7,007,022	6,591,197
Central Services				
Pupil Transportation Services	915,000	560,320	710,522	570,499
Operating Grants and Contributions	15,038,718	15,823,513	17,361,832	18,786,520
Capital Grants and Contributions	15,523,713	10,031,520	75,736,351	10,833,381
Total Governmental Activities Program Revenues	<u>\$ 39,621,086</u>	<u>\$ 34,006,265</u>	<u>\$ 101,391,988</u>	<u>\$ 36,809,772</u>
Business-Type Activities:				
Charges for Services	<u>\$ 2,201,549</u>	<u>\$ 2,204,084</u>	<u>\$ 2,027,149</u>	<u>\$ 2,317,062</u>
Total Business-Type Activities Program Revenues	<u>2,201,549</u>	<u>2,204,084</u>	<u>2,027,149</u>	<u>2,317,062</u>
Total Primary Government Program Revenues	<u>41,822,635</u>	<u>36,210,349</u>	<u>103,419,137</u>	<u>39,126,834</u>
Net (Expenses)/Revenues				
Governmental Activities	(284,260,589)	(302,503,082)	(274,719,562)	(329,815,830)
Business-Type Activities	<u>202,172</u>	<u>170,595</u>	<u>(75,086)</u>	<u>117,527</u>
Total Primary Government Net Expenses	<u>(284,058,417)</u>	<u>(302,332,487)</u>	<u>(274,794,648)</u>	<u>(329,698,303)</u>
General Revenues and Other Changes in Net Assets:				
Governmental Activities:				
Property Taxes:				
Levied for Operational Purposes	82,566,965	103,930,799	121,488,446	127,802,923
Levied for Capital Projects	27,609,765	36,794,450	42,594,552	38,870,941
Local Sales Taxes	11,817,780	11,671,365	10,796,324	10,176,065
Grants and Contributions Not Restricted to Specific Programs	158,884,150	172,782,817	172,779,838	160,135,889
Investment Earnings	7,472,606	10,860,156	7,729,815	1,446,895
Miscellaneous	28,086,298	2,150,429	14,043,243	10,048,507
Transfers	<u>126,793</u>			
Total Governmental Activities	<u>316,564,357</u>	<u>338,190,016</u>	<u>369,432,218</u>	<u>348,481,220</u>
Business-Type Activities:				
Other Revenues and Transfers	<u>(126,793)</u>			<u>99,465</u>
Total Business-Type Activities	<u>(126,793)</u>			<u>99,465</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>316,437,564</u>	<u>338,190,016</u>	<u>369,432,218</u>	<u>348,580,685</u>
Changes in Net Position:				
Governmental Activities	32,303,768	35,686,934	94,712,656	18,665,390
Business-Type Activities	<u>75,379</u>	<u>170,595</u>	<u>(75,086)</u>	<u>216,992</u>
Total Primary Government	<u>\$ 32,379,147</u>	<u>\$ 35,857,529</u>	<u>\$ 94,637,570</u>	<u>\$ 18,882,382</u>

Notes:

- (a) In the fiscal year ended June 30, 2006, two new function/program expense classifications were established to report technology expenses previously reported in Central Services.

(Continued)

<u>June 30, 2010</u>	<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>
468	12,404				
5,828,702	5,598,858	5,276,398	5,201,165	5,039,804	4,391,876
		1,129,748	507,210		
957,092	1,051,129	1,103,293	512,007	257,755	661,935
19,608,153	13,615,086	13,790,525	14,876,571	15,435,995	15,812,980
2,062,393	3,087,394	1,535,728	1,500,630	2,627,495	2,283,228
<u>\$ 28,456,808</u>	<u>\$ 23,364,871</u>	<u>\$ 22,835,692</u>	<u>\$ 22,597,583</u>	<u>\$ 23,361,049</u>	<u>\$ 23,150,019</u>
<u>\$ 2,256,683</u>	<u>\$ 2,656,826</u>	<u>\$ 2,670,192</u>	<u>\$ 2,568,624</u>	<u>\$ 2,837,515</u>	<u>\$ 2,855,793</u>
<u>2,256,683</u>	<u>2,656,826</u>	<u>2,670,192</u>	<u>2,568,624</u>	<u>2,837,515</u>	<u>2,855,793</u>
<u>30,713,491</u>	<u>26,021,697</u>	<u>25,505,884</u>	<u>25,166,207</u>	<u>26,198,564</u>	<u>26,005,812</u>
(324,244,440)	(353,781,846)	(332,462,727)	(338,378,304)	(339,476,699)	(345,348,549)
249,078	78,638	92,850	448,269	510,661	200,995
<u>(323,995,362)</u>	<u>(353,703,208)</u>	<u>(332,369,877)</u>	<u>(337,930,035)</u>	<u>(338,966,038)</u>	<u>(345,147,554)</u>
123,149,734	110,510,099	99,151,712	92,423,734	90,899,334	96,340,255
30,703,745	27,564,277	25,237,180	23,825,647	24,047,070	25,151,565
9,216,914	10,132,505	10,653,352	11,266,759	12,158,522	14,021,477
174,381,983	205,206,507	177,960,039	188,905,815	207,545,391	208,519,225
540,259	468,722	155,603	53,890	19,159	30,787
9,604,543	2,055,228	2,604,357	4,325,192	7,029,232	10,714,797
				511,307	336,732
<u>347,597,178</u>	<u>355,937,338</u>	<u>315,762,243</u>	<u>320,801,037</u>	<u>342,210,015</u>	<u>355,114,838</u>
<u>60,107</u>	<u>1,678</u>	<u>851</u>	<u>(292,965)</u>	<u>(510,661)</u>	<u>(456,000)</u>
<u>60,107</u>	<u>1,678</u>	<u>851</u>	<u>(292,965)</u>	<u>(510,661)</u>	<u>(456,000)</u>
<u>347,657,285</u>	<u>355,939,016</u>	<u>315,763,094</u>	<u>320,508,072</u>	<u>341,699,354</u>	<u>354,658,838</u>
23,352,738	2,155,492	(16,700,484)	(17,577,267)	2,733,316	9,766,289
309,185	80,316	93,701	155,304	-	(255,005)
<u>\$ 23,661,923</u>	<u>\$ 2,235,808</u>	<u>\$ (16,606,783)</u>	<u>\$ (17,421,963)</u>	<u>\$ 2,733,316</u>	<u>\$ 9,511,284</u>



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

Fiscal Year Ending	Property Tax		Sales Tax (a)	Total
	General Purposes	Capital Projects		
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
June 30, 2007	103,930,799	36,794,450	11,671,365	152,396,614
June 30, 2006	82,566,965	27,609,765	11,817,780	121,994,510

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
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
General Fund				
Nonspendable	\$ 1,141,079	\$ 1,129,160	\$ 1,247,935	\$ 1,201,164
Restricted for:				
State Required Carryover Programs	1,634,031	3,107,549	1,786,296	2,214,250
Other Purposes				
Assigned	1,942,713	2,499,114	3,364,244	3,158,632
Unassigned	<u>9,334,044</u>	<u>19,516,393</u>	<u>21,386,986</u>	<u>21,364,843</u>
Total General Fund	<u>\$ 14,051,867</u>	<u>\$ 26,252,216</u>	<u>\$ 27,785,461</u>	<u>\$ 27,938,889</u>
All Other Governmental Funds				
Nonspendable	\$ 235,622	\$ 222,824	\$ 211,512	\$ 297,849
Restricted for:				
Food Service	2,810,319	3,480,593	3,972,376	4,781,346
Debt Service	3,603,347	7,111,968	4,048,021	4,249,298
Capital Outlay	96,921,919	67,754,433	163,656,083	135,595,855
Other Purposes				
Assigned	<u>44,777,942</u>	<u>78,361,016</u>	<u>21,791,307</u>	<u>58,836,752</u>
Total All Other Governmental Funds	<u>\$ 148,349,149</u>	<u>\$ 156,930,834</u>	<u>\$ 193,679,299</u>	<u>\$ 203,761,100</u>

Source: District Records
Fund balances restated to reflect implementation of GASB 54

(Continued)

For the Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 1,333,842	\$ 1,468,338	\$ 2,848,721	\$ 2,415,749	\$ 1,711,409	\$ 1,699,882
3,097,922	2,232,723	291,627	465,785	883,042	110,460
4,046,662	1,413,481	4,478,099	1,173,298	954,547	3,276,842
31,839,989	35,015,531	19,580,402	10,481,022	12,022,308	11,952,102
<u>\$ 40,318,415</u>	<u>\$ 40,130,073</u>	<u>\$ 27,198,849</u>	<u>\$ 14,535,854</u>	<u>\$ 15,571,306</u>	<u>\$ 17,039,286</u>
\$ 387,223	\$ 821,285	\$ 778,300	\$ 625,232	\$ 467,011	\$ 652,050
5,901,039	8,188,806	7,345,348	8,599,936	11,211,413	11,515,433
4,486,047	4,739,562	4,831,474	7,932,131	11,465,994	2,199,219
101,816,268	102,802,923	92,261,016	73,889,825	58,532,228	48,355,933
29,729,174					
<u>\$ 142,319,751</u>	<u>\$ 116,552,576</u>	<u>\$ 105,216,138</u>	<u>\$ 91,047,124</u>	<u>\$ 81,676,646</u>	<u>\$ 62,722,635</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)

	For the Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Revenues:				
Federal Direct	\$ 901,623	\$ 1,116,304	\$ 1,230,416	\$ 1,600,920
Federal Through State	28,362,225	29,501,330	31,408,156	31,392,023
State	160,216,757	168,019,215	233,239,449	156,638,002
Local	159,540,935	195,464,324	204,946,184	196,371,880
Total Revenues	349,021,540	394,101,173	470,824,205	386,002,825
Expenditures:				
Current:				
Instruction	164,701,712	183,588,977	199,773,001	190,969,430
Pupil Personnel Services	13,035,330	14,005,255	15,169,099	16,391,773
Instructional Media Services	3,424,106	3,613,327	3,809,340	3,555,707
Instruction and Curriculum Development Services	5,638,732	6,577,283	7,301,745	8,555,240
Instructional Staff Training Services	6,593,615	7,175,881	8,032,580	8,264,672
Instruction Related Technology	1,815,503	2,267,854	2,686,279	3,014,937
Board of Education	744,225	591,518	1,199,774	1,062,337
General Administration	1,395,185	1,291,510	1,437,635	1,376,414
School Administration	14,877,138	16,351,813	17,302,826	17,563,599
Facility Services	1,947	49,215	6,752,681	1,279,214
Fiscal Services	1,773,493	2,098,246	1,862,969	1,871,890
Food Services	13,325,201	14,111,710	15,269,624	15,425,111
Central Services	3,719,145	4,537,733	4,936,060	4,458,428
Pupil Transportation Services	14,866,351	16,027,027	17,304,697	16,461,927
Operation of Plant	20,439,481	21,920,610	23,362,272	23,486,694
Maintenance of Plant	5,850,236	6,694,281	6,600,430	6,725,548
Administrative Technology Services	375,411	443,920	462,297	463,696
Community Services	857,565	704,462	594,796	137,383
Capital Outlay:				
Facilities Acquisition and Construction	73,127,148	119,710,152	67,141,609	20,362,858
Other Capital Outlay	9,135,305	7,268,295	1,825,146	1,555,888
Debt Service:				
Principal	12,935,021	13,892,829	15,142,395	15,326,448
Interest and Fiscal Charges	15,370,349	16,876,898	17,673,194	17,322,205
Total Expenditures	384,002,199	459,798,796	435,640,449	375,631,399
Excess of Revenues over (under) Expenditures	(34,980,659)	(65,697,623)	35,183,756	10,371,426
Other Financing Sources (Uses)				
Issuance of Bonds	4,185,000		2,990,000	
Premium on Sale of Bonds	7,981,937		107,954	
Discount on Sale of Bonds				
Certificates of Participation Issued	118,275,000	112,570,000		
Premium on Certificates of Participation		5,284,475		
Assets Acquired Under Capital Leases	4,932,825	5,058,094		
Loans Incurred				
Proceeds from the Sale of Capital Assets	620,727			
Refunded Bonds Issued				
Payments to Refunded Certificates of Participation Escrow Agent	(61,966,537)	(36,432,912)		
Payments to Refunded Bond Escrow Agent				
Transfers In	38,140,808	39,510,795	36,125,913	37,931,055
Transfers Out	(38,144,455)	(39,510,795)	(36,125,913)	(38,067,252)
Total Other Financing Sources (Uses)	74,025,305	86,479,657	3,097,954	(136,197)
Net Change in Fund Balance	39,044,646	20,782,034	38,281,710	10,235,229
Fund Balance, Beginning	123,356,370	162,401,016	183,183,050	221,464,760
Fund Balance, Ending	\$ 162,401,016	\$ 183,183,050	\$ 221,464,760	\$ 231,699,989
Ratio of Debt Service to Non-Capital Expenditures				
Total Debt Service	\$ 28,305,370	\$ 30,769,727	\$ 32,815,589	\$ 32,648,653
Total Non-capital Expenditures	309,572,887	352,586,542	369,669,839	358,004,311
Ratio of Debt Service to Non-Capital Expenditures	9.14%	8.73%	8.88%	9.12%

Source: District Records

(Continued)

For the Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 1,683,721	\$ 1,846,819	1,238,115	965,735	366,169	352,180
54,359,299	62,998,269	38,906,138	39,119,846	39,168,800	40,138,679
139,999,739	150,889,392	153,107,892	165,197,434	184,565,717	185,959,727
181,505,245	162,303,293	144,222,865	137,096,499	138,574,516	152,689,808
377,548,004	378,037,773	337,475,010	342,379,514	362,675,202	379,140,394
192,617,887	204,817,228	184,946,003	186,151,837	191,666,728	197,310,985
14,685,187	15,100,168	14,602,076	15,664,809	16,026,672	17,339,668
3,287,993	3,514,774	3,250,101	3,214,632	3,264,213	3,505,087
7,601,687	8,294,372	7,491,659	8,169,006	7,678,535	8,302,712
6,788,821	7,130,655	6,526,196	6,433,899	5,977,353	9,381,248
2,978,069	2,867,597	2,674,652	2,497,114	1,986,614	1,412,397
929,493	986,465	849,135	850,550	830,483	787,451
1,495,721	1,497,302	1,318,529	1,651,024	1,575,086	1,575,072
16,410,063	17,450,709	16,325,486	16,396,796	16,734,377	17,535,498
464,950	1,148,300	10,341,217	7,706,820	533,637	402,108
1,909,074	1,949,121	1,733,627	1,621,951	1,693,814	1,676,206
15,776,739	16,318,961	17,390,301	18,678,178	17,767,086	18,957,748
4,380,292	4,684,332	5,110,231	5,439,748	6,279,246	5,956,485
16,144,473	16,843,190	17,223,383	16,886,318	15,981,146	16,714,334
21,749,672	22,286,216	22,143,038	23,004,042	24,149,739	25,007,217
6,962,674	7,385,349	6,910,104	6,656,687	6,829,539	7,417,393
455,426	513,105	717,620	1,334,832	2,967,358	3,570,198
119,276	98,970	172,720	117,426	71,690	92,781
76,690,256	36,441,234	11,058,837	10,425,716	14,314,453	17,744,058
1,166,003	1,422,552	7,757,316	7,809,561	1,044,695	1,481,341
15,688,749	15,860,041	15,449,622	19,669,377	20,841,859	27,752,756
16,874,530	16,245,464	16,589,987	14,343,231	13,759,071	11,658,962
425,177,035	402,856,105	370,581,840	374,723,554	371,973,394	395,581,705
(47,629,031)	(24,818,332)	(33,106,830)	(32,344,040)	(9,298,192)	(16,441,311)
1,110,000	335,000			1,342,000	
65,062	275,320	107,375		206,513	
		43,720,000	20,875,000		126,890,000
		2,878,849	1,524,979		15,967,306
		6,328,851	4,914,948		
		16,370,000			
	739,553		100,000		190,875
	1,615,000	765,000			
		(63,746,271)	(22,124,563)		(144,429,632)
(528,994)	(1,871,672)				
38,434,255	38,125,556	33,030,840	40,267,600	41,302,549	40,069,996
(39,884,299)	(40,355,942)	(30,615,476)	(40,045,933)	(41,887,896)	(39,733,265)
(803,976)	(1,137,185)	8,839,168	5,512,031	963,166	(1,044,720)
(48,433,007)	(25,955,517)	(24,267,662)	(26,832,009)	(8,335,026)	(17,486,031)
231,071,173	182,638,166	156,682,649	132,414,987	105,582,978	97,247,952
\$ 182,638,166	\$ 156,682,649	\$ 132,414,987	\$ 105,582,978	\$ 97,247,952	\$ 79,761,921
\$ 32,563,279	\$ 32,105,505	\$ 32,039,609	\$ 34,012,608	\$ 34,600,930	\$ 39,411,718
355,973,457	371,887,599	351,346,399	355,997,648	360,664,199	382,084,156
9.15%	8.63%	9.12%	9.55%	9.59%	10.31%

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 Ending					
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Federal Direct Sources:						
Reserve Officers Training Corps (ROTC)	\$ 248,496	\$ 256,441	\$ 221,859	\$ 247,728	\$ 225,280	\$ 256,623
Miscellaneous Federal Direct						
Total Federal Direct	<u>248,496</u>	<u>256,441</u>	<u>221,859</u>	<u>247,728</u>	<u>225,280</u>	<u>256,623</u>
Federal Through State Sources:						
Other Federal Through State Grants	891,342	693,633	927,880	1,057,374	883,609	1,181,562
Total Federal Through State Sources	<u>891,342</u>	<u>693,633</u>	<u>927,880</u>	<u>1,057,374</u>	<u>883,609</u>	<u>1,181,562</u>
State Sources:						
Florida Education Finance Program (FEFP)	98,375,790	102,480,811	90,807,195	79,725,273	83,292,028	93,386,847
Categorical Programs	38,351,363	47,891,120	57,961,164	56,347,428	46,675,880	44,240,490
District Discretionary Lottery Funds	1,760,682	1,505,938	1,878,825	969,683	1,838,835	2,222,210
Workforce Development	4,675,133	4,941,930	4,870,479	4,585,571	4,215,450	4,115,328
State Grants and Other State Sources	712,954	406,869	1,024,912	3,277,146	425,908	2,317,059
Total State Sources	<u>143,875,922</u>	<u>157,226,668</u>	<u>156,542,575</u>	<u>144,905,101</u>	<u>136,448,101</u>	<u>146,281,934</u>
Local Sources:						
Ad Valorem Taxes	82,161,198	103,930,753	121,448,446	125,835,016	123,149,734	110,510,099
Interest Income and Others	1,799,808	1,693,914	1,640,971	289,904	90,738	56,986
Local Grants and Other Local Sources	3,858,127	7,832,148	3,315,704	6,369,970	3,095,090	4,089,333
Total Local Sources	<u>87,819,133</u>	<u>113,456,815</u>	<u>126,405,121</u>	<u>132,494,890</u>	<u>126,335,562</u>	<u>114,656,418</u>
Total Revenues	<u>232,834,893</u>	<u>271,633,557</u>	<u>284,097,435</u>	<u>278,705,093</u>	<u>263,892,552</u>	<u>262,376,537</u>
Expenditures: (by object)						
Salaries	139,014,461	150,108,820	164,150,341	156,600,796	136,117,162	138,593,285
Employee Benefits	40,738,718	45,599,247	48,584,682	51,920,930	44,887,540	46,884,966
Purchased Services	42,617,391	50,453,715	51,850,982	51,137,233	49,754,057	49,992,071
Energy Services	9,291,099	9,419,484	10,341,561	10,069,557	10,221,513	11,181,618
Material and Supplies	8,270,816	7,068,608	7,903,653	6,504,833	9,024,893	8,982,324
Capital Outlay	3,402,316	8,066,235	3,079,874	3,177,934	2,553,886	6,112,402
Other Expenditures	6,733,916	4,775,402	6,805,764	6,495,849	5,282,216	5,619,694
Total Expenditures	<u>250,068,717</u>	<u>275,491,511</u>	<u>292,716,857</u>	<u>285,907,132</u>	<u>257,841,267</u>	<u>267,366,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,233,824)</u>	<u>(3,857,954)</u>	<u>(8,619,422)</u>	<u>(7,202,039)</u>	<u>6,051,285</u>	<u>(4,989,823)</u>
Other Financing Sources (Uses), Net	<u>15,241,534</u>	<u>16,058,303</u>	<u>10,152,667</u>	<u>7,355,467</u>	<u>6,328,241</u>	<u>4,801,481</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(1,992,290)</u>	<u>12,200,349</u>	<u>1,533,245</u>	<u>153,428</u>	<u>12,379,526</u>	<u>(188,342)</u>
Beginning Fund Balances	16,044,157	14,051,867	26,252,216	27,785,461	27,938,889	40,318,415
Ending Fund Balances	<u>\$ 14,051,867</u>	<u>\$ 26,252,216</u>	<u>\$ 27,785,461</u>	<u>\$ 27,938,889</u>	<u>\$ 40,318,415</u>	<u>\$ 40,130,073</u>
Breakdown of Fund Balances:						
Nonspendable (Inventory/Prepaid)	1,141,079	1,129,160	1,247,935	1,201,164	1,333,842	1,468,338
Restricted for:						
State Required Carryforward Programs	1,634,031	3,107,549	1,786,296	2,214,250	3,097,922	2,232,723
Other Purposes						
Assigned for:						
School Operations	1,942,713	2,499,114	3,364,244	3,158,632	4,046,662	1,413,481
Health Insurance Safe Harbor						
Unassigned Fund Balance	9,334,044	19,516,393	21,386,986	21,364,843	31,839,989	35,015,531
Total Fund Balances	<u>\$ 14,051,867</u>	<u>\$ 26,252,216</u>	<u>\$ 27,785,461</u>	<u>\$ 27,938,889</u>	<u>\$ 40,318,415</u>	<u>\$ 40,130,073</u>
Unassigned Fund Balance to Revenues	<u>4.0089%</u>	<u>7.1848%</u>	<u>7.5280%</u>	<u>7.6658%</u>	<u>12.0655%</u>	<u>13.3455%</u>

Source: District Records

(Continued)

Fiscal Year Ending			
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 312,197	\$ 334,483	\$ 331,036	\$ 318,502
312,197	334,483	331,036	318,502
1,177,315	1,417,398	1,628,451	1,289,093
1,177,315	1,417,398	1,628,451	1,289,093
98,195,148	109,987,281	128,637,748	129,590,728
45,668,195	47,798,931	46,333,956	44,885,199
1,564,347	-	394,158	144,749
4,312,571	4,160,625	5,604,076	5,014,101
378,684	524,863	711,749	3,076,588
150,118,945	162,471,700	181,681,687	182,711,365
99,151,712	92,423,734	90,501,854	96,340,255
10,268	18,578	4,317	4,186
3,705,803	4,277,992	5,332,164	7,136,368
102,867,783	96,720,304	95,838,335	103,480,809
254,476,240	260,943,885	279,479,509	287,799,769
155,613,818	156,805,988	158,296,563	163,122,419
41,852,500	42,420,755	45,954,130	52,162,892
47,632,006	50,286,733	54,379,914	57,270,142
11,426,828	10,731,664	10,895,093	10,334,554
5,652,193	7,350,538	6,975,954	5,726,624
2,855,266	2,219,957	2,195,957	1,974,273
4,756,580	4,834,613	3,928,249	4,905,628
269,789,191	274,650,248	282,625,860	295,496,532
(15,312,951)	(13,706,363)	(3,146,351)	(7,696,763)
2,381,727	1,043,368	4,181,803	9,164,743
(12,931,224)	(12,662,995)	1,035,452	1,467,980
40,130,073	27,198,849	14,535,854	9
\$ 27,198,849	\$ 14,535,854	\$ 15,571,306	\$ 1,467,989
2,848,721	2,415,749	1,711,409	1,699,882
291,627	465,785	883,042	110,460
678,099	1,173,298	954,547	3,276,842
3,800,000			
19,580,402	10,481,022	12,022,308	11,952,102
\$ 27,198,849	\$ 14,535,854	\$ 15,571,306	\$ 17,039,286
7.6944%	4.0166%	4.3017%	4.1529%

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

	Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Federal Through State Sources:				
Food Service	\$ 6,583,182	\$ 7,035,669	\$ 8,445,276	\$ 8,637,001
USDA Donated Foods	336,290	249,379		767,436
Total Federal Through State Sources	6,919,472	7,285,048	8,445,276	9,404,437
State Sources:				
Food Services	180,767	188,493	198,667	203,926
Total State Sources	180,767	188,493	198,667	203,926
Local Sources:				
Food Service Sales	6,696,233	7,131,910	7,007,022	6,603,298
Interest Income and Others	45,338	98,849	54,015	20,573
Total Local Sources	6,741,571	7,230,759	7,061,037	6,623,871
Total Revenues	13,841,810	14,704,300	15,704,980	16,232,234
Expenditures: (by object)				
Salaries	4,406,303	4,654,369	4,983,214	4,951,974
Employee Benefits	2,132,563	2,321,461	2,435,895	2,669,394
Purchased Services	214,620	248,918	336,972	328,130
Energy Services	175,256	196,311	207,387	219,754
Material and Supplies	5,823,606	6,189,827	6,770,864	6,738,748
Capital Outlay	60,501	136,243	142,014	50,610
Other Expenditures	379,594	347,437	345,447	475,591
Total Expenditures	13,192,443	14,094,566	15,221,793	15,434,201
Excess (Deficiency) of Revenues Over Expenditures	649,367	609,734	483,187	798,033
Other Financing Sources (Uses), Net				103,755
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	649,367	609,734	483,187	901,788
Beginning Fund Balances	2,457,873	3,107,240	3,716,974	4,200,161
Ending Fund Balances	\$ 3,107,240	\$ 3,716,974	\$ 4,200,161	\$ 5,101,949

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 10,518,859	\$ 11,759,970	\$ 12,610,485	\$ 13,244,399	\$ 13,773,970	\$ 14,043,660
1,059,445	1,630,363	932,036	1,377,603	1,405,491	1,520,241
11,578,304	13,390,333	13,542,521	14,622,002	15,179,461	15,563,901
206,286	226,951	248,004	254,569	256,534	249,079
206,286	226,951	248,004	254,569	256,534	249,079
5,828,702	5,598,858	5,288,702	5,231,628	5,042,669	4,391,876
10,129	9,370	6,175	4,182	13,983	40,263
5,838,831	5,608,228	5,294,877	5,235,810	5,056,652	4,432,139
17,623,421	19,225,512	19,085,402	20,112,381	20,492,647	20,245,119
4,639,636	4,784,467	5,060,084	5,210,154	5,285,936	5,666,183
2,384,228	2,292,500	1,957,026	2,091,311	2,197,658	2,648,705
393,240	431,729	482,080	459,192	374,521	407,273
223,992	233,654	224,373	237,001	222,425	260,644
7,594,307	8,120,678	9,063,162	9,780,366	9,151,787	9,170,865
143,791	291,742	2,823,131	722,012	345,978	1,123,171
463,208	384,069	361,989	585,033	461,086	479,219
15,842,402	16,538,839	19,971,845	19,085,069	18,039,391	19,756,060
1,781,019	2,686,673	(886,443)	1,027,312	2,453,256	489,059
69,266			74,208		
1,850,285	2,686,673	(886,443)	1,101,520	2,453,256	489,059
4,473,133	6,323,418	9,010,091	8,123,648	9,225,168	11,678,424
\$ 6,323,418	\$ 9,010,091	\$ 8,123,648	\$ 9,225,168	\$ 11,678,424	\$ 12,167,483

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

	Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 653,127	\$ 859,863	\$ 1,008,557	\$ 1,353,192
Total Federal Direct	653,127	859,863	1,008,557	1,353,192
Federal Through State Sources:				
Other Federal Through State Grants	20,551,411	21,522,649	22,035,000	20,930,212
Total Federal Through State Sources	20,551,411	21,522,649	22,035,000	20,930,212
State Sources:				
State Grants and Other State Sources	345,701	445,296	513,641	444,795
Total State Sources	345,701	445,296	513,641	444,795
Local Sources:				
Local Grants and Other Local Sources	97,391	99,745	142,188	7,446
Total Local Sources	97,391	99,745	142,188	7,446
Total Revenues	21,647,630	22,927,553	23,699,386	22,735,645
Expenditures: (by object)				
Salaries	8,727,634	8,874,409	9,545,931	9,560,872
Employee Benefits	2,432,263	2,604,027	2,811,698	3,027,043
Purchased Services	1,682,868	2,188,302	2,854,293	3,120,884
Energy Services	1,350	1,505	3,123	2,113
Material and Supplies	2,899,167	3,229,271	2,999,564	2,941,532
Capital Outlay	4,641,671	5,072,667	3,868,951	2,916,512
Other Expenditures	1,296,865	957,372	1,609,744	1,159,566
Total Expenditures	21,681,818	22,927,553	23,693,304	22,728,522
Excess (Deficiency) of Revenues Over Expenditures	(34,188)		6,082	7,123
Other Financing Sources (Uses), Net	34,188	(24,892)	(6,082)	(7,123)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses		(24,892)		
Beginning Fund Balances	24,892	24,892		
Ending Fund Balances	\$ 24,892			

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 1,458,441	\$ 1,590,196	\$ 925,918	\$ 631,252	\$ 35,133	\$ 33,677
1,458,441	1,590,196	925,918	631,252	35,133	33,677
20,562,751	18,324,026	20,073,888	21,360,043	21,240,746	23,295,419
20,562,751	18,324,026	20,073,888	21,360,043	21,240,746	23,295,419
262,561	341,696	326,545	201,241		
262,561	341,696	326,545	201,241	-	-
18,879	3,276	2,003	7,519		
18,879	3,276	2,003	7,519	-	-
22,302,632	20,259,194	21,328,354	22,200,055	21,275,879	23,329,096
10,544,229	10,502,801	10,756,199	10,961,399	12,659,150	14,549,958
3,226,152	3,359,599	2,801,869	2,920,352	3,732,982	4,313,383
3,207,458	3,094,289	3,515,291	2,375,209	1,613,477	1,383,928
2,125	1,861	1,965	1,434	1,132	802
2,158,843	1,158,697	1,569,024	1,842,458	1,170,447	962,917
1,914,235	991,553	1,438,640	2,560,737	1,114,181	1,013,316
1,249,590	1,150,394	1,245,366	1,461,019	984,510	1,104,792
22,302,632	20,259,194	21,328,354	22,122,608	21,275,879	23,329,096
-	-	-	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 Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
State Sources:				
CO&DS withheld for SBE/COBI Bonds	\$ 1,298,134	\$ 1,343,214	\$ 979,549	\$ 1,266,202
SBE/COBI Bond Interest			8,954	
Other State Sources			148,833	148,833
Total State Sources	1,298,134	1,343,214	1,137,336	1,415,035
Local Sources:				
Interest Income and Other	108,102	421,292	97,904	17,404
Total Local Sources	108,102	421,292	97,904	17,404
Total Revenues	1,406,236	1,764,506	1,235,240	1,432,439
Expenditures: (by object)				
Debt Service:				
Principal	10,775,000	11,485,000	12,775,000	13,740,000
Interest and Fiscal Charges	15,225,861	15,708,855	17,497,433	17,145,230
Total Expenditures	26,000,861	27,193,855	30,272,433	30,885,230
Excess (Deficiency) of Revenues Over Expenditures	(24,594,625)	(25,429,349)	(29,037,193)	(29,452,791)
Other Financing Sources (Uses), Net	22,986,768	28,937,970	25,973,246	29,654,068
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,607,857)	3,508,621	(3,063,947)	201,277
Beginning Fund Balances	5,211,204	3,603,347	7,111,968	4,048,021
Ending Fund Balances	\$ 3,603,347	\$ 7,111,968	\$ 4,048,021	\$ 4,249,298

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 1,265,171	\$ 1,293,760	\$ 1,319,958	\$ 1,308,464	\$ 1,303,260	\$ 1,253,936
	187	(150)	5,717	57	1,093
148,833	148,833	148,833	148,833		
1,414,004	1,442,780	1,468,641	1,463,014	1,303,317	1,255,029
4,474	2,466	1,831	1,561		447,686
4,474	2,466	1,831	1,562		447,686
1,418,478	1,445,246	1,470,472	1,464,576	1,303,317	1,702,715
14,650,000	15,640,000	15,449,622	19,669,377	20,841,859	27,684,299
16,792,320	16,228,690	16,589,483	14,342,439	13,758,241	11,726,583
31,442,320	31,868,690	32,039,105	34,011,816	34,600,100	39,410,882
(30,023,842)	(30,423,444)	(30,568,633)	(32,547,240)	(33,296,783)	(37,708,167)
30,260,591	30,676,959	30,660,545	35,647,897	36,830,646	28,441,392
236,749	253,515	91,912	3,100,657	3,533,863	(9,266,775)
4,249,298	4,486,047	4,739,562	4,831,474	7,932,131	11,465,994
\$ 4,486,047	\$ 4,739,562	\$ 4,831,474	\$ 7,932,131	\$ 11,465,994	\$ 2,199,219

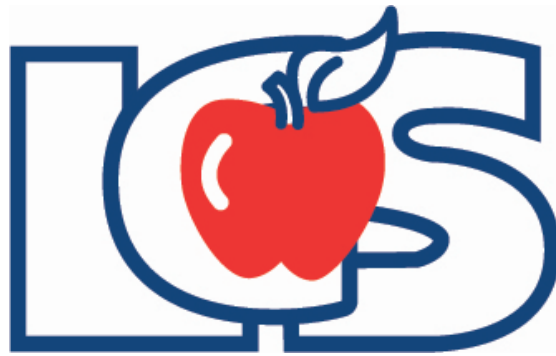
DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),
AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
REVENUES				
State Sources:				
CO&DS Distributed to District	\$ 397,577	\$ 232,542	\$ 466,634	\$ 239,766
Interest on Undistributed CO&DS	17,756	35,467	34,850	6,655
Public Education Capital Outlay	4,398,086	8,432,006	16,035,551	9,305,174
Charter School Capital Outlay				
Classroom First Program				
School Infrastructure Trust				
Other State Sources				
Class Size Reduction and Classrooms for Kids	9,574,022		58,188,377	
State Grants and Other State Sources	128,792	115,528	121,818	124,205
Total State Sources	14,516,233	8,815,543	74,847,230	9,675,800
Local Sources:				
Ad Valorem Taxes	27,609,765	36,704,437	42,594,552	38,184,790
Sales Taxes	11,817,779	11,671,365	10,796,324	10,176,065
Interest Income and Others	5,518,395	8,975,012	5,935,799	1,797,712
Local Grants and Other Local Sources	19,828,799	16,904,900	11,913,259	7,063,049
Total Local Sources	64,774,738	74,255,714	71,239,934	57,221,616
Total Revenues	79,290,971	83,071,257	146,087,164	66,897,416
Expenditures: (by object)				
Capital Outlay:				
Library Books	3,454	77,716	623,215	312,722
Audio Visual Materials			1,332	5,845
Buildings and Fixed Equipment	58,719,915	106,731,357	58,454,093	9,112,055
Furniture, Fixtures, and Equipment	3,315,590	3,256,410	9,148,321	2,295,119
Motor Vehicles	2,805,127	3,917,298	152,218	2,034,915
Land	1,509,193	183,628	74,521	4,883
Improvements Other Than Buildings	1,388,872	787,370	1,246,790	1,027,965
Remodeling and Renovations	5,077,942	4,057,472	3,764,647	5,686,796
Computer Software	226,536	85,102	242,872	195,281
Debt Service	11,733	994,956	28,053	735
Total Expenditures	73,058,362	120,091,309	73,736,062	20,676,316
Excess (Deficiency) of Revenues Over Expenditures	6,232,609	(37,020,052)	72,351,102	46,221,100
Other Financing Sources (Uses), Net	35,762,815	41,508,276	(33,021,877)	(37,242,364)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	41,995,424	4,488,224	39,329,225	8,978,736
Beginning Fund Balances	99,618,244	141,613,668	146,101,892	185,431,117
Ending Fund Balances	\$ 141,613,668	\$ 146,101,892	\$ 185,431,117	\$ 194,409,853

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 198,615	\$ 169,289	\$ 143,091	\$ 150,265	\$ 158,039	\$ 219,873
16,991	17,461	16,402	13,969	7,109	9,923
559,337	1,584,418				798,403
	694,403	650,580	541,107	853,147	621,750
				148,833	148,833
893,843	130,460	154,638	289,642	157,051	91,150
1,668,786	2,596,031	964,711	994,983	1,324,179	1,889,932
30,703,745	27,564,277	25,237,180	23,724,957	23,942,116	25,073,170
9,216,914	10,132,505	10,653,352	11,266,759	12,158,522	14,021,477
434,812	718,476	131,542	100,690	116,994	136,492
8,361,906	3,617,647	34,297	38,898	1,370,081	5,093,059
48,717,377	42,032,905	36,056,371	35,131,304	37,587,713	44,324,198
50,386,163	44,628,936	37,021,082	36,126,287	38,911,892	46,214,130
4,010	275,695	249,934			
68,986,229	19,246,969	8,002,995	7,145,919	7,528,880	6,781,638
1,360,731	6,523,437	5,074,430	5,407,125	1,215,913	3,425,039
115,084	2,819,986	828,844	454,447	47,853	701,239
1,090,412	4,174,014	134,275	1,495	8,404	156,078
930,215	796,127	496,943	1,035,537	675,550	1,033,483
3,898,331	2,728,110	8,548,234	6,405,470	3,849,431	5,362,163
22,718	152,591	23,726	2,870,698	985,161	284,071
6,048	3,745	504	792	830	836
76,413,778	36,720,674	23,359,885	23,321,483	14,312,022	17,744,547
(26,027,615)	7,908,262	13,661,197	12,804,804	24,599,870	28,469,583
(37,457,115)	(36,615,625)	(24,203,104)	(31,175,995)	(39,957,467)	(38,645,877)
(63,484,730)	(28,707,363)	(10,541,907)	(18,371,191)	(15,357,597)	(10,176,294)
194,995,016	131,510,286	102,802,923	92,261,016	73,889,825	58,532,228
\$ 131,510,286	\$ 102,802,923	\$ 92,261,016	\$ 73,889,825	\$ 58,532,228	\$ 48,355,934



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

Fiscal Year Ending	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
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
June 30, 2007	103,930,799	36,794,450	11,671,365	152,396,614
June 30, 2006	82,566,965	27,609,765	11,817,780	121,994,510

Note: 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 with a total of seven percent 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
2014-15	\$ 16,090,241	\$ 1,169,248	\$ 2,410	\$ 17,261,899
2013-14	15,283,843	1,196,588	2,104	16,482,535
2012-13	15,159,447	1,207,153	1,751	16,368,351
2011-12	16,126,781	1,210,953	2,344	17,340,078
2010-11	17,571,454	1,272,633	3,782	18,847,869
2009-10	19,644,056	1,289,778	4,321	20,938,155
2008-09	21,504,386	1,304,608	3,807	22,812,801
2007-08	21,194,820	1,330,022	4,068	22,528,910
2006-07	17,673,743	1,297,600	4,299	18,975,642
2005-06	13,111,994	1,129,250	4,382	14,245,626

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

Source: Lake County Property Appraiser

(Continued)

Estimated Actual Value	Total Direct Tax Rate	Ratio of Net Secondary Assessed to Estimated Actual Value
\$ 24,332,673	7.2460	70.94%
23,240,375	7.1700	70.92%
22,899,204	7.3200	71.48%
24,429,527	7.3940	70.98%
26,501,517	7.5230	71.12%
29,703,724	7.5320	70.49%
30,429,240	7.5170	74.97%
30,639,073	7.6980	73.53%
25,280,631	7.6480	75.06%
19,316,103	7.9810	73.75%

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			
	2005-06	2006-07	2007-08	2008-09
District School Board:				
Local Required Effort	5.2210	4.9190	4.9960	5.0820
Discretionary Local	0.5100	0.5100	0.5100	0.4980
Supplemental Discretionary	0.2500	0.2190	0.1920	0.1870
Capital Improvement	2.0000	2.0000	2.0000	1.7500
Total District School Board	7.9810	7.6480	7.6980	7.5170
Other County-Wide:				
Board of County Commissioners - Direct	6.2970	6.5470	5.4394	5.5818
Lake County Water Authority	0.3370	0.2530	0.2130	0.2130
Total County-Wide	14.6150	14.4480	13.3504	13.3118
Special Districts				
Lake County Ambulance District	0.5289	0.5289	0.4651	0.4651
South Lake County Hospital District	1.0000	1.0000	0.8666	0.8666
Southwest Florida Water Management	0.4220	0.4220	0.3866	0.3866
St. Johns River Water Management	0.4620	0.4620	0.4158	0.4158
North Lake County Hospital District	1.0000	1.0000	1.0000	1.0000
Municipalities:				
Astatula	3.9000	4.5000	4.5000	4.5000
Clermont	3.7290	3.7920	3.1420	3.1420
Eustis	5.8400	5.5000	4.7083	4.7083
Fruitland Park	4.3900	4.3900	4.1400	4.3600
Groveland	5.7500	5.6500	3.9680	4.8205
Howey-in-the-Hills	5.4450	5.4450	5.4450	5.9900
Lady Lake	2.2000	2.2000	2.2000	3.0870
Leesburg	4.5000	4.5000	4.2500	4.3179
Mascotte	5.9990	5.9990	5.6530	5.9990
Minneola	4.5000	4.1500	3.7370	4.4990
Montverde	2.9900	2.9900	2.8300	2.8300
Mount Dora	6.1050	5.9750	5.0190	5.0190
Tavares	5.4200	5.4200	5.4200	6.2500
Umatilla	6.2400	6.2400	5.7593	6.5000

Source: Lake County Property Appraiser.

(Continued)

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
5.2840	5.2750	5.1460	5.0720	4.9220	4.9980
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
7.5320	7.5230	7.3940	7.3200	7.1700	7.2460
5.5818	5.6616	5.6616	5.7415	4.7309	5.3856
0.2130	0.2405	0.2405	0.2554	0.2554	0.2554
13.3268	13.4251	13.2961	13.3169	12.1563	12.8870
0.4651	0.3853	0.3853	0.3853	0.3853	0.4629
0.8666	0.8666	0.8000	0.8000	0.7900	0.7633
0.3866	0.3770	0.3928	0.3928	0.3818	0.3658
0.4158	0.4158	0.3313	0.3313	0.3283	0.3164
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.5000	4.8500	6.5000	6.2500	6.2500	7.5000
3.1420	3.1420	3.1420	3.1420	3.7290	3.7290
5.1266	5.6849	6.2432	6.7148	7.5810	7.5810
4.3600	4.3600	4.3284	4.6442	4.7371	4.7371
5.1800	5.1800	5.6000	5.6000	5.4700	5.9900
6.8317	7.0000	8.0000	8.6965	9.6147	9.5177
3.2808	3.2808	3.2808	3.2808	3.2808	3.7500
4.3179	4.3179	4.3179	4.3179	4.3179	4.3179
6.8009	7.9800	9.6147	9.6147	9.6147	9.3000
4.4990	5.4826	6.5716	6.3000	6.3676	6.2500
2.8300	2.8300	2.8300	2.8300	2.8300	2.8300
5.0190	5.0190	5.3891	5.6667	5.6667	5.9970
6.2500	6.9500	6.8900	6.4462	6.4531	7.1569
6.5000	6.8795	7.6419	8.2480	8.2480	7.2980

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

		Fiscal Year					
Taxpayer	Type of Business	2013-14			2004-05		
		Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Summer Bay Partnership	Real Estate Dev.	1	\$ 198,053,696	1.34%	2	\$ 127,053,834	1.08%
Duke Energy (Florida Power Corporation)	Public Utility	2	183,807,447	1.24%	3	109,240,842	0.93%
Sumter Electric Co-op, Inc.	Public Utility	3	133,866,860	0.90%	4	81,572,217	0.70%
Embarq (Formerly Sprint)-Florida, Inc.	Public Utility	4	86,474,999	0.58%	1	147,100,001	1.25%
Niagara Bottling, LLC	Water Bottler	5	47,253,037	0.32%			
Federal National Mortgage Association	Financial Institution	6	36,476,872	0.25%			
Villages Operating Company	Retail Stores	7	35,679,872	0.24%	5	51,571,081	0.44%
Wal-Mart Stores East LP	Communications	8	33,670,561	0.23%			
Cutrale Citrus Juices USA Inc.	Citrus Producer	9	28,213,109	0.19%	6	42,986,476	0.37%
Lowes Home Centers, Inc	Retail Stores	10	27,263,475	0.18%			
Covanta Lake II, Inc.	Real Estate Dev.				7	35,464,873	0.30%
SDG Macerich Properties, LP	Real Estate Dev.				8	26,739,088	0.23%
Lake Port Square	Retail Stores				9	23,100,767	0.20%
JP & Ad Adams Family LP	Real Estate Dev.				10	22,667,653	0.19%
			<u>\$ 810,759,928</u>	<u>5.47%</u>		<u>\$ 667,496,832</u>	<u>5.69%</u>

Source: Lake County Property Appraiser - 2014 Most Current Data Available.

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

Fiscal Year	Total Tax Levy (A)	Collected to end of School Fiscal Year		Delinquent Collections	Collected in Fiscal Year	
		Current Tax Collections (B)	Percent of Levy		Total Tax Collections (C)	Percent of Levy
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%
2006-07	145,561,750	140,586,635	96.58%	366,568	140,953,203	96.83%
2005-06	113,694,345	109,643,322	96.44%	533,407	110,176,729	96.91%

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	Sales Tax Revenue Bonds/ Notes	State Board of Education Bonds	Certificates Of Participation	Total Primary Government		
2014-15	\$ 6,237,053 (1)	\$ 11,945,000	\$ 8,145,000	\$ 227,265,000	253,592,053	2.245%	803
2013-14	7,962,364	22,425,000	9,012,000	249,370,000	288,769,364	2.706%	937
2012-13	9,604,422	27,535,000	10,010,000	262,695,000	309,844,422	3.008%	1,021
2011-12	6,328,851	32,315,000	10,835,000	274,965,000	324,443,851	3.255%	811
2010-11		35,570,000	12,100,000	287,360,000	335,030,000	3.487%	1,125
2009-10		39,780,000	12,260,000	298,050,000	350,090,000	3.733%	1,185
2008-09		43,835,000	12,345,000	307,960,000	364,140,000	3.701%	1,240
2007-08		47,760,000	13,005,000	317,115,000	377,880,000	3.932%	1,303
2006-07		51,555,000	10,525,000	325,585,000	387,665,000	4.253%	1,378
2005-06		55,235,000	11,210,000	225,020,000	291,465,000	3.540%	1,089

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

(1) Includes Sales Tax Bonds and Sales Tax Notes Payable

Source:

(A) District Records

(B) Total Primary Government Debt divided by Personal Income and Population from Page 120-121

**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
2014-15	\$ 17,305,159	\$ 25,115,311	1.45132 Mills
2013-14	16,482,535	25,716,081	1.56020 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
2006-07	18,975,642	18,072,445	0.95240 Mills
2005-06	14,245,626	16,526,591	1.16012 Mills

(A) Assessed value is in thousands

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 & Lake County Property Appraiser

**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)	Less than High School
2014-15	315,690	11,297,313	35,786	46.00	4.80%	30,056
2013-14	308,115	10,672,035	34,637	46.20	6.30%	26,162
2012-13	303,450	10,300,854	33,946	46.20	8.90%	26,162
2011-12	399,886	9,967,769	24,927	47.10	11.20%	28,229
2010-11	297,910	9,608,606	32,253	44.50	10.60%	32,024
2009-10	295,511	9,379,412	31,740	46.00	11.90%	43,002
2008-09	293,654	9,839,249	33,506	44.10	8.52%	29,579
2007-08	289,909	9,609,907	33,148	45.10	3.50%	35,191
2006-07	281,329	9,116,112	32,404	46.00	3.20%	37,391
2005-06	267,587	8,232,381	30,765	45.10	2.90%	n/a

(1) Personal income is in thousands.

Sources:

(A) Population, Personal Income, & Per Capita Personal Income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.

(B) Unemployment Rates were obtained from Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics November 2015

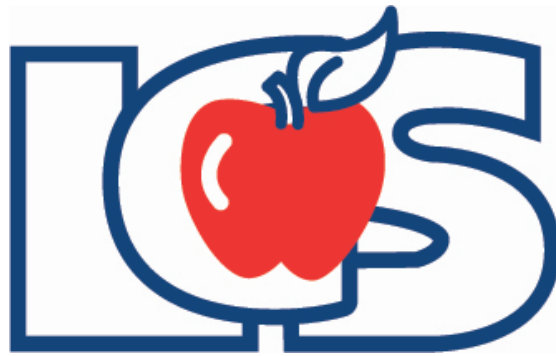
(C) Education Level was obtained from Metro Orlando Economic Development Commission. Information prior to fiscal year 2005-06 was not available. Reported for age 25+ Population.

(D) Student Enrollment was obtained from District Records - UFTE- FEFP 4th Calculation

(E) Change in High School Reporting to include those with High School and Some College but no Bachelors Degree.

(Continued)

Education Level (C)				School Enrollment (D)	Government-wide Governmental Activities Expenses	Cost per Student
	High School	Bachelors	Graduate			
(E)	148,697	31,186	16,045	41,343.43	\$ 368,498,568	\$ 8,913
	73,780	31,450	16,740	40,971.00	362,837,748	8,856
	73,780	31,450	16,740	40,753.45	360,975,887	8,858
	77,903	29,256	15,224	40,563.12	355,298,419	8,759
	81,471	32,023	16,012	40,390.97	377,146,717	9,337
	73,654	26,193	11,819	40,553.61	352,701,248	8,697
	74,712	35,621	10,568	40,151.05	366,625,602	9,131
	67,388	22,851	10,983	39,677.59	376,111,550	9,479
	63,490	20,917	9,810	38,901.28	336,509,347	8,650
	n/a	n/a	n/a	37,618.45	323,881,675	8,610



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

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

Employer	Fiscal Year					
	2013-14			2003-04		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Lake County Public Schools	5,435	1	4.26%	4,353	1	3.79%
Leesburg Regional Medical Center	1,826	2	1.43%	1,870	3	1.63%
Lake County Government	1,501	3	1.18%	1,768	2	1.54%
Florida Hospital Waterman	1,482	4	1.16%	1,400	4	1.22%
South Lake Hospital	1,143	5	0.90%			
Villages of Lake-Sumter, Inc.	1,120	6	0.88%	2,220	2	1.93%
Port Lake Square	500	7	0.39%	400	10	0.35%
LifeStream Behavioral	500	8	0.39%			
Dura-Stress	425	8	0.33%			
Hewitt Contracting Compant	370	9	0.29%			
Southeast Modular Mfg	325	10	0.25%			
Embarq (Formerly Sprint)				811	6	0.71%
G & T Conveyor Company				550	7	0.48%
Bailey Industries				509	8	0.44%
Accent				500	9	0.44%
	<u>14,627</u>		<u>11.46%</u>	<u>14,381</u>		<u>12.52%</u>
Total Employment	127,669			114,890		

Source: Metro Orlando Economic Development Commission - 2012 Most Current Data Available

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>Completed (1)</u>	<u>Footage (2)</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Elementary Schools					
Astatula	1998	110,662	773.56	789.00	742.63
Beverly Shores	1955	96,546	779.04	776.41	640.10
Clermont	1937	94,722	824.11	829.57	709.47
Cypress Ridge	1914	51,998	614.73	614.73	613.87
Eustis	1927	63,444	543.53	552.35	535.03
Eustis Heights	1954	85,206	696.83	689.39	684.60
Fruitland Park	1962	92,683	631.13	639.35	630.34
Grassy Lake	2008	118,085			916.90
Groveland	1960	130,025	782.52	817.27	881.64
Leesburg	1961	101,137	1,011.99	996.44	930.62
Lost Lake	1998	138,582	1,299.33	1,340.00	1,012.67
Mascotte*	1972	51,617	779.45		
Pine Ridge	2002	126,337	1,271.19	1,328.14	781.79
Rimes	1960	63,205		107.26	199.57
Sawgrass Bay	2008	117,840			886.16
Seminole Springs	1988	109,664	719.91	756.44	867.48
Sorrento	2011	125,350			
Tavares	1972	129,070	680.92	690.98	757.92
Treadway	1962	117,676	944.73	979.69	941.05
Triangle	1972	130,414	659.01	656.42	603.60
Umatilla	1998	110,767	730.94	739.81	715.60
Villages of Lady Lake	1998	113,419	709.26	719.26	796.25
Total Elementary			<u>14,452.18</u>	<u>14,022.51</u>	<u>14,847.29</u>
Middle Schools					
Carver	1952	170,422	748.31	743.32	784.44
Clermont	1950	127,764	942.32	935.12	902.16
East Ridge	2008	189,045			
Eustis	1993	178,042	1,072.12	1,069.20	1,046.24
Gray	1923	130,379	1,179.28	1,245.96	1,283.47
Mt. Dora	1953	126,914	637.12	637.12	715.72
Oak Park	1961	90,245	656.25	653.45	584.15
Tavares	1990	156,901	983.37	981.94	1,007.00
Umatilla	1977	101,959	776.10	771.87	688.38
Windy Hill	1998	178,112	1,422.22	1,510.00	1,582.23
Total Middle Schools			<u>8,417.09</u>	<u>8,547.98</u>	<u>8,593.79</u>

(Continued)

Full-Time Equivalent Enrollment Data						
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
712.82	669.16	644.29	597.25	601.93	599.72	583.76
600.35	628.60	594.55	481.03	553.00	638.03	645.08
670.84	685.80	661.15	627.44	572.57	533.58	522.98
611.98	605.54	594.98	594.91	602.29	592.26	600.00
569.00	567.77	494.24	494.99	521.86	542.06	542.49
643.48	633.94	590.84	592.42	595.67	572.55	580.19
599.17	628.39	604.34	625.63	638.96	658.91	697.11
998.56	1,022.78	1,008.67	1,014.58	962.13	985.87	1,003.99
824.25	803.43	815.44	842.63	804.96	807.87	814.83
948.82	947.36	899.90	851.76	841.51	831.76	786.91
1,084.50	1,129.39	1,099.98	1,080.31	996.69	976.29	975.21
761.77	764.16	796.30	843.39	803.47	849.23	839.84
243.74	275.14	278.50	260.00	176.04	158.43	159.11
1,008.63	1,019.99	1,104.58	1,091.13	1,159.59	1,194.19	1,238.62
851.61	848.55	647.42	603.73	595.17	581.07	555.23
		664.22	722.25	702.26	714.54	759.94
746.57	759.85	757.78	769.68	787.33	830.27	846.59
973.51	942.37	903.16	944.29	903.96	898.45	887.79
582.32	586.57	615.55	662.57	668.05	685.84	708.51
703.82	723.44	687.84	651.92	630.08	629.19	617.39
793.90	807.60	741.64	781.57	826.92	773.55	807.96
14,929.64	15,049.83	15,205.37	15,133.48	14,944.44	15,053.66	15,173.53
827.00	855.05	856.78	829.00	810.36	828.36	850.76
693.23	696.76	668.68	708.37	717.19	740.31	718.70
1,009.32	1,082.56	1,055.92	1,074.03	1,066.95	1,126.20	1,090.71
1,100.59	1,063.37	1,001.08	989.72	1,012.98	1,027.05	964.17
1,011.48	946.42	995.71	987.10	1,029.25	1,010.43	1,061.21
723.48	717.56	773.16	769.60	797.03	759.22	783.58
608.65	553.20	572.25	573.09	571.92	552.56	478.64
1,004.61	1,010.14	1,010.19	971.05	1,026.56	1,010.58	1,011.67
678.99	688.50	664.83	609.36	594.07	572.91	562.80
1,102.13	1,094.57	1,130.15	1,149.43	1,207.95	1,253.14	1,282.06
8,759.48	8,708.13	8,728.75	8,660.75	8,834.26	8,880.76	8,804.30

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

	Year Completed (1)	Square Footage (2)	2005-06	2006-07	2007-08
High Schools					
East Ridge	2003	372,488	2,698.14	2,896.00	2,767.51
Eustis	1941	257,038	1,174.90	1,284.00	1,315.96
Lake Minneola	2012				
Leesburg	1927	323,045	1,676.76	1,671.05	1,680.53
Mt. Dora	1960	245,274	911.82	903.66	925.06
South Lake	1991	376,003	1,745.84	1,805.00	2,060.77
Tavares	1916	197,426	1,119.35	1,150.38	1,256.16
Umatilla	1956	180,854	829.43	814.33	833.64
Total High Schools			10,156.24	10,524.42	10,839.63
Specialty Schools					
Lake Hills	2008	95,359	162.38	149.26	150.70
Umatilla Girls Academy	n/a	n/a	85.30		
Total Specialty Schools			247.68	149.26	150.70
Charter Schools					
Conversion Charter Schools					
Lake Technical Center	1967	239,724	4.15	40.00	17.56
Mascotte Charter Elementary	2007	120,382		858.00	768.76
Minneola Charter Elementary	2007(3)	128,713	1,056.16	991.14	991.56
Round Lake Charter Elementary	1997	107,516	1,042.70	1,129.00	1,102.31
Spring Creek Charter Elementary	1992	101,775	558.98	631.00	595.52
Other Charter Schools					
Alee Academy, Inc.	n/a	n/a	299.13	299.00	298.59
Altoona	1912	10,395	77.50	119.00	118.00
Humanities & Fine Arts Charter School	2011	n/a			
Milestones Community School of Lake County, Inc.	n/a	n/a	195.50	210.00	199.00
Rivendell Academy	n/a	n/a	32.00	36.00	34.50
Imagine Schools at South Lake Charter	n/a	n/a	558.38	568.82	577.48
The Charter School at National Deaf Academy, Inc.	n/a	n/a	61.50	6.00	8.85
			3,886.00	4,887.96	4,712.13
Other Programs					
Lake-Sumter Community College/Virtual School	n/a	n/a	107.43	68.00	287.35
McKay Scholarships	n/a	n/a	130.93	150.00	150.00
Lake Virtual	n/a	n/a			
Misc 9000 Centers	n/a	n/a	220.90	551.15	96.70
Total Other Sites			459.26	769.15	534.05
Total District			37,618.45	38,901.28	39,677.59

(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						
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
2,858.22	2,924.82	3,012.24	2,228.45	1,979.60	2,038.01	2,079.01
1,293.04	1,276.84	1,224.57	1,228.76	1,166.34	1,217.25	1,232.48
			1,279.29	1,737.24	1,835.46	2,052.55
1,632.27	1,706.01	1,647.66	1,615.89	1,582.07	1,544.62	1,523.89
967.44	1,084.19	1,037.24	1,069.85	1,035.21	1,028.81	984.27
2,053.96	2,119.87	2,098.57	1,701.74	1,521.58	1,513.35	1,461.00
1,258.61	1,311.91	1,256.69	1,253.91	1,137.94	1,121.09	1,120.84
898.03	870.87	843.05	831.24	769.10	788.18	797.95
10,961.57	11,294.51	11,120.02	11,209.13	10,929.08	11,086.77	11,251.99
177.31	166.76	175.84	176.50	168.35	171.84	183.71
177.31	166.76	175.84	176.50	168.35	171.84	183.71
15.00	15.00	15.00	15.00	23.05		18.08
758.85	777.58	758.23	726.13	792.60	772.00	809.38
994.33	991.92	923.96	897.19	938.66	994.95	1,044.15
1,140.78	1,182.03	751.56	795.02	828.63	840.28	816.59
597.08	561.93	549.60	543.04	585.62	587.66	568.78
226.50	301.90	282.00	278.50	282.50	268.36	292.79
112.50	150.50	189.72	208.50	239.50	249.11	254.49
		109.00	155.00	147.50	127.74	136.60
209.00	185.50	197.00	213.43	191.31	209.71	215.67
703.50	740.50	891.00	1,016.98	1,011.58	1,011.90	1,009.24
11.50						
4,769.04	4,906.86	4,667.07	4,848.79	5,040.95	5,061.71	5,165.77
163.52	38.26	80.07	99.13	369.08		
156.10	181.22	188.50	221.00	296.50	349.73	407.05
					185.57	185.80
234.39	208.04	225.35	214.34	170.79	180.96	171.28
554.01	427.52	493.92	534.47	836.37	716.26	764.13
40,151.05	40,553.61	40,390.97	40,563.12	40,753.45	40,971.00	41,343.43

**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
2014-15	2,920	163	2,686	5,769	14.03	17.91
2013-14	2,871	163	2,580	5,614	14.19	17.61
2012-13	3,045	164	2,655	5,864	13.32	18.57
2011-12	3,025	164	2,435	5,624	13.35	18.45
2010-11	3,019	168	2,522	5,709	13.43	17.97
2009-10	2,977	165	2,485	5,627	13.49	18.04
2008-09	2,987	176	2,424	5,587	13.28	16.97
2007-08	2,967	181	2,357	5,505	13.11	16.39
2006-07	2,391	149	2,117	4,657	15.73	16.05
2005-06	2,350	149	2,083	4,582	0.00	15.77

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, managers, coordinators
- (C) Paraprofessional, bus drivers, monitors, maintenance, clerical, etc.
- (D) Calculated using enrollment data from page 127/128
- (E) Calculated using data from columns A and B

Source: District Records and Florida Department of Education Staffing Report for 2013-14

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
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
2006-07	34,300	57,525	40,647
2005-06	32,200	55,150	39,851

10 Month Teachers

Source: District Records

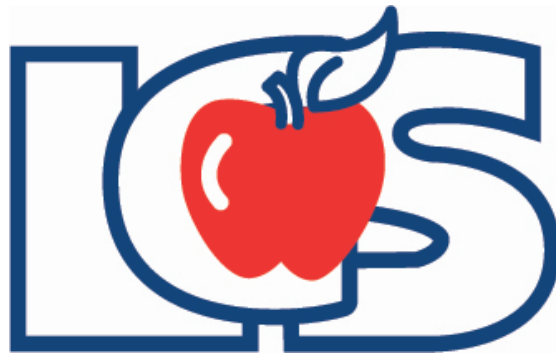
DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Days Meals were Served	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	16,476	18,180	17,677	19,479
Number of Free and Reduced Meals Served	2,965,736	3,272,328	3,181,848	3,506,220
Average Daily Subsidy Received	\$ 35,930	\$ 38,146	\$ 46,153	\$ 51,582
Total Subsidy Received	\$ 6,467,391	\$ 6,866,240	\$ 8,307,547	\$ 9,284,701
Average Number of Meals Served Daily	26,464	31,859	28,393	39,279
Number of Meals Served	4,763,583	5,734,559	5,110,661	7,070,220
Average Daily Revenues	\$ 76,899	\$ 81,691	\$ 87,250	\$ 90,755
Total Revenues	\$ 13,841,810	\$ 14,704,300	\$ 15,704,980	\$ 16,335,987
Average Daily Costs	\$ 73,291	\$ 78,303	\$ 84,566	\$ 85,746
Total Costs	\$ 13,192,442	\$ 14,094,566	\$ 15,221,793	\$ 15,434,199

Source: District Records

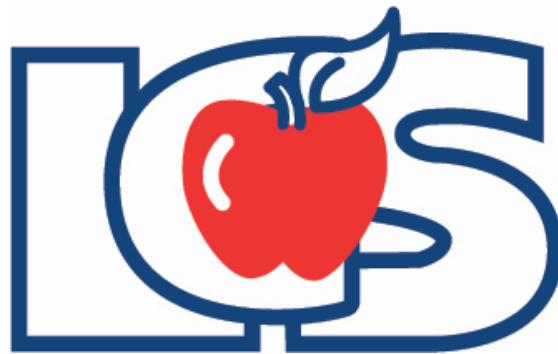
(Continued)

Fiscal Year Ending					
<u>June 30, 2010</u>	<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>
180	180	180	180	180	180
23,416	25,511	27,271	25,837	27,298	27,153
4,214,880	4,591,896	4,908,788	4,650,606	4,913,581	4,887,595
\$ 63,576	\$ 72,041	\$ 73,647	\$ 69,419	\$ 75,827	\$ 78,020
\$ 11,443,724	\$ 12,967,409	\$ 13,256,517	\$ 12,495,468	\$ 13,648,860	\$ 14,043,660
32,643	25,920	35,446	30,475	34,434	33,797
5,875,740	4,665,531	6,380,345	5,485,488	6,198,053	6,083,465
\$ 97,908	\$ 106,808	\$ 106,030	\$ 111,735	\$ 113,848	\$ 112,473
\$ 17,623,421	\$ 19,225,512	\$ 19,085,402	\$ 20,112,381	\$ 20,492,647	\$ 20,245,119
\$ 88,013	\$ 91,882	\$ 110,955	\$ 106,028	\$ 100,219	\$ 109,756
\$ 15,842,402	\$ 16,538,839	\$ 19,971,845	\$ 19,085,069	\$ 18,039,391	\$ 19,756,060

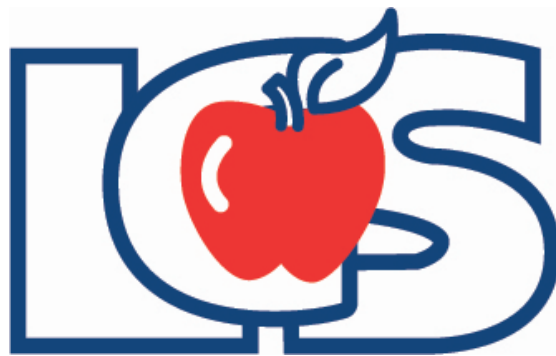


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

SINGLE AUDIT ACT AND OTHER AUDIT REPORTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



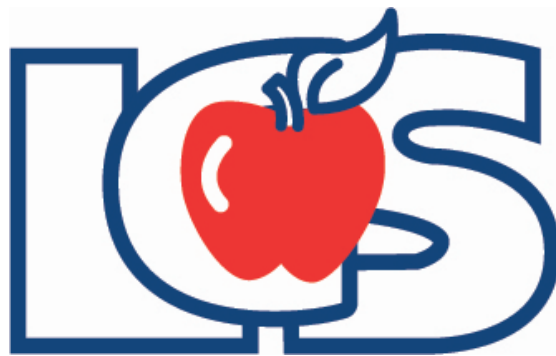
LAKE COUNTY SCHOOLS, TAVARES FLORIDA

DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	321	\$ 2,844,403	\$
National School Lunch Program	10.555	300	10,872,256	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	None	1,520,241	
Total Child Nutrition Cluster			15,236,900	
Child and Adult Care Food Program	10.558	None	327,001	
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.664	None	84,931	
Total United States Department of Agriculture			15,648,832	
United States Department of Education:				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	8,786,227	-
Special Education - Preschool Grants	84.173	267	168,662	
Total Special Education Cluster			8,954,889	-
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	432,506	432,506
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	10,096,961	
Migrant Education - State Grant Program	84.011	217	324,305	
Career and Technical Education - Basic Grants to States	84.048	151	536,683	117,509
Education of the Homeless Children and Youths	84.196	127	115,442	
English Language Acquisition Grants	84.365	102	303,233	
Mathematics and Science Partnerships	84.366B		216,459	
Improving Teacher Quality State Grants	84.367	224	964,283	
Title I, School Improvement	84.377		-	
School Improvement Grants- Recovery Act	84.388		-	
Race to the Top	84.395		1,340,927	
Total United States Department of Education			23,285,688	550,015
United States Department of Health and Human Services				
Direct:				
Substance Abuse and Mental Health Projects of Regional and National Significance	93.243	N/A	33,677	
Total United States Department of Health and Human Services			33,677	
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	192,464	
Army Junior Reserve Officers Training Corps	None	N/A	67,202	
Navy Junior Reserve Officers Training Corps	None	N/A	58,837	
Total United States Department of Defense			318,503	
Total Expenditures of Federal Awards			\$ 39,286,700	\$ 550,015

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2014-15 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance - National School Lunch Program. Represents the amount of donated food received during the 2014-15 fiscal year. Commodities are valued at fair value as determined at the time of donation.



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**INDEPENDENT AUDITORS' 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***

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the agency fund, and the aggregate remaining fund information of the District School Board of Lake County, Florida (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 1, 2016.

Our report includes a reference to other auditors, who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

**INDEPENDENT AUDITORS' 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
(Concluded)**

Internal Control Over Financial Reporting (Concluded)

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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, 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*.

We noted certain other matters that we reported to management of the District in a separate letter dated March 1, 2016.

The District's response to the management letter comments identified in our audit is described in the accompanying management's response to management letter comments. We did not audit the District's response and, accordingly, we express no opinion on it.

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 entity'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.



March 1, 2016
Ocala, Florida

INDEPENDENT ACCOUNTANTS' REPORT

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

We have examined the District School Board of Lake County, Florida (the District)'s compliance with the requirements of Section 218.415, Florida Statutes with regards to the District's investments during the year ended June 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2015.

Purvis, Gray and Company, LLP

March 1, 2016
Ocala, Florida

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

District School Board of Lake County and
Superintendent
Tavares, Florida

Report on Compliance for Each Major Federal Program

We have audited the District School Board of Lake County, Florida (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Certified Public Accountants

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District School Board of Lake County and
Superintendent
Tavares, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)**

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 the 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Durvis, Gray and Company, LLP

March 1, 2016
Ocala, Florida

**LAKE COUNTY DISTRICT SCHOOL BOARD
TAVARES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

1. Summary of Auditors' Results

- I. The auditors' report expresses an unmodified opinion on the financial statements of Lake County District School Board (the District).
- II. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' 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*.
- III. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
- IV. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with U.S. Office of Management and Budget (OMB) Circular A-133.
- V. The auditors' report on compliance for major federal programs expresses an unmodified opinion.
- VI. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- VII. The programs tested as major programs were:

■ **Department of Education**

- Total Title I, Part A Cluster:
Title I Grants to Local Educational Agencies (CFDA No. 84.010)
- Child Nutrition Cluster:
School Breakfast, National School Lunch, and Commodities (CFDA 10.553 and 10.555)
- Race to the Top:
Race to the Top (CFDA 84.395)

VIII. Dollar Threshold Used to Distinguish Between Type A and Type B Programs

\$1,178,601

IX. Auditee Qualification as Low-risk Auditee

The auditee does not qualify as a low-risk auditee per criteria set forth in Section .530 of OMB Circular A-133.

**LAKE COUNTY DISTRICT SCHOOL BOARD
TAVARES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)**

2. **Findings Related to the Basic Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)**

The audit disclosed no findings, which are required to be reported under GAGAS.

3. **Findings and Questioned Costs for Federal Awards Required to be Reported Under Section .510(a) of OMB Circular A-133**

There were no current year findings.

4. **Status of Prior Audit Findings**

There were no prior audit findings.

MANAGEMENT LETTER

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

Report on the Financial Statements

We have audited the financial statements of the District School Board of Lake County, Florida (the District), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated March 1, 2016. Our report includes a reference to other auditors. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors' and such information related to those audits are reported on separately by those auditors.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Title 2, Part 200, Code of Federal Regulations); and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in this report, which is dated March 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, however see Item No. 2014-1, for items remaining in process from the prior year recommendation.

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

MANAGEMENT LETTER
(Concluded)

Prior Audit Findings *(Concluded)*

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the District maintains on its Web site the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its Web site the information specified in Section 1011.0365, Florida Statutes.

Other Matters

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, please see the accompanying Management Letter Comments.

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the District School Board members, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Durvis, Gray and Company, LLP

March 1, 2016
Ocala, Florida

MANAGEMENT LETTER COMMENTS

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

During the course of our audit, the following items came to our attention. These items involve primarily financial management matters, which, if improved, will result in more efficient and effective financial operations.

Current Year Comments

2015-1 Conversion Charter Schools

The District School Board of Lake County, Florida (the District) has 5 conversion charter schools which are staffed by personnel that are employees of the District and participate in all District benefit plans. Additionally, the District pays for certain operating costs of the conversion charter schools, which along with all payroll and benefit costs are billed monthly to the conversion charter schools and repaid to the District. The work force of the conversion charter schools is approximately 10% of the total number of the District employees.

The District has set up a clearing fund to account for and segregate the payroll and operating costs of the schools paid by the District so that they are easily identifiable, billable and do not become comingled with other District operations. The District does charge a fee for performing all of these time intensive and costly support functions for the conversion charters; however, it does not fully recover all costs.

We offer the following recommendations concerning the Districts Conversion Charter Schools:

- The clearing fund noted above has historically been used solely as an internal accounting tool to segregate costs paid by the District on behalf of the conversion charter schools and to facilitate and record the billing for those costs. It has not been reported as a fund in the Districts CAFR. Because of the significance of the amounts that flow through this clearing fund, we recommend that the District consider classifying the fund as either an agency fund or internal service fund with consideration to including it within the CAFR of the District.
- As the charter agreements come up for renewal on the existing conversion charter schools, we understand that the District and the charter schools are working to transition to an arrangement in which the charter schools will assume the responsibility for employees and related benefits. We concur with this proposed transition as it will end the current arrangement of keeping the charter schools personnel as employees of the District, processing their payroll and payables and inclusion in District benefit plans.

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MANAGEMENT LETTER COMMENTS
(Continued)

Current Year Comments (Concluded)

2015-1 Conversion Charter Schools (Concluded)

As the result of implementing GASB Statement No. 68 regarding employer pension costs, the District was required to allocate the total Net Pension Liability between the District and the charter schools. As the result of this allocation exercise, the District became aware that the existing shared personnel liabilities between the District and the conversion charters such as OPEB and Compensated Absences had not been allocated between the District and the conversion charters. This resulted in the District overstating the District's proportionate share of the respective liabilities and was corrected during 2015. The District should continue to review and update the allocation of personnel related liabilities to the conversion charter schools to ensure that they are appropriately reported.

Prior Year Comments

The following 2014 Management Letter Comment has been updated for changes made during 2015 and contain only the areas that still remain in process as of June 30, 2015.

2014-1 Implementation of New Financial Services Software – Updated For 2015

During the fiscal year ended June 30, 2014, the District implemented a new Enterprise Resource Planning (ERP) system (Skyward), covering all key financial applications. Given the size and nature of the District this was and continues to be a complex process requiring major staff effort to set up and learn the new system, ensure that data conversions were accurate and that business processes and controls remain effective with the new system.

Due to the magnitude of the system change, there are remaining ongoing efforts to reassess business process controls. Accordingly, we offer the following list of areas still in progress requiring ongoing special attention:

- Because the payroll processor has the ability to change pay rates, hours worked, leave time accumulations, and direct deposit bank files, we recommend that a control procedure be established whereby someone independent of the payroll function performs a documented review of the payroll system edit report, which shows all changes made to all payroll files and fields.
- To ensure proper integration and posting of payroll between the payroll system and general ledger, we recommend that the District establish a control procedure of reconciling gross payroll recorded in the general ledger to the quarterly Internal Revenue Service tax reporting document, Form 941.
- The District has been improving on its District-wide standard timekeeping methodology for many years and we noted that management is continuing to look for improvements in this area as part of the ERP implementation. We encourage management to continue its efforts to standardize time keeping throughout the many sites of the District. Special attention should be paid to leave approvals to ensure that compensated absence balances are accurate. We are aware that management is currently in the process of fully implementing the time management modules of the ERP system that would require employees to signing electronically in which a supervisor could then electronically approve the time and be sent to payroll.

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

MANAGEMENT LETTER COMMENTS
(Continued)

Prior Year Comments (Concluded)

2014-1 Implementation of New Financial Services Software (Concluded)

- Implementing the new ERP system has changed many of the business and accounting processes within the finance and accounting department. Accordingly, we concur with management's plans to reevaluate the departmental staffing to better match these new processes and activities and recommend that this be a priority in the upcoming year.
- We recommend that the District implement a perpetual inventory system for Food Service inventory items, as part of its ERP implementation. Currently, each month, the District takes inventory of its Food Service items and makes an adjustment to the income statement expense accounts for usage based on the District's known purchases for the month. This system does not provide the District with enough information to detect any issues with the inventory system or possible theft.
- The District should continue with its plans to implement the new ERP system for each school's Internal Accounts now that primary District wide applications are in place.

Additional 2015 items added, relating to the 2014-1 new system implementation process are as follows:

- Capital Asset balances from the old system have been brought into the new system, however it appears not all fully depreciated assets successfully transferred, making the new system reports not fully reconcilable to general ledger control totals. Additionally, it appears that many assets still in use, are fully depreciated in the system. We recommend that the District fully reconcile all capital assets transferred to the new system and review its depreciable asset lives to determine if they should be lengthened to reflect longer service capacities.
- With respect to income verification procedures for food service, we noted multiple time periods in use for income verification (bi-weekly, monthly, annually) that can yield differing results. Additionally, the "Verification Tracker" form used to document the income determination was inconsistently utilized during the year. We recommend that the District review its methodology and documentation of the income verification process to ensure that it is standardized and consistently utilized.

These Management Letter Comments are intended solely for the information and use of the District School Board, Superintendent, management, the State of Florida, and other governmental agencies, and is not intended to be and should not be used by anyone other than these specified parties.

District School Board of Lake County, Florida and
Superintendent
Tavares, Florida

MANAGEMENT LETTER COMMENTS
(Concluded)

We would like to take this opportunity to express our appreciation for the courtesies that have been extended to our staff. If you have any questions or comments about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.

Purvis, Gray and Company, LLP

March 1, 2016
Ocala, Florida

March 1, 2016

Mark White, CPA, Partner
Purvis Gray & Company, CPA's
2347 S.E. 17th Street
Ocala, FL 34471

Mr. White,

First, let me thank you and your staff for the professional manner in which the audit was conducted. It was completed in a timely manner and with very little disruption to our daily operations. As a former auditor, I understand and value the audit process and consider the findings as opportunities to improve. In response to the Independent Auditor's Management Letter Comments related to the audit of our financial statements for the fiscal year ended June 30, 2015, we offer the following:

Current Year Comments

2015-1 Conversion Charter Schools

The unique relationship that we have with the 5 conversion charter schools is appropriately described in the Management Letter.

We will review the professional literature for guidance in our consideration of possibly reporting the activities of the conversion charters as either an Internal Service Fund or an Agency Fund before any changes are made. I will express concern that because we already report their activities as pass-through in the District's General Fund and again, as a discretely presented component unit, as required by FLDOE, this may result in a duplication of reporting.

The Conversion Charter Schools current contracts expire in 2022. When the contracts are renewed, the employment agreement with Lake County Schools will be severed and this processes related to the conversion charters will cease. We are currently working with the conversion charters to identify the areas we need to identify and work through before the new contracts are prepared for the respective Boards.

The implementation of GASB 68 for pension reporting brought out the need to ensure that we properly allocate all of the employee related liabilities to the respective charter school each year. This will now become part of our closing and review process each year.

Prior Year Comments

2014-1 Implementation of New Financial Services Software – Updated for 2015

As noted, on October 1, 2013, we implemented a new Enterprise Resource Planning (ERP) system (Skyward) covering all key financial applications. This replaced a legacy system that had been used by the District since 1979. In prior audits, you highlighted areas for us to monitor and consider as the conversion and implementation proceeded. Now that the system is up and operational we are focusing on reassessing the business process controls that were in place with the old system and determining the continued relevance with the new system. One of the many advantages to the new system is the opportunity to reassess existing process and procedures.

Periodic Review of Pay Changes: While the payroll manager needs to have this ability, it should only be the rare occurrence that it is used. The Finance Director now generates a report of any changes to the payroll system for review and documentation.

941 Reconciliations: Review of our existing procedures identified an overload of responsibility on the Payroll Manager. Review of the workload distribution and internal control considerations have provided us a reassignment of these duties with follow-up review by the Finance Director.

Timekeeping: We have begun the implementation of the “True Time” timekeeping module of the ERP System. This function was one of the major reasons we selected this particular ERP system. This functionality is being rolled out and implemented in phases over the next year throughout the District.

Business Organization and Process Improvement: Any significant change in the daily process and procedures invite a review of those procedures. We have moved from a highly manual system to one that uses more technology and less paper. This has significantly changed the way we do business. We continue with the process of updating our internal control procedures manual and assessing the efficiencies gained by the new system to determine and consider the changing job duties of staff. This will be an ongoing review as we continue to learn and become more familiar with the new system.

Perpetual Inventory: This part of the new system was successfully implemented in the central warehouses as identified by our Internal Auditor last year. Currently, all warehouses except for Food Service have been successfully converted. The Food Service Inventory must work with the Food Service module and will be implemented together. We are working with Food Service operations to complete the Food Service conversion prior to the close of fiscal 2017.

Internal Accounts: This is also one of the modules of the new ERP system. We have begun the behind the scenes conversion and implementation process and intend to have all of the schools converted by the close of fiscal 2016.

2014-1 Implementation of New Financial Services Software – New for 2015

Capital Assets

We agree that the District maintains significant amounts of property items that have been fully depreciated but are still in use. It appears that the conversion to the new ERP system did bring forward into the new system, those items that are fully depreciated. While our general ledger balances are correct, we will address both including those items still in use in the general ledger detail and give consideration of the length of time we depreciate assets by class given the amount of fully depreciated equipment still in use by the District.

Food Service Income Verification Procedures

Procedures have been put into place to ensure standardized and consistent documentation of the verification procedures for Food Service Income Verification.

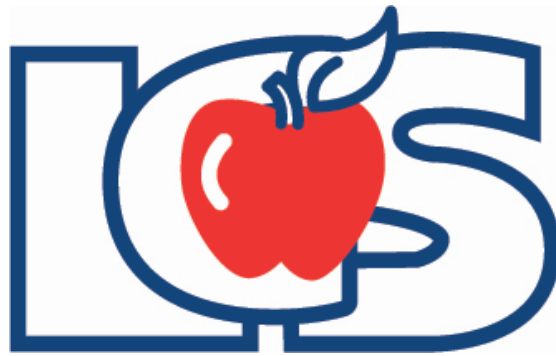
We appreciate your assistance and review of our systems and look forward to working together in our efforts to continually improve our school district.

Respectfully submitted,



Carol J. MacLeod, CPA, SFO
Chief Financial Officer

cc: Dr. Susan Moxley, Superintendent of Schools



LAKE COUNTY SCHOOLS, TAVARES FLORIDA