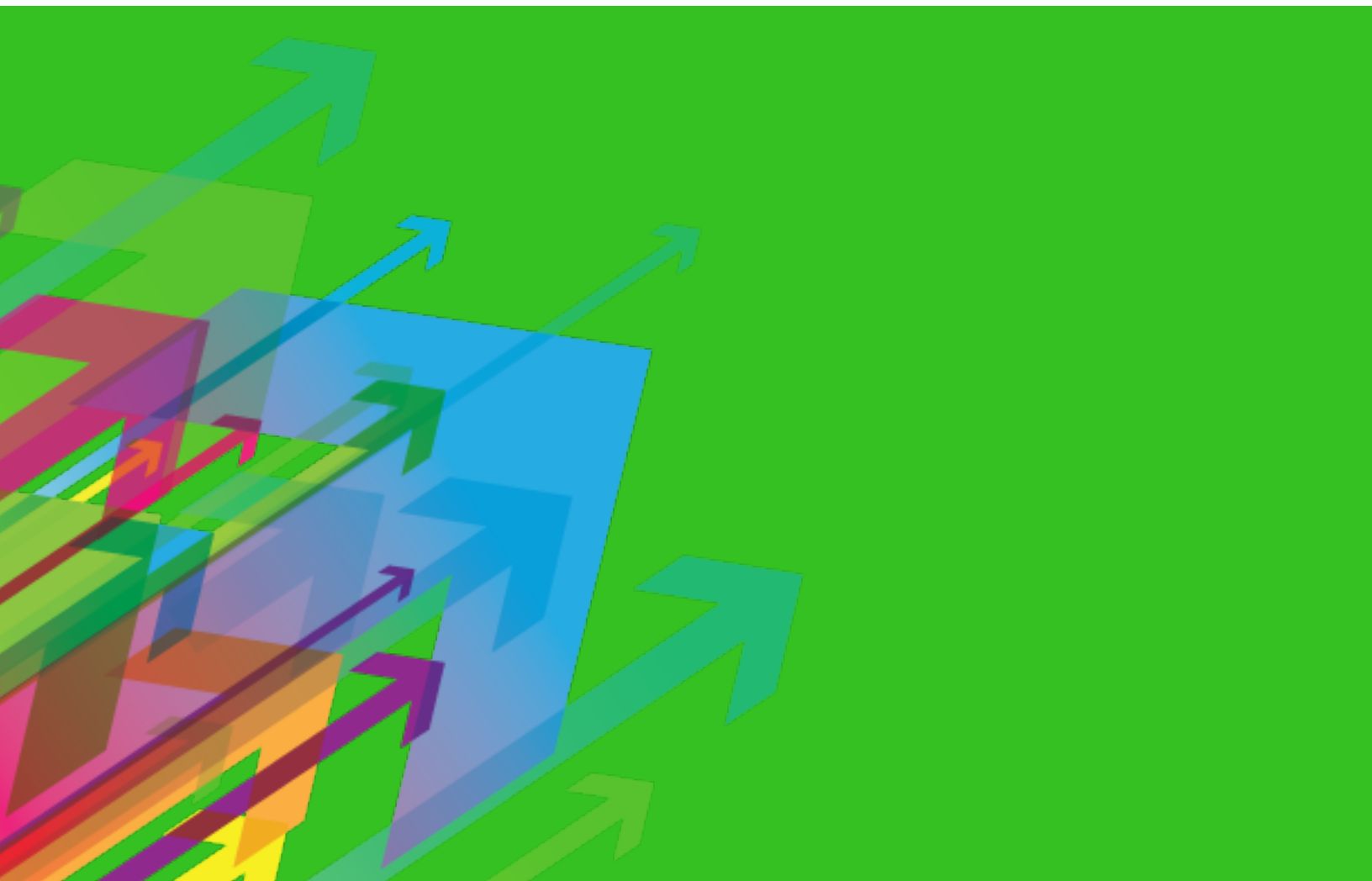
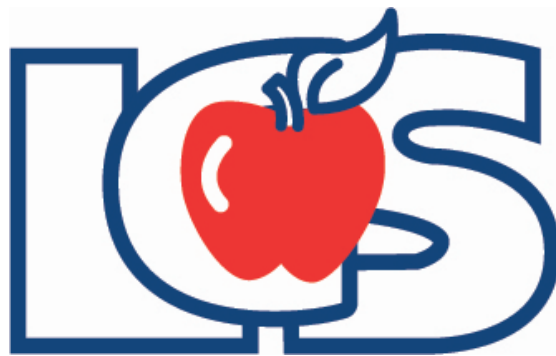


# COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

*District School Board Of Lake County - Tavares, Florida*

June 30, 2016  
Fiscal Year Ended





LAKE COUNTY SCHOOLS, TAVARES FLORIDA

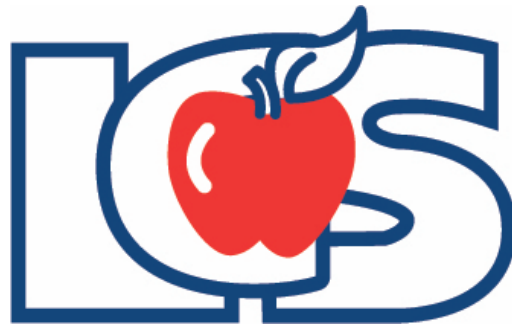
# ***Comprehensive Annual Financial Report***

***of the***

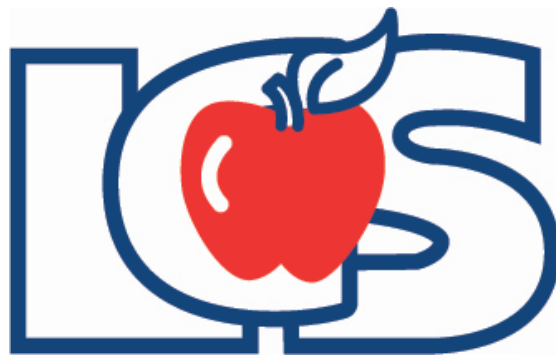
***District School Board of Lake County, Florida  
Tavares, Florida***

***for***

***Fiscal Year Ended June 30, 2016***



**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, 2016**

**Table of Contents**

**Introductory Section**

Letter of Transmittal.....	1
Elected Officials.....	7
Appointed Officials.....	7
Organizational Chart.....	8
Certificate of Achievement for Excellence in Financial Reporting (GFOA).....	9

**Financial Section**

Independent Auditor's Report on Financial Statements.....	10
Management's Discussion and Analysis.....	12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities.....	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	26
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Governmental Funds.....	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and	
Changes in Fund Balances to the Statement of Activities.....	31
Statement of Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses, and Changes in Fund Net Position –	
Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds.....	34
Statement of Fiduciary Net Position – Fiduciary Funds.....	35
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	36
Notes to the Basic Financial Statements:	
Summary of Significant Accounting Policies.....	37
Detail Notes on All Activities and Funds.....	53
Disclosure of Significant Contingencies.....	84

**Required Supplementary Information**

Budgetary Comparison Schedule – General Fund.....	86
Budgetary Comparison Schedule – Special Revenue Fund – Food Service.....	88
Schedule of Funding Progress – Other Postemployment Benefits Plan.....	89
Schedule of the District's Proportionate Share of the Net Pension	
Liability - FRS Pension Plan.....	90
Schedule of District Contributions of FRS Pension Plan.....	90
Schedule of the District's Proportionate Share of the Net Pension Liability – HIS Pension	
Plan.....	91
Schedule of District Contributions of HIS Pension Plan.....	91
Notes to the Required Supplementary Information.....	92

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

**Table of Contents**

**Other Supplementary Information**  
**Combining and Individual Fund Statements and Schedules**

Nonmajor Governmental Funds:	
Nonmajor Governmental Funds.....	93
Combining Balance Sheet – Nonmajor Governmental Funds.....	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	97
Budgetary Comparison Schedules – Budget and Actual:	
Special Revenue Funds:	
Other .....	99
Debt Service Funds:	
State Board of Education Bonds (SBE) .....	100
Other Debt Service .....	101
Capital Projects Funds:	
Other Capital Projects (Major Fund).....	102
Capital Outlay Bond Issues (SBE/COBI).....	103
Public Education Capital Outlay (PECO).....	104
District Bond Fund .....	105
Capital Outlay and Debt Service (CO&DS).....	106
Local Capital Improvement Tax Fund (LCIF).....	107
Internal Service Funds:	
Combining Statement of Net Position .....	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position....	109
Combining Statement of Cash Flows .....	110
Statement of Changes in Fiduciary Assets and Liabilities – Agency Fund.....	111
Component Units:	
Combining Statement of Net Position .....	112
Combining Statement of Activities .....	114

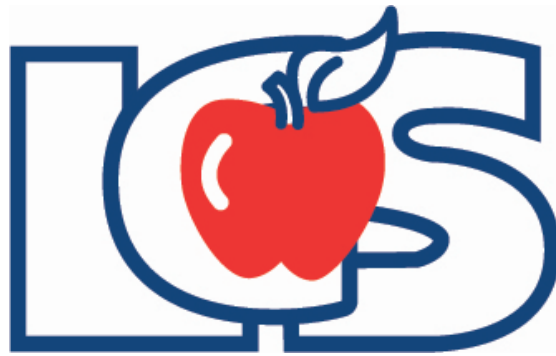
**Statistical Section**

Statistical Section.....	116
Financial Trend Information:	
Net Position by Component – Government-Wide.....	117
Changes in Net Position – Government-Wide .....	119
Governmental Activities Tax Revenues by Source .....	123
Fund Balances of Governmental Funds.....	124
Changes in Fund Balances of Governmental Funds.....	126
Summary of Revenues, Expenditures (by Major Object), and Changes in Fund Balances:	
General Fund.....	128
Special Revenue Funds – Food Service.....	130
Special Revenue Funds – Other .....	132
Debt Service Funds.....	134
Capital Projects Funds.....	136

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

**Table of Contents**

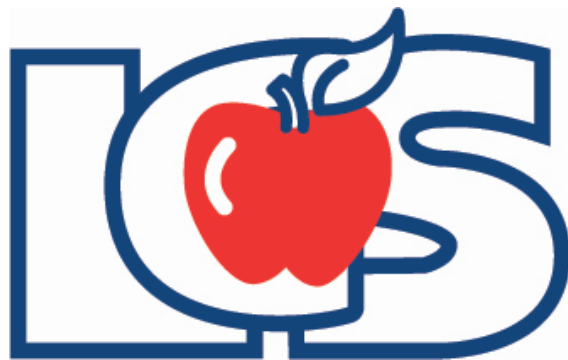
Revenue Capacity Information:	
General Governmental Tax Revenues by Source.....	138
Assessed and Estimated Actual Value of Taxable Property.....	139
Property Tax Rates Direct and Overlapping Governments.....	141
Principal Property Taxpayers.....	143
Property Tax Levies and Collections.....	144
Debt Capacity Information:	
Ratios of Outstanding Debt by Type.....	145
Anticipated Capital Outlay Millage Levy Required to Cover	
Certificates of Participation Payments.....	146
Direct and Overlapping Governmental Activities Debt.....	146A
Demographic and Economic Information:	
Demographic and Economic Statistics.....	148
Principal Employers.....	149
Operating Information:	
School Building Information and Unweighted Full-Time Equivalent	
Enrollment Data.....	150
Number of Personnel.....	154
Instructional Salary Information.....	155
Food Service Operating Data.....	156
<b>Single Audit and Other Reports</b>	
Schedule of Expenditures of Federal Awards.....	158
Independent Auditor's 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 <i>Government Auditing Standards</i> .....	159
Independent Accountant's Report.....	161
Independent Auditor's 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 <i>Circular A-133</i> .....	162
Schedule of Findings and Questioned Costs .....	164
Management Letter .....	166
Management Letter Comments .....	168
District Response .....	170



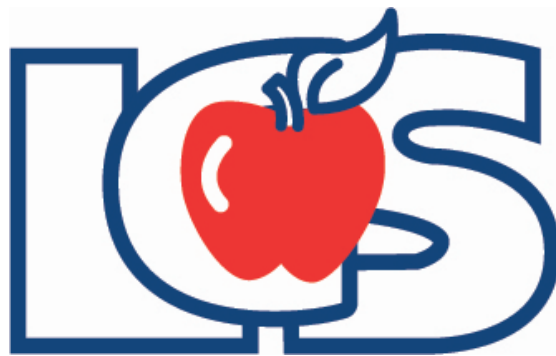
LAKE COUNTY SCHOOLS, TAVARES FLORIDA



# 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**  
**Kristi Burns**  
**District 3**  
**Marc Dodd**  
**District 4**  
**Sandy Gamble**  
**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](http://www.lake.k12.fl.us)

February 24, 2017

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, 2016, 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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, 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, 2016, 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 eight charter schools, which comprise the reporting entity. The Financing Corporation for the School Board of Lake

County, Florida, Inc., was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Lake County. The charter schools are public schools operating under performance contracts with the District. The Foundation and charter schools are included in the CAFR as discretely presented component units.

The District provides a full range of educational programs in Lake County. These include early childhood, kindergarten through 12<sup>th</sup> grade, basic and enriched programs, exceptional education, vocational and adult education. During the 2015-16 fiscal year, the District operated 40 schools, including 21 elementary schools, 10 middle schools, 8 high schools and 1 specialized school. In addition, there are 8 charter schools that are component units of the District. In total, the District reported serving approximately 41,839 unweighted full-time equivalent students. State projected enrollment for the 2016-17 fiscal year is 41,893. 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 5,791 full and part-time employees, including 2,938 Instructional personnel during the 2015-16 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, "Engage LCS" 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 (4.08 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.

In November 2016, the School Board adopted policy 1.31 – Strategic Finance Planning. This policy codified the concept and commitment to the strategic finance planning process. The Strategic Finance Plan is based on a systematic budget cycle, evaluating activities of the prior year and adding one year onto the plan, resulting in a multi-year strategic financial planning document. The Strategic Finance Plan is updated on an ongoing basis and submitted for School Board approval annually.

## **Major Initiatives**

**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, 2015. This was the thirteenth 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 February 24, 2017**

**Elected Officials - School Board Members**

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

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

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

Mr. Sandy Gamble.....District 4  
Term 2012-2016

Ms. 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

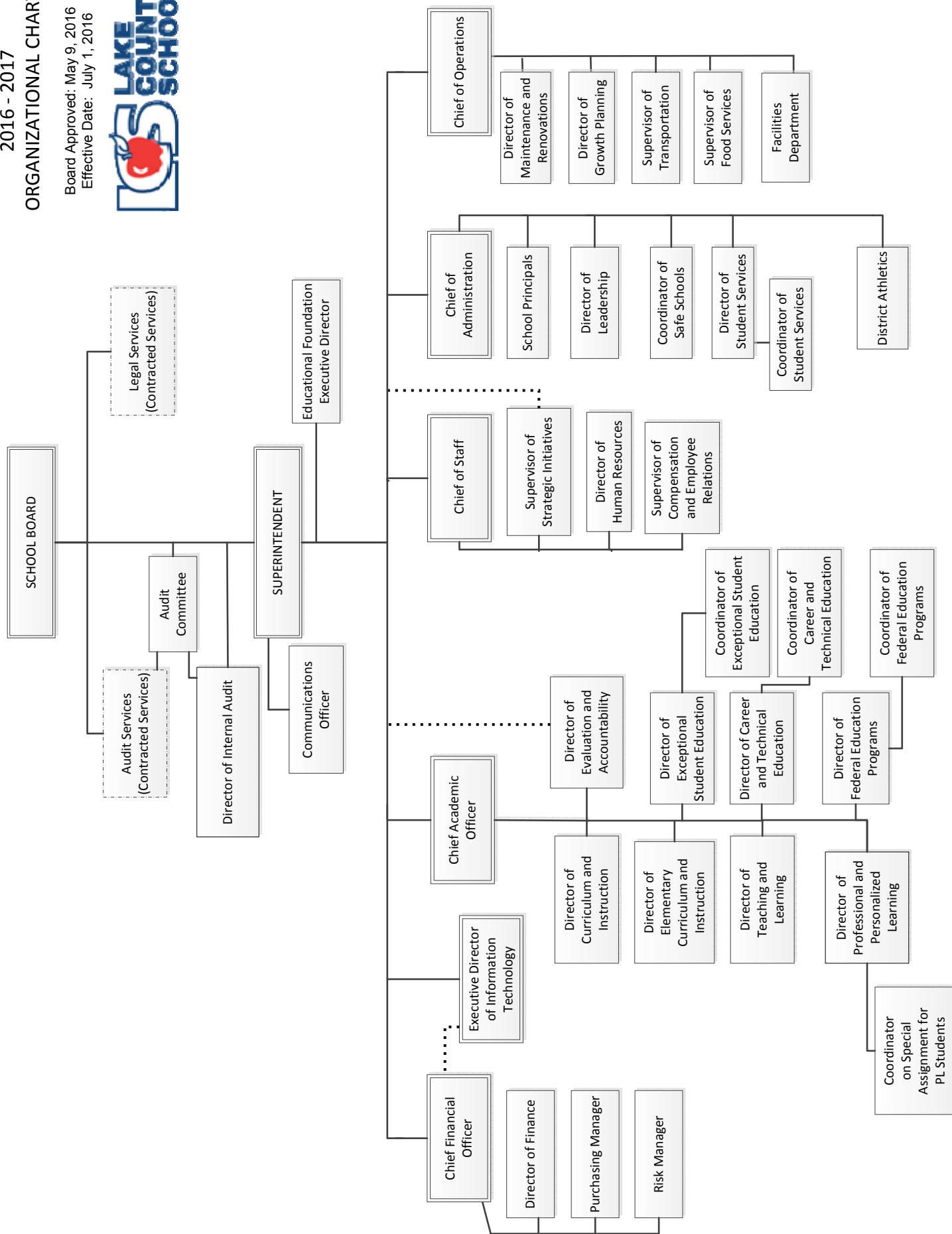
Mr. John Carr.....Chief of Operations

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

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

2016 - 2017  
ORGANIZATIONAL CHART

Board Approved: May 9, 2016  
Effective Date: July 1, 2016





Government Finance Officers Association

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

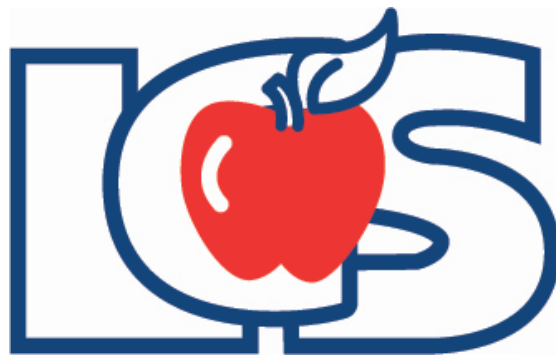
Presented to

**District School Board of Lake County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

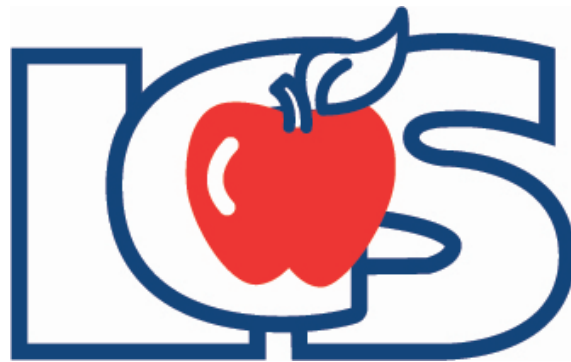
**June 30, 2015**

Executive Director/CEO

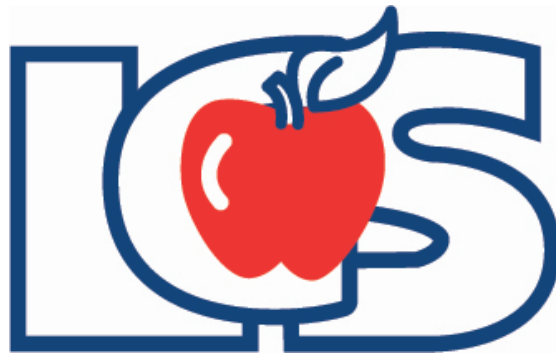


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# FINANCIAL SECTION

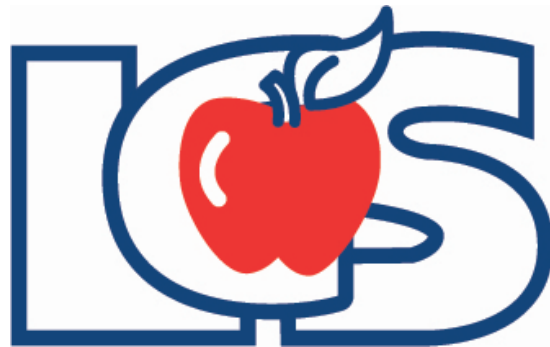


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

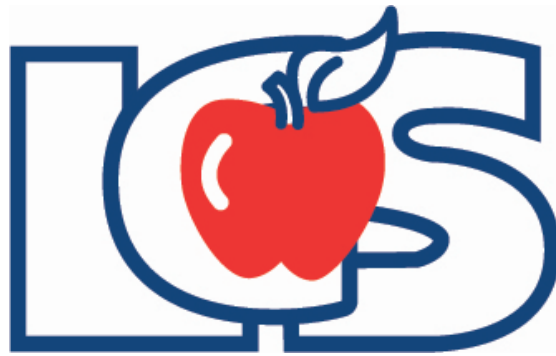


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# 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 and blended 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison schedules, the schedule of funding progress for other postemployment benefits, schedule of proportionate share of net pension liability, and schedule of contributions information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of funding progress for other postemployment benefits, schedule of proportionate share of net pension liability, and schedule of contributions in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis, the schedule of funding progress for other postemployment benefits, schedule of proportionate share of net pension liability and schedule of contributions 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*

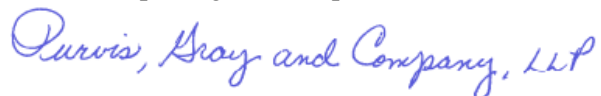
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other budgetary comparison schedules, and statistical section, 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

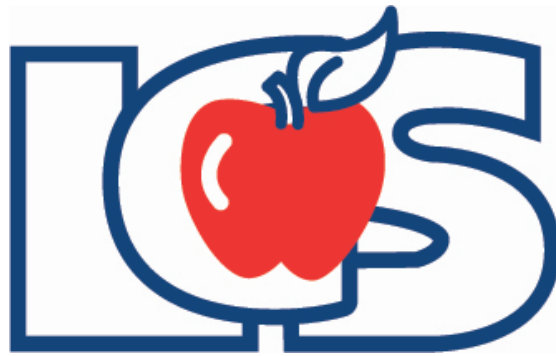
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2017, 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.

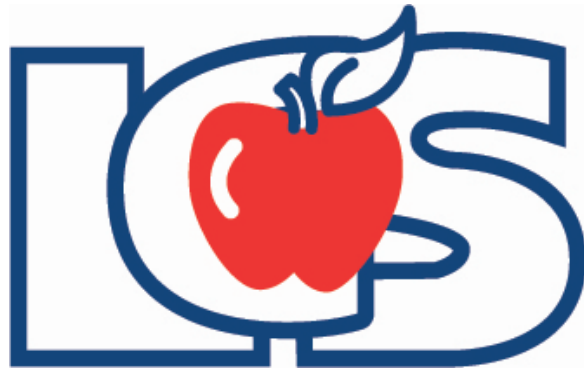


February 24, 2017  
Ocala, Florida

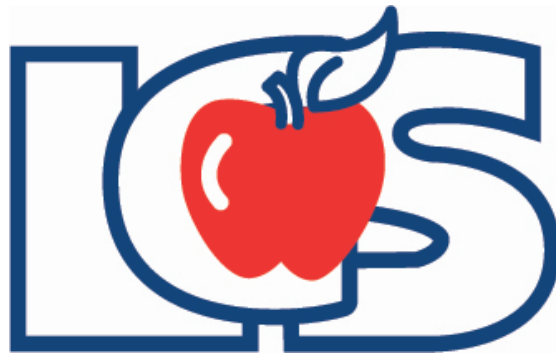


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# 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, 2016. We encourage readers to consider the information presented here in conjunction with our financial statements.

### **Financial Highlights**

Key financial highlights for the fiscal year 2015-16 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 \$353,992,296.
- The District's total Net Position increased by \$12,327,988.
- As of the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$76,980,396, a decrease of \$2,781,525 in comparison with the prior fiscal year.
- The District's government-wide revenues totaled \$400,406,826, of which general revenues totaled \$374,188,948, or 93.4 percent of all revenues. In the prior fiscal year, general revenues totaled \$ 354,778,384, or 93.2 percent.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,162,931 or 4.08 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 \$12,596,221 or approximately 3.3 percent during the current fiscal year. The key factor in this increase was the increase of the net pension liability and other non-capital long-term debt of \$101,463,223 and a net decrease of \$88,867,002 from the repayment and restructuring of outstanding debt. A complete discussion of all long term liabilities are included in the notes to the financial statements, note 2H.

### **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 8 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 \$352,729,093 at June 30, 2016.

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, 2016 compared to the Net Position as of June 30, 2015.

	Governmental		Business-Type		Total	
	Activities		Activities			
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Current and Other Assets	\$ 113,209,714	\$ 113,046,788	\$ 1,317,817	\$ 1,221,151	\$ 114,527,531	\$ 114,267,939
Capital Assets	\$ 647,142,176	\$ 660,286,068			\$ 647,142,176	\$ 660,286,068
Total Assets	\$ 760,351,890	\$ 773,332,856	\$ 1,317,817	\$ 1,221,151	\$ 761,669,707	\$ 774,554,007
Deferred Outflow of Resources	\$ 36,394,474	\$ 27,617,147	\$ -	\$ -	\$ 36,394,474	\$ 27,617,147
Current Liabilities	\$ 34,071,453	\$ 31,229,146	\$ 56,414	\$ 91,912	\$ 34,127,867	\$ 31,321,058
Noncurrent Liabilities	\$ 394,689,271	\$ 382,093,050			\$ 394,689,271	\$ 382,093,050
Total Liabilities	\$ 428,760,724	\$ 413,322,196	\$ 56,414	\$ 91,912	\$ 428,817,138	\$ 413,414,108
Deferred Inflow of Resources	\$ 15,256,547	\$ 47,092,738			\$ 15,256,547	\$ 47,092,738
Net Position						
Net Investment in						
Capital Assets	\$ 404,304,817	\$ 394,523,506			\$ 404,304,817	\$ 394,523,506
Restricted	\$ 61,651,252	\$ 62,358,146			\$ 61,651,252	\$ 62,358,146
Unrestricted (deficit)	\$ (113,226,976)	\$ (116,346,583)	\$ 1,263,203	\$ 1,129,239	\$ (111,963,773)	\$ (115,217,344)
Total Net Position	\$ 352,729,093	\$ 340,535,069	\$ 1,263,203	\$ 1,129,239	\$ 353,992,296	\$ 341,664,308

A portion of the District's Net position, \$61,651,252, represents resources that are subject to external restrictions on how they may be used. A decrease of \$706,894 in restricted net position reported in connection with the District's governmental activities was the result of debt service payments and restructuring during the fiscal year.

The remaining deficit net position, \$113,226,976, 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, 2016. The most significant liabilities (claims) against the unrestricted assets include the pension liability of \$118,511,301, compensated absence liability of \$16,157,799, and the other post-employment benefits (OPEB) liability of \$10,337,448. Of the compensated absence liability, approximately \$14,757,799, 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, 2016 and June 30, 2015 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenues:						
Program Revenues						
Charge for Services	\$ 4,682,454	\$ 5,053,811	\$ 2,994,167	\$ 2,855,793	\$ 7,676,621	\$ 7,909,604
Operating Grants and Contributions	16,293,289	15,812,980			16,293,289	15,812,980
Capital Grants and Contributions	2,247,968	2,283,228			2,247,968	2,283,228
General Revenues:						
Property Taxes	126,733,413	121,491,820			126,733,413	121,491,820
Other Taxes	14,028,543	14,021,477			14,028,543	14,021,477
Grants and Contributions (FEFP etc.)	223,603,099	208,519,225			223,603,099	208,519,225
Unrestricted Investment Earnings	199,849	30,787	139	278	199,988	31,065
Miscellaneous	9,623,905	10,714,797			9,623,905	10,714,797
Total Revenues	<u>397,412,520</u>	<u>377,928,125</u>	<u>2,994,306</u>	<u>2,856,071</u>	<u>400,406,826</u>	<u>380,784,196</u>
Expenses:						
Instruction	203,632,327	193,588,155			203,632,327	193,588,155
Pupil Personnel Services	17,203,453	17,012,506			15,844,531	17,012,506
Instructional Media Services	3,465,386	3,438,954			17,203,453	3,438,954
Instruction and Curr Development	11,637,502	8,146,058			11,637,502	8,146,058
Instructional Staff Training Services	9,970,986	9,204,244			9,970,986	9,204,244
Instruction Related Technology	1,297,717	1,385,748			1,297,717	1,385,748
Board of Education	761,325	772,594			761,325	772,594
General Administration	1,888,123	1,545,354			1,888,123	1,545,354
School Administration	18,103,177	17,204,641			18,103,177	17,204,641
Facility Services	6,087,331	6,280,902			6,087,331	6,280,902
Fiscal Services	1,855,957	1,644,580			1,855,957	1,644,580
Food Services	19,176,323	18,600,056			19,176,323	18,600,056
Central Services	6,207,037	5,844,099			6,207,037	5,844,099
Pupil Transportation Services	15,844,531	16,398,971			15,844,531	16,398,971
Operation of Plant	25,263,904	24,535,385			25,263,904	24,535,385
Maintenance of Plant	8,052,999	7,277,443			8,052,999	7,277,443
Administrative Technology Services	3,593,785	3,502,836			3,593,785	3,502,836
Community Services	103,969	91,030			103,969	91,030
Interest on Long-Term Debt	9,894,088	10,121,367			9,894,088	10,121,367
Depreciation - Unallocated	21,178,576	21,903,645			21,178,576	21,903,645
Extended Learning Center Program			2,860,342	2,654,798	2,860,342	2,654,798
Total Expenses	<u>385,218,496</u>	<u>368,498,568</u>	<u>2,860,342</u>	<u>2,654,798</u>	<u>400,457,983</u>	<u>371,153,366</u>
Excess (Deficiency) before Transfers	12,194,024	9,429,557	133,964	201,273	12,327,988	9,630,830
Transfers		336,732		(456,278)	-	(119,546)
Change in Net Position	<u>12,194,024</u>	<u>9,766,289</u>	<u>133,964</u>	<u>(255,005)</u>	<u>12,327,988</u>	<u>9,511,284</u>
Net Position, Beginning of Year	<u>340,535,069</u>	<u>330,768,780</u>	<u>1,129,239</u>	<u>1,384,244</u>	<u>341,664,308</u>	<u>332,153,024</u>
Net Position, Ending	<u>\$ 352,729,093</u>	<u>\$ 340,535,069</u>	<u>\$ 1,263,203</u>	<u>\$ 1,129,239</u>	<u>\$ 353,992,296</u>	<u>\$ 341,664,308</u>

The District's Net Position increased by \$12,194,024 during the current fiscal year.

**Governmental Activities.** Governmental activities increased the District's Net Position by \$12,194,024. For the most part, increases in expenses closely paralleled inflation and reduced growth in the number of students.

**Business-Type Activities.** Business-type activities increased the District's Net Position by \$133,964.

## **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 \$76,980,396, a decrease of \$2,781,525 in comparison with the prior fiscal year. This is mainly due to 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 \$12,162,931 while total fund balance reached \$15,518,916. 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 4.08 percent of total General Fund revenues, while total fund balance represents approximately 5.2 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 \$1,557,963 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 \$189,772 are reported as restricted; inventory and prepaid instructional material items totaling \$1,608,250 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 \$35,876,820, a decrease of \$211,344 from the prior fiscal year.

### Proprietary Funds

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

### 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 \$3.27 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, 2016, amounted to \$647,142,176 (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 2.0 percent.

	Governmental Activities	
	June 30, 2016	June 30, 2015
Land	\$ 22,956,312	\$ 19,420,146
Construction in Progress	-	13,378,821
Improvements Other Than Buildings, Net	1,162,765	877,873
Buildings and Fixed Equipment, Net	606,382,086	607,591,833
Furniture, Fixtures, and Equipment, Net	6,405,117	8,144,579
Motor Vehicles, Net	5,706,131	5,120,165
Property under Capital Lease	3,994,222	4,496,204
Audio Visual Materials and Computer Software, Net	535,543	1,256,447
	<u>\$ 647,142,176</u>	<u>\$ 660,286,068</u>

Additional information on the District's capital assets can be found in note 2C 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 \$249,682,722 as follows:

State Board of Education Bonds	\$	7,233,000
Certificates of Participation		229,797,855
Capital Leases		4,636,867
Sales Tax Notes Payable		8,015,000
		<hr/>
Total	\$	249,682,722
		<hr/>

During the current fiscal year, the District paid \$51,957,605 for principal payments and premium amortization on existing long-term debt related to capital assets as follows:

Scheduled Payments		
State School Bonds	\$	852,000
Sales Tax Note Payable		3,930,000
Certificates of Participation Payable		15,785,000
Premium Amortization		2,370,864
Property under Capital Lease		1,669,741
		<hr/>
Sub-total		24,607,605
Refunded COP		27,350,000
		<hr/>
	\$	51,957,605
		<hr/>

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

### **Other Matters of Significance**

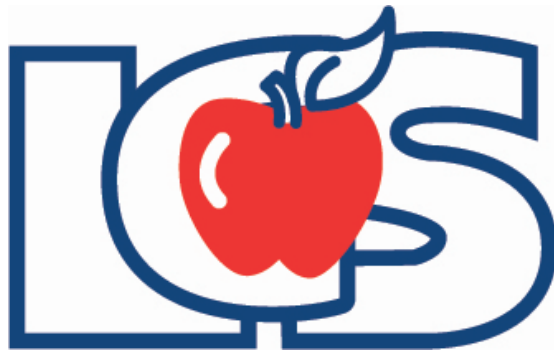
#### **Factors Bearing on the District's Future**

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

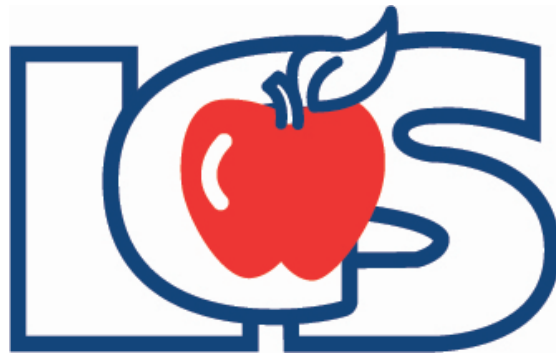
- Florida economic conditions continue to improve. Per student funding has almost returned to the level of fiscal year 2007-08; however, when the 2007-08 funding is adjusted for inflation, the current funding remains significantly less.
- Property values in 2015-16 fiscal year show an increase, the fourth consecutive year of gradual growth. State forecasts indicate property values will continue to show growth in the near future.



# 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, 2016**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 65,611,228	\$ 1,317,817	\$ 66,929,045	\$ 32,135,467
Investments	26,495,205		26,495,205	1,129,350
Accounts Receivable	7,405,999		7,405,999	148,916
Prepaid Items	36,977		36,977	143,772
Due from Other Agencies	11,152,353		11,152,353	455,665
Inventories	2,285,424		2,285,424	
Prepaid Insurance Costs	222,528		222,528	
Other Current Assets				990,360
Capital Assets:				
Land and Construction in Progress	22,956,312		22,956,312	943,427
Depreciable Capital Assets	884,846,743		884,846,743	6,059,155
Accumulated Depreciation	(260,660,879)		(260,660,879)	(3,149,036)
Other Non-Current Assets				2,799,510
TOTAL ASSETS	\$ 760,351,890	\$ 1,317,817	\$ 761,669,707	\$ 41,656,586
DEFERRED OUTFLOWS OF RESOURCES				
Pension Costs	\$ 29,771,638	\$	\$ 29,771,638	\$ 4,866,669
Net Carrying Amount of Debt Refunding	6,622,836		6,622,836	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 36,394,474	\$	\$ 36,394,474	\$ 4,866,669
LIABILITIES				
Salaries and Benefits Payable	\$ 22,100,196	\$ 20,437	\$ 22,120,633	\$ 486,049
Payroll Deductions and Withholdings	7,101,194	23,628	7,124,822	
Accounts Payable	4,491,593	10,549	4,502,142	109,948
Other Expenses				97,993
Unearned Revenues	155,809		155,809	
Deposits Payable	169,977		169,977	
Due to Other Agencies	52,684		52,684	6,000,199
Estimated Insurance Claims Payable				
Long-Term Liabilities:				
Portion Due Within One Year	38,390,159		38,390,159	2,218,610
Portion Due After One Year:	356,299,112		356,299,112	13,699,232
TOTAL LIABILITIES	\$ 428,760,724	\$ 54,614	\$ 428,815,338	\$ 22,612,031
DEFERRED INFLOWS OF RESOURCES				
Pension Costs	\$ 15,206,410	\$	\$ 15,206,410	\$ 3,521,519
Deferred Revenue	50,137		50,137	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 15,256,547	\$	\$ 15,256,547	\$ 3,521,519
NET POSITION				
Net Investment in Capital Assets	\$ 404,304,817	\$	\$ 404,304,817	\$ 2,748,339
Restricted for:				
State Required Carryover Programs	189,772		189,772	
Debt Service	1,131,450		1,131,450	202,005
Capital Projects	47,973,475		47,973,475	
Special Revenue - Food Service	12,356,555		12,356,555	
Scholarships, Endowments, and Other Programs				7,756,582
Unrestricted	(113,226,976)	1,263,203	(111,963,773)	9,682,779
TOTAL NET POSITION	\$ 352,729,093	\$ 1,263,203	\$ 353,992,296	\$ 20,389,705

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, 2016**

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities:</b>			
Instruction	\$ 203,632,327	\$	\$
Pupil Personnel Services	17,203,453		
Instructional Media Services	3,465,386		
Instruction and Curriculum Development Services	11,637,502		
Instructional Staff Training Services	9,970,986		
Instruction Related Technology	1,297,717		
Board of Education	761,325		
General Administration	1,888,123		
School Administration	18,103,177		
Facility Services	6,087,331		
Fiscal Services	1,855,957		
Food Services	19,176,323	4,133,713	16,293,289
Central Services	6,207,037		
Pupil Transportation Services	15,844,531	548,741	
Operation of Plant	25,263,904		
Maintenance of Plant	8,052,999		
Administrative Technology Services	3,593,785		
Community Services	103,969		
Interest on Long-Term Debt	9,894,088		
Unallocated Depreciation Expense	21,178,576		
<b>Total Governmental Activities</b>	<b>385,218,496</b>	<b>4,682,454</b>	<b>16,293,289</b>
<b>Total Business-Type Activities</b>	<b>2,860,342</b>	<b>2,994,167</b>	
<b>Total Primary Government</b>	<b>\$ 388,078,838</b>	<b>\$ 7,676,621</b>	<b>\$ 16,293,289</b>
<b>Component Units</b>			
Charter Schools	\$ 44,255,322	\$ 3,714,892	\$ 3,293,352
Educational Foundation	2,218,413		2,530,169
<b>Total Component Units</b>	<b>\$ 46,473,735</b>	<b>\$ 3,714,892</b>	<b>\$ 5,823,521</b>
General Revenues:			
Taxes:			
Property Taxes, Levied for Operational Purposes			
Property Taxes, Levied for Capital Projects			
Local Sales Taxes			
Grants and Contributions Not Restricted to Specific Programs			
Investment Earnings			
Miscellaneous			
<b>Total General Revenues</b>			
<b>Change in Net Position</b>			
<b>Net Position - July 1, 2015</b>			
<b>Net Position - June 30, 2016</b>			

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	

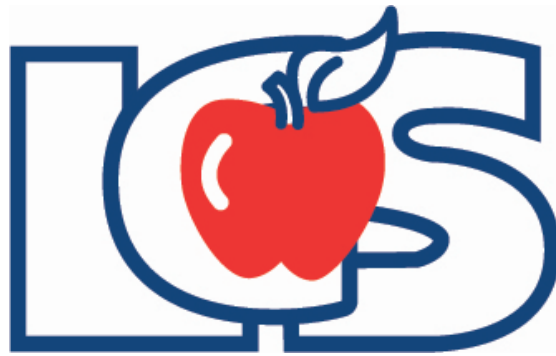
**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2016**

	General Fund	Special Revenue Food Service Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 29,277,320	\$ 12,014,689
Investments	38,782	
Accounts Receivable	7,406,339	108
Due from Other Funds	2,252,334	
Due from Other Agencies	1,599,969	567,916
Inventories	1,571,273	699,350
Prepaid Items	36,977	
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 42,182,994</u></u>	<u><u>\$ 13,282,063</u></u>
<b>Liabilities</b>		
Salaries and Benefits Payable	\$ 17,845,240	\$ 224,558
Payroll Deductions and Withholdings	6,752,838	131,306
Accounts Payable	2,018,264	399,791
Due to Other Funds		
Deposits Payable	124	169,853
Due to Other Funds		
Due to Other Agencies	21,448	
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u>26,637,914</u>	<u>925,508</u>
<b>Deferred Inflow of Resources</b>		
Deferred Revenues	26,164	
	<u>                    </u>	<u>                    </u>
<b>Total Deferred Inflow of Resources</b>	<u>26,164</u>	<u>                    </u>
<b>Fund Balances</b>		
Nonspendable	1,608,250	699,350
Spendable:		
Restricted	189,772	11,657,205
Assigned	1,557,963	
Unassigned	12,162,931	
	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<u>15,518,916</u>	<u>12,356,555</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 42,182,994</u></u>	<u><u>\$ 13,282,063</u></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
\$ 6,172,610	\$ 12,867,766	\$ 60,332,385
26,241,558	214,865	26,495,205
		7,406,447
		2,252,334
3,467,078	5,180,349	10,815,312
		2,270,623
		36,977
\$ 35,881,246	\$ 18,262,980	\$ 109,609,283
\$	\$ 1,211,889	\$ 19,281,687
	213,863	7,098,007
4,426	1,303,882	3,726,363
		169,977
	2,252,334	2,252,334
	28,934	50,382
4,426	5,010,902	32,578,750
	23,973	50,137
	23,973	50,137
		2,307,600
35,876,820	13,228,105	60,951,902
		1,557,963
		12,162,931
35,876,820	13,228,105	76,980,396
\$ 35,881,246	\$ 18,262,980	\$ 109,609,283



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, 2016**

**Total Fund Balances - Governmental Funds** **\$76,980,396**

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	22,956,312	
Depreciable Assets	624,185,864	647,142,176

Unamortized Deferred Loss of Bond Refundings are not expensed in the government-wide statements and are amortized over the life of the debt. 6,622,836

Debt Issuance Costs of Bond Refundings are not expensed in the government-wide statements and are amortized over the life of the debt. 222,528

Internal Service Funds are used by management to charge the costs of it's 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	5,630,688	
Less, Total Liabilities - Internal Service Funds	(3,745,488)	1,885,200

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. (17,847,855)

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	(7,233,000)	
Certificates of Participation Payable	(211,950,000)	
Capital Lease Payable	(4,636,868)	
Note Payable	(8,015,000)	
Compensated Absences Payable	(16,157,799)	
Other Postemployment Benefits Payable	(10,337,448)	
Net Pension Liability	(118,511,301)	(376,841,416)

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	21,288,755	(15,181,646)	
FRS - Health Insurance Subsidy	8,482,883	(24,764)	
	29,771,638	(15,206,410)	14,565,228

**Total Net Position - Governmental Activities** **\$352,729,093**

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, 2016**

	General Fund	Special Revenue Food Service Fund
<b>Revenues</b>		
Intergovernmental:		
Federal Direct	\$ 309,923	\$
Federal Through State	1,348,043	16,024,249
State	191,022,761	239,040
Local:		
Ad Valorem Taxes	100,319,737	
Local Sales Tax		
Impact Fees		
Food Service		4,133,713
Other Local Revenue	5,038,672	19,289
<b>Total Revenues</b>	<u>298,039,136</u>	<u>20,416,291</u>
Instruction	200,253,272	
Pupil Personnel Services	14,298,006	
Instructional Media Services	3,506,079	
Instruction and Curriculum Development Services	5,197,553	
Instructional Staff Training Services	5,495,847	
Instruction Related Technology	1,312,956	
Board of Education	770,265	
General Administration	918,071	
School Administration	18,315,756	
Facility Services	475,393	
Fiscal Services	1,877,751	
Food Services		19,401,504
Central Services	6,244,776	
Pupil Transportation Services	15,996,846	
Operation of Plant	25,559,034	
Maintenance of Plant	8,147,562	
Administrative Technology Services	3,635,986	
Community Services	102,006	
Fixed Capital Outlay:		
Facilities Acquisition and Construction		
Other Capital Outlay	560,704	825,715
Debt Service:		
Principal		
Interest and Fiscal Charges		
<b>Total Expenditures</b>	<u>312,667,863</u>	<u>20,227,219</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(14,628,727)</u>	<u>189,072</u>
<b>Other Financing Sources (Uses)</b>		
Sale of Capital Assets		
Premium on Sale of Bonds		
Refunding Bonds Issued		
Payments to Refunding Escrow Agent		
Transfers In	13,969,962	
Transfers Out	(861,605)	
<b>Total Other Financing Sources (Uses)</b>	<u>13,108,357</u>	
<b>Net Change in Fund Balances</b>	(1,520,370)	189,072
Fund Balances, July 1, 2015	17,039,286	12,167,483
<b>Fund Balances, June 30, 2016</b>	<u>\$ 15,518,916</u>	<u>12,356,555</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
\$	\$ 41,757	\$ 351,680
	21,190,643	38,562,935
165,110	2,721,243	194,148,154
	26,413,676	126,733,413
	14,028,543	14,028,543
13,315,564		13,315,564
177,236	6,833	4,133,713
		5,242,030
13,657,910	64,402,695	396,516,032
	5,770,238	206,023,510
	3,107,461	17,405,467
		3,506,079
	6,576,604	11,774,157
	4,592,225	10,088,072
		1,312,956
		770,265
	992,224	1,910,295
		18,315,756
		475,393
		1,877,751
		19,401,504
	35,148	6,279,924
	33,742	16,030,588
	1,535	25,560,569
		8,147,562
		3,635,986
	3,184	105,190
4,207,044	7,938,638	12,145,682
	120,039	1,506,458
	22,236,739	22,236,739
	11,057,501	11,057,501
4,207,044	62,465,278	399,567,404
9,450,866	1,937,417	(3,051,372)
	27,820,000	27,820,000
	(27,523,684)	(27,523,684)
	30,717,942	44,687,904
(9,672,210)	(34,180,558)	(44,714,373)
(9,672,210)	(3,166,300)	269,847
(221,344)	(1,228,883)	(2,781,525)
36,098,164	14,456,988	79,761,921
\$ 35,876,820	\$ 13,228,105	\$ 76,980,396

**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, 2016**

**Net Change in Fund Balances - Governmental Funds** **\$ (2,781,525)**

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 exceed the depreciation expense (\$21,178,576) (13,143,890)

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	222,528	
Less Prior Year	761,013	
Net reduction in expenses from Deferred Charges		(538,485)
Unamortized Premiums/ Deferred Loss:		
Current Year	(17,847,855)	
Less Prior Year	(20,218,719)	
Net increase in expenses from Unamortized Premiums		2,370,864
Unamortized Deferred Loss		
Current Year	6,622,836	
Less Prior Year	6,821,803	
Net increase in expenses from Deferred Loss		(198,967)

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: (794,687)

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: 4,354,939

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	3,930,000	
Bonds Payable	852,000	
Certificates of Participation	15,785,000	
Obligations under Capital Lease	1,669,739	
		22,236,739

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

New Principal Issued	(27,820,000)	
Refunded Principal Retired	27,350,000	
		(470,000)

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	626,645
---	---------

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.

532,391

**Change in Net Position - Governmental Activities** **\$ 12,194,024**

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, 2016**

	Business-Type Activities <u>Extended Learning Center</u>	Governmental Activities <u>Internal Service Funds</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,317,817	\$ 5,278,843
Accounts Receivable		3
Due from Other Agencies		337,041
Inventories		14,802
	<u>1,317,817</u>	<u>5,630,689</u>
<b>Total Current Assets</b>	<u>1,317,817</u>	<u>5,630,689</u>
<b>Total Assets</b>	<u><u>\$ 1,317,817</u></u>	<u><u>\$ 5,630,689</u></u>
Current Liabilities:		
Accrued Salaries & Benefits	\$ 20,437	\$ 186
Payroll Deductions & Withholding	23,628	3,188
Accounts Payable	10,549	767,983
Due to Other Funds		
Unearned Revenues		155,809
Insurance Claims Payable		2,818,323
	<u>54,614</u>	<u>3,745,489</u>
<b>Total Liabilities</b>	<u>54,614</u>	<u>3,745,489</u>
Unrestricted	<u>1,263,203</u>	<u>1,885,200</u>
Total Net Position	<u>1,263,203</u>	<u>1,885,200</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 1,317,817</u></u>	<u><u>\$ 5,630,689</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, 2016**

	Business-Type Activities <u>Extended Learning Center</u>	Governmental Activities <u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,994,167	\$ 44,155,467
	<u>2,994,167</u>	<u>44,155,467</u>
<b>OPERATING EXPENSES</b>		
Salaries	1,722,575	153,540
Employee Benefits	506,026	43,520
Purchased Services	53,029	167,121
Energy Services	7,109	16,554
Materials & Supplies	62,476	601,371
Capital Outlay	115,063	318,972
Other Expenses	16,922	42,650,059
	<u>2,483,200</u>	<u>43,951,137</u>
<b>Total Operating Expenses</b>	<u>2,483,200</u>	<u>43,951,137</u>
<b>Operating Income</b>	<u>510,967</u>	<u>204,330</u>
<b>Non-Operating Revenues</b>		
Other Misc Income		18,604
Interest Income	139	100
	<u>139</u>	<u>100</u>
<b>Income(Loss) before Transfers</b>	511,106	223,034
<b>Transfers</b>	<u>(377,142)</u>	<u>403,611</u>
<b>Change in Net Position</b>	133,964	626,645
Total Net Position, June 30, 2015	<u>1,129,239</u>	<u>1,258,555</u>
<b>Total Net Position, June 30, 2016</b>	<u>\$ 1,263,203</u>	<u>\$ 1,885,200</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, 2016**

	Business-Type Activities Extended Learning Center Program	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Services	\$ 2,994,167	\$ 43,949,013
Cash Payments to Suppliers for Goods and Services	(186,735)	(43,252,721)
Cash Payments to Employees for Services	(2,184,536)	(197,060)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>622,896</u>	<u>499,232</u>
<b>CASH FLOWS FROM INVESTING FINANCING ACTIVITIES</b>		
Other Misc Income		18,604
Interest Income	139	100
<b>Net Cash Provided by Investing Activities</b>	139	18,704
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers In/Out	(377,142)	403,611
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(377,142)</u>	<u>403,611</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	245,893	921,547
Cash and Cash Equivalents, Beginning	1,071,924	4,361,090
Cash and Cash Equivalents, Ending	<u><u>\$ 1,317,817</u></u>	<u><u>\$ 5,282,637</u></u>
 <b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>		
Operating Income (Loss)	\$ 510,967	\$ 204,330
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	149,227	(167,762)
Decrease in Inventories		
Increase in Due from Other Agencies		
Increase in Accrued Salaries & Benefits		
Increase in Payroll Deductions & Withholding	9,728	
Decrease in Accounts Payable	(5,733)	369,274
Decrease in Claims Payable		59,734
Decrease in Due to Other Funds		
Decrease in Unearned Revenue	(41,293)	33,656
<b>Total Adjustments</b>	<u>111,929</u>	<u>294,902</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u><u>\$ 622,896</u></u>	<u><u>\$ 499,232</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, 2016**

	Private-Purpose Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 200,903	\$ 2,918,702
<b>TOTAL ASSETS</b>	<u>\$ 200,903</u>	<u><u>\$ 2,918,702</u></u>
<b>LIABILITIES</b>		
Internal Accounts Payable	\$ <u>                    </u>	\$ 2,918,702
<b>Total Liabilities</b>	<u>                    </u>	<u><u>\$ 2,918,702</u></u>
<b>Net Position</b>		
Assets Held in Trust for Scholarships and Other Purposes	<u>200,903</u>	
<b>TOTAL NET POSITION</b>	<u><u>\$ 200,903</u></u>	

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

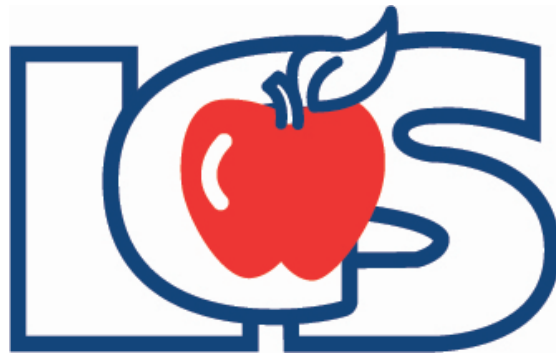


**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

**For the Fiscal Year Ended June 30, 2016**

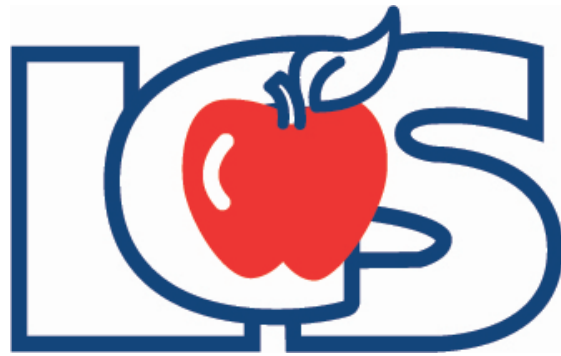
	Private-Purpose Trust Funds
	<u>                    </u>
<b>ADDITIONS</b>	
<b>Investment Earnings:</b>	
Interest, Dividends, and Other	\$ 903
	<u>903</u>
<b>DEDUCTIONS</b>	
Other Expenses	<u>902</u>
<b>Change in Net Position</b>	1
Net Position, July 1, 2015	<u>200,902</u>
<b>Net Position, June 30, 2016</b>	<u><u>\$ 200,903</u></u>

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

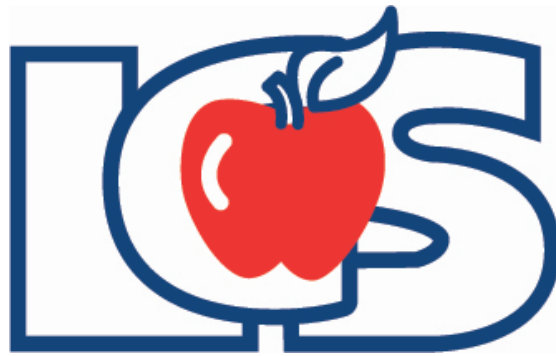


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# 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, 2016**

**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. The governing board of the Financing Corporation is the Lake County District School Board. Due to the substantive

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

economic relationship between the District and the Financing Corporation, the financial activities of the Financing Corporation are included in the accompanying basic financial statements as part of the debt service and capital projects funds. Separate financial statements for the Financing Corporation are not published.

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

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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

In addition to being Charter Schools, Lake Technical College, Inc.; Mascotte Elementary Charter School, Inc.; Minneola Elementary Charter School, Inc.; Round Lake Elementary Charter School, Inc.; and Spring Creek Charter School, Inc. operate as Conversion Charter Schools. In accordance with the respective contract provisions, employees at each of these schools are employees of Lake County Schools. 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 2D and 2E, respectively.

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

**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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 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.



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

- 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.

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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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

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

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

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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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); Lake Technical College, Inc.; Mascotte Elementary Charter School, Inc.; Minneola Elementary Charter School, Inc.; Round Lake Elementary Charter School, Inc.; and Spring Creek Charter School, Inc., 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, 2016, 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 2A.

**(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. 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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

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

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

Description	Estimated Lives
Improvements Other than Buildings	10 – 40 years
Buildings and Fixed Equipment	10 – 50 years
Furniture, Fixtures and Equipment	3 – 15 years
Motor Vehicles	5 – 10 years
Property Under Capital Leases	4 years
Audio Visual Materials and Software	3 – 10 years

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

**(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 2H(5).

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**(7) Pensions**

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

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

**(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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 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 2D.

**(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 2H(5).



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**(10) Net Position Flow Assumption**

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

**(11) Fund Balance Flow Assumptions**

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

**(12) Fund Balance Policies**

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance as of June 30, 2016.

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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.

**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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 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 2M(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 2015 tax levy on September 8, 2015. 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,

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 2M(2).

**(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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

- 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.

**(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. 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, 2016, the District had the following investments and maturities:

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

Security Type	Maturities	S&P Rating	Fair Value
Florida PRIME ("SBA") Debt Service Accounts	29 Days	AAAm	\$ 272,436
Money Market - First American Treasury Oblig Fund	6 Months	AAAm	26,222,769
<b>Total Investment, Primary Government</b>			<u><u>\$ 26,495,205</u></u>

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)
- 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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 \$26,222,769 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. These investments are in a stable value external investment pool carried at amortized cost.

The District's investments of \$272,436 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 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 \$26,222,769 invested in money market funds 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%

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

- 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:

Security Type	Fair Value	Portfolio Asset Allocation
Florida PRIME ("SBA") Debt Service Accounts	\$ 272,436	1.03%
Money Market - First American Treasury Oblig Fund	26,222,769	98.97%
Total	<u>\$ 26,495,205</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.



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**C. Changes in Capital Assets**

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

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 19,420,146	\$ 3,536,166		\$ 22,956,312
Construction in Progress	13,378,821		13,378,821	0
Total Capital Assets Not Being Depreciated	32,798,967	3,536,166	13,378,821	22,956,312
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	16,904,832	284,892		17,189,724
Buildings and Fixed Equipment	761,430,374	14,018,861		775,449,235
Furniture, Fixtures, and Equipment	44,116,345	1,252,970	1,662,474	43,706,841
Motor Vehicles	31,420,722	2,184,557	1,816,148	31,789,131
Property Under Capital Leases	5,937,322			5,937,322
Audio Visual Materials and Computer Software	10,739,432	130,751	95,693	10,774,490
Total Capital Assets Being Depreciated	870,549,027	17,872,031	3,574,315	884,846,743
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(16,026,959)			(16,026,959)
Buildings and Fixed Equipment	(153,838,541)	(15,228,608)		(169,067,149)
Furniture, Fixtures, and Equipment	(35,971,766)	(3,004,588)	(1,674,630)	(37,301,724)
Motor Vehicles	(26,300,557)	(1,592,591)	(1,810,148)	(26,083,000)
Property Under Capital Leases	(1,441,118)	(501,982)		(1,943,100)
Audio Visual Materials and Computer Software	(9,482,985)	(850,807)	(94,845)	(10,238,947)
Total Accumulated Depreciation	(243,061,926)	(21,178,576)	(3,579,623)	(260,660,879)
Total Capital Assets Being Depreciated, Net	627,487,101	(3,306,545)	(5,308)	624,185,864
Governmental Activities Capital Assets, Net	\$ 660,286,068	\$ 229,621	\$ 13,373,513	\$ 647,142,176

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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 2015-16, the District reported covered payroll of \$207,358,235 (\$188,720,947 for District and \$18,637,288 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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

- 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:

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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

<b>Elected County Officers</b>	3.00
--------------------------------	------

<b>Senior Management Service Class</b>	2.00
--	------

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is 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 2015-16 fiscal year were as follows:

Class	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00	7.27
Florida Retirement System, Senior Management	3.00	21.43
Florida Retirement System, Elected County Officers	3.00	42.27
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.88
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.66 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, 2016**

The District's contributions, including employee contributions, totaled \$18,484,260 (\$16,821,895 for District and \$1,662,365 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 91.12% and the Charter Schools collectively represent 8.88% 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, 2016, the District reported a liability of \$57,834,793 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2015, the District's proportionate share was 0.491400936 percent, which was an increase of 0.001400964 percent from its proportionate share measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$4,354,939. 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	\$ 6,105,641	\$ 1,371,665
Change of assumptions	3,838,690	
Change in Proportion	937,695	
Net difference between projected and actual earnings on FRS pension plan investments	-	13,809,981
District FRS contributions subsequent to the measurement date	10,406,729	
Total	<u>\$ 21,288,755</u>	<u>\$ 15,181,646</u>

The deferred outflows of resources related to pensions totaling \$10,406,729 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, 2016**

amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Total	Outflows	Inflows
2017	\$ (1,318,114)	1,718,215	(3,036,329)
2018	(1,318,114)	1,718,215	(3,036,329)
2019	(1,318,114)	1,718,215	(3,036,329)
2020	(1,318,114)	1,718,215	(3,036,329)
2021	(1,318,115)	1,718,215	(3,036,330)
Thereafter	2,290,953	2,290,953	
Total	<u>\$ (4,299,618)</u>	<u>\$ 10,882,028</u>	<u>\$ (15,181,646)</u>

**Actuarial Assumptions.** The total pension liability in the July 1, 2015, 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, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was 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:

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

<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%	3.20%	3.10%	1.70%
Fixed Income	18.00%	4.80%	4.05%	4.70%
Global Equity	53.00%	8.50%	6.25%	17.70%
Real Estate (Property	10.00%	6.80%	6.95%	12.00%
Private Equity	6.00%	11.90%	6.85%	30.00%
Strategic Investments	12.00%	6.70%	6.35%	11.40%
<b>Total</b>	<u><u>100.00%</u></u>			

Assumed inflation - Mean 2.60% 1.90%

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

**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	<u>\$ 149,863,033</u>	<u>\$ 57,834,793</u>	<u>\$ (18,747,816)</u>

**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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com;  
or at the Division's Website:  
([http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)).

**(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



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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.

**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, 2016, the District reported a net pension liability of \$60,676,508 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2015, the District's proportionate share was 0.652940591 percent, which was a decrease of 0.007655677 from its proportionate share measured as of June 30, 2015.

For the year ended June 30, 2016, 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:

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 4,773,657	-
Net difference between projected and actual earnings on HIS pension plan investments	32,846	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	541,410	24,764
District contributions subsequent to the measurement date	3,134,970	-
<b>Total</b>	<b>\$ 8,482,883</b>	<b>\$ 24,764</b>

The deferred outflows of resources totaling \$3,134,970 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:

Fiscal Year Ending June 30	Total	Outflows	Inflows
2017	\$ 736,266	\$ 739,682	\$ (3,416)
2018	736,266	739,682	(3,416)
2019	736,266	739,682	(3,416)
2020	736,266	739,682	(3,416)
2021	736,266	739,682	(3,416)
Thereafter	1,641,819	1,649,503	(7,684)
<b>Total</b>	<b>\$ 5,323,149</b>	<b>\$ 5,347,913</b>	<b>\$ (24,764)</b>

**Actuarial Assumptions.** The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Discount Rate of Return (Municipal Bond Rate)	3.80 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, 2015, 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 3.80 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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 3.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
District's proportionate share of the net pension liability	\$ 53,620,848	\$ 60,676,508	\$ 69,138,055

**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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

investment choices. Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 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 \$2,370,858 (\$2,241,058 for District and 129,800 for Charters) for the fiscal year ended June 30, 2016.

**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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 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 2015-2016 fiscal year, 255 retirees received postemployment health care benefits. For the 2015-16 fiscal year the District provided required contributions of \$2,542,118 (\$2,295,393 for District and \$246,725 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:

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

Description	Total	District	Charter Schools
Normal Cost (service cost for one year)	\$ 1,405,608	1,269,187	136,421
Amortization of Unfunded Actuarial Accrued Liability	1,136,510	1,026,206	110,304
Interest on Normal Cost and Amortization	-		
Annual Required Contribution	2,542,118	2,295,393	246,725
Interest on Net OPEB Obligation	370,195	334,266	35,929
Adjustment to Annual Required Contribution	(480,772)	(434,111)	(46,661)
Annual OPEB Cost (Expense)	2,431,541	2,195,548	235,993
Contribution Toward the OPEB Cost	(1,551,435)	(1,400,860)	(150,575)
Increase in Net OPEB Obligation	880,106	794,687	85,419
Net OPEB Obligation, Beginning of Year	10,576,990	9,542,761	1,034,229
Net OPEB Obligation, End of Year	\$ 11,457,096	\$ 10,337,448	\$ 1,119,648

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013-14	\$ 1,815,626	59.24%	\$ 9,836,999
2014-15	1,815,626	59.24%	10,576,990
2015-16	2,431,541	63.80%	11,457,096

**Funded Status and Funding Progress.**

As of June 30, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$24,576,817, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$24,576,817. The covered payroll (annual payroll of active participating employees) was \$154,725,959 for the 2015-16 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.88 percent.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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, 2016, was 22 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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

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

Major Funds				
General Fund	Special Revenue Food Service	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>\$ 1,557,963</u>	<u>\$ 692,533</u>	<u>\$ 86,941</u>	<u>\$ 8,100,379</u>	<u>\$ 9,745,283</u>

**(2) Construction, Remodeling and Renovation Contracts:**

There were no major construction contract commitments remaining at fiscal year-end.

**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.

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.



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 \$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.

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

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year Claims Incurred	Current Year Claims Paid	Balance at End of Fiscal Year
2014-15	\$ 5,560,064	\$ 38,843,775	\$ 41,645,250	\$ 2,758,589
2015-16	2,758,589	40,548,073	40,488,339	2,818,323

**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 equipment purchases designed to reduce energy or water consumption at various school locations. The project is funded through SunTrust Equipment Financing and

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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 \$776,966 through September 14, 2020. The outstanding principal and interest balance at June 30, 2016 totals \$3,884,830.

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. The outstanding principal and interest balance at June 30, 2016 totals \$982,990.

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>
2017	\$ 1,759,956	\$ 1,684,013	\$ 75,943
2018	776,966	715,593	61,373
2019	776,966	730,466	46,500
2020	776,966	745,649	31,317
2021	776,966	761,147	15,819
	<u>\$ 4,867,820</u>	<u>\$ 4,636,868</u>	<u>\$ 230,952</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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

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, 2016, are as follows:

Certificates of Participation	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Series 2005C, Refunding	25,280,000	\$ 13,300,000	5.25	2018
Series 2012A Refunding	23,065,000	13,990,000	1.000 - 5.000	2028
Series 2012B Refunding	20,655,000	17,370,000	3.000 - 5.000	2028
Series 2013A Refunding	20,875,000	18,690,000	3.000 - 5.000	2029
Series 2014A Refunding	55,800,000	55,275,000	3.000 - 5.000	2030
Series 2015A Refunding	13,970,000	9,235,000	1.680	2018
Series 2015B Refunding	56,270,000	56,270,000	3.000 - 5.000	2031
Series 2016A Refunding	27,820,000	27,820,000	3.000 - 5.000	2031
<b>Subtotal</b>		211,950,000		
Plus Unamortized Premium		17,847,855		
<b>Total Certificates of Participation</b>		<u><u>\$ 229,797,855</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 2012A, Refunding	Portion of Series 2002A
Series 2012B, Refunding	Portion of Series 2003A
Series 2013A, Refunding	Portion of Series 2004A
Series 2014A, Refunding	Portion of Series 2005A
Series 2015A, Refunding	Portion of Series 2005B
Series 2015B, Refunding	Portion of Series 2006A
Series 2016A, Refunding	Portion of Series 2006B

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2016**

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, 2016**

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>
2017	25,971,993	16,865,000	9,106,993
2018	26,464,057	18,015,000	8,449,057
2019	18,082,855	10,360,000	7,722,855
2020	18,091,435	10,725,000	7,366,435
2021	18,090,585	11,120,000	6,970,585
2022-2026	91,415,001	63,320,000	28,095,001
2027-2031	93,498,906	81,545,000	11,953,906
<b>Subtotal</b>	291,614,832	211,950,000	79,664,832
Unamortized Premium	17,847,855	17,847,855	
<b>Total Minimum Lease Payments</b>	<u>\$ 309,462,687</u>	<u>\$ 229,797,855</u>	<u>\$ 79,664,832</u>

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 closed on March 3, 2016.

**(3) Bonds Payable**

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

<u>Bond Type</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:				
Series 2006A	900,000	\$ 645,000	4.000 - 5.000	2026
Series 2008A	2,990,000	2,285,000	3.500 - 5.000	2028
Series 2009A	625,000	555,000	4.000 - 5.000	2029
Series 2009A, Refunding	485,000	170,000	4.000 - 5.000	2019
Series 2010A	335,000	305,000	3.500 - 5.000	2030
Series 2010A, Refunding	1,615,000	1,005,000	4.000 - 5.000	2022
Series 2011A, Refunding	765,000	515,000	3.000 - 5.000	2023
Series 2014A, Refunding	1,342,000	1,230,000	1.000 - 5.000	2025
Series 2014B, Refunding	850,000	523,000	3.000 - 5.000	2020
<b>Total Bonds Payable</b>		<u>\$ 7,233,000</u>		

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

Annual debt service requirements to maturity for all bonded debt as of June 30, 2016 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2017	\$ 1,165,050	\$ 827,000	\$ 338,050
2018	1,138,158	840,000	298,158
2019	949,495	693,000	256,495
2020	914,207	690,000	224,207
2021	906,181	715,000	191,181
2022-2026	3,134,500	2,603,000	531,500
2027-2031	933,425	865,000	68,425
<b>Total State School Bonds</b>	<b>\$ 9,141,016</b>	<b>\$ 7,233,000</b>	<b>\$ 1,908,016</b>

**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.

**(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>
2017	4,058,474	3,985,000	73,474
2018	4,054,583	4,030,000	24,583
	<u>\$ 8,113,057</u>	<u>\$ 8,015,000</u>	<u>\$ 98,057</u>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**(5) CHANGES IN LONG-TERM LIABILITIES**

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

Description	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016	Due in One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Debt Related to Capital Assets					
Note Payable	\$ 11,945,000		\$ 3,930,000	\$ 8,015,000	\$ 3,985,000
Bonds Payable					
State School Bonds	8,085,000		852,000	7,233,000	827,000
Unamortized Premium	-			-	
Total Bonds Payable	8,085,000	-	852,000	7,233,000	827,000
Certificates of Participation Payable	227,265,000	27,820,000	43,135,000	211,950,000	16,865,000
Unamortized Premium	20,218,719		2,370,864	17,847,855	
Total Certificates of Participation Payable	247,483,719	27,820,000	45,505,864	229,797,855	16,865,000
Obligations under Capital Lease	6,306,608		1,669,740	4,636,868	1,684,013
Sub-Total Debt Related to Capital Assets	273,820,327	27,820,000	51,957,604	249,682,723	23,361,013
Other Long-Term Liabilities:					
* Other Postemployment Benefits Payable	9,542,761	794,687		10,337,448	
* Compensated Absences Payable	16,690,190	1,158,021	1,690,412	16,157,799	1,400,000
* Net Pension Liability					
FRS - Defined Benefit Program	27,182,538	61,528,931	30,876,676	57,834,793	10,487,244
FRS - Health Insurance Subsidy	54,857,234	10,161,584	4,342,310	60,676,508	3,141,902
Total Net Pension Liability	82,039,772	71,690,515	35,218,986	118,511,301	13,629,146
Total Governmental Activities	\$ 382,093,050	\$ 101,463,223	\$ 88,867,002	\$ 394,689,271	\$ 38,390,159

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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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, 2016, is shown in the table below:

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated Depreciation	\$ 647,142,176
Less related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 211,950,000
Bonds Payable	7,233,000
Notes Payable	8,015,000
Capital Leases	4,636,868
Unamortized Debt Premiums	17,847,855
Deferred Amount on Refunding	(6,622,836)
Prepaid Insurance Costs	(222,528)
Total Related Debt, Net of Unspent Proceeds	<u>(242,837,359)</u>
Net Investment in Capital Assets	<u><u>\$ 404,304,817</u></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.



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

- 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:

Funds	Interfund Receivables	Payables
Major Funds:		
General	\$ 2,252,334	
Nonmajor Governmental Funds		2,252,334
Total	<u>\$ 2,252,334</u>	<u>\$ 2,252,334</u>

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	\$ 13,969,962	\$ 861,605
Capital Projects-District Bonds		
Capital Projects-Other Capital Projects		\$ 9,672,210
Nonmajor Governmental Funds	30,717,942	34,180,558
Subtotal	<u>44,687,904</u>	<u>44,714,373</u>
Proprietary Funds:		
Enterprise Fund		377,142
Internal Service Fund	403,611	
Total	<u>\$ 45,091,515</u>	<u>\$ 45,091,515</u>

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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**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 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 2015-16 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 136,671,466
Categorical Educational Program: Class Size Reduction	45,218,258
Workforce Development Program	4,664,995
School Recognition	2,113,636
Preschool Projects	1,352,468
CO&DS withheld for SBE Bonds	1,209,698
Public Education Capital Outlay - Maintenance	715,522
Public Education Capital Outlay - Charter Schools	324,442
Mobile Home License Tax	389,945
School Breakfast/ Lunch Supplement	239,040
Motor Vehicle License Tax (Capital Outlay and Debt Service)	318,178
Racing Commission Funds	148,833
CO&DS withheld for Administrative Expenses	23,045
Interest on Undistributed CO&DS	4,570
Miscellaneous	754,058
Total	<u>\$ 194,148,154</u>

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

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016**

**2. Property Taxes**

The following is a summary of millages and taxes levied on the 2015 Final Certified Taxable Value of Property in the County of \$18,270,147,621 for the 2015-2016 fiscal year:

	Millages	Taxes Levied
GENERAL FUND		
Nonvoted School Tax:		
Required Local Effort	4.949	\$ 90,418,961
Basic Discretionary Local Effort	0.748	13,666,070
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvements	1.500	<u>27,405,221</u>
Total	7.197	<u>\$ 131,490,252</u>

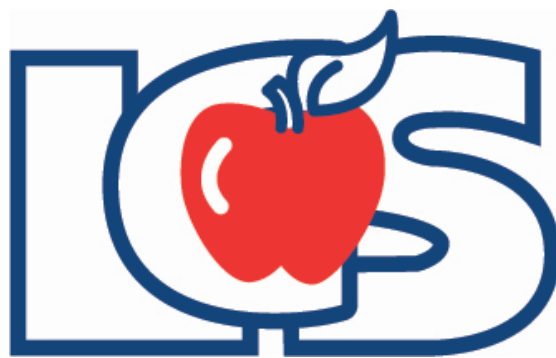
**3. DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**A. Litigation and Contingencies**

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

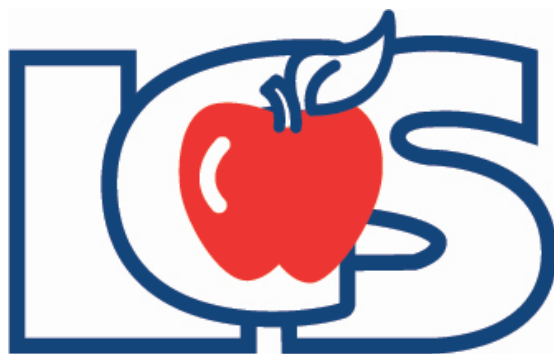
Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed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

This page intentionally left blank

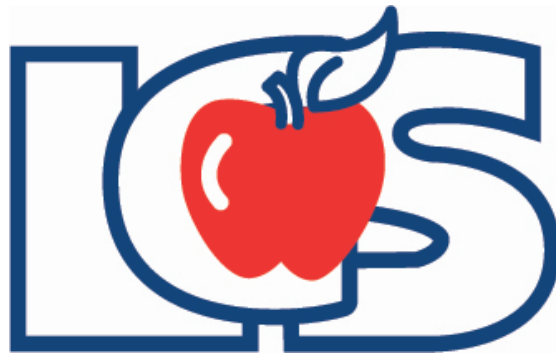


LAKE COUNTY SCHOOLS, TAVARES FLORIDA

# 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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
Federal Direct				
ROTC	\$ 330,000	\$ 309,923	\$ 309,923	\$ -
Federal Through State				
Medicaid	700,000	575,850	575,850	-
National Forest Funds	85,000	78,667	78,667	-
Miscellaneous Federal Through State Funds	750,000	693,526	693,526	-
State				
Florida Educational Finance Program	139,525,067	136,671,466	136,671,466	-
Categorical Educational Programs	47,759,627	48,684,362	48,684,362	-
Workforce Development Program	4,368,423	4,664,995	4,664,995	-
Miscellaneous State Funds	972,280	1,001,938	1,001,938	-
Local:				
District School Tax	100,171,630	100,319,737	100,319,737	-
Investment Income	5,000	17,724	17,724	-
Miscellaneous Local Funds	4,921,320	4,972,481	4,972,481	-
<b>Total Revenues</b>	<b>299,588,347</b>	<b>297,990,669</b>	<b>297,990,669</b>	<b>-</b>
<b>Expenditures</b>				
Current - Education:				
Instruction				
Salaries	110,799,399	110,833,373	110,833,373	-
Employee Benefits	29,293,832	33,531,723	33,531,723	-
Purchased Services	41,508,178	43,617,029	43,617,029	-
Energy Services	600	650	650	-
Materials and Supplies	5,742,292	6,460,507	6,460,507	-
Capital Outlay	1,778,609	882,739	882,739	-
Other Expenditures	3,166,540	4,927,251	4,927,251	-
Pupil Personnel Services				
Salaries	10,289,808	10,234,140	10,234,140	-
Employee Benefits	3,178,817	3,355,222	3,355,222	-
Purchased Services	405,446	462,104	462,104	-
Materials and Supplies	74,034	107,668	107,668	-
Capital Outlay	11,958	20,186	20,186	-
Other Expenditures	6,000	118,686	118,686	-
Instructional Media Services				
Salaries	2,410,063	2,335,738	2,335,738	-
Employee Benefits	677,596	701,721	701,721	-
Purchased Services	65,506	95,809	95,809	-
Energy Services				-
Materials and Supplies	37,895	42,675	42,675	-
Capital Outlay	321,115	284,745	284,745	-
Other Expenditures	6,600	45,391	45,391	-
Instruction and Curriculum Development Services				
Salaries	3,727,789	3,878,569	3,878,569	-
Employee Benefits	1,031,913	1,186,048	1,186,048	-
Purchased Services	969,405	79,210	79,210	-
Energy Services	1,250	341	341	-
Materials and Supplies	64,565	30,821	30,821	-
Capital Outlay	26,925	7,652	7,652	-
Other Expenditures	3,866	14,912	14,912	-
Instructional Staff Training Services				
Salaries	3,047,031	3,084,896	3,084,896	-
Employee Benefits	792,116	872,928	872,928	-
Purchased Services	1,412,903	1,069,854	1,069,854	-

(Continued)

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Materials and Supplies	198,404	209,101	209,101	-
Capital Outlay	390,113	14,187	14,187	-
Other Expenditures	806,963	244,881	244,881	-
Instruction Related Technology				
Salaries	1,029,530	1,044,603	1,044,603	-
Employee Benefits	265,517	263,802	263,802	-
Purchased Services				-
Materials and Supplies				-
Capital Outlay		4,451	4,451	-
Other Expenditures		100	100	-
Board of Education				
Salaries	289,901	285,560	285,560	-
Employee Benefits	145,232	124,194	124,194	-
Purchased Services	474,185	358,341	358,341	-
Materials and Supplies	4,500	1,550	1,550	-
Other Expenditures	21,752	620	620	-
General Administration				
Salaries	618,192	651,382	651,382	-
Employee Benefits	184,690	183,788	183,788	-
Purchased Services	37,308	55,264	55,264	-
Energy Services	500	15	15	-
Materials and Supplies	8,637	6,729	6,729	-
Capital Outlay	200	148	148	-
Other Expenditures	22,350	20,745	20,745	-
School Administration				
Salaries	13,540,253	13,653,534	13,653,534	-
Employee Benefits	4,994,765	4,136,383	4,136,383	-
Purchased Services	87,022	240,521	240,521	-
Energy Services				-
Materials and Supplies	16,184	109,184	109,184	-
Capital Outlay	9,222	46,649	46,649	-
Other Expenditures	37,700	129,485	129,485	-
Facility Services				
Salaries	483,760	321,507	321,507	-
Employee Benefits	163,260	111,789	111,789	-
Purchased Services	9,870	18,447	18,447	-
Materials and Supplies	1,100	3,470	3,470	-
Capital Outlay	100	20,095	20,095	-
Other Expenditures	250	85	85	-
Fiscal Services				
Salaries	1,332,859	1,312,078	1,312,078	-
Employee Benefits	385,895	385,157	385,157	-
Purchased Services	217,347	140,307	140,307	-
Materials and Supplies	16,496	14,148	14,148	-
Capital Outlay	2,858	2,963	2,963	-
Other Expenditures	10,750	23,098	23,098	-
Central Services				
Salaries	4,267,055	4,030,585	4,030,585	-
Employee Benefits	1,165,358	1,144,901	1,144,901	-
Purchased Services	995,241	824,030	824,030	-
Energy Services	42,775	24,058	24,058	-
Materials and Supplies	261,154	82,381	82,381	-
Capital Outlay	87,834	19,660	19,660	-
Other Expenditures	250,380	119,161	119,161	-
Pupil Transportation Services				
Salaries	7,823,573	8,045,884	8,045,884	-
Employee Benefits	3,423,893	3,449,308	3,449,308	-
Purchased Services	1,367,681	1,541,104	1,541,104	-

(Continued)



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Energy Services	2,375,000	1,500,565	1,500,565	-
Materials and Supplies	1,196,850	1,009,271	1,009,271	-
Capital Outlay	18,422	17,314	17,314	-
Other Expenditures	719,450	433,400	433,400	-
Operation of Plant				
Salaries	7,733,989	7,345,961	7,345,961	-
Employee Benefits	3,347,025	3,306,684	3,306,684	-
Purchased Services	6,239,239	6,504,317	6,504,317	-
Energy Services	7,453,146	7,413,187	7,413,187	-
Materials and Supplies	688,278	772,365	772,365	-
Capital Outlay	5,314	47,096	47,096	-
Other Expenditures		169,424	169,424	-
Maintenance of Plant				
Salaries	4,869,901	4,704,993	4,704,993	-
Employee Benefits	1,750,457	1,705,752	1,705,752	-
Purchased Services	1,143,229	1,177,566	1,177,566	-
Energy Services	193,980	144,922	144,922	-
Materials and Supplies	393,657	358,446	358,446	-
Capital Outlay	191,138	55,354	55,354	-
Other Expenditures	400	529	529	-
Administrative Technology Services				
Salaries	1,267,517	1,297,014	1,297,014	-
Employee Benefits	406,445	396,497	396,497	-
Purchased Services	1,347,804	1,368,109	1,368,109	-
Materials and Supplies	79,312	90,497	90,497	-
Capital Outlay	1,269,096	478,091	478,091	-
Other Expenditures	42,480	5,778	5,778	-
Community Services				
Salaries	49,411	63,934	63,934	-
Employee Benefits	13,981	19,893	19,893	-
Purchased Services	8,500	17,409	17,409	-
Materials and Supplies	2,000			-
Capital Outlay				-
Other Expenditures		770	770	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Other Capital Outlay		560,704	560,704	
<b>Total Expenditures</b>	<b>309,150,681</b>	<b>312,667,863</b>	<b>312,667,863</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(9,562,334)</b>	<b>(14,677,194)</b>	<b>(14,677,194)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Loss Recoveries		48,467	48,467	-
Transfers In	7,450,000	13,969,962	13,969,962	-
Transfers Out	(776,966)	(861,605)	(861,605)	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,673,034</b>	<b>13,156,824</b>	<b>13,156,824</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>(2,889,300)</b>	<b>(1,520,370)</b>	<b>(1,520,370)</b>	<b>-</b>
Fund Balance, July 1, 2015	15,122,833	17,039,286	17,039,286	
<b>Fund Balance, June 30, 2016</b>	<b>\$ 12,233,533</b>	<b>\$ 15,518,916</b>	<b>\$ 15,518,916</b>	<b>\$ -</b>

**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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
Intergovernmental:				
Federal Through State	\$ 15,730,308	\$ 16,024,249	\$ 16,024,249	\$ -
State	249,079	239,040	239,040	-
Local:				
Food Service Revenue	5,425,705	4,133,713	4,133,713	-
Other Local Revenue	8,500	19,289	19,289	-
<b>Total Revenues</b>	<u>21,413,592</u>	<u>20,416,291</u>	<u>20,416,291</u>	
<b>Expenditures</b>				
Current - Education:				
Food Service				
Salaries	6,169,190	5,926,045	5,926,045	-
Employee Benefits	2,721,820	2,610,133	2,610,133	-
Purchased Services	727,991	320,112	320,112	-
Energy Services	289,630	223,532	223,532	-
Materials & Supplies	10,580,403	9,067,060	9,067,060	-
Capital Outlay	601,150	1,461,320	1,461,320	-
Other	599,941	619,017	619,017	-
Other Capital Outlay				-
<b>Total Expenditures</b>	<u>21,690,125</u>	<u>20,227,219</u>	<u>20,227,219</u>	
<b>Excess (Deficiency) of Revenues Over Expenditur</b>	(276,533)	189,072	189,072	-
<b>Other Financing Sources</b>				
<b>Net Change in Fund Balances</b>	(276,533)	189,072	189,072	-
Fund Balances, July 1, 2014	<u>12,167,483</u>	<u>12,167,483</u>	<u>12,167,483</u>	-
<b>Fund Balances, June 30, 2015</b>	<u>\$ 11,890,950</u>	<u>\$ 12,356,555</u>	<u>\$ 12,356,555</u>	<u>\$</u>

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

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
2008	October 1, 2007	\$	\$ 30,749,335	\$ 30,749,335	0.0%	\$ 147,423,032	20.86%
2009	October 1, 2007		30,749,335	30,749,335	0.0%	147,423,032	20.86%
2010	October 1, 2007		30,749,335	30,749,335	0.0%	147,423,032	20.86%
2011	January 1, 2011		28,747,961	28,747,961	0.0%	160,163,006	17.95%
2012	January 1, 2011		28,747,961	28,747,961	0.0%	160,163,006	17.95%
2013	January 1, 2011		28,747,961	28,747,961	0.0%	160,163,006	17.95%
2014	January 1, 2014		17,333,163	17,333,163	0.0%	159,035,412	10.90%
2015	January 1, 2014		17,333,163	17,333,163	0.0%	159,035,412	10.90%
2016	January 1, 2016		24,576,817	24,576,817	0.0%	154,725,959	15.88%

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>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.491400936%	0.489999972%	0.482806418%
District's Proportionate Share of the Net Pension Liability	57,834,793	27,182,538	75,565,860
District's Covered-Employee Payroll	188,720,947	178,263,325	174,149,133
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	30.65%	15.25%	43.39%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	92.00%	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	10,406,429	10,892,918	9,758,515
Contributions in Relation to the Contractually Required Contribution	<u>10,406,429</u>	<u>10,892,918</u>	<u>9,758,515</u>
	3,134,970		
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	188,720,947	178,263,325	174,149,133
Contributions as a percentage of Covered-Employee Payroll	5.51%	6.11%	5.60%

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)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.652940591%	0.645284941%	0.645717158%
District's Proportionate Share of the Net Pension Liability	60,676,508	54,857,234	51,113,559
District's Covered-Employee Payroll	188,720,947	178,263,325	174,149,133
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	32.15%	30.77%	29.35%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	0.50%	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	3,134,970	2,495,945	2,210,519
Contributions in Relation to the Contractually Required Contribution	<u>3,134,970</u>	<u>2,495,945</u>	<u>2,210,519</u>
Contribution Deficiency (Excess)	0	0	0
District's Covered-Employee Payroll	188,720,947	178,263,325	174,149,133
Contributions as a percentage of Covered-Employee Payroll	1.66%	1.40%	1.27%

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, 2016**

**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.

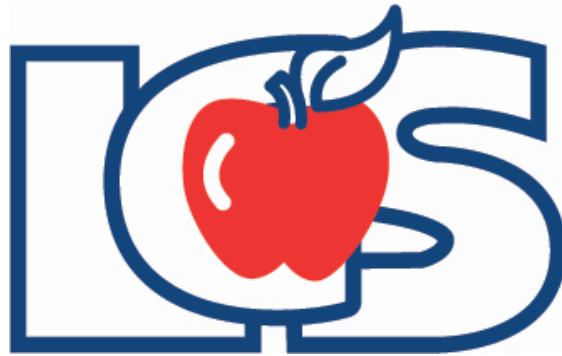
**2. Schedule of Net Pension Liability and Schedule of Contributions –  
Florida Retirement System Pension Plan**

- *Assumptions.* As of June 30, 2015, the inflation rate assumption was 2.6 percent, the real payroll growth assumption 0.65 percent, and the overall payroll growth rate assumption was 3.25 percent. The long-term expected rate of return was 7.75 percent to 7.65 percent.

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

- *Assumptions.* The municipal rate used to determine total pension liability was 3.80 percent

OTHER SUPPLEMENTARY  
INFORMATION  
COMBINING STATEMENTS AND  
SCHEDULES



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.

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

	Special Reveue	Debt Service	
	Other Federal Programs	State Board of Education Bonds (SBE) Fund	Other Debt Service Funds
<b>ASSETS</b>			
Cash		\$	\$ 940,724
Investments		193,678	21,187
Accounts Receivable			
Due from Other Agencies	4,040,249		
Due from Other Budgetary Funds			
<b>TOTAL ASSETS</b>	<u>4,040,249</u>	<u>193,678</u>	<u>961,911</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accrued Salaries & Benefits	\$ 1,211,889	\$	\$
Payroll Deductions & Withholding	213,863		
Accounts Payable	343,612		
Construction Contracts Payable - Retainage			
Accrued Interest Payable			
Deposits Payable			
Due to Other Funds	2,252,334		
Due to Other Agencies	4,795	24,139	
Unearned Revenue			
<b>Total Liabilities</b>	<u>4,026,493</u>	<u>24,139</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unearned Revenue	13,756		
<b>Total Deferred Inflow of Resources</b>	<u>13,756</u>		<u>-</u>
Fund Balances:			
Non-Spendable			
Restricted for:			
Food Service			
Debt Service		169,539	961,911
Capital Projects			
<b>Total Fund Balances</b>		<u>169,539</u>	<u>961,911</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 4,040,249</u>	<u>\$ 193,678</u>	<u>\$ 961,911</u>

(Continued)

Capital Projects					
Capital Outlay Special Act Bonds Fund	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
\$ 361,640	\$ 15,880	\$ 9,490,383	\$ 1,215,087	\$ 844,052	\$ 12,867,766
					214,865
	113,067	1,008,942	10,218	7,873	-
					5,180,349
					-
<u>361,640</u>	<u>128,947</u>	<u>10,499,325</u>	<u>1,225,305</u>	<u>851,925</u>	<u>\$ 18,262,980</u>
\$	\$	\$	\$	\$	\$
					1,211,889
					213,863
	119,968			840,302	1,303,882
					-
					-
					-
					2,252,334
					28,934
					-
<u>-</u>	<u>119,968</u>	<u>-</u>	<u>-</u>	<u>840,302</u>	<u>5,010,902</u>
			10,217		23,973
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,217</u>	<u>-</u>	<u>23,973</u>
					-
					-
					1,131,450
<u>361,640</u>	<u>8,979</u>	<u>10,499,325</u>	<u>1,215,088</u>	<u>11,623</u>	<u>12,096,655</u>
<u>361,640</u>	<u>8,979</u>	<u>10,499,325</u>	<u>1,215,088</u>	<u>11,623</u>	<u>13,228,105</u>
<u>\$ 361,640</u>	<u>\$ 128,947</u>	<u>\$ 10,499,325</u>	<u>\$ 1,225,305</u>	<u>\$ 851,925</u>	<u>\$ 18,262,980</u>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**

**For the Fiscal Year Ended June 30, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	
	Other Federal Programs	State Board of Education Bonds (SBE) Fund	Other Debt Service Funds
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 41,757	\$	\$
Federal Through State	21,190,643		
State		1,209,698	
Local:			
Ad Valorem Taxes			
Local Sales Tax			
Food Service			
Other Local Revenue			1,408
<b>Total Revenues</b>	<u>21,232,400</u>	<u>1,209,698</u>	<u>1,408</u>
<b>Expenditures</b>			
Instruction	5,770,238		
Student Support Services	3,107,461		
Instruction Media Services			
Instruction and Curriculum Development Services	6,576,604		
Instructional Staff Training Services	4,592,225		
Instruction Related Technology			
General Administration	992,224		
School Administration			
Facility Services			
Fiscal Services			
Food Services			
Central Services	35,148		
Pupil Transportation Services	33,742		
Operation of Plant	1,535		
Administrative technology Services			
Community Services	3,184		
Fixed Capital Outlay:			
Facilities Acquisition and Construction			
Other Capital Outlay	120,039		
Debt Service:			
Principal		852,000	21,338,554
Interest and Fiscal Charges		381,838	10,720,740
<b>Total Expenditures</b>	<u>21,232,400</u>	<u>1,233,838</u>	<u>32,059,294</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(24,140)</u>	<u>(32,057,886)</u>
<b>Other Financing Sources (Uses)</b>			
Premium on Sale of Bonds			
Refunding Bonds Issued			27,820,000
Loans			
Proceeds of Certificates of Participation			
Premium on Certificates of Participation			
Payments to Refunding Bond Agent			(27,523,684)
Transfers In			30,717,942
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>31,014,258</u>
<b>Net Change in Fund Balances</b>		(24,140)	(1,043,628)
Fund Balances, July 1, 2015		193,679	2,005,540
<b>Fund Balances, June 30, 2016</b>	<u>\$</u>	<u>\$ 169,539</u>	<u>\$ 961,912</u>

(Continued)

Capital Projects					
Capital Outlay Special Act Bonds Fund	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
\$	\$	\$	\$	\$	\$
					41,757
148,833	1,039,964		322,748		21,190,643
					2,721,243
				26,413,676	26,413,676
		14,028,543			14,028,543
25		322	1,496	3,582	-
148,858	1,039,964	14,028,865	324,244	26,417,258	6,833
					5,770,238
					3,107,461
					-
					6,576,604
					4,592,225
					-
					992,224
					-
					-
					-
					35,148
					33,742
					1,535
					-
					3,184
128,292	1,030,985	8,855		6,770,506	-
					7,938,638
					120,039
			1,108		22,190,554
128,292	1,030,985	8,855	1,108	6,770,506	11,103,686
20,566	8,979	14,020,010	323,136	19,646,752	62,465,278
					1,937,417
					-
					27,820,000
					-
					-
					-
		(12,243,581)		(21,936,977)	(27,523,684)
					30,717,942
					(34,180,558)
-	-	(12,243,581)		(21,936,977)	(3,166,300)
20,566	8,979	1,776,429	323,136	(2,290,225)	(1,228,883)
341,074	-	8,722,896	891,952	2,301,847	14,456,988
\$ 361,640	\$ 8,979	\$ 10,499,325	\$ 1,215,088	\$ 11,622	\$ 13,228,105

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUNDS- OTHER**  
**For the Fiscal Year Ended June 30, 2016**

	Special Revenue - Other Funds			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 16,323	\$ 41,757	\$ 41,757	\$
Federal Through State	20,743,719	21,190,643	21,190,643	
State				
Local				
<b>Total Revenues</b>	<b>20,760,042</b>	<b>21,232,400</b>	<b>21,232,400</b>	
<b>Expenditures</b>				
Current - Education:				
Instruction	8,703,292	5,770,238	5,770,238	
Pupil Personnel Services	3,176,121	3,107,461	3,107,461	
Instructional Media Services				
Instruction and Curriculum Development Services	3,991,469	6,576,604	6,576,604	
Instructional Staff Training Services	3,785,212	4,592,225	4,592,225	
Instruction Related Technology				
General Administration	1,022,630	992,224	992,224	
School Administration				
Facility Services - Non-Capitalized				
Fiscal Services				
Central Services	16,637	35,148	35,148	
Pupil Transportation Services	58,631	33,742	33,742	
Operation of Plant	4,050	1,535	1,535	
Administrative Technology Services				
Community Services	2,000	3,184	3,184	
Fixed Capital Outlay:				
Other Capital Outlay		120,039	120,039	
<b>Total Expenditures</b>	<b>20,760,042</b>	<b>21,232,400</b>	<b>21,232,400</b>	
<b>Excess of Revenues Over Expenditures</b>	<b>-</b>			
Fund Balances, July 1, 2015				
<b>Fund Balances, June 30, 2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**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, 2016**

	Debt Service Funds - State Board of Education Bonds (SBE)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
State	\$ 1,316,880	\$ 1,209,698	\$ 1,209,698	\$
<b>Total Revenues</b>	<u>1,316,880</u>	<u>1,209,698</u>	<u>1,209,698</u>	
<b>Expenditures</b>				
Debt Service:				
Principal	925,000	852,000	852,000	
Interest and Fiscal Charges	<u>391,880</u>	<u>381,838</u>	<u>381,838</u>	
<b>Total Expenditures</b>	<u>1,316,880</u>	<u>1,233,838</u>	<u>1,233,838</u>	
<b>Excess of Revenues Over Expenditures</b>		<u>(24,140)</u>	<u>(24,140)</u>	
<b>Other Financing Sources (Uses)</b>				
Premium on Sale of Bonds				
Refunding Bonds Issued				
Payments to Refunding Bond Agent				
<b>Total Other Financing Sources (Uses)</b>		<u>-</u>	<u>-</u>	
<b>Net Change in Fund Balances</b>		<u>(24,140)</u>	<u>(24,140)</u>	
Fund Balances, July 1, 2015	<u>193,677</u>	<u>193,679</u>	<u>193,679</u>	
<b>Fund Balances, June 30, 2016</b>	<u><u>\$ 193,677</u></u>	<u><u>\$ 169,539</u></u>	<u><u>\$ 169,539</u></u>	<u><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, 2016**

	Debt Service Funds - Other Debt Service			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Local:				
Other Local Revenue	\$	\$ 1,408	\$ 1,408	\$
<b>Total Revenues</b>		1,408	1,408	
<b>Expenditures</b>				
Debt Service:				
Principal	21,404,739	21,338,554	21,338,554	
Interest and Fiscal Charges	10,569,370	10,720,740	10,720,740	
<b>Total Expenditures</b>	31,974,109	32,059,294	32,059,294	
<b>Deficiency of Revenues Over Expenditures</b>	(31,974,109)	(32,057,886)	(32,057,886)	
<b>Other Financing Sources</b>				
Loans Incurred				
Certificates of Participation Issued		27,820,000	27,820,000	
Premium on Certificates of Participation		(27,523,684)	(27,523,684)	
Payments to Refunded Bond Escrow Agent		30,717,942	30,717,942	
Transfers	30,991,119	30,717,942	30,717,942	
<b>Total Other Financing Sources</b>	30,991,119	31,014,258	31,014,258	
<b>Net Change in Fund Balances</b>	(982,990)	(1,043,628)	(1,043,628)	
Fund Balances, July 1, 2015	2,005,640	2,005,640	2,005,540	
<b>Fund Balances, June 30, 2016</b>	<u>\$ 1,022,650</u>	<u>\$ 962,012</u>	<u>\$ 961,912</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, 2016**

	Capital Projects Funds - Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
Federal through State	\$	\$	\$	\$
State		165,110	165,110	
Local:				
Impact Fees	7,711,500	13,315,564	13,315,564	
Other Local Revenue	12,486,802	177,236	177,236	
<b>Total Revenues</b>	<u>20,198,302</u>	<u>13,657,910</u>	<u>13,657,910</u>	
<b>Expenditures</b>				
Current - Education:				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Other Capital Outlay	9,115,099	4,207,044	4,207,044	
<b>Total Expenditures</b>	<u>9,115,099</u>	<u>4,207,044</u>	<u>4,207,044</u>	
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<u>11,083,203</u>	<u>9,450,866</u>	<u>9,450,866</u>	
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets				
Transfers Out	(12,750,000)	(9,672,210)	(9,672,210)	
<b>Total Other Financing Sources (Uses)</b>	<u>(12,750,000)</u>	<u>(9,672,210)</u>	<u>(9,672,210)</u>	
<b>Net Change in Fund Balances</b>	<u>(1,666,797)</u>	<u>(221,344)</u>	<u>(221,344)</u>	
Fund Balances, July 1, 2015	<u>44,321,058</u>	<u>36,098,164</u>	<u>36,098,164</u>	
<b>Fund Balances, June 30, 2016</b>	<u>\$ 42,654,261</u>	<u>\$ 35,876,820</u>	<u>\$ 35,876,820</u>	<u>\$</u>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**OTHER SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL OUTLAY FUNDS - SPECIAL ACTS BOND**  
**For the Fiscal Year Ended June 30, 2016**

	Capital Outlay Funds - Special Acts Bond			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
State	\$	\$ 148,833	\$ 148,833	\$
Local		25	25	
<b>Total Revenues</b>	-	148,858	148,858	
<b>Total Expenditures</b>		128,292	128,292	
<b>Excess of Revenues Over Expenditures</b>	-	20,566	20,566	
<b>Other Financing Uses</b>	-			
Transfers Out				
<b>Total Other Financing Uses</b>		-	-	
<b>Net Change in Fund Balances</b>	-	20,566	20,566	
Fund Balances, July 1, 2015	341,074	341,074	341,074	
<b>Fund Balances, June 30, 2016</b>	<u>\$ 341,074</u>	<u>\$ 361,640</u>	<u>\$ 361,640</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, 2016**

	Capital Projects Funds - Public Education Capital Outlay (PECO)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
State	715,322	1,039,964	1,039,964	
Local	\$	\$ -	\$ -	\$
<b>Total Revenues</b>	<u>715,322</u>	<u>1,039,964</u>	<u>1,039,964</u>	
<b>Expenditures</b>				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	715,322	1,030,985	1,030,985	
Other Capital Outlay				
<b>Total Expenditures</b>	<u>715,322</u>	<u>1,030,985</u>	<u>1,030,985</u>	
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>8,979</u>	<u>8,979</u>	
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>8,979</u>	<u>8,979</u>	
Fund Balances, July 1, 2015		-	-	
<b>Fund Balances, June 30, 2016</b>	<u>\$</u>	<u>\$ 8,979</u>	<u>\$ 8,979</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, 2016**

	Capital Projects Funds - District Bond Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Local:				
Sales Tax Revenue	\$	\$ 14,028,543	\$ 14,028,543	\$
Other Local Revenue		322	322	
<b>Total Revenues</b>	-	14,028,865	14,028,865	
<b>Expenditures</b>				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction		8,855	8,855	
Other Capital Outlay				
<b>Total Expenditures</b>	-	8,855	8,855	
<b>Excess of Revenues Over Expenditures</b>	-	14,020,010	14,020,010	
<b>Other Financing Uses</b>				
Transfers Out		(12,243,581)	(12,243,581)	
<b>Total Other Financing Uses</b>	-	(12,243,581)	(12,243,581)	
<b>Net Change in Fund Balances</b>	-	1,776,429	1,776,429	
Fund Balances, July 1, 2015		8,722,896	8,722,896	
<b>Fund Balances, June 30, 2016</b>	\$ -	\$ 10,499,325	\$ 10,499,325	\$

**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, 2016**

	Capital Projects Funds - Capital Outlay and Debt Service (CO&DS)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Intergovernmental:				
State	\$ 265,144	\$ 322,748	\$ 322,748	\$
Local:				
Other Local Revenue		1,496	1,496	
<b>Total Revenues</b>	<u>265,144</u>	<u>324,244</u>	<u>324,244</u>	
<b>Expenditures</b>				
Current - Education				
Facility Services		-	-	
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Debt Service:				
Interest and Fiscal Charges		1,108	1,108	
<b>Total Expenditures</b>	<u>-</u>	<u>1,108</u>	<u>1,108</u>	
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<u>265,144</u>	<u>323,136</u>	<u>323,136</u>	
<b>Net Change in Fund Balances</b>	<u>265,144</u>	<u>323,136</u>	<u>323,136</u>	
Fund Balances, July 1, 2015	<u>891,952</u>	<u>891,952</u>	<u>891,952</u>	
<b>Fund Balances, June 30, 2016</b>	<u><u>\$ 1,157,096</u></u>	<u><u>\$ 1,215,088</u></u>	<u><u>\$ 1,215,088</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, 2016**

	Capital Projects Funds - Local Capital Improvement Fund (LCIF)			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Under/ (Over)
<b>Revenues</b>				
Local:				
Ad Valorem Taxes	\$ 26,309,013	26,413,676	\$ 26,413,676	\$
Other Local Revenue		3,582	3,582	
<b>Total Revenues</b>	<u>26,309,013</u>	<u>26,417,258</u>	<u>26,417,258</u>	
<b>Expenditures</b>				
Current - Education				
Facility Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	4,879,301	6,770,506	6,770,506	
Other Capital Outlay				
<b>Total Expenditures</b>	<u>4,879,301</u>	<u>6,770,506</u>	<u>6,770,506</u>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>21,429,712</u>	<u>19,646,752</u>	<u>19,646,752</u>	
<b>Other Financing Uses</b>				
Transfers	(24,464,153)	(21,936,977)	(21,936,977)	
<b>Total Other Financing Uses</b>	<u>(24,464,153)</u>	<u>(21,936,977)</u>	<u>(21,936,977)</u>	
<b>Net Change in Fund Balances</b>	<u>(3,034,441)</u>	<u>(2,290,225)</u>	<u>(2,290,225)</u>	
Fund Balances, July 1, 2015	<u>3,901,848</u>	<u>2,301,847</u>	<u>2,301,847</u>	
<b>Fund Balances, June 30, 2016</b>	<u>\$ 867,407</u>	<u>\$ 11,622</u>	<u>\$ 11,622</u>	<u>\$</u>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2016**

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Printing Services	Total Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 3,227,219	\$ 149,048	1,906,370	\$ (3,794)	\$ 5,278,843
Accounts Receivable				3	3
Due from Other Funds					-
Due from Other Agencies	337,041				337,041
Inventories				14,802	14,802
<b>Total Current Assets</b>	<u>3,564,260</u>	<u>149,048</u>	<u>1,906,370</u>	<u>11,011</u>	<u>5,630,689</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,564,260</u>	<u>\$ 149,048</u>	<u>1,906,370</u>	<u>\$ 11,011</u>	<u>\$ 5,630,689</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 590,128	\$	170,218	\$ 11,011	\$ 771,357
Due to Other Funds					-
Unearned Revenue	155,809				155,809
Insurance Claims Payable	<u>2,818,323</u>				<u>2,818,323</u>
<b>Total Current Liabilities</b>	<u>3,564,260</u>	<u>-</u>	<u>170,218</u>	<u>11,011</u>	<u>3,745,489</u>
<b>Total Liabilities</b>	<u>3,564,260</u>	<u>-</u>	<u>170,218</u>	<u>11,011</u>	<u>3,745,489</u>
<b>NET POSITION</b>					
Unrestricted	<u>-</u>	<u>149,048</u>	<u>1,736,152</u>		<u>1,885,200</u>
Total Net Position	<u>-</u>	<u>149,048</u>	<u>1,736,152</u>	<u>-</u>	<u>1,885,200</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 3,564,260</u>	<u>\$ 149,048</u>	<u>1,906,370</u>	<u>\$ 11,011</u>	<u>\$ 5,630,689</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, 2016**

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Printing Services	Total Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 41,218,252	\$ 281,974	\$ 2,446,557	\$ 208,684	\$ 44,155,467
<b>Total Operating Revenues</b>	<u>41,218,252</u>	<u>281,974</u>	<u>2,446,557</u>	<u>208,684</u>	<u>44,155,467</u>
<b>OPERATING EXPENSES</b>					
Salaries	118,671			34,869	153,540
Employee Benefits	30,031			13,489	43,520
Purchased Services	60,454			106,667	167,121
Energy Services	6,819			9,735	16,554
Materials and Supplies	472,808			128,563	601,371
Capital Outlay	318,972				318,972
Other Expenses	40,548,073	251,222	1,850,764		42,650,059
<b>Total Operating Expenses</b>	<u>41,555,828</u>	<u>251,222</u>	<u>1,850,764</u>	<u>293,323</u>	<u>43,951,137</u>
<b>Operating Income (Loss)</b>	<u>(337,576)</u>	<u>30,752</u>	<u>595,793</u>	<u>(84,639)</u>	<u>204,330</u>
<b>NONOPERATING REVENUES</b>					
Interest Income			100	-	100
Other Miscellaneous Income	18,604	-			18,604
<b>Total Non-Operating Revenues</b>	<u>18,604</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>18,704</u>
Income/Loss before Operating Transfers	<u>(318,972)</u>	<u>30,752</u>	<u>595,893</u>	<u>(84,639)</u>	<u>223,034</u>
Transfers In/(Out)	<u>318,972</u>			<u>84,639</u>	<u>403,611</u>
<b>Change in Net Assets</b>	<u>-</u>	<u>30,752</u>	<u>595,893</u>	<u>-</u>	<u>626,645</u>
Total Net Position, July 1, 2015	<u>-</u>	<u>118,296</u>	<u>1,140,259</u>		<u>1,258,555</u>
<b>Total Net Position, June 30, 2016</b>	<u>\$ -</u>	<u>\$ 149,048</u>	<u>\$ 1,736,152</u>	<u>\$ -</u>	<u>\$ 1,885,200</u>

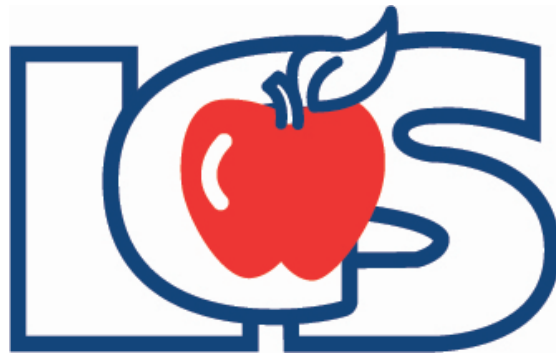
The accompanying notes to financial statements are an integral part of this statement.



**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Governmental Activities Internal Service Funds				
	Self-Funded Employee Health Insurance	Employee Flexible Spending Program	Worker's Compensation Program	Print Shop	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Services	\$ 41,011,798	\$ 281,974	\$ 2,446,557	\$ 208,684	\$ 43,949,013
Cash Payments to Suppliers for Goods and Services	(40,944,462)	(251,222)	(1,812,072)	(244,965)	(43,252,721)
Cash Payments to Employees for Services	(148,702)			(48,358)	(197,060)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(81,366)</b>	<b>30,752</b>	<b>634,485</b>	<b>(84,639)</b>	<b>499,232</b>
<b>CASH FLOWS FROM INVESTING FINANCING ACTIVITIES</b>					
Other Misc income	18,604				18,604
Interest Income			100	-	100
<b>Net Cash Provided by Investing Activities</b>	<b>18,604</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>18,704</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Other Miscellaneous Income					
Transfers In/Out	318,972			84,639	403,611
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>318,972</b>	<b>-</b>	<b>-</b>	<b>84,639</b>	<b>403,611</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>256,210</b>	<b>30,752</b>	<b>634,585</b>	<b>-</b>	<b>921,547</b>
Cash and Cash Equivalents, Beginning (as Restated)	2,971,009	118,296	1,271,785	-	4,361,090
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 3,227,219</b>	<b>\$ 149,048</b>	<b>\$ 1,906,370</b>	<b>\$ -</b>	<b>\$ 5,282,637</b>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>					
Operating Income (Loss)	\$ (337,576)	\$ 30,752	\$ 595,793	\$ (84,639)	\$ 204,330
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(206,454)		38,692		(167,762)
Increase in Due from Other Agencies					-
Decrease in Inventory					-
Increase in Accounts Payable	369,274				369,274
Decrease in Claims Payable	59,734				59,734
(Decrease) in Due to/from Other Funds					-
Increase in Unearned Revenue	33,656				33,656
<b>Total Adjustments</b>	<b>256,210</b>	<b>-</b>	<b>38,692</b>	<b>-</b>	<b>294,902</b>
<b>Net Cash Used by Operating Activities</b>	<b>\$ (81,366)</b>	<b>\$ 30,752</b>	<b>\$ 634,485</b>	<b>\$ (84,639)</b>	<b>\$ 499,232</b>

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



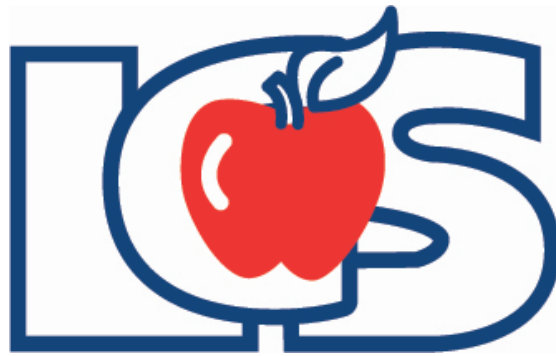
LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Statement of Changes in Fiduciary Assets and Liabilities**

**Agency Fund**

**For the Fiscal Year Ended June 30, 2016**

	School Internal Accounts			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets</b>				
Cash and cash equivalents	\$ 2,640,576	\$ 6,755,087	\$ 6,476,961	\$ 2,918,702
<b>Total Assets</b>	<u>\$ 2,640,576</u>	<u>\$ 6,755,087</u>	<u>\$ 6,476,961</u>	<u>\$ 2,918,702</u>
<b>Liabilities</b>				
Internal accounts payable	\$ 2,640,576	\$ 6,755,087	\$ 6,476,961	\$ 2,918,702
<b>Total Liabilities</b>	<u>\$ 2,640,576</u>	<u>\$ 6,755,087</u>	<u>\$ 6,476,961</u>	<u>\$ 2,918,702</u>



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**LAKE COUNTY SCHOOLS**  
**STATEMENT OF ACTIVITY ACCOUNTS**  
For the Fiscal Year Ended June 30, 2016

<b>SCHOOL</b>	<b>Balance</b>	<b>RECEIPTS</b>	<b>EXPENDITURES</b>	<b>BALANCE</b>
Astatula Elementary	26,971	120,230	124,512	22,689
Beverly Shores Elementary	2,356	41,373	39,035	4,694
Carver Middle	52,057	92,094	82,316	61,835
Clermont Elementary	8,740	47,141	44,055	11,826
Clermont Middle	75,552	168,573	175,373	68,752
Cypress Ridge Elementary	74,412	134,847	104,133	105,126
East Ridge High	332,812	712,918	668,927	376,803
East Ridge Middle	111,809	241,018	233,068	119,759
Eustis Elementary	19,154	66,630	61,407	24,377
Eustis Heights Elementary	16,037	46,429	56,778	5,688
Eustis High	189,532	360,961	351,526	198,967
Eustis Middle	38,198	60,334	62,510	36,022
Fruitland Park Elementary	38,744	76,664	70,074	45,334
Grassy Lake Elementary	43,586	200,496	195,771	48,312
Gray Middle	69,298	179,187	161,150	87,335
Groveland Elementary	10,987	81,692	81,456	11,223
Lake Hills Center	38,831	21,511	20,419	39,922
Lake Minneola High	192,076	490,056	446,596	235,535
Leesburg Elementary	33,882	107,668	105,113	36,438
Leesburg High	85,347	364,567	376,370	73,544
Lost Lake Elementary	11,172	135,099	117,058	29,212
Mount Dora High	286,167	434,924	404,746	316,344
Mount Dora Middle	33,702	170,212	168,265	35,649
Oak Park Middle	25,490	57,876	59,407	23,960
Pine Ridge Elementary	48,332	115,718	97,239	66,811
Rimes Elementary	14,903	21,418	22,568	13,753
Sawgrass Bay Elementary	21,996	142,971	140,998	23,969
Seminole Springs Elementary	8,633	53,966	55,196	7,404
Sorrento Elementary	15,335	80,809	74,938	21,205
South Lake High	190,456	492,186	498,601	184,042
Student Services	12,120	8,800	2,726	18,195
Tavares Elementary	25,253	100,483	94,086	31,650
Tavares High	85,943	315,901	289,701	112,143
Tavares Middle	77,304	102,534	105,614	74,223
Treadway Elementary	56,181	115,938	112,687	59,432
Triangle Elementary	20,970	34,924	27,407	28,487
Umatilla Elementary	16,010	86,065	72,818	29,257
Umatilla High	86,587	250,261	259,243	77,605
Umatilla Middle	26,390	96,180	101,546	21,024
Villages of Lady Lake Elem	38,937	54,263	54,318	38,882
Windy Hill Middle	78,317	270,167	257,209	91,276
<b>TOTALS</b>	<b>\$ 2,640,576</b>	<b>\$ 6,755,087</b>	<b>\$ 6,476,961</b>	<b>\$ 2,918,702</b>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Combining Statement of Net Position**  
**Component Units**  
**For the Year Ended June 30, 2016**

	<b>Alee Academy, Inc.</b>	<b>Altoona School, Inc.</b>	<b>Mascotte Elementary School, Inc.</b>	<b>Minneola Elementary School, Inc.</b>
<b>Assets</b>				
Cash	\$ 612,573	\$ 151,858	\$ 4,483,787	\$ 6,507,144
Investments				
Accounts Receivable, Net			22,772	12,606
Due from Other Agencies				
Prepaid Expenses			16,884	126,552
Other Current Assets		14,632		
Land	305,395			
Construction in Progress		368,964		9,928
Improvements Other Than Buildings	46,166			
Buildings and Fixed Equipment	1,650,971	358,852		
Furniture, Fixtures and Equipment	424,948	146,663	5,115	2,359
Motor Vehicles	156,129	17,636	319,764	244,780
Computer Software			104,300	
Accumulated Depreciation	(1,290,748)	(243,124)	(215,678)	(125,960)
Other Non-Current Assets				
<b>Total Assets</b>	<b>\$ 1,905,434</b>	<b>\$ 815,481</b>	<b>\$ 4,736,944</b>	<b>\$ 6,777,409</b>
<b>Deferred Outflows of Resources</b>				
Deferred Pension Costs			1,185,372	955,230
Deferred Loan Costs, net				
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,185,372</b>	<b>\$ 955,230</b>
<b>Liabilities</b>				
Accrued Payroll and Other Expenses		\$ 110,690	\$ 18,946	\$ 20,436
Payroll deductions and withholdings				
Accounts Payable	2,580			
Construction contracts payable				
Due to fiscal agent			1,085,821	1,171,407
Accrued expenses				
Noncurrent Liabilities:				
Portion Due Within One Year:				
Notes Payable	192,490	36,132		
Other Long-Term Liabilities				
Liability for compensated absences			322,659	333,960
Portion Due After One Year:				
Notes Payable	386,973			
Net Pension Liability			2,532,968	2,724,880
Other Post Employment Benefit Liabilities			257,363	254,577
Liability for compensated absences				
Other Long-term Liabilities				19,897
<b>Total Liabilities</b>	<b>\$ 582,043</b>	<b>\$ 146,822</b>	<b>\$ 4,217,757</b>	<b>\$ 4,525,157</b>
<b>Deferred Inflows of Resources</b>				
Deferred Pension Costs			746,529	801,132
Deferred Revenue				
<b>Total Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 746,529</b>	<b>\$ 801,132</b>
<b>Net Position</b>				
Invested in Capital Assets, Net of Related Debt	\$ 713,398	\$ 648,991	\$ 213,501	\$ 131,107
Restricted for:				
Debt Service	202,005			
Other Purposes	21,850	11,520	268,338	936,981
Unrestricted	386,138	8,148	476,191	1,338,262
<b>Total Net Position</b>	<b>\$ 1,323,391</b>	<b>\$ 668,659</b>	<b>\$ 958,030</b>	<b>\$ 2,406,350</b>

(Continued)

Round Lake Elementary School, Inc.	Spring Creek Charter School, Inc.	Lake Technical College, Inc.	Imagine Schools at South Lake	Total Charter Schools	Educational Foundation of Lake County, Inc.	Total Component Units
\$ 8,438,931	\$ 2,648,651	\$ 8,375,249	\$ 297,006	\$ 31,515,199	\$ 620,268	\$ 32,135,467
867,975				867,975	261,375	1,129,350
4,333	6,248	60,503		106,462	42,454	148,916
			455,665	455,665		455,665
336				143,772		143,772
		183,945		198,577	791,783	990,360
		22,000		327,395		327,395
		237,140		616,032		616,032
81,314				127,480		127,480
148,393			591,178	2,749,394		2,749,394
106,925	111,628	200,201	361,217	1,359,056		1,359,056
	594,161	20,761	261,994	1,615,225		1,615,225
		82,500	21,200	208,000		208,000
(208,846)	(173,865)	(206,164)	(684,651)	(3,149,036)		(3,149,036)
				-	2,799,510	2,799,510
<u>\$ 9,439,361</u>	<u>\$ 3,186,823</u>	<u>\$ 8,976,135</u>	<u>\$ 1,303,609</u>	<u>\$ 37,141,196</u>	<u>\$ 4,515,390</u>	<u>\$ 41,656,586</u>
897,594	748,252	1,080,221		4,866,669		4,866,669
				-		-
<u>\$ 897,594</u>	<u>\$ 748,252</u>	<u>\$ 1,080,221</u>	<u>\$ -</u>	<u>\$ 4,866,669</u>	<u>\$ -</u>	<u>\$ 4,866,669</u>
\$ 20,513	\$ 29,224	\$ 102,110	\$ 184,130	\$ 486,049		\$ 486,049
			7,039	9,619	100,329	-
				-		109,948
1,950,116	982,880	809,975		6,000,199		-
		97,993		97,993		6,000,199
				-		97,993
				-		-
	134,208			362,830		362,830
18,204	12,923	22,785		53,912		53,912
336,713	176,404	632,132		1,801,868		1,801,868
				-		-
	265,470			652,443		652,443
2,330,309	1,828,752	2,396,960		11,813,869		11,813,869
265,153	177,465	165,086		1,119,644		1,119,644
				-		-
54,611	38,768			113,276	-	113,276
<u>\$ 4,975,619</u>	<u>\$ 3,646,094</u>	<u>\$ 4,227,041</u>	<u>\$ 191,169</u>	<u>\$ 22,511,702</u>	<u>\$ 100,329</u>	<u>\$ 22,612,031</u>
714,467	560,591	698,800		3,521,519		3,521,519
				-		-
<u>\$ 714,467</u>	<u>\$ 560,591</u>	<u>\$ 698,800</u>	<u>\$ -</u>	<u>\$ 3,521,519</u>	<u>\$ -</u>	<u>\$ 3,521,519</u>
\$ 54,971	\$ 80,555	\$ 333,653	\$ 550,938	\$ 2,727,114	\$ 21,225	\$ 2,748,339
				202,005		202,005
507,859	72,083	2,202,812	102,693	4,124,136	3,632,446	7,756,582
4,084,039	(424,248)	2,594,050	458,809	8,921,389	761,390	9,682,779
<u>\$ 4,646,869</u>	<u>\$ (271,610)</u>	<u>\$ 5,130,515</u>	<u>\$ 1,112,440</u>	<u>\$ 15,974,644</u>	<u>\$ 4,415,061</u>	<u>\$ 20,389,705</u>

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**Combining Statement of Net Activities**  
**Component Units**  
**For the Year Ended June 30, 2016**

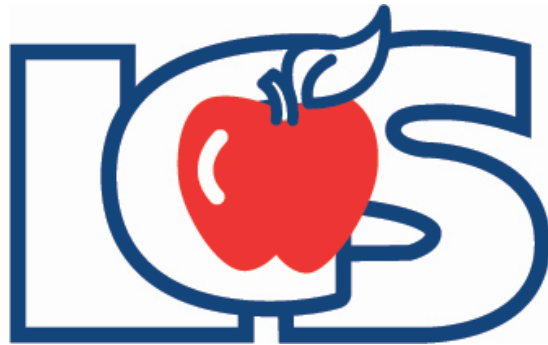
	<u>Alee Academy, Inc.</u>	<u>Altoona School, Inc.</u>	<u>Mascotte Elementary School, Inc.</u>	<u>Minneola Elementary School, Inc.</u>
<b>Expenses:</b>				
Instruction	\$ 852,819	\$ 1,327,306	\$ 4,014,010	\$ 4,764,692
Pupil Personnel Services		1,244		
Instructional Support Services			294,657	337,248
Instructional Media Services			63,303	62,189
Instruction and Curriculum Development Services			103,294	146,535
Instructional Staff Training Services			44,448	151,536
Instructional Related Technology			60,322	13,209
Board			33,651	48,438
General Administration	77,514	89,468	120,074	120,409
School Administration	481,672	175,994	507,758	603,004
Facility Services				
Fiscal Services		34,196		
Food Services				
Central Services				
Pupil Transportation Services	174,409	47,254	146,766	223,471
Operation of Plant	191,048	209,529	482,056	553,987
Maintenance of Plant		14,736	39,999	
Community Services		45,001	147,617	203,460
Interest on Long-Term Debt	39,787			
Loss on disposal of fixed assets				
Total Expenses	<u>\$ 1,817,249</u>	<u>\$ 1,944,728</u>	<u>\$ 6,057,955</u>	<u>\$ 7,228,178</u>
<b>Program Revenues:</b>				
Charges for Services		\$ 4,063	\$ 188,836	\$ 236,115
Operating Grants and Contributions			500,382	171,943
Capital Grants and Contributions				
Total Program Revenues	<u>\$ -</u>	<u>\$ 4,063</u>	<u>\$ 689,218</u>	<u>\$ 408,058</u>
Net (Expenses) Revenues	<u>\$ (1,817,249)</u>	<u>\$ (1,940,665)</u>	<u>\$ (5,368,737)</u>	<u>\$ (6,820,120)</u>
<b>General Revenues:</b>				
Grants and Contributions Not Restricted to Specific Programs	\$ 1,965,053	\$ 1,863,059	\$ 5,663,611	\$ 7,181,937
Miscellaneous	41,759	51,415	34,248	51,740
Total General Revenues	<u>\$ 2,006,812</u>	<u>\$ 1,914,474</u>	<u>\$ 5,697,859</u>	<u>\$ 7,233,677</u>
Net Position - Beginning	\$ 1,133,828	\$ 694,850	\$ 649,746	\$ 2,110,633
Prior Period Adjustment			(20,838)	(117,840)
Net Position - Beginning, as restated	<u>1,133,828</u>	<u>694,850</u>	<u>628,908</u>	<u>1,992,793</u>
Net Position - Ending	<u>\$ 1,323,391</u>	<u>\$ 668,659</u>	<u>\$ 958,030</u>	<u>\$ 2,406,350</u>



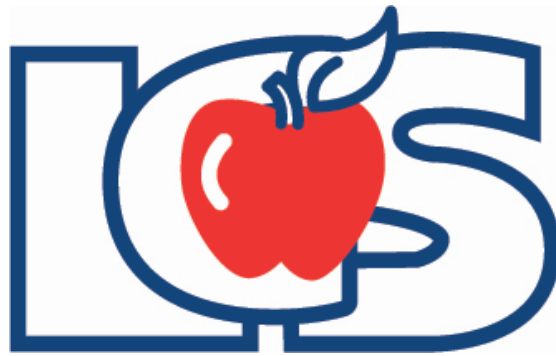
(Continued)

Round Lake Elementary School, Inc.	Spring Creek Charter School, Inc.	Lake Technical College, Inc.	Imagine Schools at South Lake	Total Charter Schools	Educational Foundation of Lake County, Inc.	Total Component Units
\$ 4,355,372	\$ 2,773,908	\$ 5,712,883	\$ 3,470,772	\$ 27,271,762	\$ -	\$ 27,271,762
			44,314	45,558	-	45,558
283,448	249,564	762,965		1,927,882	-	1,927,882
94,007	62,630			282,129	-	282,129
116,617	45,027	79,766		491,239	-	491,239
112,860	32,537	83,947	30,144	455,472	-	455,472
		231,075		304,606		304,606
30,849	25,190	106,431	13,950	258,509	-	258,509
66,660	106,632	83,997		664,754	-	664,754
489,101	393,165	759,905	1,670,459	5,081,058	-	5,081,058
				-	-	-
		368,215		402,411	-	402,411
			227,767	227,767	-	227,767
		48,843	846	49,689	-	49,689
88,207	295,370		169,937	1,145,414		1,145,414
403,913	323,119	739,647	1,931,928	4,835,227		4,835,227
		43,898	72,413	171,046		171,046
100,324			90,261	586,663	2,218,413	2,805,076
	14,349			54,136		54,136
				-		-
<u>\$ 6,141,358</u>	<u>\$ 4,321,491</u>	<u>\$ 9,021,572</u>	<u>\$ 7,722,791</u>	<u>\$ 44,255,322</u>	<u>\$ 2,218,413</u>	<u>\$ 46,473,735</u>
\$ 230,507	\$ -	\$ 2,734,378	\$ 320,993	\$ 3,714,892	\$ -	\$ 3,714,892
131,518	366,221	1,688,184	435,104	3,293,352	2,530,169	5,823,521
				-		-
<u>\$ 362,025</u>	<u>\$ 366,221</u>	<u>\$ 4,422,562</u>	<u>\$ 756,097</u>	<u>\$ 7,008,244</u>	<u>\$ 2,530,169</u>	<u>\$ 9,538,413</u>
<u>\$ (5,779,333)</u>	<u>\$ (3,955,270)</u>	<u>\$ (4,599,010)</u>	<u>\$ (6,966,694)</u>	<u>\$ (37,247,078)</u>	<u>\$ 311,756</u>	<u>\$ (36,935,322)</u>
				-	-	-
\$ 6,220,434	\$ 3,982,576	\$ 4,785,514	6,653,246	\$ 38,315,430	\$ -	\$ 38,315,430
89,509	28,784	68,815	262,963	629,233	74,970	704,203
<u>\$ 6,309,943</u>	<u>\$ 4,011,360</u>	<u>\$ 4,854,329</u>	<u>\$ 6,916,209</u>	<u>\$ 38,944,663</u>	<u>\$ 74,970</u>	<u>\$ 39,019,633</u>
\$ 4,174,197	\$ (212,536)	\$ 4,974,318	\$ 1,162,925	\$ 14,687,961	\$ 4,028,335	\$ 18,716,296
(57,938)	(115,164)	(99,122)		(410,902)	-	(410,902)
4,116,259	(327,700)	4,875,196	1,162,925	14,277,059	4,028,335	18,305,394
<u>\$ 4,646,869</u>	<u>\$ (271,610)</u>	<u>\$ 5,130,515</u>	<u>\$ 1,112,440</u>	<u>\$ 15,974,644</u>	<u>\$ 4,415,061</u>	<u>\$ 20,389,705</u>

# 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, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 308,195,823	\$ 271,111,705	\$ 272,951,278	\$ 329,704,774
Restricted	24,746,869	158,181,484	171,884,275	125,582,246
Unrestricted	<u>4,874,751</u>	<u>3,236,910</u>	<u>6,359,936</u>	<u>19,261,207</u>
Total Governmental Activities Net Position	<u>337,817,443</u>	<u>432,530,099</u>	<u>451,195,489</u>	<u>474,548,227</u>
<b>Business-Type Activities:</b>				
Unrestricted	<u>603,832</u>	<u>528,746</u>	<u>745,738</u>	<u>1,054,923</u>
Total Business-Type Activities Net Position	<u>603,832</u>	<u>528,746</u>	<u>745,738</u>	<u>1,054,923</u>
<b>Primary Government:</b>				
Net Investment on Capital Assets	308,195,823	271,111,705	272,951,278	329,704,774
Restricted	24,746,869	158,181,484	171,884,275	125,582,246
Unrestricted	<u>5,478,583</u>	<u>3,765,656</u>	<u>7,105,674</u>	<u>20,316,130</u>
<b>Total Primary Government Net Position</b>	<u><u>\$ 338,421,275</u></u>	<u><u>\$ 433,058,845</u></u>	<u><u>\$ 451,941,227</u></u>	<u><u>\$ 475,603,150</u></u>

---

Source: District Records

(Continued)

<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
\$ 353,813,915	\$ 362,431,576	\$ 376,152,850	\$ 381,271,147	\$ 394,523,506	\$ 404,304,817
103,376,488	92,821,950	78,577,667	74,689,386	62,358,146	61,651,252
19,513,316	4,749,709	(12,304,549)	(12,924,383)	(116,346,583)	(113,226,976)
<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>352,729,093</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>1,263,203</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>1,263,203</u>
353,813,915	362,431,576	376,152,850	381,271,147	394,523,506	404,304,817
103,376,488	92,821,950	78,577,667	74,689,386	62,358,146	61,651,252
20,648,555	5,978,649	(10,920,305)	(11,540,139)	(115,217,344)	(111,963,773)
<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>	<u>\$ 353,992,296</u>

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

<b>Fiscal Year Ending</b>	<b>June 30, 2007</b>	<b>June 30, 2008</b>	<b>June 30, 2009</b>	<b>June 30, 2010</b>
<b>Expenses:</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 181,376,758	\$ 202,687,392	\$ 192,313,386	\$ 190,140,397
Pupil Personnel Services	14,005,254	15,169,099	16,391,773	14,691,305
Instructional Media Services	3,613,327	3,809,340	3,555,707	3,300,094
Instruction & Curriculum Development Services	6,577,283	7,301,745	8,555,240	7,660,339
Instructional Staff Training Services	7,175,881	8,032,580	8,264,672	6,788,821
Instruction Related Technology (a)	2,267,854	2,686,279	3,014,937	3,153,920
Board of Education	591,518	1,199,774	1,062,337	929,493
General Administration	1,291,510	1,437,635	1,376,414	1,512,690
School Administration	16,351,813	17,302,826	17,563,599	16,420,907
Facility Services	49,215	9,748,826	3,439,352	4,708,561
Fiscal Services	2,098,246	1,862,969	1,871,890	1,909,073
Food Services	14,111,709	15,269,624	15,425,111	15,933,617
Central Services	4,537,733	4,936,060	4,458,428	4,387,764
Pupil Transportation Services	16,027,027	17,304,697	16,461,927	16,158,913
Operation of Plant	21,920,610	23,362,272	23,486,694	21,829,068
Maintenance of Plant	6,694,281	6,600,430	6,725,548	7,044,004
Administrative Technology Services (a)	443,920	462,297	463,696	477,908
Community Services	704,462	594,796	137,383	119,276
Interest on Long-Term Debt	18,709,706	16,863,469	16,437,148	16,516,893
Depreciation/Amortization	17,961,240	19,046,510	25,620,360	19,018,205
Loss on Disposal of Capital Assets		432,930		
<b>Total Governmental Activities Expenses</b>	<b>336,509,347</b>	<b>376,111,550</b>	<b>366,625,602</b>	<b>352,701,248</b>
<b>Business-Type Activities:</b>				
Extended Learning Center Program	2,033,489	2,102,235	2,199,535	2,007,605
<b>Total Business-Type Activities Expenses</b>	<b>2,033,489</b>	<b>2,102,235</b>	<b>2,199,535</b>	<b>2,007,605</b>
<b>Total Primary Government Expenses</b>	<b>338,542,836</b>	<b>378,213,785</b>	<b>368,825,137</b>	<b>354,708,853</b>

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



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

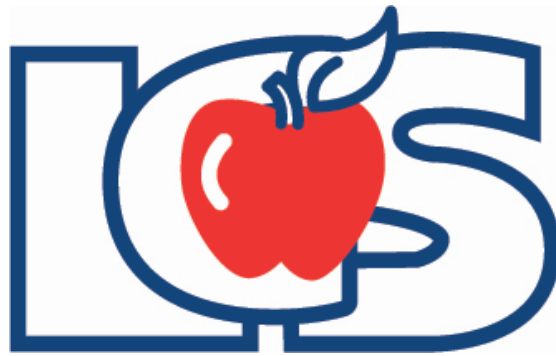
<b>Fiscal Year Ending</b>	<b>June 30, 2007</b>	<b>June 30, 2008</b>	<b>June 30, 2009</b>	<b>June 30, 2010</b>
<b>Program Revenues:</b>				
<b>Governmental Activities:</b>				
Charges for Services				
Instruction	469,954	576,261	28,175	468
Food Services	7,120,958	7,007,022	6,591,197	5,828,702
Central Services				
Pupil Transportation Services	560,320	710,522	570,499	957,092
Operating Grants and Contributions	15,823,513	17,361,832	18,786,520	19,608,153
Capital Grants and Contributions	10,031,520	75,736,351	10,833,381	2,062,393
Total Governmental Activities Program Revenues	<u>\$ 34,006,265</u>	<u>\$ 101,391,988</u>	<u>\$ 36,809,772</u>	<u>\$ 28,456,808</u>
<b>Business-Type Activities:</b>				
Charges for Services	<u>\$ 2,204,084</u>	<u>\$ 2,027,149</u>	<u>\$ 2,317,062</u>	<u>\$ 2,256,683</u>
Total Business-Type Activities Program Revenues	<u>2,204,084</u>	<u>2,027,149</u>	<u>2,317,062</u>	<u>2,256,683</u>
Total Primary Government Program Revenues	<u>36,210,349</u>	<u>103,419,137</u>	<u>39,126,834</u>	<u>30,713,491</u>
<b>Net (Expenses)/Revenues</b>				
Governmental Activities	(302,503,082)	(274,719,562)	(329,815,830)	(324,244,440)
Business-Type Activities	<u>170,595</u>	<u>(75,086)</u>	<u>117,527</u>	<u>249,078</u>
Total Primary Government Net Expenses	<u>(302,332,487)</u>	<u>(274,794,648)</u>	<u>(329,698,303)</u>	<u>(323,995,362)</u>
<b>General Revenues and Other Changes in Net Assets:</b>				
<b>Governmental Activities:</b>				
Property Taxes:				
Levied for Operational Purposes	103,930,799	121,488,446	127,802,923	123,149,734
Levied for Capital Projects	36,794,450	42,594,552	38,870,941	30,703,745
Local Sales Taxes	11,671,365	10,796,324	10,176,065	9,216,914
Grants and Contributions Not Restricted to Specific Programs	172,782,817	172,779,838	160,135,889	174,381,983
Investment Earnings	10,860,156	7,729,815	1,446,895	540,259
Miscellaneous	2,150,429	14,043,243	10,048,507	9,604,543
Transfers				
Total Governmental Activities	<u>338,190,016</u>	<u>369,432,218</u>	<u>348,481,220</u>	<u>347,597,178</u>
<b>Business-Type Activities:</b>				
Other Revenues and Transfers			99,465	60,107
Total Business-Type Activities			<u>99,465</u>	<u>60,107</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>338,190,016</u>	<u>369,432,218</u>	<u>348,580,685</u>	<u>347,657,285</u>
<b>Changes in Net Position:</b>				
Governmental Activities	35,686,934	94,712,656	18,665,390	23,352,738
Business-Type Activities	<u>170,595</u>	<u>(75,086)</u>	<u>216,992</u>	<u>309,185</u>
Total Primary Government	<u>\$ 35,857,529</u>	<u>\$ 94,637,570</u>	<u>\$ 18,882,382</u>	<u>\$ 23,661,923</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, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
12,404					
5,598,858	5,276,398	5,201,165	5,039,804	4,391,876	4,133,713
	1,129,748	507,210			
1,051,129	1,103,293	512,007	257,755	661,935	548,741
13,615,086	13,790,525	14,876,571	15,435,995	15,812,980	16,293,289
3,087,394	1,535,728	1,500,630	2,627,495	2,283,228	2,247,968
<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>\$ 23,223,711</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>\$ 2,994,167</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>2,994,167</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>	<u>26,217,878</u>
(353,781,846)	(332,462,727)	(338,378,304)	(339,476,699)	(345,348,549)	(361,994,785)
78,638	92,850	448,269	510,661	200,995	133,825
<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>	<u>(361,860,960)</u>
110,510,099	99,151,712	92,423,734	90,899,334	96,340,255	100,319,737
27,564,277	25,237,180	23,825,647	24,047,070	25,151,565	26,413,676
10,132,505	10,653,352	11,266,759	12,158,522	14,021,477	14,028,543
205,206,507	177,960,039	188,905,815	207,545,391	208,519,225	223,603,099
468,722	155,603	53,890	19,159	30,787	199,849
2,055,228	2,604,357	4,325,192	7,029,232	10,714,797	9,623,905
			511,307	336,732	
<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>374,188,809</u>
<u>1,678</u>	<u>851</u>	<u>(292,965)</u>	<u>(510,661)</u>	<u>(456,000)</u>	<u>139</u>
<u>1,678</u>	<u>851</u>	<u>(292,965)</u>	<u>(510,661)</u>	<u>(456,000)</u>	<u>139</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>	<u>374,188,948</u>
2,155,492	(16,700,484)	(17,577,267)	2,733,316	9,766,289	12,194,024
80,316	93,701	155,304	-	(255,005)	133,964
<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>	<u>\$ 12,327,988</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)**

<b>Fiscal Year Ending</b>	<b>Property Tax</b>		<b>Sales Tax (a)</b>	<b>Total</b>
	<b>General Purposes</b>	<b>Capital Projects</b>		
June 30, 2016	\$ 100,319,737	\$ 26,413,676	\$ 14,028,543	\$ 140,761,956
June 30, 2015	96,340,255	25,151,565	14,021,477	135,513,297
June 30, 2014	90,899,334	24,047,070	12,158,522	127,104,926
June 30, 2013	92,423,734	23,825,647	11,266,759	127,516,140
June 30, 2012	99,151,712	25,237,180	10,653,352	135,042,244
June 30, 2011	110,510,099	27,564,277	10,132,505	148,206,881
June 30, 2010	123,149,734	30,703,745	9,216,914	163,070,393
June 30, 2009	127,802,923	38,870,941	10,176,065	176,849,929
June 30, 2008	121,488,446	42,594,552	10,796,324	174,879,322
June 30, 2007	103,930,799	36,794,450	11,671,365	152,396,614

**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, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
<b>General Fund</b>				
Nonspendable	\$ 1,129,160	\$ 1,247,935	\$ 1,201,164	\$ 1,333,842
Restricted for:				
State Required Carryover Programs	3,107,549	1,786,296	2,214,250	3,097,922
Other Purposes				
Assigned	2,499,114	3,364,244	3,158,632	4,046,662
Unassigned	<u>19,516,393</u>	<u>21,386,986</u>	<u>21,364,843</u>	<u>31,839,989</u>
Total General Fund	<u>\$ 26,252,216</u>	<u>\$ 27,785,461</u>	<u>\$ 27,938,889</u>	<u>\$ 40,318,415</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 222,824	\$ 211,512	\$ 297,849	\$ 387,223
Restricted for:				
Food Service	3,480,593	3,972,376	4,781,346	5,901,039
Debt Service	7,111,968	4,048,021	4,249,298	4,486,047
Capital Outlay	67,754,433	163,656,083	135,595,855	101,816,268
Other Purposes				
Assigned	<u>78,361,016</u>	<u>21,791,307</u>	<u>58,836,752</u>	<u>29,729,174</u>
Total All Other Governmental Funds	<u>\$ 156,930,834</u>	<u>\$ 193,679,299</u>	<u>\$ 203,761,100</u>	<u>\$ 142,319,751</u>

---

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

(Continued)

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 1,468,338	\$ 2,848,721	\$ 2,415,749	\$ 1,711,409	\$ 1,699,882	\$ 1,608,250
2,232,723	291,627	465,785	883,042	110,460	189,772
1,413,481	4,478,099	1,173,298	954,547	3,276,842	1,557,963
35,015,531	19,580,402	10,481,022	12,022,308	11,952,102	12,162,931
<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>	<u>\$ 15,518,916</u>
\$ 821,285	\$ 778,300	\$ 625,232	\$ 467,011	\$ 652,050	\$ 699,350
8,188,806	7,345,348	8,599,936	11,211,413	11,515,433	11,657,205
4,739,562	4,831,474	7,932,131	11,465,994	2,199,219	1,131,450
102,802,923	92,261,016	73,889,825	58,532,228	48,355,933	47,973,475
<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>	<u>\$ 61,461,480</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, 2007	June 30, 2008	June 30, 2009	June 30, 2010
<b>Revenues:</b>				
Federal Direct	\$ 1,116,304	\$ 1,230,416	\$ 1,600,920	\$ 1,683,721
Federal Through State	29,501,330	31,408,156	31,392,023	54,359,299
State	168,019,215	233,239,449	156,638,002	139,999,739
Local	195,464,324	204,946,184	196,371,880	181,505,245
<b>Total Revenues</b>	<b>394,101,173</b>	<b>470,824,205</b>	<b>386,002,825</b>	<b>377,548,004</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	183,588,977	199,773,001	190,969,430	192,617,887
Pupil Personnel Services	14,005,255	15,169,099	16,391,773	14,685,187
Instructional Media Services	3,613,327	3,809,340	3,555,707	3,287,993
Instruction & Curriculum Development Services	6,577,283	7,301,745	8,555,240	7,601,687
Instructional Staff Training Services	7,175,881	8,032,580	8,264,672	6,788,821
Instruction Related Technology	2,267,854	2,686,279	3,014,937	2,978,069
Board of Education	591,518	1,199,774	1,062,337	929,493
General Administration	1,291,510	1,437,635	1,376,414	1,495,721
School Administration	16,351,813	17,302,826	17,563,599	16,410,063
Facility Services	49,215	6,752,681	1,279,214	464,950
Fiscal Services	2,098,246	1,862,969	1,871,890	1,909,074
Food Services	14,111,710	15,269,624	15,425,111	15,776,739
Central Services	4,537,733	4,936,060	4,458,428	4,380,292
Pupil Transportation Services	16,027,027	17,304,697	16,461,927	16,144,473
Operation of Plant	21,920,610	23,362,272	23,486,694	21,749,672
Maintenance of Plant	6,694,281	6,600,430	6,725,548	6,962,674
Administrative Technology Services	443,920	462,297	463,696	455,426
Community Services	704,462	594,796	137,383	119,276
<b>Capital Outlay:</b>				
Facilities Acquisition and Construction	119,710,152	67,141,609	20,362,858	76,690,256
Other Capital Outlay	7,268,295	1,825,146	1,555,888	1,166,003
<b>Debt Service:</b>				
Principal	13,892,829	15,142,395	15,326,448	15,688,749
Interest and Fiscal Charges	16,876,898	17,673,194	17,322,205	16,874,530
<b>Total Expenditures</b>	<b>459,798,796</b>	<b>435,640,449</b>	<b>375,631,399</b>	<b>425,177,035</b>
Excess of Revenues over (under) Expenditures	(65,697,623)	35,183,756	10,371,426	(47,629,031)
<b>Other Financing Sources (Uses)</b>				
Issuance of Bonds		2,990,000		1,110,000
Premium on Sale of Bonds		107,954		65,062
Discount on Sale of Bonds				
Certificates of Participation Issued	112,570,000			
Premium on Certificates of Participation	5,284,475			
Assets Acquired Under Capital Leases	5,058,094			
Loans Incurred				
Proceeds from the Sale of Capital Assets				
Refunded Bonds Issued				
Payments to Refunded Certificates of Participation Escrow Agent	(36,432,912)			(528,994)
Payments to Refunded Bond Escrow Agent				
Transfers In	39,510,795	36,125,913	37,931,055	38,434,255
Transfers Out	(39,510,795)	(36,125,913)	(38,067,252)	(39,884,299)
<b>Total Other Financing Sources (Uses)</b>	<b>86,479,657</b>	<b>3,097,954</b>	<b>(136,197)</b>	<b>(803,976)</b>
Net Change in Fund Balance	20,782,034	38,281,710	10,235,229	(48,433,007)
Fund Balance, Beginning	162,401,016	183,183,050	221,464,760	231,071,173
Fund Balance, Ending	<u>\$ 183,183,050</u>	<u>\$ 221,464,760</u>	<u>\$ 231,699,989</u>	<u>\$ 182,638,166</u>
<b>Ratio of Debt Service to Non-Capital Expenditures</b>				
Total Debt Service	\$ 30,769,727	\$ 32,815,589	\$ 32,648,653	\$ 32,563,279
Total Non-capital Expenditures	352,586,542	369,669,839	358,004,311	355,973,457
Ratio of Debt Service to Non-Capital Expenditures	8.73%	8.88%	9.12%	9.15%

Source: District Records

(Continued)

For the Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 1,846,819	1,238,115	965,735	366,169	352,180	351,680
62,998,269	38,906,138	39,119,846	39,168,800	40,138,679	38,562,935
150,889,392	153,107,892	165,197,434	184,565,717	185,959,727	194,148,154
162,303,293	144,222,865	137,096,499	138,574,516	152,689,808	163,453,263
378,037,773	337,475,010	342,379,514	362,675,202	379,140,394	396,516,032
204,817,228	184,946,003	186,151,837	191,666,728	197,310,985	206,023,510
15,100,168	14,602,076	15,664,809	16,026,672	17,339,668	17,405,467
3,514,774	3,250,101	3,214,632	3,264,213	3,505,087	3,506,079
8,294,372	7,491,659	8,169,006	7,678,535	8,302,712	11,774,157
7,130,655	6,526,196	6,433,899	5,977,353	9,381,248	10,088,072
2,867,597	2,674,652	2,497,114	1,986,614	1,412,397	1,312,956
986,465	849,135	850,550	830,483	787,451	770,265
1,497,302	1,318,529	1,651,024	1,575,086	1,575,072	1,910,295
17,450,709	16,325,486	16,396,796	16,734,377	17,535,498	18,315,756
1,148,300	10,341,217	7,706,820	533,637	402,108	475,393
1,949,121	1,733,627	1,621,951	1,693,814	1,676,206	1,877,751
16,318,961	17,390,301	18,678,178	17,767,086	18,957,748	19,401,504
4,684,332	5,110,231	5,439,748	6,279,246	5,956,485	6,279,924
16,843,190	17,223,383	16,886,318	15,981,146	16,714,334	16,030,588
22,286,216	22,143,038	23,004,042	24,149,739	25,007,217	25,560,569
7,385,349	6,910,104	6,656,687	6,829,539	7,417,393	8,147,562
513,105	717,620	1,334,832	2,967,358	3,570,198	3,635,986
98,970	172,720	117,426	71,690	92,781	105,190
36,441,234	11,058,837	10,425,716	14,314,453	17,744,058	12,145,682
1,422,552	7,757,316	7,809,561	1,044,695	1,481,341	1,506,458
15,860,041	15,449,622	19,669,377	20,841,859	27,752,756	22,190,554
16,245,464	16,589,987	14,343,231	13,759,071	11,658,962	11,103,686
402,856,105	370,581,840	374,723,554	371,973,394	395,581,705	399,567,404
(24,818,332)	(33,106,830)	(32,344,040)	(9,298,192)	(16,441,311)	(3,051,372)
335,000			1,342,000		
275,320	107,375		206,513		
	43,720,000	20,875,000		126,890,000	27,820,000
	2,878,849	1,524,979		15,967,306	
	6,328,851	4,914,948			
	16,370,000				
739,553		100,000		190,875	
1,615,000	765,000				
	(63,746,271)	(22,124,563)		(144,429,632)	(27,523,684)
(1,871,672)					
38,125,556	33,030,840	40,267,600	41,302,549	40,069,996	44,687,904
(40,355,942)	(30,615,476)	(40,045,933)	(41,887,896)	(39,733,265)	(44,714,373)
(1,137,185)	8,839,168	5,512,031	963,166	(1,044,720)	269,847
(25,955,517)	(24,267,662)	(26,832,009)	(8,335,026)	(17,486,031)	(2,781,525)
182,638,166	156,682,649	132,414,987	105,582,978	97,247,952	79,761,921
\$ 156,682,649	\$ 132,414,987	\$ 105,582,978	\$ 97,247,952	\$ 79,761,921	\$ 76,980,396
\$ 32,105,505	\$ 32,039,609	\$ 34,012,608	\$ 34,600,930	\$ 39,411,718	\$ 33,294,240
371,887,599	351,346,399	355,997,648	360,664,199	382,084,156	392,109,041
8.63%	9.12%	9.55%	9.59%	10.31%	8.49%



**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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
<b>Federal Direct Sources:</b>						
Reserve Officers Training Corps (ROTC)	\$ 256,441	\$ 221,859	\$ 247,728	\$ 225,280	\$ 256,623	\$ 312,197
Miscellaneous Federal Direct						
<b>Total Federal Direct</b>	<b>256,441</b>	<b>221,859</b>	<b>247,728</b>	<b>225,280</b>	<b>256,623</b>	<b>312,197</b>
<b>Federal Through State Sources:</b>						
Other Federal Through State Grants	693,633	927,880	1,057,374	883,609	1,181,562	1,177,315
<b>Total Federal Through State Sources</b>	<b>693,633</b>	<b>927,880</b>	<b>1,057,374</b>	<b>883,609</b>	<b>1,181,562</b>	<b>1,177,315</b>
<b>State Sources:</b>						
Florida Education Finance Program (FEFP)	102,480,811	90,807,195	79,725,273	83,292,028	93,386,847	98,195,148
Categorical Programs	47,891,120	57,961,164	56,347,428	46,675,880	44,240,490	45,668,195
District Discretionary Lottery Funds	1,505,938	1,878,825	969,683	1,838,835	2,222,210	1,564,347
Workforce Development	4,941,930	4,870,479	4,585,571	4,215,450	4,115,328	4,312,571
State Grants and Other State Sources	406,869	1,024,912	3,277,146	425,908	2,317,059	378,684
<b>Total State Sources</b>	<b>157,226,668</b>	<b>156,542,575</b>	<b>144,905,101</b>	<b>136,448,101</b>	<b>146,281,934</b>	<b>150,118,945</b>
<b>Local Sources:</b>						
Ad Valorem Taxes	103,930,753	121,448,446	125,835,016	123,149,734	110,510,099	99,151,712
Interest Income and Others	1,693,914	1,640,971	289,904	90,738	56,986	10,268
Local Grants and Other Local Sources	7,832,148	3,315,704	6,369,970	3,095,090	4,089,333	3,705,803
<b>Total Local Sources</b>	<b>113,456,815</b>	<b>126,405,121</b>	<b>132,494,890</b>	<b>126,335,562</b>	<b>114,656,418</b>	<b>102,867,783</b>
<b>Total Revenues</b>	<b>271,633,557</b>	<b>284,097,435</b>	<b>278,705,093</b>	<b>263,892,552</b>	<b>262,376,537</b>	<b>254,476,240</b>
<b>Expenditures: (by object)</b>						
Salaries	150,108,820	164,150,341	156,600,796	136,117,162	138,593,285	155,613,818
Employee Benefits	45,599,247	48,584,682	51,920,930	44,887,540	46,884,966	41,852,500
Purchased Services	50,453,715	51,850,982	51,137,233	49,754,057	49,992,071	47,632,006
Energy Services	9,419,484	10,341,561	10,069,557	10,221,513	11,181,618	11,426,828
Material and Supplies	7,068,608	7,903,653	6,504,833	9,024,893	8,982,324	5,652,193
Capital Outlay	8,066,235	3,079,874	3,177,934	2,553,886	6,112,402	2,855,266
Other Expenditures	4,775,402	6,805,764	6,495,849	5,282,216	5,619,694	4,756,580
<b>Total Expenditures</b>	<b>275,491,511</b>	<b>292,716,857</b>	<b>285,907,132</b>	<b>257,841,267</b>	<b>267,366,360</b>	<b>269,789,191</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,857,954)</b>	<b>(8,619,422)</b>	<b>(7,202,039)</b>	<b>6,051,285</b>	<b>(4,989,823)</b>	<b>(15,312,951)</b>
<b>Other Financing Sources (Uses), Net</b>	<b>16,058,303</b>	<b>10,152,667</b>	<b>7,355,467</b>	<b>6,328,241</b>	<b>4,801,481</b>	<b>2,381,727</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>12,200,349</b>	<b>1,533,245</b>	<b>153,428</b>	<b>12,379,526</b>	<b>(188,342)</b>	<b>(12,931,224)</b>
Beginning Fund Balances	14,051,867	26,252,216	27,785,461	27,938,889	40,318,415	40,130,073
<b>Ending Fund Balances</b>	<b>\$ 26,252,216</b>	<b>\$ 27,785,461</b>	<b>\$ 27,938,889</b>	<b>\$ 40,318,415</b>	<b>\$ 40,130,073</b>	<b>\$ 27,198,849</b>
<b>Breakdown of Fund Balances:</b>						
Nonspendable (Inventory/Prepaid)	1,129,160	1,247,935	1,201,164	1,333,842	1,468,338	2,848,721
Restricted for:						
State Required Carryforward Programs	3,107,549	1,786,296	2,214,250	3,097,922	2,232,723	291,627
Other Purposes						
Assigned for:						
School Operations	2,499,114	3,364,244	3,158,632	4,046,662	1,413,481	678,099
Health Insurance Safe Harbor						3,800,000
Unassigned Fund Balance	19,516,393	21,386,986	21,364,843	31,839,989	35,015,531	19,580,402
<b>Total Fund Balances</b>	<b>\$ 26,252,216</b>	<b>\$ 27,785,461</b>	<b>\$ 27,938,889</b>	<b>\$ 40,318,415</b>	<b>\$ 40,130,073</b>	<b>\$ 27,198,849</b>
Unassigned Fund Balance to Revenues:	7.1848%	7.5280%	7.6658%	12.0655%	13.3455%	7.6944%

Source: District Records

(Continued)

Fiscal Year Ending			
June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 334,483	\$ 331,036	\$ 318,502	\$ 309,923
334,483	331,036	318,502	309,923
1,417,398	1,628,451	1,289,093	1,348,043
1,417,398	1,628,451	1,289,093	1,348,043
109,987,281	128,637,748	129,590,728	136,671,446
47,798,931	46,333,956	44,885,199	45,218,258
-	394,158	144,749	-
4,160,625	5,604,076	5,014,101	4,664,995
524,863	711,749	3,076,588	4,468,062
162,471,700	181,681,687	182,711,365	191,022,761
92,423,734	90,501,854	96,340,255	100,319,737
18,578	4,317	4,186	17,724
4,277,992	5,332,164	7,136,368	5,020,948
96,720,304	95,838,335	103,480,809	105,358,409
260,943,885	279,479,509	287,799,769	298,039,136
156,805,988	158,296,563	163,122,419	173,123,751
42,420,755	45,954,130	52,162,892	54,875,790
50,286,733	54,379,914	57,270,142	57,569,421
10,731,664	10,895,093	10,334,554	9,083,738
7,350,538	6,975,954	5,726,624	9,298,813
2,219,957	2,195,957	1,974,273	2,462,034
4,834,613	3,928,249	4,905,628	6,254,316
274,650,248	282,625,860	295,496,532	312,667,863
(13,706,363)	(3,146,351)	(7,696,763)	(14,628,727)
1,043,368	4,181,803	9,164,743	13,108,357
(12,662,995)	1,035,452	1,467,980	(1,520,370)
27,198,849	14,535,854	15,571,306	17,039,286
\$ 14,535,854	\$ 15,571,306	\$ 17,039,286	\$ 15,518,916
2,415,749	1,711,409	1,699,882	1,608,250
465,785	883,042	110,460	189,772
1,173,298	954,547	3,276,842	1,557,963
10,481,022	12,022,308	11,952,102	12,162,931
\$ 14,535,854	\$ 15,571,306	\$ 17,039,286	\$ 15,518,916
4.0166%	4.3017%	4.1529%	4.0810%

**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, 2007	June 30, 2008	June 30, 2009	June 30, 2010
<b>Federal Through State Sources:</b>				
Food Service	\$ 7,035,669	\$ 8,445,276	\$ 8,637,001	\$ 10,518,859
USDA Donated Foods	249,379		767,436	1,059,445
Total Federal Through State Sources	7,285,048	8,445,276	9,404,437	11,578,304
<b>State Sources:</b>				
Food Services	188,493	198,667	203,926	206,286
Total State Sources	188,493	198,667	203,926	206,286
<b>Local Sources:</b>				
Food Service Sales	7,131,910	7,007,022	6,603,298	5,828,702
Interest Income and Others	98,849	54,015	20,573	10,129
Total Local Sources	7,230,759	7,061,037	6,623,871	5,838,831
<b>Total Revenues</b>	<b>14,704,300</b>	<b>15,704,980</b>	<b>16,232,234</b>	<b>17,623,421</b>
<b>Expenditures: (by object)</b>				
Salaries	4,654,369	4,983,214	4,951,974	4,639,636
Employee Benefits	2,321,461	2,435,895	2,669,394	2,384,228
Purchased Services	248,918	336,972	328,130	393,240
Energy Services	196,311	207,387	219,754	223,992
Material and Supplies	6,189,827	6,770,864	6,738,748	7,594,307
Capital Outlay	136,243	142,014	50,610	143,791
Other Expenditures	347,437	345,447	475,591	463,208
<b>Total Expenditures</b>	<b>14,094,566</b>	<b>15,221,793</b>	<b>15,434,201</b>	<b>15,842,402</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>609,734</b>	<b>483,187</b>	<b>798,033</b>	<b>1,781,019</b>
<b>Other Financing Sources (Uses), Net</b>			103,755	69,266
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>609,734</b>	<b>483,187</b>	<b>901,788</b>	<b>1,850,285</b>
Beginning Fund Balances	3,107,240	3,716,974	4,200,161	4,473,133
<b>Ending Fund Balances</b>	<b>\$ 3,716,974</b>	<b>\$ 4,200,161</b>	<b>\$ 5,101,949</b>	<b>\$ 6,323,418</b>

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 11,759,970	\$ 12,610,485	\$ 13,244,399	\$ 13,773,970	\$ 14,043,660	\$ 14,399,248
1,630,363	932,036	1,377,603	1,405,491	1,520,241	1,625,001
13,390,333	13,542,521	14,622,002	15,179,461	15,563,901	16,024,249
226,951	248,004	254,569	256,534	249,079	239,040
226,951	248,004	254,569	256,534	249,079	239,040
5,598,858	5,288,702	5,231,628	5,042,669	4,391,876	4,133,713
9,370	6,175	4,182	13,983	40,263	19,289
5,608,228	5,294,877	5,235,810	5,056,652	4,432,139	4,153,002
19,225,512	19,085,402	20,112,381	20,492,647	20,245,119	20,416,291
4,784,467	5,060,084	5,210,154	5,285,936	5,666,183	5,926,045
2,292,500	1,957,026	2,091,311	2,197,658	2,648,705	2,610,133
431,729	482,080	459,192	374,521	407,273	320,112
233,654	224,373	237,001	222,425	260,644	223,532
8,120,678	9,063,162	9,780,366	9,151,787	9,170,865	9,067,060
291,742	2,823,131	722,012	345,978	1,123,171	1,461,320
384,069	361,989	585,033	461,086	479,219	619,017
16,538,839	19,971,845	19,085,069	18,039,391	19,756,060	20,227,219
2,686,673	(886,443)	1,027,312	2,453,256	489,059	189,072
		74,208			
2,686,673	(886,443)	1,101,520	2,453,256	489,059	189,072
6,323,418	9,010,091	8,123,648	9,225,168	11,678,424	12,167,483
\$ 9,010,091	\$ 8,123,648	\$ 9,225,168	\$ 11,678,424	\$ 12,167,483	\$ 12,356,555

**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, 2007	June 30, 2008	June 30, 2009	June 30, 2010
<b>Federal Direct Sources:</b>				
Miscellaneous Federal Direct	\$ 859,863	\$ 1,008,557	\$ 1,353,192	\$ 1,458,441
Total Federal Direct	859,863	1,008,557	1,353,192	1,458,441
<b>Federal Through State Sources:</b>				
Other Federal Through State Grants	21,522,649	22,035,000	20,930,212	20,562,751
Total Federal Through State Sources	21,522,649	22,035,000	20,930,212	20,562,751
<b>State Sources:</b>				
State Grants and Other State Sources	445,296	513,641	444,795	262,561
Total State Sources	445,296	513,641	444,795	262,561
<b>Local Sources:</b>				
Local Grants and Other Local Sources	99,745	142,188	7,446	18,879
Total Local Sources	99,745	142,188	7,446	18,879
<b>Total Revenues</b>	<b>22,927,553</b>	<b>23,699,386</b>	<b>22,735,645</b>	<b>22,302,632</b>
<b>Expenditures: (by object)</b>				
Salaries	8,874,409	9,545,931	9,560,872	10,544,229
Employee Benefits	2,604,027	2,811,698	3,027,043	3,226,152
Purchased Services	2,188,302	2,854,293	3,120,884	3,207,458
Energy Services	1,505	3,123	2,113	2,125
Material and Supplies	3,229,271	2,999,564	2,941,532	2,158,843
Capital Outlay	5,072,667	3,868,951	2,916,512	1,914,235
Other Expenditures	957,372	1,609,744	1,159,566	1,249,590
<b>Total Expenditures</b>	<b>22,927,553</b>	<b>23,693,304</b>	<b>22,728,522</b>	<b>22,302,632</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		6,082	7,123	-
<b>Other Financing Sources (Uses), Net</b>	(24,892)	(6,082)	(7,123)	
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(24,892)			
Beginning Fund Balances	24,892			
<b>Ending Fund Balances</b>				

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 1,590,196	\$ 925,918	\$ 631,252	\$ 35,133	\$ 33,677	\$ 41,757
1,590,196	925,918	631,252	35,133	33,677	41,757
18,324,026	20,073,888	21,360,043	21,240,746	23,295,419	21,190,643
18,324,026	20,073,888	21,360,043	21,240,746	23,295,419	21,190,643
341,696	326,545	201,241			
341,696	326,545	201,241	-	-	-
3,276	2,003	7,519			
3,276	2,003	7,519	-	-	-
20,259,194	21,328,354	22,200,055	21,275,879	23,329,096	21,232,400
10,502,801	10,756,199	10,961,399	12,659,150	14,549,958	13,083,421
3,359,599	2,801,869	2,920,352	3,732,982	4,313,383	3,816,711
3,094,289	3,515,291	2,375,209	1,613,477	1,383,928	1,908,240
1,861	1,965	1,434	1,132	802	726
1,158,697	1,569,024	1,842,458	1,170,447	962,917	671,389
991,553	1,438,640	2,560,737	1,114,181	1,013,316	516,855
1,150,394	1,245,366	1,461,019	984,510	1,104,792	1,235,058
20,259,194	21,328,354	22,122,608	21,275,879	23,329,096	21,232,400
-	-	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, 2007	June 30, 2008	June 30, 2009	June 30, 2010
<b>State Sources:</b>				
CO&DS withheld for SBE/COBI Bonds	\$ 1,343,214	\$ 979,549	\$ 1,266,202	\$ 1,265,171
SBE/COBI Bond Interest		8,954		
Other State Sources		148,833	148,833	148,833
<b>Total State Sources</b>	<b>1,343,214</b>	<b>1,137,336</b>	<b>1,415,035</b>	<b>1,414,004</b>
<b>Local Sources:</b>				
Interest Income and Other	421,292	97,904	17,404	4,474
<b>Total Local Sources</b>	<b>421,292</b>	<b>97,904</b>	<b>17,404</b>	<b>4,474</b>
<b>Total Revenues</b>	<b>1,764,506</b>	<b>1,235,240</b>	<b>1,432,439</b>	<b>1,418,478</b>
<b>Expenditures: (by object)</b>				
Debt Service:				
Principal	11,485,000	12,775,000	13,740,000	14,650,000
Interest and Fiscal Charges	15,708,855	17,497,433	17,145,230	16,792,320
<b>Total Expenditures</b>	<b>27,193,855</b>	<b>30,272,433</b>	<b>30,885,230</b>	<b>31,442,320</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(25,429,349)</b>	<b>(29,037,193)</b>	<b>(29,452,791)</b>	<b>(30,023,842)</b>
<b>Other Financing Sources (Uses), Net</b>	<b>28,937,970</b>	<b>25,973,246</b>	<b>29,654,068</b>	<b>30,260,591</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>3,508,621</b>	<b>(3,063,947)</b>	<b>201,277</b>	<b>236,749</b>
<b>Beginning Fund Balances</b>	<b>3,603,347</b>	<b>7,111,968</b>	<b>4,048,021</b>	<b>4,249,298</b>
<b>Ending Fund Balances</b>	<b>\$ 7,111,968</b>	<b>\$ 4,048,021</b>	<b>\$ 4,249,298</b>	<b>\$ 4,486,047</b>

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 1,293,760	\$ 1,319,958	\$ 1,308,464	\$ 1,303,260	\$ 1,253,936	\$ 1,209,468
187	(150)	5,717	57	1,093	230
148,833	148,833	148,833			
1,442,780	1,468,641	1,463,014	1,303,317	1,255,029	1,209,698
2,466	1,831	1,561		447,686	1,408
2,466	1,831	1,562		447,686	1,408
1,445,246	1,470,472	1,464,576	1,303,317	1,702,715	1,211,106
15,640,000	15,449,622	19,669,377	20,841,859	27,684,299	22,190,554
16,228,690	16,589,483	14,342,439	13,758,241	11,726,583	11,102,579
31,868,690	32,039,105	34,011,816	34,600,100	39,410,882	33,293,133
(30,423,444)	(30,568,633)	(32,547,240)	(33,296,783)	(37,708,167)	(32,082,027)
30,676,959	30,660,545	35,647,897	36,830,646	28,441,392	31,014,258
253,515	91,912	3,100,657	3,533,863	(9,266,775)	(1,067,769)
4,486,047	4,739,562	4,831,474	7,932,131	11,465,994	2,199,219
\$ 4,739,562	\$ 4,831,474	\$ 7,932,131	\$ 11,465,994	\$ 2,199,219	\$ 1,131,450



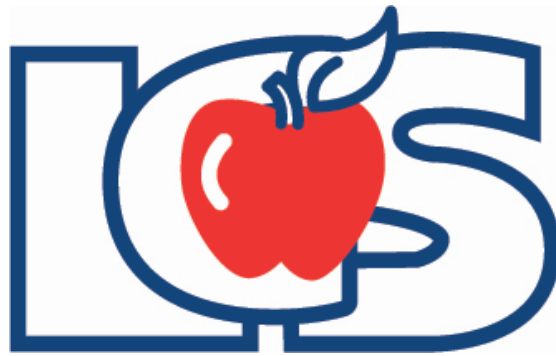
**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SUMMARY OF REVENUES, EXPENDITURES (by Major Object),**  
**AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
<b>REVENUES</b>				
<b>State Sources:</b>				
CO&DS Distributed to District	\$ 232,542	\$ 466,634	\$ 239,766	\$ 198,615
Interest on Undistributed CO&DS	35,467	34,850	6,655	16,991
Public Education Capital Outlay	8,432,006	16,035,551	9,305,174	559,337
Charter School Capital Outlay				
Classroom First Program				
School Infrastructure Trust				
Other State Sources				
Class Size Reduction and Classrooms for Kids		58,188,377		
State Grants and Other State Sources	115,528	121,818	124,205	893,843
<b>Total State Sources</b>	<b>8,815,543</b>	<b>74,847,230</b>	<b>9,675,800</b>	<b>1,668,786</b>
<b>Local Sources:</b>				
Ad Valorem Taxes	36,704,437	42,594,552	38,184,790	30,703,745
Sales Taxes	11,671,365	10,796,324	10,176,065	9,216,914
Interest Income and Others	8,975,012	5,935,799	1,797,712	434,812
Local Grants and Other Local Sources	16,904,900	11,913,259	7,063,049	8,361,906
<b>Total Local Sources</b>	<b>74,255,714</b>	<b>71,239,934</b>	<b>57,221,616</b>	<b>48,717,377</b>
<b>Total Revenues</b>	<b>83,071,257</b>	<b>146,087,164</b>	<b>66,897,416</b>	<b>50,386,163</b>
<b>Expenditures: (by object)</b>				
Capital Outlay:				
Library Books	77,716	623,215	312,722	4,010
Audio Visual Materials		1,332	5,845	
Buildings and Fixed Equipment	106,731,357	58,454,093	9,112,055	68,986,229
Furniture, Fixtures, and Equipment	3,256,410	9,148,321	2,295,119	1,360,731
Motor Vehicles	3,917,298	152,218	2,034,915	115,084
Land	183,628	74,521	4,883	1,090,412
Improvements Other Than Buildings	787,370	1,246,790	1,027,965	930,215
Remodeling and Renovations	4,057,472	3,764,647	5,686,796	3,898,331
Computer Software	85,102	242,872	195,281	22,718
Debt Service	994,956	28,053	735	6,048
<b>Total Expenditures</b>	<b>120,091,309</b>	<b>73,736,062</b>	<b>20,676,316</b>	<b>76,413,778</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(37,020,052)</b>	<b>72,351,102</b>	<b>46,221,100</b>	<b>(26,027,615)</b>
<b>Other Financing Sources (Uses), Net</b>	<b>41,508,276</b>	<b>(33,021,877)</b>	<b>(37,242,364)</b>	<b>(37,457,115)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>4,488,224</b>	<b>39,329,225</b>	<b>8,978,736</b>	<b>(63,484,730)</b>
<b>Beginning Fund Balances</b>	<b>141,613,668</b>	<b>146,101,892</b>	<b>185,431,117</b>	<b>194,995,016</b>
<b>Ending Fund Balances</b>	<b>\$ 146,101,892</b>	<b>\$ 185,431,117</b>	<b>\$ 194,409,853</b>	<b>\$ 131,510,286</b>

Source: District Records

(Continued)

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 169,289	\$ 143,091	\$ 150,265	\$ 158,039	\$ 219,873	\$ 319,610
17,461	16,402	13,969	7,109	9,923	3,138
1,584,418				798,403	715,522
694,403	650,580	541,107	853,147	621,750	324,442
			148,833	148,833	148,833
130,460	154,638	289,642	157,051	91,150	165,110
2,596,031	964,711	994,983	1,324,179	1,889,932	1,676,655
27,564,277	25,237,180	23,724,957	23,942,116	25,073,170	26,368,090
10,132,505	10,653,352	11,266,759	12,158,522	14,021,477	14,028,543
718,476	131,542	100,690	116,994	136,492	179,889
3,617,647	34,297	38,898	1,370,081	5,093,059	13,363,922
42,032,905	36,056,371	35,131,304	37,587,713	44,324,198	53,940,444
44,628,936	37,021,082	36,126,287	38,911,892	46,214,130	55,617,099
275,695	249,934				
19,246,969	8,002,995	7,145,919	7,528,880	6,781,638	155,973
6,523,437	5,074,430	5,407,125	1,215,913	3,425,039	572,609
2,819,986	828,844	454,447	47,853	701,239	1,922,546
4,174,014	134,275	1,495	8,404	156,078	3,536,166
796,127	496,943	1,035,537	675,550	1,033,483	1,007,529
2,728,110	8,548,234	6,405,470	3,849,431	5,362,163	4,861,172
152,591	23,726	2,870,698	985,161	284,071	89,687
3,745	504	792	830	836	1,108
36,720,674	23,359,885	23,321,483	14,312,022	17,744,547	12,146,790
7,908,262	13,661,197	12,804,804	24,599,870	28,469,583	43,470,309
(36,615,625)	(24,203,104)	(31,175,995)	(39,957,467)	(38,645,877)	(43,852,768)
(28,707,363)	(10,541,907)	(18,371,191)	(15,357,597)	(10,176,294)	(382,459)
131,510,286	102,802,923	92,261,016	73,889,825	58,532,228	48,355,934
\$ 102,802,923	\$ 92,261,016	\$ 73,889,825	\$ 58,532,228	\$ 48,355,934	\$ 47,973,475



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)**

<b>Fiscal Year Ending</b>	<b>Property Tax</b>		<b>Sales Tax</b>	<b>Total</b>
	<b>General Purposes</b>	<b>Capital Projects</b>		
June 30, 2016	\$ 100,319,737	\$ 26,413,676	\$ 14,028,543	\$ 140,761,956
June 30, 2015	96,340,255	25,151,565	14,021,477	135,513,297
June 30, 2014	90,899,334	24,047,070	12,158,522	127,104,926
June 30, 2013	92,423,734	23,825,647	11,266,759	127,516,140
June 30, 2012	99,151,712	25,237,180	10,653,352	135,042,244
June 30, 2011	110,510,099	27,564,277	10,132,505	148,206,881
June 30, 2010	123,149,734	30,703,745	9,216,914	163,070,393
June 30, 2009	127,802,923	38,870,941	10,176,065	176,849,929
June 30, 2008	121,488,446	42,594,552	10,796,324	174,879,322
June 30, 2007	103,930,799	36,794,450	11,671,365	152,396,614

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)

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Centrally Assessed Property</b>	<b>Total Taxable Assessed Value</b>
2015-16	16,997,232	1,269,717	3,198	18,270,147
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

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

---

Source: Lake County Property Appraiser

(Continued)

<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Ratio of Net Secondary Assessed to Estimated Actual Value</b>
25,743,479	7.1970	70.97%
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%

**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			
	2006-07	2007-08	2008-09	2009-10
District School Board:				
Local Required Effort	4.9190	4.9960	5.0820	5.2840
Discretionary Local	0.5100	0.5100	0.4980	0.7480
Supplemental Discretionary	0.2190	0.1920	0.1870	0.0000
Capital Improvement	2.0000	2.0000	1.7500	1.5000
Total District School Board	7.6480	7.6980	7.5170	7.5320
Other County-Wide:				
Board of County Commissioners - Direct	6.5470	5.4394	5.5818	5.5818
Lake County Water Authority	0.2530	0.2130	0.2130	0.2130
Total County-Wide	14.4480	13.3504	13.3118	13.3268
Special Districts				
Lake County Ambulance District	0.5289	0.4651	0.4651	0.4651
South Lake County Hospital District	1.0000	0.8666	0.8666	0.8666
Southwest Florida Water Management	0.4220	0.3866	0.3866	0.3866
St. Johns River Water Management	0.4620	0.4158	0.4158	0.4158
North Lake County Hospital District	1.0000	1.0000	1.0000	1.0000
Municipalities:				
Astatula	4.5000	4.5000	4.5000	4.5000
Clermont	3.7920	3.1420	3.1420	3.1420
Eustis	5.5000	4.7083	4.7083	5.1266
Fruitland Park	4.3900	4.1400	4.3600	4.3600
Groveland	5.6500	3.9680	4.8205	5.1800
Howey-in-the-Hills	5.4450	5.4450	5.9900	6.8317
Lady Lake	2.2000	2.2000	3.0870	3.2808
Leesburg	4.5000	4.2500	4.3179	4.3179
Mascotte	5.9990	5.6530	5.9990	6.8009
Minneola	4.1500	3.7370	4.4990	4.4990
Montverde	2.9900	2.8300	2.8300	2.8300
Mount Dora	5.9750	5.0190	5.0190	5.0190
Tavares	5.4200	5.4200	6.2500	6.2500
Umatilla	6.2400	5.7593	6.5000	6.5000

Source: Lake County Property Appraiser.

(Continued)

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
5.2750	5.1460	5.0720	4.9220	4.9980	4.9490
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
7.5230	7.3940	7.3200	7.1700	7.2460	7.1970
5.6616	5.6616	5.7415	4.7309	5.3856	5.3051
0.2405	0.2405	0.2554	0.2554	0.2554	0.2554
13.4251	13.2961	13.3169	12.1563	12.8870	12.7575
0.3853	0.3853	0.3853	0.3853	0.4629	0.4629
0.8666	0.8000	0.8000	0.7900	0.7633	0.7633
0.3770	0.3928	0.3928	0.3818	0.3658	0.3658
0.4158	0.3313	0.3313	0.3283	0.3164	0.3164
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.8500	6.5000	6.2500	6.2500	7.5000	7.5000
3.1420	3.1420	3.1420	3.7290	3.7290	4.2061
5.6849	6.2432	6.7148	7.5810	7.5810	7.5810
4.3600	4.3284	4.6442	4.7371	4.7371	4.7371
5.1800	5.6000	5.6000	5.4700	5.9900	5.9900
7.0000	8.0000	8.6965	9.6147	9.5177	9.5177
3.2808	3.2808	3.2808	3.2808	3.7500	3.5510
4.3179	4.3179	4.3179	4.3179	4.3179	4.2678
7.9800	9.6147	9.6147	9.6147	9.3000	8.8138
5.4826	6.5716	6.3000	6.3676	6.2500	6.2069
2.8300	2.8300	2.8300	2.8300	2.8300	2.8300
5.0190	5.3891	5.6667	5.6667	5.9970	5.9970
6.9500	6.8900	6.4462	6.4531	7.1569	7.0234
6.8795	7.6419	8.2480	8.2480	7.2980	7.2980



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

Taxpayer	Type of Business	Fiscal Year					
		2014-15			2005-06		
		Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Summer Bay Partnership	Real Estate Dev.	1	\$ 202,487,916	1.31%	1	\$ 167,821,140	1.18%
Duke Energy (Florida Power Corporation)	Public Utility	2	196,299,744	1.23%	3	116,104,406	0.82%
Sumter Electric Co-op, Inc.	Public Utility	3	141,484,667	0.91%	4	93,725,100	0.66%
Embarq (Formerly Sprint)-Florida, Inc.	Public Utility	4	72,336,888	0.47%	2	131,700,002	0.93%
Niagara Bottling, LLC	Water Bottler	5	43,172,851	0.28%			
Villages Operating Company	Retail Stores	6	35,819,627	0.23%	8	38,379,563	0.27%
Wal-Mart Stores East LP	Retail Stores	7	33,595,220	0.22%			
Comcast Cable Corporation	Communications	8	27,674,001	0.18%			
Lowes Home Centers, Inc	Retail Stores	9	27,197,071	0.18%			
Cutrale Citrus Juices USA, Inc.	Citrus Producer	10	26,635,631	0.17%	6	48,744,089	0.34%
Centes Homes	Real Estate Dev.				10	31,699,152	0.22%
Covanta Lake II, Inc.	Real Estate Dev.				9	34,803,295	0.25%
Gin-La Pine Island II, Inc	Real Estate Dev.				5	62,856,285	0.45%
First Berkshire Business Trust	Real Estate Dev.				7	40,807,525	0.29%
			<u>\$ 806,703,616</u>	<u>5.18%</u>		<u>\$ 766,640,557</u>	<u>5.41%</u>

Source: Lake County Property Appraiser - 2015 Most Current Data Available.

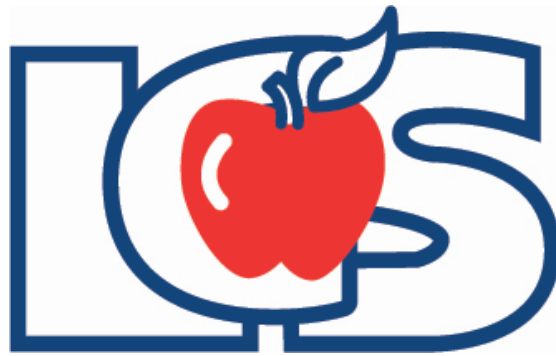
**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

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
2015-16	\$ 131,490,252	\$ 126,513,752	96.22%	\$ 219,661	\$ 126,733,413	96.38%
2014-15	125,393,183	121,041,384	96.53%	372,041	121,413,425	96.83%
2013-14	119,681,950	114,443,970	95.62%	502,434	114,946,404	96.04%
2012-13	119,816,330	115,777,568	96.63%	471,813	116,249,381	97.02%
2011-12	128,212,535	123,937,198	96.67%	451,694	124,388,892	97.02%
2010-11	141,792,521	136,758,865	96.45%	1,315,511	138,074,376	97.38%
2009-10	162,940,726	152,160,566	93.38%	1,692,913	153,853,479	94.42%
2008-09	171,483,825	164,019,806	95.65%	2,654,058	166,673,864	97.20%
2007-08	172,798,584	164,042,060	94.93%	40,938	164,082,998	94.96%
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.



LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**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		
2015-16	\$ 4,636,868	\$ 8,015,000	\$ 7,233,000	\$ 211,950,000	231,834,868	2.052%	732
2014-15	6,237,053	11,945,000	8,145,000	227,265,000	253,592,053	2.376%	803
2013-14	7,962,364	22,425,000	9,012,000	249,370,000	288,769,364	2.803%	937
2012-13	9,604,422	27,535,000	10,010,000	262,695,000	309,844,422	3.108%	1,021
2011-12	6,328,851	32,315,000	10,835,000	274,965,000	324,443,851	3.377%	811
2010-11		35,570,000	12,100,000	287,360,000	335,030,000	3.572%	1,125
2009-10		39,780,000	12,260,000	298,050,000	350,090,000	3.558%	1,185
2008-09		43,835,000	12,345,000	307,960,000	364,140,000	3.789%	1,240
2007-08		47,760,000	13,005,000	317,115,000	377,880,000	4.145%	1,303
2006-07		51,555,000	10,525,000	325,585,000	387,665,000	4.425%	1,378

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

Source:

(A) District Records

(B) Total Primary Government Debt divided by Personal Income and Population from Page 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)**

<b>Fiscal Year</b>	<b>Taxable Assessed Value (A)</b>	<b>Annual Lease Payment</b>	<b>Millage Levy to Provide 1.00x Coverage</b>
2015-16	\$ 18,270,147	\$ 25,613,740	1.40194 Mills
2014-15	17,305,159	25,115,311	1.45132 Mills
2013-14	16,482,535	24,959,013	1.51427 Mills
2012-13	16,368,351	25,067,256	1.53145 Mills
2011-12	17,340,078	25,205,665	1.45361 Mills
2010-11	18,847,869	24,760,115	1.31368 Mills
2009-10	20,938,155	24,324,896	1.16175 Mills
2008-09	22,812,801	23,919,621	1.04852 Mills
2007-08	22,528,910	23,518,363	1.04392 Mills
2006-07	18,975,642	18,072,445	0.95240 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**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2016**  
**(Unaudited)**

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to This Governmental Unit</b>	<b>Amount Applicable to This Governmental Unit</b>
Lake County Board of County Commissioners	\$ 112,445,976	0%	\$ -
School District of Lake County	<u>249,682,723</u>	100%	<u>249,682,724</u>
Totals	<u>\$ 362,128,699</u>		<u>\$ 249,682,724</u>

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

---

Source: District Records  
Lake County CAFR, September 30, 2015

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

<b>Fiscal Year</b>	<b>Population (A)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income (A)</b>	<b>Median Age (A)</b>	<b>Unemployment Rate (B)</b>	<b>Less than High School</b>
2015-16	316,569	11,297,313	37,698	46.10	4.90%	27,710
2014-15	315,690	10,672,035	36,327	46.00	4.80%	30,056
2013-14	308,115	10,300,854	34,711	46.20	6.30%	26,162
2012-13	303,450	9,967,769	34,209	46.20	8.90%	26,162
2011-12	399,886	9,608,606	33,423	47.10	11.20%	28,229
2010-11	297,910	9,379,412	32,337	44.50	10.60%	32,024
2009-10	295,511	9,839,249	31,883	46.00	11.90%	43,002
2008-09	293,654	9,609,907	33,506	44.10	8.52%	29,579
2007-08	289,909	9,116,112	33,148	45.10	3.50%	35,191
2006-07	281,329	8,759,880	32,404	46.00	3.20%	37,391

(1) Personal income is in thousands.

Sources:

Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research. <http://www.bibr.ufl.edu/data>

(B) Unemployment Rates were obtained from Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics November 2016

(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.

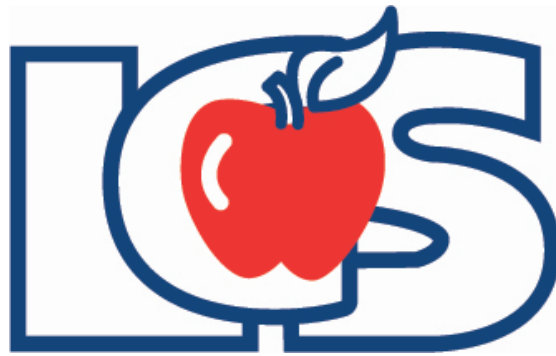
(D) Student Enrollment was obtained from District Records - UFTE- FEFP 4th Calculation

(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	Cost per Student
High School	Bachelors	Graduate	Governmental Activities Expenses			
(E)	144,488	31,889	15,834	41,838.68	\$ 385,218,496	\$ 9,207
	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





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)**

<b>Employer</b>	<b>Fiscal Year</b>					
	<b>2014-15</b>			<b>2005-06</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA Employment</b>
Lake County Public Schools	5,435	1	4.06%	4,353	1	3.51%
Leesburg Regional Medical Center	1,826	2	1.36%	1,870	3	1.51%
Lake County Government	1,782	3	1.33%	1,803	4	1.45%
Florida Hospital Waterman	1,482	4	1.11%	1,400	5	1.13%
South Lake Hospital	1,143	5	0.85%			
Villages of Lake-Sumter, Inc.	1,120	6	0.84%	2,220	2	1.79%
Lake Port Square	500	7	0.37%			
LifeStream Behavioral	500	7	0.37%			
Dura-Stress	425	8	0.32%			
Hewitt Contracting Compant	370	9	0.28%			
Southeast Modular Mfg	325	10	0.24%			
Sprint				811	6	0.65%
Casmin, Inc.				800	7	0.64%
G & T Conveyor Company				550	8	0.44%
Bailey Industries				509	9	0.41%
Accent				500	10	0.40%
	<u>14,908</u>		<u>11.13%</u>	<u>14,816</u>		<u>11.93%</u>
Total Employment	133,971			124,067		

Source: Metro Orlando Economic Development Commission  
Labor Market Statistics, Local Area Unemployment Statistics Program

**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>Completed (1)</u>	<u>Square</u> <u>Footage (2)</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>Elementary Schools</b>					
Astatula	1998	110,662	789.00	742.63	712.82
Beverly Shores	1955	96,546	776.41	640.10	600.35
Clermont	1937	94,722	829.57	709.47	670.84
Cypress Ridge	1914	51,998	614.73	613.87	611.98
Eustis	1927	63,444	552.35	535.03	569.00
Eustis Heights	1954	85,206	689.39	684.60	643.48
Fruitland Park	1962	92,683	639.35	630.34	599.17
Grassy Lake	2008	118,085		916.90	998.56
Groveland	1960	130,025	817.27	881.64	824.25
Leesburg	1961	101,137	996.44	930.62	948.82
Lost Lake	1998	138,582	1,340.00	1,012.67	1,084.50
Mascotte*	1972	51,617			
Pine Ridge	2002	126,337	1,328.14	781.79	761.77
Rimes	1960	63,205	107.26	199.57	243.74
Sawgrass Bay	2008	117,840		886.16	1,008.63
Seminole Springs	1988	109,664	756.44	867.48	851.61
Sorrento	2011	125,350			
Tavares	1972	129,070	690.98	757.92	746.57
Treadway	1962	117,676	979.69	941.05	973.51
Triangle	1972	130,414	656.42	603.60	582.32
Umatilla	1998	110,767	739.81	715.60	703.82
Villages of Lady Lake	1998	113,419	719.26	796.25	793.90
Total Elementary			14,022.51	14,847.29	14,929.64
<b>Middle Schools</b>					
Carver	1952	170,422	743.32	784.44	827.00
Clermont	1950	127,764	935.12	902.16	693.23
East Ridge	2008	189,045			1,009.32
Eustis	1993	178,042	1,069.20	1,046.24	1,100.59
Gray	1923	130,379	1,245.96	1,283.47	1,011.48
Mt. Dora	1953	126,914	637.12	715.72	723.48
Oak Park	1961	90,245	653.45	584.15	608.65
Tavares	1990	156,901	981.94	1,007.00	1,004.61
Umatilla	1977	101,959	771.87	688.38	678.99
Windy Hill	1998	178,112	1,510.00	1,582.23	1,102.13
Total Middle Schools			8,547.98	8,593.79	8,759.48

(Continued)

Full-Time Equivalent Enrollment Data						
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
669.16	644.29	597.25	601.93	599.72	583.76	615.12
628.60	594.55	481.03	553.00	638.03	645.08	676.20
685.80	661.15	627.44	572.57	533.58	522.98	537.74
605.54	594.98	594.91	602.29	592.26	600.00	598.48
567.77	494.24	494.99	521.86	542.06	542.49	535.77
633.94	590.84	592.42	595.67	572.55	580.19	565.33
628.39	604.34	625.63	638.96	658.91	697.11	749.63
1,022.78	1,008.67	1,014.58	962.13	985.87	1,003.99	1,020.16
803.43	815.44	842.63	804.96	807.87	814.83	813.15
947.36	899.90	851.76	841.51	831.76	786.91	851.45
1,129.39	1,099.98	1,080.31	996.69	976.29	975.21	1,035.55
764.16	796.30	843.39	803.47	849.23	839.84	845.66
275.14	278.50	260.00	176.04	158.43	159.11	175.02
1,019.99	1,104.58	1,091.13	1,159.59	1,194.19	1,238.62	1,296.42
848.55	647.42	603.73	595.17	581.07	555.23	531.51
	664.22	722.25	702.26	714.54	759.94	775.55
759.85	757.78	769.68	787.33	830.27	846.59	872.36
942.37	903.16	944.29	903.96	898.45	887.79	927.60
586.57	615.55	662.57	668.05	685.84	708.51	692.23
723.44	687.84	651.92	630.08	629.19	617.39	626.38
807.60	741.64	781.57	826.92	773.55	807.96	824.05
15,049.83	15,205.37	15,133.48	14,944.44	15,053.66	15,173.53	15,565.36
855.05	856.78	829.00	810.36	828.36	850.76	799.13
696.76	668.68	708.37	717.19	740.31	718.70	728.48
1,082.56	1,055.92	1,074.03	1,066.95	1,126.20	1,090.71	1,116.21
1,063.37	1,001.08	989.72	1,012.98	1,027.05	964.17	995.13
946.42	995.71	987.10	1,029.25	1,010.43	1,061.21	1,010.33
717.56	773.16	769.60	797.03	759.22	783.58	792.94
553.20	572.25	573.09	571.92	552.56	478.64	492.00
1,010.14	1,010.19	971.05	1,026.56	1,010.58	1,011.67	1,080.44
688.50	664.83	609.36	594.07	572.91	562.80	560.51
1,094.57	1,130.15	1,149.43	1,207.95	1,253.14	1,282.06	1,295.18
8,708.13	8,728.75	8,660.75	8,834.26	8,880.76	8,804.30	8,870.35

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

	<b>Year Completed (1)</b>	<b>Square Footage (2)</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>High Schools</b>					
East Ridge	2003	372,488	2,896.00	2,767.51	2,858.22
Eustis	1941	257,038	1,284.00	1,315.96	1,293.04
Lake Minneola	2012				
Leesburg	1927	323,045	1,671.05	1,680.53	1,632.27
Mt. Dora	1960	245,274	903.66	925.06	967.44
South Lake	1991	376,003	1,805.00	2,060.77	2,053.96
Tavares	1916	197,426	1,150.38	1,256.16	1,258.61
Umatilla	1956	180,854	814.33	833.64	898.03
Total High Schools			10,524.42	10,839.63	10,961.57
<b>Speciality Schools</b>					
Lake Hills	2008	95,359	149.26	150.70	177.31
Umatilla Girls Academy	n/a	n/a			
Total Speciality Schools			149.26	150.70	177.31
<b>Charter Schools</b>					
<b>Conversion Charter Schools</b>					
Lake Technical Center	1967	239,724	40.00	17.56	15.00
Mascotte Charter Elementary	2007	120,382	858.00	768.76	758.85
Minneola Charter Elementary	2007(3)	128,713	991.14	991.56	994.33
Round Lake Charter Elementary	1997	107,516	1,129.00	1,102.31	1,140.78
Spring Creek Charter Elementary	1992	101,775	631.00	595.52	597.08
<b>Other Charter Schools</b>					
Alee Academy, Inc.	n/a	n/a	299.00	298.59	226.50
Altoona	1912	10,395	119.00	118.00	112.50
Humanities & Fine Arts Charter School	2011	n/a			
Milestones Community School of Lake County, Inc.	n/a	n/a	210.00	199.00	209.00
Rivendell Academy	n/a	n/a	36.00	34.50	
Imagine Schools at South Lake Charter	n/a	n/a	568.82	577.48	703.50
The Charter School at National Deaf Academy, Inc.	n/a	n/a	6.00	8.85	11.50
			4,887.96	4,712.13	4,769.04
<b>Other Programs</b>					
Lake-Sumter Community College/Virtual School	n/a	n/a	68.00	287.35	163.52
McKay Scholarships	n/a	n/a	150.00	150.00	156.10
Lake Vitruval	n/a	n/a			
Misc 9000 Centers	n/a	n/a	551.15	96.70	234.39
Total Other Sites			769.15	534.05	554.01
Total District			38,901.28	39,677.59	40,151.05

(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						
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
2,924.82	3,012.24	2,228.45	1,979.60	2,038.01	2,079.01	2,199.98
1,276.84	1,224.57	1,228.76	1,166.34	1,217.25	1,232.48	1,203.47
		1,279.29	1,737.24	1,835.46	2,052.55	1,900.47
1,706.01	1,647.66	1,615.89	1,582.07	1,544.62	1,523.89	1,505.01
1,084.19	1,037.24	1,069.85	1,035.21	1,028.81	984.27	955.60
2,119.87	2,098.57	1,701.74	1,521.58	1,513.35	1,461.00	1,713.14
1,311.91	1,256.69	1,253.91	1,137.94	1,121.09	1,120.84	1,201.00
870.87	843.05	831.24	769.10	788.18	797.95	816.81
11,294.51	11,120.02	11,209.13	10,929.08	11,086.77	11,251.99	11,495.48
166.76	175.84	176.50	168.35	171.84	183.71	179.32
166.76	175.84	176.50	168.35	171.84	183.71	179.32
15.00	15.00	15.00	23.05		18.08	21.63
777.58	758.23	726.13	792.60	772.00	809.38	826.40
991.92	923.96	897.19	938.66	994.95	1,044.15	1,013.19
1,182.03	751.56	795.02	828.63	840.28	816.59	876.90
561.93	549.60	543.04	585.62	587.66	568.78	573.93
301.90	282.00	278.50	282.50	268.36	292.79	294.04
150.50	189.72	208.50	239.50	249.11	254.49	262.37
	109.00	155.00	147.50	127.74	136.60	Closed
185.50	197.00	213.43	191.31	209.71	215.67	Closed
740.50	891.00	1,016.98	1,011.58	1,011.90	1,009.24	1,021.57
4,906.86	4,667.07	4,848.79	5,040.95	5,061.71	5,165.77	4,890.03
38.26	80.07	99.13	369.08			
181.22	188.50	221.00	296.50	349.73	407.05	471.15
				185.57	185.80	182.45
208.04	225.35	214.34	170.79	180.96	171.28	184.54
427.52	493.92	534.47	836.37	716.26	764.13	838.14
40,553.61	40,390.97	40,563.12	40,753.45	40,971.00	41,343.43	41,838.68

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

<b>Fiscal Year</b>	<b>(A) <u>Instructional</u></b>	<b>(B) <u>Administrative</u></b>	<b>(C) <u>Support Services</u></b>	<b><u>Total</u></b>	<b>(D) Ratio of Students to Instructional <u>Personnel</u></b>	<b>(E) Ratio of Instructional Personnel to School <u>Administrators</u></b>
2015-16	2,938	159	2,694	5,791	14.24	18.48
2014-15	2,920	163	2,686	5,769	14.16	17.91
2013-14	2,871	163	2,580	5,614	14.27	17.61
2012-13	3,045	164	2,655	5,864	13.38	18.57
2011-12	3,025	164	2,435	5,624	13.41	18.45
2010-11	3,019	168	2,522	5,709	13.38	17.97
2009-10	2,977	165	2,485	5,627	13.62	18.04
2008-09	2,987	176	2,424	5,587	13.44	16.97
2007-08	2,967	181	2,357	5,505	13.37	16.39
2006-07	2,391	149	2,117	4,657	16.27	16.05

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 150/153
- (E) Calculated using data from columns A and B

---

Source: District Records and Florida Department of Education Staffing Report

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
2015-16	\$ 38,500	\$ 62,225	45,127
2014-15	37,150	60,875	42,922
2013-14	37,150	60,875	43,547
2012-13	35,600	59,375	42,903
2011-12	35,600	59,375	43,614
2010-11	35,600	59,375	43,614
2009-10	35,600	59,375	42,969
2008-09	35,600	58,875	42,334
2007-08	35,600	58,875	42,334
2006-07	34,300	57,525	40,647

---

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Days Meals were Served	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	18,180	17,677	19,479	23,416
Number of Free and Reduced Meals Served	3,272,328	3,181,848	3,506,220	4,214,880
Average Daily Subsidy Received	\$ 38,146	\$ 46,153	\$ 51,582	\$ 63,576
Total Subsidy Received	\$ 6,866,240	\$ 8,307,547	\$ 9,284,701	\$ 11,443,724
Average Number of Meals Served Daily	31,859	28,393	39,279	32,643
Number of Meals Served	5,734,559	5,110,661	7,070,220	5,875,740
Average Daily Revenues	\$ 81,691	\$ 87,250	\$ 90,755	\$ 97,908
Total Revenues	\$ 14,704,300	\$ 15,704,980	\$ 16,335,987	\$ 17,623,421
Average Daily Costs	\$ 78,303	\$ 84,566	\$ 85,746	\$ 88,013
Total Costs	\$ 14,094,566	\$ 15,221,793	\$ 15,434,199	\$ 15,842,402

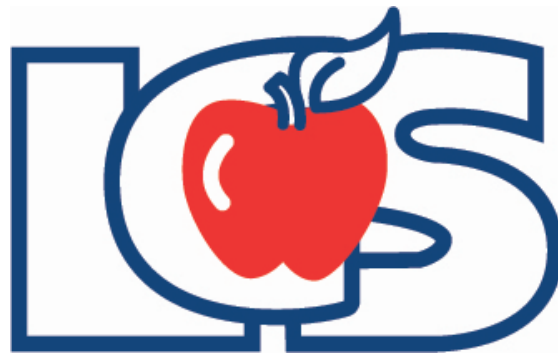
---

Source: District Records

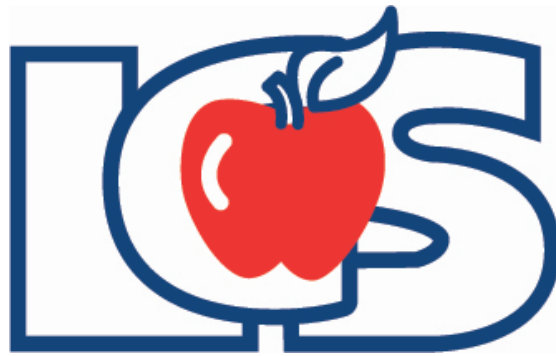
(Continued)

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
180	180	180	180	180	180
25,511	27,271	25,837	27,298	27,153	25,101
4,591,896	4,908,788	4,650,606	4,913,581	4,887,595	4,518,219
\$ 72,041	\$ 73,647	\$ 69,419	\$ 75,827	\$ 78,020	\$ 79,996
\$ 12,967,409	\$ 13,256,517	\$ 12,495,468	\$ 13,648,860	\$ 14,043,660	\$ 14,399,248
25,920	35,446	30,475	34,434	33,797	31,387
4,665,531	6,380,345	5,485,488	6,198,053	6,083,465	5,649,723
\$ 106,808	\$ 106,030	\$ 111,735	\$ 113,848	\$ 112,473	\$ 113,424
\$ 19,225,512	\$ 19,085,402	\$ 20,112,381	\$ 20,492,647	\$ 20,245,119	\$ 20,416,291
\$ 91,882	\$ 110,955	\$ 106,028	\$ 100,219	\$ 109,756	\$ 112,373
\$ 16,538,839	\$ 19,971,845	\$ 19,085,069	\$ 18,039,391	\$ 19,756,060	\$ 20,227,219

# SINGLE AUDIT ACT AND OTHER AUDIT REPORTS



LAKE COUNTY SCHOOLS, TAVARES FLORIDA



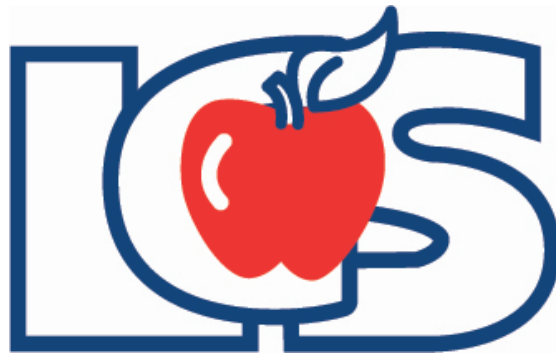
LAKE COUNTY SCHOOLS, TAVARES FLORIDA

**DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal year Ended June 30, 2016**

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
<b>United States Department of Agriculture:</b>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	321	\$ 2,919,525	\$
National School Lunch Program	10.555	300	11,108,745	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)	None	1,625,001	
<b>Total Child Nutrition Cluster</b>			<b>15,653,271</b>	
Child and Adult Care Food Program	10.558	18183	370,977	
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.664	None	78,667	
<b>Total United States Department of Agriculture</b>			<b>16,102,915</b>	
<b>United States Department of Health and Human Services:</b>				
Substance Abuse and Mental Health Services	93.243	SM062069	41,757	
Children's Health Insurance Program	93.767	LK057	31,611	
<b>Total United States Department of Health and Human Services</b>			<b>73,368</b>	
<b>United States Department of Education:</b>				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027A	263	7,727,100	-
Special Education - Preschool Grants	84.173A	267	115,236	
<b>Total Special Education Cluster</b>			<b>7,842,336</b>	-
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002A	191,192,193	470,245	470,245
Title I Grants to Local Educational Agencies	84.010	212, 226	10,351,338	
Migrant Education - State Grant Program	84.011A	217	43,448	
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	223	19,002	
Career and Technical Education - Basic Grants to States	84.048A	161	571,066	133,831
Education of the Homeless Children and Youths	84.196A	127	112,839	
English Language Acquisition Grants	84.365A	102	218,343	
Mathematics and Science Partnerships	84.366B	235	432,287	
Improving Teacher Quality State Grants	84.367A	224	1,129,740	
Title I, School Improvement	84.377		-	
School Improvement Grants- Recovery Act	84.388		-	
Race to the Top	84.395		-	
<b>Total Indirect</b>			<b>13,348,309</b>	<b>604,076</b>
<b>Total United States Department of Education</b>			<b>21,190,645</b>	<b>604,076</b>
<b>United States Department of Defense:</b>				
Direct:		unspecified	2,328.25	
Air Force Junior Reserve Officers Training Corps	None	N/A	157,789	
Army Junior Reserve Officers Training Corps	None	N/A	65,572	
Navy Junior Reserve Officers Training Corps	None	N/A	84,234	
<b>Total United States Department of Defense</b>			<b>309,923</b>	<b>0</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 37,676,851</b>	<b>\$ 604,076</b>

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 24, 2017.

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**

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 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 February 24, 2017.

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.



February 24, 2017  
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, 2016. 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, 2016.

*Purvis, Gray and Company, LLP*

February 24, 2017  
Ocala, Florida

### 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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

District School Board of Lake County, Florida 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 OMB *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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

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

**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 ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

*(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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Durvis, Gray and Company, LLP*

February 24, 2017  
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 the Uniform Guidance.
- 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 .516 of the Uniform Guidance.
- VII. The programs tested as major programs were:
  - **Department of Education**
    - IDEA Special Education Cluster:
      - ▶ Grants to States (CFDA No. 84.027)
      - ▶ Preschool Grants (CFDA No. 84.173)
    - Title II – Improving Teacher Quality – State Grants (CFDA No. 84.367)

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

\$1,130,306

**IX. Auditee Qualification as Low-risk Auditee**

The auditee does not qualify as a low-risk auditee per criteria set forth in Section .520 of the Uniform Guidance.

**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 .516 of the Uniform Guidance**

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, 2016, and have issued our report thereon dated February 24, 2017. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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, Schedule of Findings and Questioned Costs and our Independent Accountant's Report in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 24, 2017, 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.

### 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

**MANAGEMENT LETTER**  
*(Concluded)*

**Financial Condition**

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 (Section 1011.035, Florida Statutes, provides that district school boards include a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public). In connection with our audit, we determined that the District maintained on its Web site the information specified in Section 1011.035, 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*

February 24, 2017  
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**

#### **2016-1—Timekeeping Documentation**

The District School Board of Lake County, Florida (the District) employs approximately 6,000 individuals spread across multiple school sites and ancillary facilities, with multiple pay plans and options making payroll both a significant and complex function. As a part of the recent Enterprise Resource Planning (ERP) conversion, the District is in the process of implementing a District-wide standard timekeeping software and methodology.

As noted in prior audits and this audit, significant variances exist between schools and departments in the method of tracking payroll time; some schools/departments used a check-off system or sign-in/sign-out sheet; some schools/departments used timecards; some are utilizing the new (TrueTime) time keeping software; and some schools had inconsistent documentation of time worked or time off for nonexempt and exempt employees, documenting time worked only on an exception basis.

From our sample of current year employee timekeeping records, multiple records lacked evidence of supervisory review and approval of time worked and due to the process of payroll by exception, time off could be taken and a form not completed and the employee therefore would be paid regular time.

Management is implementing the time keeping software, TrueTime, in phases. As of the end of the fiscal year, TrueTime has been implemented in the follow departments: Transportation and Finance. During this process, management met with administrators and principals and communicated the District's updated timekeeping process.

Additionally, we've noted that District management anticipates continuing to move forward with implementation of TrueTime to all departments. Given the personnel intensive and diverse nature of the various schools and departments within the District, we encourage management to continue its efforts to standardize time keeping throughout the many sites of the District through the use of this new time keeping module.

#### **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

**MANAGEMENT LETTER COMMENTS**  
*(Concluded)*

**2016-2 - Timeliness of Financial Reporting**

The District has received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for many years, demonstrating its commitment to high achievement in external financial reporting. One of the hallmarks of this GFOA program is that financial reporting must be timely to be of the most value to the users of the information.

As the result of the recent ERP conversion, delayed receipt of GASB Statement No. 68 Pension information from Florida Retirement System (FRS) and other factors for the past few years, the District has been unable to meet its normal schedule of completing its year-end closing process and issuing its annual CAFR within 6 months of the fiscal year-end. With the ERP conversion well along and FRS timeliness improving each year, we recommend that the District rededicate itself to meeting or exceeding the timeliness standards that it has set in prior years so that the financial information will be the most useful that it can be.

**Prior Year Comments**

All prior year comments have been addressed.

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.

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.

*Durvis, Gray and Company, LLP*

February 24, 2017  
Ocala, Florida



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

**Superintendent:**  
Susan Moxley, Ed.D.

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

February 24, 2017

Mark White, CPA, Partner  
Purvis Gray & Company, CPA's  
2347 S.E. 17<sup>th</sup> 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, 2016, we offer the following:

#### Current Year Comments

##### 2016-1 Timekeeping Documentation

Our implementation of the "True Time" timekeeping module of the ERP System is continuing with a planned completion date of June 30, 2017. 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 balance of the 2016-17 year throughout the District. We also understand that regardless of the system used to record time, proper documentation and evidence of supervisor review is required. In response to this topic and to highlight the importance of this documentation, Superintendent Moxley issued a management directive dated February 14, 2017 outlining management expectations and direction regarding this documentation.

##### 2016-2 Timeliness of Financial Reporting

We have participated in the Certificate on Excellence in Financial Reporting through the Government Finance Officers Association (GFOA) since 2003 and highly value this certification as our commitment to transparent financial reporting. Due to various circumstances, we have requested and received an extension on the submission of our Comprehensive Annual Financial Report (CAFR) for the past two years. GFOA provides for these extensions only when the delay is justified. While all required financial reports were submitted to the Florida Department of Education in a timely manner, we fully understand the importance of providing timely

financial information to all users. We will ensure that future CAFR's are submitted within the normal reporting schedule.

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,

A handwritten signature in blue ink, appearing to read "Carol J. MacLeod", with a stylized flourish at the end.

Carol J. MacLeod, CPA, SFO  
Chief Financial Officer

cc: Dr. Susan Moxley, Superintendent of Schools