







The District School Board of **ESCAMBIA COUNTY**

Pensacola, Florida



	Superintendent Malcolm Thomas
	District 1 Jeff Bergosh
	District 2 Gerald Boone
	District 3 Linda Moultrie
	District 4 Patty Hightower Chair
	District 5 Bill Slayton Vice Chair



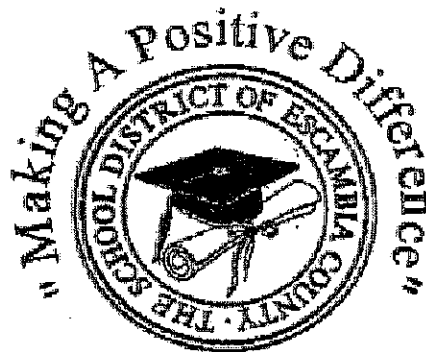
**FISCAL YEAR ENDED
JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

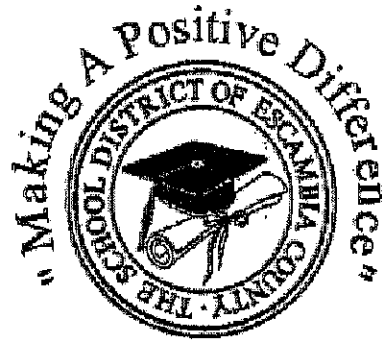
District School Board
Of Escambia County
Pensacola, Florida

Comprehensive Annual
Financial Report

For The
Fiscal Year
Ended June 30, 2015



Prepared By:
Finance Department



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

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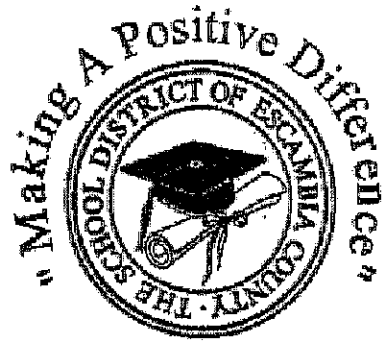
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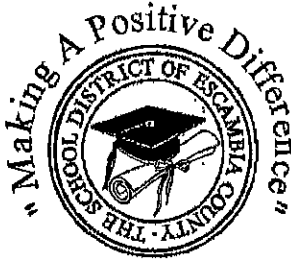
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INTRODUCTORY SECTION



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THE SCHOOL DISTRICT OF ESCAMBIA COUNTY

75 North Pace Blvd.
PENSACOLA, FL 32505
PHONE 850/432-6121, FAX 850/469-6379
<http://www.escambia.k12.fl.us>
MALCOLM THOMAS, SUPERINTENDENT

January 12, 2016

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida

State law requires that all local governments publish after the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Escambia County, Florida (District) for the fiscal year ended June 30, 2015.

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 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 GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. 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 audited by the independent public accounting firm, Moore Stephens Lovelace, P.A. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report 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. A separate report related to this

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
January 12, 2016

single audit, including the schedule of expenditures of federal awards, findings, and independent auditor's report on the system of internal control and on compliance with applicable requirements will be issued by the auditors to satisfy the requirements of OMB circular A-133 and the Single Audit Act of 1996.

This report includes all funds of the District, The Escambia County Public Schools Foundation for Excellence, Inc. (the Foundation), and charter schools, which comprise the reporting entity. 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 Escambia County. Charter schools are public schools operating under performance contracts with the District's governing board (Board). The Foundation and the applicable charter schools are included as discretely presented component units in the accompanying financial statements.

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

Profile of the District

The District and its Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The elected Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education (SBE) Rules, and Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by SBE Rule 6A-1.001, Florida Administrative Code.

The geographic boundaries of the District are those of Escambia County. During the 2014-15 fiscal year, the District operated 61 schools, special centers, and other programs, including 31 elementary schools, 9 middle schools, 7 high schools, 3 special centers, and 11 other programs. The District also has 8 charter schools that are component units of the District. The District also provides on-line learning opportunities through its virtual education offerings.

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

During the 2014-15 fiscal year, the District provided general, special, vocational, and other education programs to 40,156 unweighted full-time equivalent students (UFTE), a decrease of 15 UFTE over the prior fiscal year (40,171). Based on forecasting models, the District projects its 2015-16 student membership to further decrease in number to 40,044 UFTE which represents a decline of 112 UFTE.

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
January 12, 2016

For budgeting purposes, the Board follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types.

Economic Condition and Outlook

Escambia County, located in the northwestern part of the state, was established July 21, 1821 as a non-charter government when the Provisional Governor Andrew Jackson signed an ordinance making the County one of the first two counties in Florida, the other being St. John's County. There are two municipalities within the County, the City of Pensacola, which is the County seat, and the Town of Century.

Escambia County encompasses approximately 661 square miles, or 420,480 acres, with an additional 64,000 acres of water area and serves a population of approximately 306,000. The population has increased by approximately 2.5 percent over the last ten years. The statewide increase during that period has been close to 18 percent. The Escambia county unemployment rate has decreased from 6.0 percent a year ago to 5.7 percent in June 2015.

State sales tax revenues have stabilized from the economic downturn of the last several fiscal years as is reflected in a 6.9 percent increase in local receipts over the 2013-14 fiscal year. In addition, school taxable property values in Escambia County grew 4.3 percent over the same period.

Total education funding increased \$215 per UFTE (3.3 percent) over the prior 2013-14 fiscal year mainly due to a 7.5 percent increase in the Base Student Allocation (BSA). The BSA is set by the state legislature and is the starting point for the total formula funds calculation generated through the Florida Education Finance Program (FEFP).

The District's General Fund balance decreased in the 2014-15 fiscal year as the District utilized planned reserves to offset certain expenditures and to compensate for a proration in state FEFP revenue. The statewide proration of funds was due to unexpected growth in the state's student population and effectively reduced the District's FEFP revenue by \$1.5 million. The District's General Fund financial condition ratio of 12.8 percent remains well above the 3.5 percent benchmark required by Board Policy.

Major Initiatives

Section 212.055(6), Florida Statutes authorizes local school boards to levy a one-half cent School Capital Outlay Sales Surtax (sales surtax) and the Escambia County School District is in the eight year of a ten year referendum. One hundred percent of the District's sales tax funds are used for new construction, renovations, and certain retrofit projects for its school facilities.

In the November 2014 general election, the District won an early renewal of its sales tax referendum for another ten year period. Accordingly, the School Board passed a resolution in the spring of 2015 to issue Sales Tax Revenue Bonds in the amount not exceeding \$75 million for the purpose of constructing a new middle school on the west side of the county. Debt service period on the bonds will include the remaining years on the current ten year referendum and the full ten years available on the renewal period.

The new construct is intended to relieve overcrowding at other middle schools and once completed will set up a series of facility upgrades at other school locations. Addressing these issues will prepare for certain schools to swap campuses according to a strategic master plan designed to

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
January 12, 2016

address the District's shifting and growing population in addition to improving important but aging school facilities.

Financial Information Policies

Internal Controls Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level.

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 fiscal year-end and encumbrances outstanding are honored from the subsequent fiscal year's appropriations. In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Long-Term Financial Planning

General Operating School Board policy requires General Fund combined assigned and unassigned reserves to be maintained at no less than an amount equal to 3.5 percent of General Fund revenue. For the 2014-15 fiscal year this amount totaled \$37,006,970 or 12.75 percent.

The District's financial objectives for general operating revenue may be summarized as follows: (1) provide for adequate classroom resources and operational support to accomplish curriculum and instructional goals, (2) provide for competitive salary and benefits program for all employees, and (2) maintain adequate fund balance consistent with School Board policy.

Facilities The District currently benefits from a ten year, 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. This ten year levy is in effect until December 31, 2017 and is the source of funds for nearly all new construction and major remodel and renovation projects. In November 2014, the voters of Escambia County approved an early renewal referendum for another ten year extension beginning January 1, 2018 and ending December 31, 2027.

The Board has approved a resolution to issue sales tax revenue bonds in accordance with the proceeds collected over the remaining current levy and the projected proceeds collected from the ten year extension. These bonds will finance a new middle school and the remodel/renovation/repurpose of several existing school facilities.

Acknowledgments

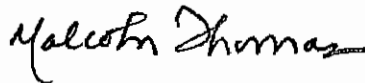
Affirmative action/equal opportunity employer

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
January 12, 2016

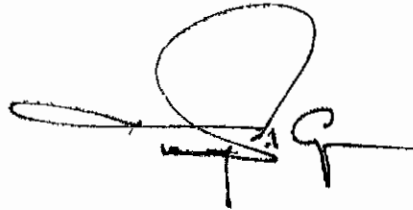
The preparation of this Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

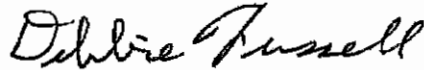
Respectfully submitted,



Malcolm Thomas
Superintendent of Schools



Terry St. Cyr, CPA
Assistant Superintendent -Finance and
Business Services



Debbie Fussell, CPA
Director of Accounting Operations

District School Board of Escambia County, Florida

School Board Members and Superintendent
(Elected for a four-year term)



District 1
Jeff Bergosh
9 years
November 2018



District 2
Gerald Boone
9 years
November 2018



District 3
Linda Moultrie
7 years
November 2018



District 4
Patty Hightower
11 years
Chairman
November 2016



District 5
Bill Slayton
7 years
Vice Chairman
November 2016



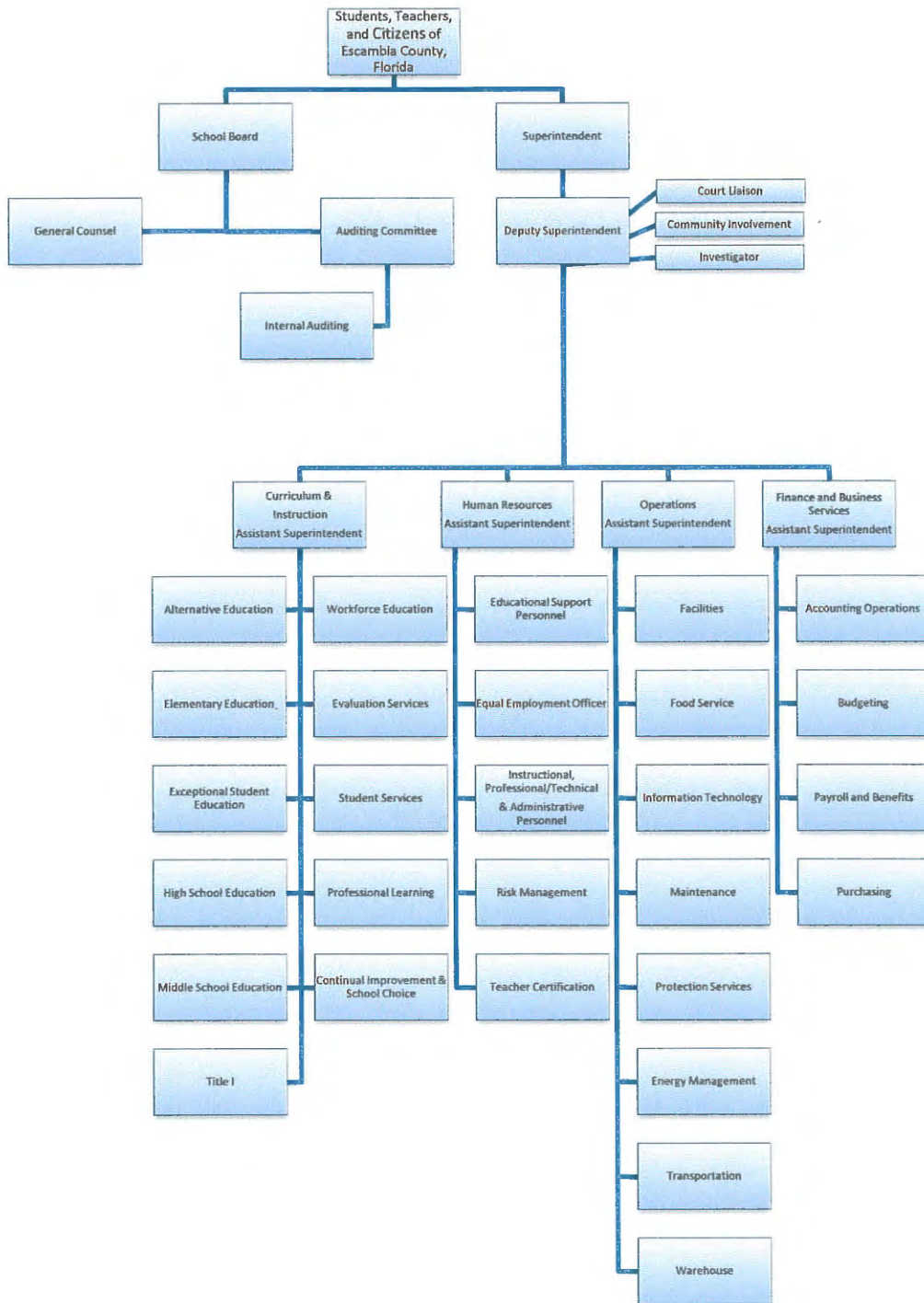
Malcolm Thomas
Superintendent
7 years
November 2016

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

Norm Ross	Deputy Superintendent
Shawn Dennis	Assistant Superintendent Operations
Steve Marcanio	Assistant Superintendent Curriculum and Instruction
Terry St. Cyr	Assistant Superintendent Finance and Business Services
Dr. Alan Scott	Assistant Superintendent Human Resources

District School Board of Escambia County, Florida Organizational Chart



Association of School Business Officials International



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

District School Board of Escambia County, Florida

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



Handwritten signature of Mark C. Pepera in black ink.

Mark C. Pepera, MBA, RSBO, SFO
President

Handwritten signature of John D. Musso in black ink.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

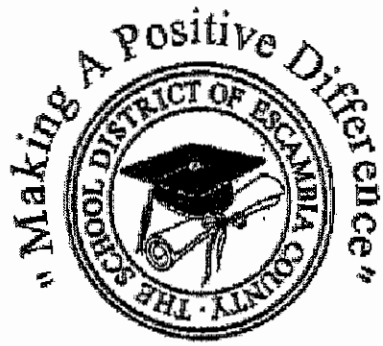
**District School Board
of Escambia County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION



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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of
The District School Board of Escambia County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charter Schools or Escambia Schools Foundation, Inc., which comprises 100 percent of the assets, net position, and revenues of the discretely presented component units of the District. Those 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 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and major special revenue fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in the fiscal year ended June 30, 2015, the District adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement Number 27*. As a result of the implementation of GASBS 68, the District reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress – Other Postemployment Benefits Plan, and Pension Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 as a whole. The introductory section, combining and individual major and non-major fund financial statements and 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 financial statements. The combining and individual major and non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining and individual major and non-major fund financial statements and

Chairman and Members of
The District School Board of Escambia County, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Information (Continued)

schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section 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*

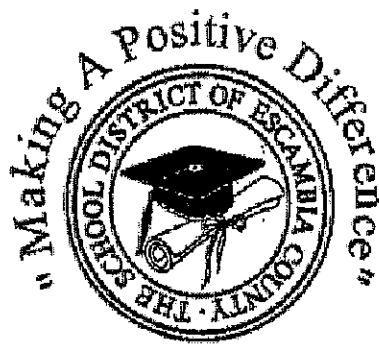
In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
January 12, 2016



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Escambia County, Florida has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2015. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-15 fiscal year are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2015, by \$272.1 million (net position).
- The District's total net position decreased by \$116.1 million from the prior fiscal year (\$388.2 million) due to the implementation of GASB Statement 68 – Accounting and Financial Reporting for Pensions.
- At June 30, 2015, the District's governmental funds reported combined fund balances of \$144.8 million, a decrease of \$12.4 million from the prior fiscal year (\$157.2 million).
- At June 30, 2015, the combined assigned and unassigned fund balance for the General Fund was \$37.0 million, or 12.8 percent (Financial Condition Ratio) of total General Fund revenues.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) was \$34.4 million, a decrease of \$4.6 million (12 percent) from the prior fiscal year (\$39 million) primarily due to payment of principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-wide Financial Statements

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

resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents aggregate financial information for the following ten separate legal entities in this report: Escambia Charter School, Inc., Beulah Academy of Science, Inc., Pensacola Beach Elementary School, Inc., Byrnesville Elementary School, Inc., Jacqueline Harris Preparatory Academy, Newpoint Pensacola Academy Middle School, Newpoint Pensacola High School, Five Flags Elementary School, Capstone Academy Pensacola, and the Escambia County Public Schools Foundation For Excellence, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by GASB Statement No. 61, as interpreted by the Florida Department of Education, which determined that it would be misleading to exclude the charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Escambia School District Employee Benefit Trust (Trust) was established to administer the District's employee life, health, and dental insurance programs. The Escambia County District School Board exercises significant oversight responsibility over the Trust, and all activities of the Trust are solely for the benefit of the District and its employees. Therefore, the financial activities of the Trust have been included (blended) as an integral part of the primary government.

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the District's near-term financing arrangements.

The governmental fund statements provide a detailed, short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue - Other Federal Program Fund, and the Capital Projects - Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the General Fund and the Special Revenue - Other Federal Program Fund to demonstrate compliance with the budget.

Proprietary Funds. Proprietary funds, including internal service funds, may be established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for risk management and employee benefits activities. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses agency funds to account for resources held for student activities and groups and to account for the resources of the District's pre-tax flexible benefits plan.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2015, compared to net position as of June 30, 2014:

	Net Position, End of Year	
	Governmental Activities	
	6-30-15	6-30-14
Current Assets	\$ 191,626,403	\$ 205,789,222
Capital Assets	322,900,603	308,948,717
Total Assets	514,527,006	514,737,939
Deferred Outflow of Resources	25,540,146	472,996
Total Assets and Deferred Outflow of Resources	\$ 540,067,152	\$ 515,210,935
Long-Term Liabilities	\$ 200,366,377	\$ 111,979,841
Other Liabilities	12,259,857	15,045,963
Total Liabilities	212,626,234	127,025,804
Deferred Inflow of Resources	55,306,233	
Total Liabilities and Deferred Inflow of Resources	\$ 267,932,467	\$ 127,025,804
Net Position:		
Net Investment in Capital Assets	288,526,040	269,930,903
Restricted	115,241,269	121,223,565
Unrestricted (Deficit)	(131,632,624)	(2,969,337)
Total Net Position	272,134,685	388,185,131
Total Liabilities and Net Position	\$ 540,067,152	\$ 515,210,935

The largest portion of the District's net position, \$288.5 million, reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, computer software, and

audio visual materials), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position, \$115 million, represents resources that are subject to external restrictions on how they may be used. Normally, the unrestricted net position is used to meet the District's ongoing obligations to students, employees, and creditors. Unrestricted net position totaled a negative \$132 million mainly due to the net pension liability of \$94 million. The District reported net pension liability according to the requirements of GASB Statement 68 - Accounting and Reporting for Pensions.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2015, and June 30, 2014, are as follows:

Operating Results for the Year

	Governmental Activities	
	6-30-15	6-30-14
Program Revenues:		
Charges for Services	\$ 5,092,659	\$ 5,668,386
Operating Grants and Contributions	16,484,055	15,890,352
Capital Grants and Contributions	6,094,047	2,632,234
General Revenues:		
Property Taxes, Levied for Operational Purposes	95,102,045	91,977,693
Property Taxes, Levied for Capital Projects	21,492,708	22,777,599
Local Sales Taxes	23,376,775	21,856,254
Grants and Contributions Not Restricted to Specific Programs	222,905,305	219,193,213
Unrestricted Investment Earnings	584,835	96,333
Miscellaneous	3,604,535	3,702,323
Total Revenues	394,736,964	383,794,387
Functions/Program Expenses:		
Instruction	206,850,659	200,433,368
Student Personnel Services	16,357,758	16,018,809
Instructional Media Services	4,400,081	4,224,367
Instruction and Curriculum Development Services	10,450,035	10,038,942
Instructional Staff Training Services	8,497,923	9,139,669
Instruction Related Technology	4,165,597	4,401,182
Board of Education	1,223,781	1,196,527
General Administration	2,211,509	2,413,878
School Administration	14,978,087	14,787,725
Facility Services	19,944,374	13,506,908
Fiscal Services	2,335,937	2,164,484
Food Services	20,515,294	20,988,484
Central Services	5,050,783	4,791,656
Student Transportation Services	17,788,057	18,220,613
Operation of Plant	27,069,043	27,217,458
Maintenance of Plant	11,041,441	10,943,295
Administrative Technology Services	3,508,846	3,948,080
Community Services	1,119,798	1,384,546
Unallocated Interest on Long-Term Debt	1,855,933	1,883,019
Total Functions/Program Expenses	379,364,936	367,703,010
Increase (Decrease) in Net Position	15,372,028	16,091,377
Beginning Net Position	388,185,131	372,093,754
Adjustment to Net Position	(131,422,474)	
Ending Net Position	\$ 272,134,685	\$ 388,185,131

Governmental Activities decreased the District's net position by \$116.1 million. The key element of the decrease is due to the GASB 68 reporting requirement which reduced Beginning Net Position a total of \$131.4 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

General Fund. The General Fund is the District's chief operating fund. The assigned and unassigned fund balance at June 30, 2015, is \$37.0 million, while the total fund balance is \$51.3 million. The assigned and unassigned fund balances increased by \$2.2 million, while the total fund balance decreased by \$2.2 million during the fiscal year. Key factors for these changes are as follows:

- Decrease in total fund balance – Expenditures for salaries and benefits increased significantly due to an across the board 4 percent raise for all employee categories. The increase in these costs was anticipated to hold the fund at the breakeven point in terms of net change in fund balance. However, a proration of the FEFP per the fourth calculation resulted in a \$1.5 million loss of expected revenue. These, along with certain other factors, resulted in a lower than expected total fund balance.
- Increase in assigned and unassigned fund balances - The \$2.2 million increase in assigned and unassigned fund balances was due to expending restricted state categorical funds as a higher priority than unrestricted funds in order to maximize flexibility of the fund balance reserves. The ratio of unrestricted assigned and unassigned fund balance to general fund revenue is a measure of the District's financial condition.

Special Revenue – Other Fund. The Special Revenue – Other Federal Programs Fund had revenues and expenditures of \$32.5 million each. The fund includes entitlement grants such as Title I and Special Education. Funds are typically recorded as revenue when expended.

Capital Projects – Other Fund. The Capital Projects – Other Fund has a fund balance of \$69.3 million, of which \$4.6 million has been encumbered for specific projects. The fund balance decreased from the prior year by \$3.3 million due in part to the reconstruction projects of a two existing schools. Both Schools were occupied during the 2014-15 fiscal year.

The majority of the revenue in the Capital Projects – Other Fund consists of proceeds from the District's local option sales tax. This sales tax is specific to the Escambia County School District and is a ten-year, voter-approved referendum which began in 2008.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted revenues did not significantly differ from original budgeted revenues, and actual revenues are in line with final budgeted revenues.

Actual expenditures were \$25.7 million less than final budgeted expenditures. The instruction function accounted for \$11.3 million of this variance due mainly to the efficient staffing of instructional personnel necessary to meet class size reduction requirements.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$322.9 million (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; construction in progress; and audio visual materials and computer software. The District's investment in capital assets (net of accumulated depreciation) for the current fiscal year increased \$14 million, or 4.5 percent.

Major construction projects initiated, continued, or completed during the current fiscal year included the following:

- A.K. Suter Elementary School rebuild of entire facility.
- Ernest Ward Middle School rebuild of entire facility.
- Roofing projects at various District locations.
- Bellview Middle School gymnasium construction.
- Installation and renovation of mechanical and life safety systems.

Additional information on the District's capital assets can be found in Notes 5 and 13 to the financial statements.

Long-Term Debt

At June 30, 2015, the District has total long-term debt outstanding of \$34.3 million. The District had \$2.7 million outstanding of State School Bonds issued by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida. Certificates of Participation outstanding of \$31.6 million represent the remainder of long-term debt.

Additional information on the District's long-term debt can be found in Notes 8 through 11 to the financial statements.

ECONOMIC FACTORS AFFECTING 2015-16 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2015-16 fiscal year:

State Funding for Student Enrollment

The District receives State funds based on the number of full-time equivalent (FTE) students. These formula funds will increase approximately \$8.1 million (\$236 per unweighted FTE) over the 2014-15 fiscal year due to a 3.0 percent increase in total formula funds appropriated by the State Legislature.

General Fund - Fund Balance

The District will budget approximately \$7.0 million of unrestricted fund balance to cover planned expenditures during the 2015-16 fiscal year. The District anticipates that a portion of the unrestricted fund balance will be replenished at year-end through unspent appropriations and actual revenue receipts in excess of budgeted amounts.

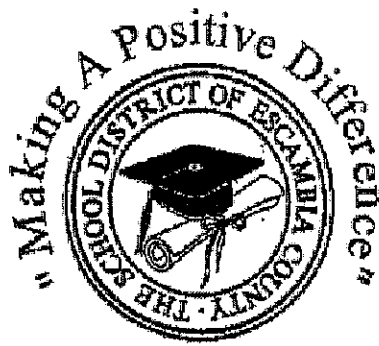
The District anticipates that the fund balance at June 30, 2016, will remain in excess of the Board minimum target of 3.5 percent (of anticipated General Fund revenues).

Expected Cost Increases

Major increases expected in operating expenditures include (1) potentially higher salary and benefits costs of approximately \$4.5 million due salary negotiations, and (2) continuing increases in health insurance costs and wellness benefits to offset medical inflation.

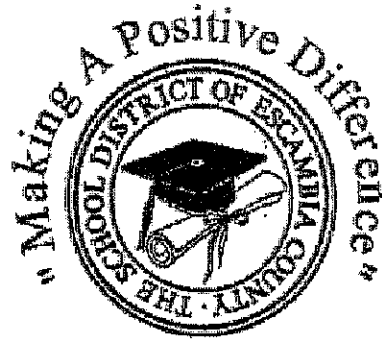
REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent - Finance and Business Services, District School Board of Escambia County, 75 North Pace Boulevard, Pensacola, Florida, 32505.



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BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 103,290,670	\$ 4,046,714
Investments	77,688,238	
Accounts Receivable	431,023	695,418
Deposits Receivable	2,000	1,751
Prepaid Items		74,346
Due from Other Agencies	6,952,483	187,551
Inventories	3,268,733	
Capital Assets:		
Non-Depreciable Capital Assets	9,761,713	428,690
Depreciable Capital Assets, Net	313,138,890	5,083,686
Total Assets	514,533,750	10,518,156
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	25,540,146	131,178
Total Deferred Outflows of Resources	25,540,146	131,178
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 540,073,896	\$ 10,649,334
LIABILITIES		
Salaries and Benefits Payable	\$ 2,799,124	\$ 21,418
Payroll Deductions and Withholdings	51,118	
Accounts Payable	2,301,554	1,738,099
Construction Contracts Payable	3,687	
Construction Contracts Payable - Retainage	248,851	
Due to Other Agencies	54,984	
Deposits Payable	9,386	25
Accrued Interest Payable	666,537	
Advanced Revenue	3,559,654	
Loan Payable	2,571,706	
Note Payable		130,500
Long-Term Liabilities:		
Portion Due Within One Year:	14,202,736	648,371
Portion Due After One Year:	186,163,641	1,071,921
Total Liabilities	212,632,978	3,610,334
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	55,261,715	205,365
Deferred Revenue	44,518	
Total Deferred Inflows of Resources	55,306,233	205,365
NET POSITION		
Net Investment in Capital Assets	288,526,040	4,706,704
Restricted for:		
State Required Carryover Programs	8,966,850	
Debt Service	4,432,774	140,000
Capital Projects	83,166,174	3,159
Federal Required Carryover Programs	1,690	
Food Service	5,910,260	
Other Required Carryover Programs	12,763,521	555,517
Unrestricted	(131,632,624)	1,428,255
Total Net Position	272,134,685	6,833,635
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 540,073,896	\$ 10,649,334

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government			
Governmental Activities:			
Instruction	\$ 206,850,659	\$ 916,332	\$
Student Support Services	16,357,758		
Instructional Media Services	4,400,081		
Instruction and Curriculum Development Services	10,450,035		
Instructional Staff Training Services	8,497,923		
Instruction-Related Technology	4,165,597		
Board of Education	1,223,781		
General Administration	2,211,509		
School Administration	14,978,087		
Facility Services	19,944,374	28,759	
Fiscal Services	2,335,937		
Food Services	20,515,294	3,480,641	16,484,055
Central Services	5,050,783		
Student Transportation Services	17,788,057	241,944	
Operation of Plant	27,069,043		
Maintenance of Plant	11,041,441		
Administrative Technology Services	3,508,846		
Community Services	1,119,798	424,983	
Unallocated Interest on Long-Term Debt	1,855,933		
Total Governmental Activities	\$ 379,364,936	\$ 5,092,659	\$ 16,484,055
Component Units			
Foundation/Charter Schools	\$ 11,096,833	\$ 383,106	\$ 466,189

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change In Net Position

Net Position, July 1, 2014 - As Previously Reported

Cumulative Effect of Change in Accounting Principle

Net Position, July 1, 2014, As Restated

Net Position, June 30, 2015

The accompanying notes to the basic financial statements are an integral part of the financial statements.

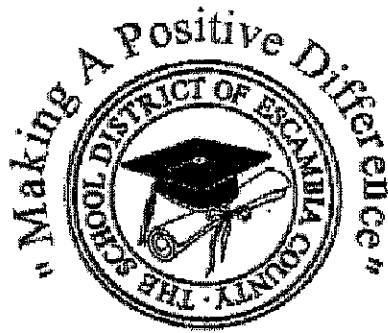
<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Primary Governmental Governmental Activities</u>	<u>Component Units</u>
\$	\$ (205,934,327)	\$
	(16,357,758)	
	(4,400,081)	
	(10,450,035)	
	(8,497,923)	
	(4,165,597)	
	(1,223,781)	
	(2,211,509)	
	(14,978,087)	
4,804,129	(15,111,486)	
	(2,335,937)	
	(550,598)	
	(5,050,783)	
	(17,546,113)	
	(27,069,043)	
	(11,041,441)	
	(3,508,846)	
	(694,815)	
1,289,918	(566,015)	
<u>\$ 6,094,047</u>	<u>(351,694,175)</u>	
<u>\$ 295,693</u>		<u>(9,951,845)</u>
	95,102,045	
	21,492,708	
	23,376,775	
	222,905,305	9,058,299
	584,835	11,798
	<u>3,604,535</u>	<u>311,515</u>
	<u>367,066,203</u>	<u>9,381,612</u>
	<u>15,372,028</u>	<u>(570,233)</u>
	388,185,131	7,922,923
	(131,422,474)	(519,055)
	256,762,657	7,403,868
	<u>\$ 272,134,685</u>	<u>\$ 6,833,635</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Special Revenue - Other Federal Programs Fund
ASSETS		
Cash and Cash Equivalents	\$ 41,518,777	\$ 142,190
Investments	7,065,109	
Accounts Receivable	313,276	40,892
Deposits Receivable	2,000	
Due from Other Funds	6,410,225	
Due from Other Agencies	817,818	4,584,190
Inventories	1,290,896	
	<u>\$ 57,418,101</u>	<u>\$ 4,767,272</u>
TOTAL ASSETS		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 2,592,417	\$ 206,707
Payroll Deductions and Withholdings	34,162	15,256
Accounts Payable	888,046	581,249
Construction Contracts Payable		
Construction Contracts Payable - Retainage		
Due to Other Funds	14,815	3,958,158
Due to Other Agencies	50,772	4,212
Deposits Payable	121	
Accrued Interest Payable		
Loan Payable	2,571,706	
Total Liabilities	<u>6,152,039</u>	<u>4,765,582</u>
Deferred Inflows of Resources:		
Deferred Revenue		
Total Deferred Inflows of Resources	<u> </u>	<u> </u>
Fund Balances:		
Nonspendable:		
Inventories	1,208,455	
Restricted for:		
State Required Carryover Programs	8,966,850	
Debt Service		
Capital Projects		
Federal Required Carryover Programs		1,690
Food Service		
Other Required Carryover Programs	4,083,787	
Assigned for:		
Contingencies	6,533,467	
Local Carryovers	15,714,078	
Unassigned	14,759,425	
Total Fund Balances	<u>51,266,062</u>	<u>1,690</u>
	<u>\$ 57,418,101</u>	<u>\$ 4,767,272</u>
TOTAL LIABILITIES, DEERRED INFLOWS OF RESOURCES, AND FUND BALANCES		

The accompanying notes to the basic financial statements are an integral part of the financial statements.

<i>Capital Projects - Other Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
\$ 3,619,364	\$ 18,298,874	\$ 63,579,205
66,135,688	4,487,440	77,688,237
	3,698	357,866
		2,000
	12,523	6,422,748
	1,550,476	6,952,484
	1,977,837	3,268,733
<u>\$ 69,755,052</u>	<u>\$ 26,330,848</u>	<u>\$ 158,271,273</u>
\$	\$	\$ 2,799,124
	1,699	51,117
174,480	413,297	2,057,072
3,687		3,687
248,851		248,851
	1,014,358	4,987,331
		54,984
	9,265	9,386
	666,537	666,537
		2,571,706
<u>427,018</u>	<u>2,105,156</u>	<u>13,449,795</u>
	44,518	44,518
	<u>44,518</u>	<u>44,518</u>
	1,977,837	3,186,292
		8,966,850
	4,432,774	4,432,774
69,328,034	13,838,140	83,166,174
		1,690
	3,932,423	3,932,423
		4,083,787
		6,533,467
		15,714,078
		14,759,425
<u>69,328,034</u>	<u>24,181,174</u>	<u>144,776,960</u>
<u>\$ 69,755,052</u>	<u>\$ 26,330,848</u>	<u>\$ 158,271,273</u>



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total Fund Balances - Governmental Funds		\$ 144,776,960
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		322,900,602
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		7,471,279
Long-term liabilities are not due and payable in the current fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of:		
Bonds Payable	\$ (2,738,580)	
Certificates of Participation Payable	(31,635,982)	
Compensated Absences Payable	(42,538,646)	
Other Post Employment Benefits	<u>(2,227,205)</u>	(79,140,413)
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the District's proportionate share of the net pension liability of the cost-sharing defined benefit pension plans in which the District participates is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported in accordance with GASB Statement No. 68.		
Net Pension Liability	(94,152,174)	
Deferred Outflows Related to Pensions	25,540,146	
Deferred Inflows Related to Pensions	<u>(55,261,715)</u>	<u>(123,873,743)</u>
Total Net Position - Governmental Activities		<u>\$ 272,134,685</u>

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue - Other Federal Programs Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 1,241,398	\$ 1,805,013
Federal Through State and Local State	2,959,728	30,718,202
State	185,696,149	
Local:		
Property Taxes	95,102,045	
Sales Taxes		
Charges for Food Service		
Miscellaneous	5,164,660	
Total Revenues	290,163,980	32,523,215
Expenditures		
Current - Education:		
Instruction	190,242,698	14,421,707
Student Support Services	14,488,821	2,360,835
Instructional Media Services	4,465,171	92,377
Instruction and Curriculum Development Services	5,158,129	5,382,254
Instructional Staff Training Services	3,130,644	5,299,871
Instruction-Related Technology	2,234,256	1,658,783
Board of Education	1,264,067	
General Administration	824,464	1,410,252
School Administration	15,569,107	701
Facility Services	705,961	37,221
Fiscal Services	2,415,327	505
Food Services	145,162	
Central Services	5,034,006	71,140
Student Transportation Services	15,902,045	372,707
Operation of Plant	27,267,748	25,134
Maintenance of Plant	10,953,267	
Administrative Technology Services	3,189,336	74,186
Community Services	482,693	640,738
Fixed Capital Outlay:		
Facilities Acquisition and Construction	34,255	39,889
Other Capital Outlay	768,123	633,595
Debt Service:		
Principal		
Interest and Fiscal Charges		
Total Expenditures	304,275,280	32,521,895
Excess (Deficiency) of Revenues Over Expenditures	(14,111,300)	1,320
Other Financing Sources (Uses)		
Transfers In	8,632,905	
Refunding Bonds Issued		
Premium on Refunding Bonds		
Refunding Certificates of Participation Issued		
Premium on Refunding Certificate of Participation		
Proceeds from Sale of Capital Assets		
Insurance Loss Recoveries	3,285,325	
Payments to Refunding Escrow Agent		
Transfers Out		
Total Other Financing Sources (Uses)	11,918,230	
Net Change in Fund Balances	(2,193,070)	1,320
Fund Balances, July 1, 2014	53,459,132	370
Fund Balances, June 30, 2015	\$ 51,266,062	\$ 1,690

The accompanying notes to the basic financial statements are an integral part of the financial statements.

<i>Capital Projects - Other Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
\$	\$	\$
412,365	16,708,663	3,046,411
	2,644,859	50,386,593
		188,753,373
23,376,775	21,492,708	116,594,753
456,244	3,480,641	23,376,775
	54,686	3,480,641
		5,675,590
<u>24,245,384</u>	<u>44,381,557</u>	<u>391,314,136</u>
	354,807	205,019,212
		16,849,656
		4,557,548
		10,540,383
	146,295	8,576,810
		3,893,039
		1,264,067
	3,438	2,238,154
		15,569,808
8,720,803	8,434,098	17,898,083
		2,415,832
	20,025,962	20,171,124
	1,667	5,106,813
		16,274,752
		27,292,882
		10,953,267
	2,825	3,266,347
		1,123,431
20,323,246	7,412,629	27,810,019
	221,022	1,622,740
	4,768,768	4,768,768
	1,619,850	1,619,850
<u>29,044,049</u>	<u>42,991,361</u>	<u>408,832,585</u>
<u>(4,798,665)</u>	<u>1,390,196</u>	<u>(17,518,449)</u>
	5,000,000	13,632,905
	627,000	627,000
	43,383	43,383
	19,840,000	19,840,000
	2,505,339	2,505,339
1,877,010		1,877,010
		3,285,325
	(23,126,288)	(23,126,288)
<u>(412,365)</u>	<u>(13,173,570)</u>	<u>(13,585,935)</u>
<u>1,464,645</u>	<u>(8,284,136)</u>	<u>5,098,739</u>
(3,334,020)	(6,893,940)	(12,419,710)
72,682,054	31,075,114	157,196,670
<u>\$ 69,328,034</u>	<u>\$ 24,181,174</u>	<u>\$ 144,776,960</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Governmental Funds **\$ (12,419,710)**

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

Governmental funds report capital outlays 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 capital outlays in excess of depreciation expense in the current fiscal year.

Capital Outlay - Facilities Acquisition and Construction - Capitalized	\$ 25,960,074	
Capital Outlay - Other Capital Outlay - Capitalized	1,622,739	
Less, Depreciation Expense	(11,891,420)	15,691,393

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs from the change in fund balances by the cost of assets sold. (1,739,507)

Debt proceeds are reported as financial resources in governmental funds and thus contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, payments to escrow agents are reported as financial uses in the governmental funds but reduces the liability in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. These are the debt refunding and principal payments for the current fiscal year:

Refunding Bond Proceeds	(627,000)	
Premium on Refunding Bonds	(43,383)	
Refunding Certificate of Participation	(19,840,000)	
Premium on Refunding Certificates of Participation	(2,505,339)	
Payment to Refunding Refunding Bond Escrow Agent	660,000	
Payment to Refunding Certificate of Participation Escrow Agent	21,840,001	
Bond Repayments	1,148,000	
Certificate of Participation Repayments	3,620,768	4,253,047

Premiums associated with long-term debt issued in the current fiscal year are reported in the statement of activities, but are not a current financial resource and, therefore, are not reported in governmental funds. This is the decrease in deferred premiums during the current fiscal year:

Bonds Payable	78,078	
Certificates of Participation Payable	312,126	390,204

Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability and is reported as part of deferred outflows of resources. 15,329,995

In the Statement of Activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (7,781,264)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. (192,966)

The net change in the liability for post-employment benefits payable is reported in the government-wide statements, but not in the governmental fund statements. 497,505

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 1,343,331

Change in Net Position of Governmental Activities **\$ 15,372,028**

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	General Fund			
	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,100,000	\$ 1,241,398	\$ 1,241,398	\$
Federal Through State and Local	2,121,456	2,959,728	2,959,728	
State	189,364,921	185,994,663	185,696,149	(298,514)
Local:				
Property Taxes	91,051,655	95,102,045	95,102,045	
Miscellaneous	3,869,343	5,173,524	5,164,660	(8,864)
Total Revenues	<u>287,507,375</u>	<u>290,471,358</u>	<u>290,163,980</u>	<u>(307,378)</u>
Expenditures				
Current - Education:				
Instruction	186,278,289	201,549,455	190,242,698	11,306,757
Student Support Services	14,462,530	15,383,853	14,488,821	895,032
Instructional Media Services	4,449,915	4,811,338	4,465,171	346,167
Instruction and Curriculum Development Services	4,775,244	5,210,546	5,158,129	52,417
Instructional Staff Training Services	3,234,897	3,807,315	3,130,644	676,671
Instruction-Related Technology	2,175,365	2,227,281	2,234,256	(6,975)
Board of Education	1,295,167	1,679,083	1,264,067	415,016
General Administration	679,395	859,784	824,464	35,320
School Administration	15,021,902	15,884,979	15,569,107	315,872
Facility Services	1,920,438	1,569,758	705,961	863,797
Fiscal Services	3,115,441	3,220,405	2,415,327	805,078
Food Services		152,441	145,162	7,279
Central Services	6,642,328	6,772,992	5,034,006	1,738,986
Student Transportation Services	16,111,873	17,452,631	15,902,045	1,550,586
Operation of Plant	29,413,876	29,427,574	27,267,748	2,159,826
Maintenance of Plant	11,701,382	14,537,384	10,953,267	3,584,117
Administrative Technology Services	3,306,666	3,379,666	3,189,336	190,330
Community Services	783,703	863,652	482,693	380,959
Fixed Capital Outlay:				
Facilities Acquisition and Construction		20,589	34,255	(13,666)
Other Capital Outlay	673,920	1,174,147	768,123	406,024
Debt Service:				
Principal	10,000	10,000		10,000
Total Expenditures	<u>306,052,331</u>	<u>329,994,873</u>	<u>304,275,280</u>	<u>25,719,593</u>
(Excess) Deficiency of Revenues Over Expenditures	<u>(18,544,956)</u>	<u>(39,523,515)</u>	<u>(14,111,300)</u>	<u>25,412,215</u>
Other Financing Sources (Uses)				
Transfers In	8,007,949	8,632,905	8,632,905	
Insurance Loss Recoveries		3,285,325	3,285,325	
Total Other Financing Sources (Uses)	<u>8,007,949</u>	<u>11,918,230</u>	<u>11,918,230</u>	
Net Change in Fund Balances	<u>(10,537,007)</u>	<u>(27,605,285)</u>	<u>(2,193,070)</u>	<u>25,412,215</u>
Fund Balances, July 1, 2014	53,459,132	53,459,132	53,459,132	
Fund Balances, June 30, 2015	<u>\$ 42,922,125</u>	<u>\$ 25,853,847</u>	<u>\$ 51,266,062</u>	<u>\$ 25,412,215</u>

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2015

Other Federal Programs Fund

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,400,431	\$ 1,805,013	\$ 1,805,013	\$
Federal Through State and Local	38,615,852	34,669,026	30,718,202	(3,950,824)
Total Revenues	<u>40,016,283</u>	<u>36,474,039</u>	<u>32,523,215</u>	<u>(3,950,824)</u>
Expenditures				
Current - Education:				
Instruction	18,868,782	15,393,444	14,421,707	971,737
Student Support Services	2,720,180	2,584,565	2,360,835	223,730
Instructional Media Services	44,203	92,453	92,377	76
Instruction and Curriculum Development Services	5,758,009	5,747,496	5,382,254	365,242
Instructional Staff Training Services	6,904,378	7,094,756	5,299,871	1,794,885
Instruction-Related Technology	1,928,263	1,824,318	1,658,783	165,535
General Administration	1,211,630	1,510,915	1,410,252	100,663
School Administration	3,266	4,820	701	4,119
Facility Services	57,595	37,221	37,221	
Fiscal Services		505	505	
Central Services	88,849	83,983	71,140	12,843
Student Transportation Services	1,022,483	408,705	372,707	35,998
Operation of Plant	37,981	32,024	25,134	6,890
Maintenance of Plant	500			
Administrative Technology Services	71,555	74,186	74,186	
Community Services	120,596	640,738	640,738	
Fixed Capital Outlay:				
Facilities Acquisition and Construction	22,924	39,889	39,889	
Other Capital Outlay	1,155,459	904,391	633,595	270,796
Total Expenditures	<u>40,016,653</u>	<u>36,474,409</u>	<u>32,521,895</u>	<u>3,952,514</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(370)</u>	<u>(370)</u>	<u>1,320</u>	<u>1,690</u>
Net Change in Fund Balances	<u>(370)</u>	<u>(370)</u>	<u>1,320</u>	<u>1,690</u>
Fund Balances, July 1, 2014	<u>370</u>	<u>370</u>	<u>370</u>	
Fund Balances, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>\$ 1,690</u>	<u>\$ 1,690</u>

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
June 30, 2015

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 39,711,464
Due From Other Funds	13,622
	39,725,086
TOTAL ASSETS	\$ 39,725,086
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 243,288
Due to Other Funds	1,377,076
Unearned Revenue	3,559,654
Estimated Insurance Claims Payable	5,659,609
Total Current Liabilities	10,839,627
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	21,414,180
Total Noncurrent Liabilities	21,414,180
TOTAL LIABILITIES	32,253,807
NET POSITION	
Restricted for Employee Benefits	7,471,279
Total Net Position	7,471,279
TOTAL LIABILITIES AND NET POSITION	\$ 39,725,086

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 44,054,264
Other	860,963
Total Operating Revenues	44,915,227
OPERATING EXPENSES	
Salaries	486,634
Employee Benefits	140,234
Purchased Services	5,512,910
Energy Services	16,118
Materials and Supplies	5,227
Capital Outlay	3,536
Insurance Claims	34,379,940
Other	2,985,863
Total Operating Expenses	43,530,462
Operating Income	1,384,765
NONOPERATING REVENUES	
Interest	5,536
Total Nonoperating Revenues	5,536
Income Before Transfers	1,390,301
Transfers Out	(46,970)
Change in Net Position	1,343,331
NET POSITION	
Total Net Position, July 1, 2014	6,127,948
Total Net Position, June 30, 2015	\$ 7,471,279

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 44,928,615
Cash Payments to Suppliers for Goods and Services	(8,290,284)
Cash Payments to Employees for Services	(626,868)
Cash Payments for Interfund Services	(285,907)
Cash Payments for Insurance Claims	(34,749,127)
Net Cash Provided by Operating Activities	976,429
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to Other Funds	(46,970)
Net Cash Used by Noncapital Financing Activities	(46,970)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	5,536
Net Cash Provided by Investing Activities	5,536
 Net Increase in Cash and Cash Equivalents	934,995
 Beginning Cash and Cash Equivalents	38,776,469
Ending Cash and Cash Equivalents	\$ 39,711,464
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 1,384,765
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	20,056
Decrease in Due From Other Funds	(13,622)
Increase in Accounts Payable	114,203
Decrease in Due to Other Funds	(285,908)
Increase in Due to Other Agencies	(1,272)
Decrease in Unearned Revenue	127,394
Increase in Estimated Insurance Claims Payable	(369,187)
Total Adjustments	(408,336)
Net Cash Provided by Operating Activities	\$ 976,429

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 2,847,945
LIABILITIES	
Internal Accounts Payable	2,792,528
Payroll Deductions and Withholdings	<u>55,417</u>
Total Liabilities	<u>\$ 2,847,945</u>

The accompanying notes to the basic financial statements are an integral part of the financial statements.

DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

The Escambia County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District School Board of Escambia County (District) is considered part of the Florida system of public education. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Escambia County.

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

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

- Blended Component Unit. The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District's employee life, health, and dental insurance programs. Assets necessary to fund the programs are transferred to the Trust; however, under the terms of the Trust Agreement, the Board retains control of the assets. Due to the substantive economic relationship between the District and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.
- Discretely Presented Component Units. The component units columns in the basic financial statements, include the financial data of the District's other component units, as follows:

The Escambia County Public Schools Foundation for Excellence, Inc. (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and, as such, the Foundation is approved by the Board. The Foundation was formed to provide charitable and educational aid to the District and to receive, hold, invest, and administer property and to make expenditures for the benefit of the District, which is able to impose its will on the Foundation.

Charter schools are separate not-for-profit corporations each with a separate board of directors organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. Charter schools operate under a charter of the sponsoring school district and are considered component units according to the interpretation of GASB Statement No. 61 by the Florida Department

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

of Education which determined that Florida school districts are financially accountable for Florida charter schools. The District has entered into charters with the following charter schools that are considered part of the District's reporting entity:

Escambia Charter School, Inc., was established to provide an alternate educational system for "at risk" students.

Capstone Academy Pensacola was established to provide exceptional student educational services to handicapped prekindergarten students.

Jaqueline Harris Preparatory Academy was established to provide alternate programs of education, training, and related services for elementary students who are considered "at risk" of academic failure. Jaqueline Harris Preparatory Academy, operated by New Road to Learning, Inc., is a separate not-for-profit entity.

Beulah Academy of Science, Inc., was established to provide an agriculture and science program for middle school students.

Byrneville Elementary School, Inc., and Pensacola Beach Elementary School, Inc., were established to provide education, training, and related services to elementary school students.

Five Flags Elementary School (21st Century Academy of Pensacola, Inc.) was established to provide education, training, and related services to elementary school students. 21st Century Academy of Pensacola, Inc. elected to close Five Flags Elementary School effective June 30, 2015 due to financial concerns related to the closure of Newpoint Pensacola Academy Middle School and Newpoint Pensacola High School.

Newpoint Pensacola Academy Middle School (21st Century Academy of Pensacola, Inc.) was established to provide education, training, and related services to middle school students. Due to contractual violations, Newpoint Pensacola Academy Middle School was closed by School Board action effective June 30, 2015.

Newpoint Pensacola High School (21st Century Academy of Pensacola, Inc.) was established to provide education, training, and related services to high school students. Due to contractual violations, Newpoint Pensacola High School was closed by School Board action effective June 30, 2015.

Audits of the Foundation's financial statements and the charter schools' financial statements for the fiscal year ended June 30, 2015, are conducted by an independent certified public accountant and are filed in the District's administrative office at 75 North Pace Boulevard, Pensacola, Florida.

➤ **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Government-wide Financial Statements - The Government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions in which the District gives or receives value without directly receiving or giving value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the government in its entirety, except for those that are fiduciary. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which are generally supported by fees charged. The District currently does not have any business-type activities.

The Statement of Net Position includes all assets, liabilities, and deferred outflows/inflows of the District. The Statement of Activities presents a comparison between the direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Depreciation expenses are allocated to functions based on actual and estimated usage of the assets in those functions.

Amounts reported as program revenues include: 1) charges for services provided to students for tuition, fees, rental, material, supplies, or other services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, 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.

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

Fund Financial Statements - The Governmental Fund Financial Statements are prepared utilizing the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. "Measurable" means the amount of transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues "susceptible to accrual" include ad valorem taxes, reimbursable-type grants, and interest on investments. The District considers revenues from property taxes as available if they are collected within sixty (60) days after fiscal year-end. Expenditures are recorded when the fund liability is incurred. However, exceptions include unmaturing principal and interest on general long-term debt and accumulated sick and vacation pay, which are recorded when payment is due.

In applying the "susceptible to accrual" concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

guidance. There are, however, essentially two types of revenues. In one type, moneys must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of the expenditure. In the other type, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the "susceptible to accrual" criteria are met. In all cases, moneys received before the revenue recognition criteria have been met, are reported as advanced revenue.

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.

The Proprietary Fund Financial Statements are prepared under the economic resources measurement focus and the accrual basis of accounting.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for self-insurance (property, casualty, liability, and workers' compensation), employee benefits (health and prescription), and warehousing provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, energy services, materials and supplies, capital outlay, and insurance claims. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue - Other Federal Programs Fund – to account for certain Federal grant program resources.
- Capital Projects – Other Fund – to account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including new construction, renovation, and remodeling projects.

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

- Internal Service Funds – to account for the District's individual self-insurance programs.

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- Agency Funds – to account for resources of the District’s pre-tax flexible benefits plan and the school internal funds, which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

Discretely Presented Component Units – The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Except for the Capstone Academy Pensacola, the charter schools are accounted for as governmental organizations and follow the same accounting model as the District’s governmental activities. The Capstone Academy Pensacola is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting.

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

Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

➤ **Net Position / Fund Balance Flow Assumptions**

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District’s policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

➤ **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 includes 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.

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DISTRICT SCHOOL BOARD OF
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Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

➤ **Deposits and Investments**

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 three months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME.

Cash deposits are held by banks qualified as public depositories under Florida law. 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. The statement of cash flows considers cash and cash equivalents as those amounts in demand deposit accounts and all highly liquid investments with an original maturity of three months or less.

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service moneys, amounts placed with SBA for participation in the Florida PRIME, and those made locally. Investments made locally consist of:

- (1) Intergovernmental investment pool made up of money market mutual funds and various short-term government bond funds. The intergovernmental investment pool is reported at fair value and is described in a subsequent note on investments.
- (2) Government bonds.
- (3) Brokered certificates of deposits (CDs).
- (4) Commercial paper.
- (5) Treasury notes.
- (6) U.S. Government bond funds.

The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2015, 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. Florida PRIME operates under investment guidelines established by Section 215.47, Florida Statutes.

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**DISTRICT SCHOOL BOARD OF
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➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Material stores, maintenance stores, custodial stores, transportation stores, and purchased food and lunchroom supply inventories are stated at cost on the first-in, first-out basis. Fuel inventories are stated at an average-cost basis. The United States Department of Agriculture surplus 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 purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$5,000. 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. Interest costs incurred during the construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	20 - 55 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	10 - 20 years
Audio Visual Materials and Computer Software	10 - 15 years

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

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond and Certificates of Participation (COP) premiums and discounts are amortized over the life of the debt using the effective interest method. Bonds and COP payable are reported net of the applicable premiums or discounts.

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In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued and premiums on debt issuance are 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 liabilities for the current fiscal year are reported in a subsequent note.

➤ **Compensated Absences**

The criteria for determining compensated absences (i.e., 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 employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at fiscal year-end by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. Compensated absences include applicable salary related payments for Social Security, Medicare, and retirement contributions.

In the government-wide financial statements, compensated absences are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported for compensated absences in the governmental fund financial statements only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

Changes in compensated absences for the current fiscal year are reported in a subsequent note.

➤ **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 according to a calendar established by the Department. Such amendments may impact funding allocations for subsequent fiscal 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 fiscal year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education (SBE) rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the

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**DISTRICT SCHOOL BOARD OF
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money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the unspent balance of categorical and earmarked educational program resources.

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

➤ **District Property Taxes**

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

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

The School Board adopted the 2014 tax levy on September 16, 2014. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

➤ **School Capital Outlay Surtax**

The citizens of Escambia County, on September 5, 2006, approved a 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. The surtax was authorized for a period of ten years, proceeds of which are to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and retrofitting and technology implementation and any land acquisition, land improvement, design, and engineering costs related thereto.

➤ **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

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DISTRICT SCHOOL BOARD OF
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NOTES TO FINANCIAL STATEMENTS
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based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting no later than 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 fiscal year's appropriations.

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**DISTRICT SCHOOL BOARD OF
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3. INVESTMENTS

As of June 30, 2015, the District has the following investments and maturities:

Investment	Maturities	Fair Value
Bank of America Treasury Reserves (1)(2)	6 Day Average	\$ 684,333
State Board of Administration		
Florida PRIME (2)	37 Day Average	176,065
Debt Service Accounts	6 months	63,526
Sales Tax Investment Portfolio		
Government Bonds	3.74 Years	27,833,989
Certificates of Deposit (Brokered)	33 Days	5,513,463
Commercial Paper	11 Days	12,477,420
U.S. Treasury Notes	1.87 years	2,543,902
First American Gov Obligations (2)	46 Days	33,537
Florida Fixed Income Trust (FL FIT)		
Florida FIT 90	211 Day Average	25,216,544
Florida FIT 180	289 Day Average	2,495,553
Florida FIT 1 Year	631 Day Average	1,543,840
Total Investments, Primary Government		<u>\$ 78,582,172</u>

Notes: (1) These investments are held under trust agreements in connection with the Certificates of Participation, Series 1996, 2002, 2004, 2005, 2006, and 2014 financing arrangements.

(2) Investments reported as cash equivalents for financial statement reporting purposes.

Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to provide sufficient liquidity to pay obligations as they become due, the District's investment policy limits the length of investments as follows: (1) investments of current operating funds shall have maturities of no longer than two years, and (2) investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate for the need for the funds and in accordance with debt covenants, but in no event shall exceed five years.
- The District's investments in Florida PRIME, First American Government Obligations Fund, Certificates of Deposit (CDs), and Commercial Paper (CP) had weighted average maturities (WAMs) of 37 days, 46 days, 33 days, and 11 days, respectively, at June 30, 2015.
- The District's portfolio of Government Bonds and U.S. Treasury Notes had WAMs of 3.74 years and 1.87 years, respectively, at June 30, 2015.
- Florida Fixed Income Trust (FL FIT) had the following WAM for each portfolio: FL FIT 90 - 211 days, FL FIT 180 - 289 days, FL FIT 1 Year - 631 days.

A portfolio's WAM reflects the average maturity in days or years based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

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➤ As of June 30, 2015, the District has the following interest rate risk by fund:

Investment by Fund	Fair Value	Investment Maturities		
		Six Months or Less	Six Months to Two Years	Greater than Two Years
Major Governmental Funds:				
General	\$ 7,074,848	\$ 9,739	\$ 7,065,109	
Capital Projects - Other	66,333,343	18,188,538	20,310,816	27,833,989
Nonmajor Governmental	5,173,981	750,066	4,423,915	
Total Investments	<u>\$ 78,582,172</u>	<u>\$ 18,948,343</u>	<u>\$ 31,799,840</u>	<u>27,833,989</u>

Note: Investments that have original maturities of three months or less are considered cash equivalents for financial statement purposes.

Credit Risk

➤ Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits authorized investments to the SBA Local Government Surplus Funds Trust Fund Investment Pool, which is known as Florida PRIME; direct obligations of the United States Government Agencies; certain Federal Instrumentalities; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; repurchase agreements secured by the collateral composed of negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities that have a market value of 102 percent of the value of the repurchase agreement; commercial paper of the highest credit rating; certain Banker's Acceptances; certain highly rated state and local government taxable or tax-exempt debt; shares of open-end, no-load mutual funds registered under the Investment Company Act of 1940, provided that the portfolio invests primarily in short-term government bonds and money market funds operated in accordance with 17 CFR 270.2a-7, provided the funds are rated no lower than the credit rating applied to the United States government by Standard & Poor's, or the equivalent by another rating agency; and any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes, provided that the said funds contain no derivatives. Investment in any derivative products or the use of reverse repurchase agreements requires specific Board approval.

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DISTRICT SCHOOL BOARD OF
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As of June 30, 2015, the District's investments are rated as follows:

- The District's investments in First American Government Obligations Fund and Bank of America Treasury Reserves are rated AAAM by Standard and Poor's and Aaa-mf by Moody's Investors Service.
- The District's investments in the SBA Florida PRIME are rated AAAM by Standard & Poor's.
- The District's investments in Government Bonds, and CPs are rated Aaa by Moody's.
- The District's investments in Brokered CDs are FDIC insured to \$250,000, therefore the credit rating of the U.S. Government is implied.
- The District's investments in FL FIT are unrated.
- The District's investments in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing credit risk for this account.

Custodial Credit Risk

- Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investment policy requires that securities shall be held with a third-party custodian; and all securities purchased by and all collateral obtained by the District should be properly designated as an asset of the District. As of June 30, 2015, all investments are held with an appropriate custodian or trustee or are held in accounts in the name of and belonging to the District.

All District investments are in compliance with District policy in relation to interest rate risk, credit risk, and custodial credit risk.

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DISTRICT SCHOOL BOARD OF
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Concentration of Credit Risk

- Concentration of credit risk is associated with potential loss of assets attributed to the portion of investment in a single issuer or issue size. The District's investment policy has established asset allocation and issuer limits according to the following investment types:

The Florida Local Government Surplus Funds Trust Fund (Florida PRIME)

Portfolio Composition: A maximum of 35% of available funds may be invested in Florida PRIME.

United States Government Securities

Portfolio Composition: A maximum of 75% of available funds may be invested in the United States Government Securities with no more than 10% of those funds invested in any one issue size (per CUSIP).

United States Government Agencies

Portfolio Composition: A maximum of 50% of available funds may be invested in United States Government agencies.

Limits on Individual Issuers: A maximum of 25% of available funds may be invested in individual United States Government agencies with no more than 10% of those funds invested in any one issue size (per CUSIP).

Federal Instrumentalities (United States Government sponsored agencies)

Portfolio Composition: A maximum of 50% of available funds may be invested in Federal Instrumentalities.

Limits on Individual Issuers: A maximum of 25% of available funds may be invested in individual Federal Instrumentality security with no more than 10% of those funds invested in any one issue size (per CUSIP).

Interest Bearing Time Deposit or Saving Accounts

Portfolio Composition: A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit (CD's).

Limits on Individual Issuers: A maximum of 15% of available funds may be deposited with any one CD.

Repurchase Agreements

Portfolio Composition: A maximum of 50% of available funds may be invested in repurchase agreements excluding one business day agreements and overnight sweep agreements.

Limits on Individual Issuers: A maximum of 15% of available funds may be invested with any one institution.

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DISTRICT SCHOOL BOARD OF
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Commercial Paper

Portfolio Composition: A maximum of 35% of available funds may be directly invested in prime commercial paper.

Limits on Individual Issuers: A maximum of 10% of available funds may be invested in any one issuer with no more than 5% of those funds invested in any one issue size.

Registered Investment Companies (Mutual Funds and Money Markets)

Portfolio Composition: A maximum of 20% of available funds may be invested in mutual funds (investing in short-term government bonds) and 75% of available funds may be invested in money market funds.

Limits on Individual Issuers: A maximum of 20% of available funds may be invested with any one mutual fund or money market fund.

Intergovernmental Investment Pool

Portfolio Composition: A maximum of 50% of available funds may be invested in intergovernmental investment pools.

Limits on Individual Issuers: A maximum of 25% of available funds may be invested with any one intergovernmental investment pool (excludes Florida PRIME).

4. 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 receivables is accrued.

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**DISTRICT SCHOOL BOARD OF
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5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-14	Additions	Deletions	Balance 6-30-15
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 9,430,302	\$ 16,377	\$ 66,291	\$ 9,380,388
Construction in Progress	21,888,103	19,147,225	40,654,004	381,324
Total Capital Assets Not Being Depreciated	31,318,405	19,163,602	40,720,295	9,761,712
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	17,801,449	610,711	1,062,669	17,349,491
Buildings and Fixed Equipment	386,072,774	40,346,645	5,462,877	420,956,542
Furniture, Fixtures, and Equipment	15,369,341	1,251,894	520,024	16,101,211
Motor Vehicles	41,604,624	6,783,964	998,822	47,389,766
Audio Visual Materials and Computer Software	9,925,774	80,000		10,005,774
Total Capital Assets Being Depreciated	470,773,962	49,073,214	8,044,392	511,802,784
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	8,499,239	1,034,515	746,824	8,786,930
Buildings and Fixed Equipment	149,535,247	7,415,477	4,360,714	152,590,010
Furniture, Fixtures, and Equipment	10,637,219	863,332	459,187	11,041,364
Motor Vehicles	17,248,351	2,210,385	804,452	18,654,284
Audio Visual Materials and Computer Software	7,223,594	367,711		7,591,305
Total Accumulated Depreciation	193,143,650	11,891,420	6,371,177	198,663,893
Total Capital Assets Being Depreciated, Net	277,630,312	37,181,794	1,673,215	313,138,891
Governmental Activities Capital Assets, Net	\$ 308,948,717	\$ 56,345,396	\$ 42,393,510	\$ 322,900,603

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Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 7,981,092
Student Personnel Services	10,084
Instructional Media Services	7,049
Instruction and Curriculum Development Services	100,053
Instructional Staff Training Services	1,741
Instruction Related Technology	343,228
Board of Education	739
General Administration	1,038
School Administration	18,978
Facility Services	206,236
Fiscal Services	2,033
Food Services	348,854
Central Services	106,452
Student Transportation Services	1,978,056
Operation of Plant	86,469
Maintenance of Plant	329,064
Administrative Technology Services	366,017
Community Services	4,237
Total Depreciation Expense - Governmental Activities	<u>\$ 11,891,420</u>

6. SCHOOL DISTRICT LOAN PROGRAM

In accordance with the School District Loan Program authorized by Chapter 2006-25, Laws of Florida, the District applied for and received an interest-free loan from the Florida Department of Education totaling \$2,571,706, which is included as a liability of the General Fund. The loan enabled the District to meet operating expenses while awaiting resolution of litigation regarding school property taxes for Pensacola Beach property owners. Loan provisions require District personnel to notify the Florida Department of Education within 5 business days after the resolution of the litigation. Repayment of the loan must be made within 20 business days following the resolution of the litigation or the District may submit a repayment plan not to exceed two fiscal years.

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7. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements, characterized as lease purchase agreements, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. The following schedule describes the current status of the principal balances of these issues at June 30, 2015:

Issue	Original	Principal		Refunded	Balance 6-30-15
	Amount	Paid	Refunded	By Series	
Series 1992	\$ 55,830,000	\$ 15,030,000	\$ 40,800,000	1996-1, 2002	\$
Series 1996-1	26,740,000	6,485,000	20,255,000	2005, 2006, 2011	
Series 1996-2	21,645,000		21,645,000	2004	
Series 2002	16,745,000	16,745,000			
Series 2004	22,725,000	885,000	21,840,000	2014	
Series 2005	10,000,000	709,355			9,290,645
Series 2006	10,000,000	10,000,000			
Series 2011	1,124,561	1,124,561			
Series 2014	19,840,000				19,840,000
	<u>\$ 184,649,561</u>	<u>\$ 50,978,916</u>	<u>\$ 104,540,000</u>		<u>\$ 29,130,645</u>

As a condition of the financing arrangements, the District has given ground leases on District property to the Florida School Boards Association, Inc. The ground leases on the property associated with the Series 1992, 1996-1, 2002, 2005, 2006, and 2011 Certificates end on the earlier of (a) the date on which the Series 1996-1, 2005, 2006, and 2011 Certificates, and any Certificates of Participation refunding such Certificates, have been paid in full or provision for their payment has been made, or (b) June 30, 2028. The ground leases on the property associated with the Series 1996-2, 2004, and 2014 Certificates end on the earlier of (a) the date on which the series of Certificates has been paid in full, or (b) June 30, 2022. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the Certificates until the end of the ground leases.

The District properties included in the ground leases under these arrangements include the following:

Certificates of Participation Series 1992, 1996-1, 2002, 2005, 2006, and 2011:

- Hellen Caro Elementary School
- C.A. Weis Elementary School
- R.C. Lipscomb Elementary School

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**DISTRICT SCHOOL BOARD OF
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- Jim Allen Elementary School – Administrative Suite/Media Center
- Bellview Elementary School – Classroom Building
- Cordova Park Elementary School – Five Classroom Additions/Media Center
- Escambia Westgate Center – Pre-Kindergarten Classroom Renovation
- Holm Elementary School – Classrooms/Media Center
- Myrtle Grove Elementary School – Classroom Addition
- Navy Point Elementary School – Classroom Addition/Administrative Suite
- Pine Meadow Elementary School – Media Center/Kindergarten Classrooms/Administrative Suite
- Pleasant Grove Elementary School – Dining/Classroom Addition/Administrative Suite
- Scenic Heights Elementary School – Pre-Kindergarten Classrooms/Media Center
- Sherwood Elementary School – Pre-Kindergarten Classrooms/Media Center
- Jim C. Bailey Middle School
- Northview High School
- West Florida School of Advanced Technology (the portion formerly known as Beggs Educational Center and used primarily for instructional purposes)
- Tate High School – Physical Education Facility

Certificates of Participation Series 1996-2, 2004, and 2014:

- N.B. Cook Elementary School
- Tate High School – Cafeteria/Media Center Addition and Renovation/ESE/ROTC Classroom Building
- Myrtle Grove Elementary School – Media Center/Classroom Building Renovation
- Navy Point Elementary School – ESE Classroom Building
- Ferry Pass Middle School – ESE Classroom Building
- Carver/Century K-8 Elementary School – Physical Education Building/Media Center/Classroom Additions

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The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 3.90 to 5.0 percent. The following is a schedule by years of future minimum lease payments under the lease agreements, together with the present value of minimum lease payments as of June 30, 2015:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 5,062,851	\$ 3,800,613	\$ 1,262,238
2017	5,060,278	3,951,723	1,108,555
2018	4,782,241	3,828,309	953,932
2019	4,850,625	4,075,000	775,625
2020	4,837,000	4,270,000	567,000
2021-2022	9,670,875	9,205,000	465,875
Total Minimum Lease Payments	34,263,870	29,130,645	5,133,225
Unamortized Premium	2,505,339	2,505,339	
Total Certificates of Participation	<u>\$ 36,769,209</u>	<u>\$ 31,635,984</u>	<u>\$ 5,133,225</u>

Forward Delivery Agreement - Certificates of Participation Series 2014

On May 7, 2014 the Board entered into an agreement to refund Series 2004 Certificates of Participation on a forward delivery basis so long as the refinancing resulted in a net present value savings of at least 3.00 percent of the refunded Certificates. Forward delivery was necessary in order to comply with IRS regulations prohibiting the refunding of the Series 2004 Certificates prior to November 4, 2014 (90 days prior to the first date available for redemption). The forward delivery method allowed the District to issue Series 2014 Refunding Certificates of Participation totaling \$19,840,000 while locking in net present value (NPV) savings of \$2.2 million. Par amount of the refunded Certificates totaled \$21,840,000 to which NPV savings yielded 9.88 percent.

8. DERIVATIVE INSTRUMENTS LIABILITY

Hedging Derivative Instruments - In order to protect against the potential of rising interest rates, the District entered into pay-fixed, receivable-variable interest rate swap agreements with Bank of America for both the \$10,000,000 Series 2005 and \$10,000,000 Series 2006 Certificates of Participation at the same time each Certificate was issued. The agreement provided for the optional termination of the swap by the District on certain dates. The District elected to exercise the option on the remaining Series 2005 Certificates and the swap was terminated on the first available date of May 1, 2015. The fiscal year-end balance of \$9,290,644 (Series 2005 Certificates) is carried as a variable rate bank loan. The Series 2006 Certificates were paid off during the 2014-15 fiscal year.

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9. BONDS PAYABLE

Bonds payable at June 30, 2015 are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2008A	1,295,000	1,045,000	4.25-5.0	2028
Series 2010A	225,000	200,000	3.5-5.0	2030
Series 2011A (Refunding)	2,625,000	425,000	3.0-5.0	2023
Series 2014A (Refunding)	229,000	216,000	2.0-5.0	2025
Series 2014B (Refunding)	627,000	627,000	2.0-5.0	2020
Subtotal	5,001,000	2,513,000		
Unamortized Premiums, Net	382,400	225,580		
Total Bonds Payable	<u>\$ 5,383,400</u>	<u>\$ 2,738,580</u>		

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

State School Bonds

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The total revenues received in the current fiscal year were \$1,596,958, all of which related to debt service. Other financing sources received were through the refunding of certain callable portions of Series 2005B bonds totaled \$627,000 for bond proceeds and \$43,383 for bond premium and were used to refund \$155,000 of the Series 2005B bonds. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2015, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2016	\$ 637,927	\$ 516,000	\$ 121,927
2017	378,973	285,000	93,973
2018	246,903	167,000	79,903
2019	221,553	150,000	71,553
2020	227,203	163,000	64,203
2021-2025	1,013,088	812,000	201,088
2026-2030	462,475	420,000	42,475
Subtotal	3,188,122	2,513,000	675,122
Unamortized Premiums, Net	225,580	225,580	
Total Bonds Payable	<u>\$ 3,413,702</u>	<u>\$ 2,738,580</u>	<u>\$ 675,122</u>

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Sales Tax Revenue Bonds

In November 2014, the voters of Escambia County approved a ten year extension to the District's current one-half cent sales surtax for capital outlay. The extension will begin on January 1, 2018, and will end on December 31, 2027. Due to the extension, the Board approved a resolution authorizing the issuance of Sales Tax Revenue Bonds, Series 2015, in order to proceed with the planning and construction of a new middle school and other related capital outlay projects. The resolution authorized the issuance of bonds in an amount not to exceed \$75 million. As of June 30, 2015, bonds had not been offered for sale.

10. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-14	Additions	Deductions	Balance 6-30-15	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 3,694,000	\$ 627,000	\$ 1,808,000	\$ 2,513,000	\$ 516,000
Unamortized Premiums, Net	260,275	43,383	78,078	225,580	
Total Bonds Payable	3,954,275	670,383	1,886,078	2,738,580	516,000
Certificates of Participation Payable	34,751,413	19,840,000	25,460,769	29,130,644	3,800,613
Unamortized Premium	312,126	2,193,213		2,505,339	
Total Certificates of Participation Payable	35,063,539	22,033,213	25,460,769	31,635,983	3,800,613
Estimated Insurance Claims Payable	27,418,641	34,379,940	34,724,792	27,073,789	5,659,609
Compensated Absences Payable	42,345,680	3,934,608	3,741,641	42,538,647	4,226,514
Derivative Instruments Liability	472,996		472,996		
Net Pension Liability	145,168,929	17,381,522	68,398,277	94,152,174	
Other Postemployment Benefits Payable	2,724,710	1,202,205	1,699,710	2,227,205	
Total Governmental Activities	\$ 257,148,770	\$ 79,601,871	\$ 136,384,263	\$ 200,366,378	\$ 14,202,736

For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the internal service funds.

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**DISTRICT SCHOOL BOARD OF
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11. 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:		
General	\$ 6,401,698	\$ 13,622
Special Revenue - Other Federal Programs		3,958,158
Nonmajor Governmental	12,432	1,014,358
Internal Service	13,622	1,441,614
Total	<u>\$ 6,427,752</u>	<u>\$ 6,427,752</u>

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months. The amounts above do not include the school activity funds.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 8,632,905	
Capital Projects - Other		412,365
Nonmajor Governmental	5,000,000	13,173,570
Internal Service		46,970
Total	<u>\$ 13,632,905</u>	<u>\$ 13,632,905</u>

Transfers from the Capital Projects funds to the General Fund were made to assist in financing maintenance operations, the lease of instructional equipment, and for the payment of property insurance premiums. Transfers from the Internal Service Fund to the General Fund were used to fund the District's employee and dependent wellness program. Nonmajor funds included transfers from the Capital Projects - Local Capital Improvement Fund to the Debt Service - Other fund that were used to fund a portion of the District's debt service requirement.

12. FUND BALANCE REPORTING

The District does not have a fund balance policy regarding the commitment or assignment of fund balance. However, Section 1001.51, Florida Statutes, requires the Superintendent or designee to prepare the Annual Financial Report, including the Comprehensive Annual Financial Report, in accordance with generally accepted accounting principles, including the statements issued by the Governmental Accounting Standard Board (GASB). The Board approves the assigned fund balance.

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The District reports its governmental fund balances in the following categories, as applicable:

- **Nonspendable.** 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. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories as nonspendable.
- **Restricted.** 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. The District classifies most of its fund balances, other than General Fund, as restricted, as well as unspent State categorical and earmarked educational funding reported in the General Fund, that are legally or otherwise restricted.
- **Committed.** The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). Generally, such formal action by the Board would be in the form of a resolution or Board policy. These amounts cannot be used for any other purpose, unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed fund balances at June 30, 2015.
- **Assigned.** The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for specific purposes, such as allocated school-based funds, specific reserves for projects and contingencies, and other designated uses. Constraints imposed for assigned fund balances do not satisfy the criteria to be classified as restricted or committed. This category also includes any remaining positive amounts, for governmental funds, other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are constrained to be used for specific purposes based on actions of the Superintendent and Assistant Superintendent for Finance and Business Services and not included in other categories. The District has determined a total assigned fund balance of \$22,247,545 consisting of the following: encumbered local project carryovers totaling \$1,401,036; unencumbered local project carryovers totaling \$14,313,042; and local project contingencies of \$6,533,467.
- **Unassigned.** 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. Unassigned fund balance totaled \$14,759,425 at June 30, 2015.

General Fund Minimum Fund Balance Requirement. Section 1011.051, Florida Statutes, requires that the District maintain a fund balance in the General Fund that is sufficient to address normal contingencies, and the Superintendent shall provide written notification to the Board and the Commissioner of Education if, at any time, the fund balance in the General Fund not classified as restricted, committed, or nonspendable in the approved operating budget is projected to fall below 3 percent of projected General Fund revenues. If the fund balance in the General Fund not classified as restricted, committed, or nonspendable is projected to fall below 2 percent of projected General Fund revenues, the Commissioner must determine whether the District has a

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**DISTRICT SCHOOL BOARD OF
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plan to avoid a financial emergency, as determined pursuant to Section 218.503, Florida Statutes, or to appoint a financial emergency board operating consistent with the requirements, powers, and duties specified in Section 218.503(3)(g), Florida Statutes. The District has adopted Board policy 5.01, which provides that it is the goal of the District to maintain an unrestricted fund balance (the sum of the assigned and unassigned fund balance) in the General Fund of at least 3.5 percent to comply with the intent of Section 1011.051, Florida Statutes. As of June 30, 2015, the unassigned and assigned fund balance in the General Fund of \$36,978,525.41 was 12.7 percent of General Fund revenues.

13. SIGNIFICANT COMMITMENTS

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

Under GASB Statement No. 54, encumbrances are not a specific purpose and therefore should not be reported as a separate line on the balance sheet. Encumbering funds that are already restricted, committed, or assigned based on the source and strength of the constraints placed on them do not further limit the use of the amounts reported in these classifications.

The following is a schedule of encumbrances at June 30, 2015:

General	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Special Revenue - Other	Capital Projects - Other		
\$ 1,910,441	\$ 269,906	\$ 4,601,980	\$ 1,647,913	\$ 8,430,240

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**DISTRICT SCHOOL BOARD OF
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Construction Contract Commitments. The following is a summary of major construction contract commitments remaining at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
Districtwide Projects:			
Roofing Projects	\$ 751,544	\$ 265,218	\$ 486,326
Safety Renovations	355,873	16,503	339,370
Mechanical and Life Safety Systems	2,515,817	1,032,921	1,482,896
School Specific Projects:			
Bellview Middle School - Gymnasium	300,707	184,860	115,847
A.K. Suter Elementary School - Rebuild of Facility	20,847,544	20,235,565	611,979
Ernest Ward Middle School - Rebuild of Facility	15,650,917	15,353,176	297,741
Total	<u>\$ 40,422,402</u>	<u>\$ 37,088,243</u>	<u>\$ 3,334,159</u>

Total other construction contract commitments (individually below \$250,000) amounted to \$1,506,996 at June 30, 2015.

14. SCHEDULE OF STATE REVENUE SOURCES

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

Source	Amount
Florida Education Finance Program	\$ 133,079,212
Categorical Educational Program - Class Size Reduction	43,750,668
Workforce Development Program	4,799,731
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,596,958
Voluntary Pre-K Program	1,108,438
School Recognition	1,420,617
Public Education Capital Outlay	787,693
Racing Commission Funds	446,500
Charter School Capital Outlay	412,365
Food Service Supplement	284,424
Adults with Disabilities	167,298
Discretionary Lottery Funds	142,093
Workforce Education Performance Incentive	80,398
State License Tax	58,689
Miscellaneous	618,288
Total	<u>\$ 188,753,372</u>

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

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 DISTRICT SCHOOL BOARD OF
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15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2014 tax roll for the 2014-15 fiscal year:

	Millages	Taxes Levied
GENERAL FUND		
Nonvoted School Tax:		
Required Local Effort	5.237	\$ 82,917,065
Discretionary Local Effort	0.748	11,843,033
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvement	1.337	21,168,630
Total	7.322	\$ 115,928,728

16. FLORIDA RETIREMENT SYSTEM

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

Governmental Accounting Standards Board Statement No. 68. The District participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The beginning net position of the District was decreased by \$131,472,474 due to the adoption of this Statement. The District's proportionate share of the net pension liabilities at July 1, 2014 totaled \$94,152,174.

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Change in Accounting Principle. Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	Governmental Activities
Net position as previously reported June 30, 2014	\$ 388,185,131
Prior period adjustment - implementation of GASB 68	(131,422,474)
Net position as restated, July 1, 2014	\$ 256,762,657

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program 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 FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The District's pension expense totaled \$7,781,264 for the fiscal year ended June 30, 2015.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer 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.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.

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

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

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

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
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
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
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
<i>Elected County Officers</i>	3.00

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.

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

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

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.37
FRS, Elected County Officers	3.00	43.24
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.28
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

The District's contributions, including employee contributions, to the Plan for the fiscal years ended June 30, 2013, June 30, 2014, and June 30, 2015 totaled \$8,885,764, \$13,516,461, and \$14,453,083 respectively, which were equal to the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$31,942,283 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was .52 percent, which was a decrease of .01 percent from its proportionate share measured as of June 30, 2013.

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**DISTRICT SCHOOL BOARD OF
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For the fiscal year ended June 30, 2015, the District recognized pension expense of \$3,362,988 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 1,976,684
Change of assumptions	5,531,872	
Net difference between projected and actual earnings on FRS pension plan investments		53,285,031
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,824,849	
District FRS contributions subsequent to the measurement date	12,745,799	
Total	\$ 20,102,520	\$ 55,261,715

The deferred outflows of resources related to pensions, totaling \$12,745,799, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Actuarial Assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

(Continued)
**DISTRICT SCHOOL BOARD OF
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<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	<u>12.00%</u>	7.11%	6.35%	13.00%
Total	<u><u>100.00%</u></u>			
Assumed inflation - Mean		2.60%		2.00%

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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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	136,621,387	31,942,283	(55,130,758)

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant

(Continued)
 DISTRICT SCHOOL BOARD OF
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to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$2,279,194 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a net pension liability of \$62,209,891 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was .665329064 percent, which was an increase of .0081 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$4,418,275 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Change of assumptions	\$ 2,213,675	
Net difference between projected and actual earnings on HIS pension plan investments		29,862
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions		609,893
District contributions subsequent to the measurement date		2,584,196
	<hr/>	<hr/>
Total	\$ 5,437,626	<hr/><hr/>

The deferred outflows of resources related to pensions, totaling \$2,584,196, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

(Continued)
**DISTRICT SCHOOL BOARD OF
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Actuarial Assumptions. The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	4.29 percent

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 4.29 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.29 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
District's proportionate share of the net pension liability	\$ 70,758,713	\$ 62,209,891	\$ 55,074,071

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

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,

(Continued)
**DISTRICT SCHOOL BOARD OF
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including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows:

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

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.

There were 691 District participants in the Investment Plan during the 2014-2016. The District's contributions, including the employee contributions to the Investment Plan totaled \$2,491,216 which was equal to the required contribution for the 2014-15 fiscal year.

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DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

17. **EARLY TERMINATION BENEFITS**

Retirement Incentive. Board policy provides for the payment of retirement incentive bonuses to District personnel who retire by the end of the fiscal year in which they first become eligible under any retirement plan sponsored by a unit of Florida municipal, local, or State government and who have a minimum of 15 years of service with the District. The Retirement Incentive is equal to 25 percent of the qualified employee's gross annual salary. In addition to payments made for regular termination benefits, the District reported expenditures totaling \$329,743 during the 2014-15 fiscal year for Retirement Incentive pay.

18. **OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

Plan Description. The Postemployment Healthcare Benefits Plan (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 one of four self-funded comprehensive plans for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, 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.

Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. The benefits provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The 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. Plan contribution requirements of the District are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. The calculations were based on July 1, 2015, data where there were 205 retirees and 38 eligible dependents receiving postemployment healthcare benefits. For the 2014-15 fiscal year, the District provided required contributions of \$1,699,710 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$3,059,143. Required contributions are based on projected pay-as-you-go financing.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB asset for Postemployment Healthcare Benefits:

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**DISTRICT SCHOOL BOARD OF
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NOTES TO FINANCIAL STATEMENTS
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Description	Amount
Normal Cost (service cost for one year)	\$ 772,370
Amortization of Unfunded Actuarial Accrued Liability	378,914
Interest on Normal Cost and Amortization	46,051
Annual Required Contribution	1,197,335
Interest on Net OPEB Obligation	108,988
Amortization of Net OPEB Obligation	(104,118)
Annual OPEB Cost	1,202,205
Contribution Toward the OPEB Cost	(1,699,710)
Decrease in Net OPEB Obligation	(497,505)
Net OPEB Obligation, Beginning of Fiscal Year	2,724,710
Net OPEB Obligation, End of Fiscal Year	\$ 2,227,205

The District's historical annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) as of June 30, 2015, and the preceding two fiscal years, are as follows:

Fiscal Year	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2012-13	2,411,164	217,151	9.0%	3,361,894
2013-14	2,223,097	2,860,281	128.7%	2,724,710
2014-15	1,202,205	1,699,710	141.4%	2,227,205

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$9,915,992 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$9,915,992 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$217,952,759 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4.5 percent.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods 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. 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

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 OPEB actuarial valuation for the 2014-15 fiscal year used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2015, and to estimate the District's annual required contribution. 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 3 percent per year, general inflation is 2.5 percent, and an annual healthcare cost trend rate of 8 percent initially for the 2014-15 fiscal year, reduced to an ultimate rate of 5 percent for the fiscal year ending June 30, 2023. The unfunded actuarial accrued liability and gains/losses are being amortized as a level percentage of projected payroll on an open basis over 30 years.

19. 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 is self-insured for property losses, except that commercial property insurance having a number of different deductibles, sublimits, and policy maximums has been purchased to limit the District's exposure to loss. The District provides a self-insurance program for workers' compensation, automobile liability, and general liability coverage. These activities are accounted for in a Risk Management Fund, a part of the internal service funds reported on the basic financial statements of the District. For automobile and general liability, the District generally relies upon the sovereign immunity limits of Section 768.28, Florida Statutes, which limits the District's liability to \$200,000 for each claimant and \$300,000 in any one occurrence. Workers' compensation claims, except for certain claims covered under stop-loss insurance policies purchased in prior fiscal years, are fully covered by the District.

The District also provides commercially purchased life insurance and self-insured dental, prescription drug, and health coverage to its employees, retirees, and their dependents. These activities are accounted for in the Escambia School District Employee Benefit Trust, which is reported in the internal service funds on the basic financial statements of the District. The District has entered into agreements with various insurance companies to provide specific excess coverage of health claims that exceed a stated amount per policy period. In addition, third-party administrators have been contracted to assist in the payment and/or processing of dental, prescription drugs, and health claims.

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

For all programs for which the District is self-insured, an undiscounted liability in the amount of \$27,073,789 (\$24,735,687 for workers' compensation, automobile and general liability claims, and \$2,338,102 for dental, prescription drug, and health insurance claims) was actuarially determined to cover estimated incurred, but not reported claims and insurance claims payable at June 30, 2015.

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013-14	27,137,624	36,899,371	(36,618,354)	27,418,641
2014-15	27,418,641	34,379,940	(34,724,792)	27,073,789

20. OTHER LOSS CONTINGENCY

The Escambia County Property Appraiser was involved in ongoing litigation with the Pensacola Beach Leaseholders and Residents Association regarding the appraisals on and taxability of the values of leasehold improvements and land on Pensacola Beach. During the litigation, some leaseholders have chosen to pay the assessed taxes, while others have chosen not to pay the assessed taxes pending the outcome of the litigation.

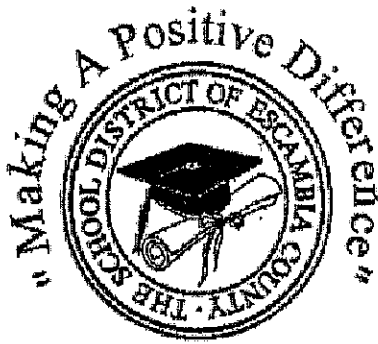
The Florida Supreme Court ultimately ruled during the 2013-14 fiscal year that the leasehold improvements are taxable and the issue has therefore been resolved. However, the Property Appraiser is of the opinion that the land under lease is also addressed by the Court ruling but the leaseholders disagree. Consequently, taxation on the land is still unresolved. Depending upon the ultimate outcome of this litigation, the District may be entitled to its portion (estimated at \$735,758 at June 30, 2015) of the gross taxes uncollected from residential leaseholders, or the District may be required to return a portion of the gross taxes that were previously collected from the leaseholders. At June 30, 2015, the District has received \$32,199,159 in taxes collected from residential leaseholders.

21. LITIGATION

The District is involved in several pending and threatened legal actions. It is the opinion of District management, after giving consideration to the District's related insurance coverage, as well as statutory limitations on uninsured losses for governmental agencies, that the amount of loss from all such claims and actions would not materially affect the financial condition of the District.

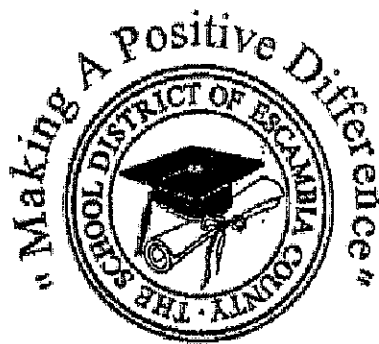
22. SUBSEQUENT EVENTS

On January 6, 2016, the District issued Sales Tax Revenue Bonds, Series 2016 in the amount of \$51,910,000. The bonds were sold to fund the construction of a new middle school and other related capital projects. Service of the debt will begin in September 2016.



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REQUIRED SUPPLEMENTARY INFORMATION



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION –
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFITS PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percent of Covered Payroll [(b-a)/c]
7/1/2012	\$ 0	\$ 33,083,102	\$ 33,083,102	0%	\$ 196,359,029	16.85%
7/1/2013	0	27,000,000	27,000,000	0%	209,931,489	12.86%
7/1/2014	0	9,915,992	9,915,992	0%	217,952,759	4.55%

Note (1): See notes to required supplemental information for actuarial methods used to calculate the actuarial accrued liability.

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

**1. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT
BENEFITS**

The July 1, 2014, unfunded actuarial accrued liability of \$9,915,992 was significantly lower than the July 1, 2013, liability of \$27,000,000 mainly due to the following reason:

- The number of retirees (205) and eligible dependents (38) receiving post employment health care benefits during the 2014-15 fiscal year was reduced significantly over the prior 2013-14 fiscal year. The reduction totaled 477 retirees and 79 eligible dependents and was due to the implementation of a new, District sponsored Medicare Supplement program.

The program was introduced by the District as a charter member of the Florida Retired School Employee Benefit Program and had an effective date of January 1, 2015. The program moved 100 percent of the District's post-65 retirees and their Medicare dependents who were previously participating in the District's Retiree Indemnity Plan. The new Retiree Benefit Program provided greater plan options and reduced premiums to the Retiree.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability (asset)	0.523517774%	0.510916965%
District's proportionate share of the FRS net pension liability (asset)	\$ 31,942,283	\$ 87,951,549
District's covered-employee payroll	\$ 217,952,759	\$ 209,931,489
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	15%	42%

**SCHEDULE OF DISTRICT CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 12,745,799	\$ 11,467,261
FRS contributions in relation to the contractually required contribution	<u>(12,745,799)</u>	<u>(11,467,261)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 217,952,759	\$ 209,931,489
FRS contributions as a percentage of covered-employee payroll	5.85%	5.46%

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability (asset)	0.665329064%	0.657194019%
District's proportionate share of the HIS net pension liability (asset)	\$ 62,209,891	\$ 57,217,380
District's covered-employee payroll	\$ 217,952,759	\$ 209,931,489
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	29%	27%

**SCHEDULE OF DISTRICT CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 2,584,196	\$ 2,279,194
HIS contributions in relation to the contractually required HIS contribution	<u>(2,584,196)</u>	<u>(2,279,194)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 217,952,759	\$ 209,931,489
HIS contributions as a percentage of covered-employee payroll	1.19%	1.09%

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

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 that are required to finance designated activities. Activities included within the funds are as follows:

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

Federal Economic Stimulus Programs Fund - To account for programs funded by the American Recovery and Reinvestment Act (ARRA) and other Federal stimulus programs, requiring separate accountability because of legal or regulatory restrictions.

Debt Service Funds

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

Other Debt Service Fund - To account for and report on Certificate of Participation Issues, characterized as lease-purchase agreements.

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

Nonmajor Governmental Funds (Continued)

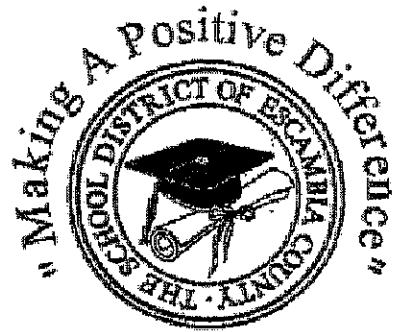
Capital Projects Funds

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

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

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

Local Capital Improvement Fund - To account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on certificates of participation.



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

	<i>Total Nonmajor Governmental Funds</i>	<i>Special Revenue Funds</i>			<i>Debt Service Funds</i>		<i>State Board of Education (SBE) Bond Fund</i>
		<i>Total Nonmajor Special Revenue Funds</i>	<i>Federal Economic Stimulus Programs Fund</i>	<i>Food Service Fund</i>	<i>Total Nonmajor Debt Service Funds</i>	<i>Other Debt Service Fund</i>	
ASSETS							
Cash and Cash Equivalents	\$ 18,298,874	\$ 3,860,801	\$	\$ 3,860,801	\$ 5,035,785	\$ 5,035,785	\$
Investments	4,487,440				63,526		63,526
Accounts Receivable	3,698	2,416		2,416			
Due from Other Funds	12,523	12,523		12,523			
Due from Other Agencies	1,550,476	456,334	366,687	89,647			
Inventories	1,977,837	1,977,837		1,977,837			
TOTAL ASSETS	\$ 26,330,848	\$ 6,309,911	\$ 366,687	\$ 5,943,224	\$ 5,099,311	\$ 5,035,785	\$ 63,526
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Payroll Deductions and Withholdings	\$ 1,699	\$ 1,699		\$ 1,699	\$	\$	\$
Accounts Payable	413,297	9,659	91	9,568			
Due to Other Funds	1,014,358	379,028	366,596	12,432			
Deposits Payable	9,265	9,265		9,265			
Accrued Interest Payable	666,537				666,537	666,537	
Total Liabilities	2,105,156	399,651	366,687	32,964	666,537	666,537	
Deferred Inflows of Resources:							
Deferred Revenue	44,518						
Total Deferred Inflows of Resources	44,518						
Fund Balances:							
Nonspendable:							
Inventories	1,977,837	1,977,837		1,977,837			
Restricted for:							
Debt Service	4,432,774				4,432,774	4,369,248	63,526
Capital Projects	13,838,140						
Food Service	3,932,423	3,932,423		3,932,423			
Total Fund Balances	24,181,174	5,910,260		5,910,260	4,432,774	4,369,248	63,526
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 26,330,848	\$ 6,309,911	\$ 366,687	\$ 5,943,224	\$ 5,099,311	\$ 5,035,785	\$ 63,526

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
June 30, 2015

Capital Projects Funds

	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund	Local Capital Improvement Section 1011.71(2), F.S.
ASSETS				
Cash and Cash Equivalents	\$ 9,402,288	\$ 683,759	\$	\$ 8,718,529
Investments	4,423,914			4,423,914
Accounts Receivable	1,282			1,282
Due from Other Agencies	1,094,142	326,449	767,693	
TOTAL ASSETS	\$ 14,921,626	\$ 1,010,208	\$ 767,693	\$ 13,143,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 403,638	\$ 4,693	\$	\$ 398,945
Due to Other Funds	635,330		635,330	
Total Liabilities	1,038,968	4,693	635,330	398,945
Deferred Inflows of Resources:				
Deferred Revenue	44,518	44,518		
Total Deferred Inflows of Resources	44,518	44,518		
Fund Balances:				
Restricted for:				
Capital Projects	13,838,140	960,997	132,363	12,744,780
Total Fund Balances	13,838,140	960,997	132,363	12,744,780
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 14,921,626	\$ 1,010,208	\$ 767,693	\$ 13,143,725

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>		
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Federal Economic Stimulus Programs Fund</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
REVENUES							
Federal Through State and Local:							
Food Service	\$ 16,199,631	\$ 16,199,631	\$	\$ 16,199,631	\$	\$	\$
Race to the Top	509,032	509,032	509,032				
Total Federal Through State and Local	<u>16,708,663</u>	<u>16,708,663</u>	<u>509,032</u>	<u>16,199,631</u>			
State:							
Food Service	284,424	284,424		284,424			
CO and DS Withheld for SBE/COBI Bond	1,288,789				1,288,789		1,288,789
CO and DS Distribution	272,230						
Public Education Capital Outlay	787,693						
Other State Sources	11,723				1,129		1,129
Total State	<u>2,644,859</u>	<u>284,424</u>		<u>284,424</u>	<u>1,289,918</u>		<u>1,289,918</u>
Local:							
Charges for Food Service	3,480,641	3,480,641		3,480,641			
Property Taxes	21,492,708						
Other Local Sources	54,686	8,360		8,360	1,040	1,040	
Total Local	<u>25,028,035</u>	<u>3,489,001</u>		<u>3,489,001</u>	<u>1,040</u>	<u>1,040</u>	
Total Revenues	<u>\$ 44,381,557</u>	<u>\$ 20,482,088</u>	<u>\$ 509,032</u>	<u>\$ 19,973,056</u>	<u>\$ 1,290,958</u>	<u>\$ 1,040</u>	<u>\$ 1,289,918</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2015

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>		<u>State Board of Education (SBE) Bond Fund</u>
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Federal Economic Stimulus Programs Fund</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	
EXPENDITURES							
Current Education:							
Instruction	\$ 354,807	\$ 354,807	\$ 354,807	\$	\$	\$	\$
Instructional Staff Training Services	146,295	146,295	146,295				
General Administration	3,438	3,438	3,438				
Facility Services	8,434,098						
Food Services	20,025,962	20,025,962		20,025,962			
Central Services	1,667	1,667	1,667				
Administrative Technology Services	2,825	2,825	2,825				
Fixed Capital Outlay:							
Facilities Acquisition and Construction	7,412,629						
Other Capital Outlay	221,022	221,022		221,022			
Debt Service:							
Principal	4,768,768				4,768,768	3,620,768	1,148,000
Interest and Fiscal Charges	1,619,850				1,618,957	1,459,584	159,373
Total Expenditures	<u>42,991,361</u>	<u>20,756,016</u>	<u>509,032</u>	<u>20,246,984</u>	<u>6,387,725</u>	<u>5,080,352</u>	<u>1,307,373</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,390,196</u>	<u>(273,928)</u>		<u>(273,928)</u>	<u>(5,096,767)</u>	<u>(5,079,312)</u>	<u>(17,455)</u>
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issues:							
Refunding Bonds Issued	627,000				627,000		627,000
Refunding Certificates of Participations Issued	19,840,000				19,840,000	19,840,000	
Premium on Refunding Bonds	43,383				43,383		43,383
Premium on Refunding Certificates of Participation	2,505,339				2,505,339	2,505,339	
Payments to Refunding Escrow Agent	(23,126,288)				(23,126,288)	(22,363,281)	(763,007)
Transfers In	5,000,000				5,000,000	5,000,000	
Transfers Out	(13,173,570)						
Total Other Financing Sources (Uses)	<u>(8,284,136)</u>				<u>4,889,434</u>	<u>4,982,058</u>	<u>(92,624)</u>
Net Change in Fund Balances	<u>(6,893,940)</u>	<u>(273,928)</u>		<u>(273,928)</u>	<u>(207,333)</u>	<u>(97,254)</u>	<u>(110,079)</u>
Fund Balances, July 1, 2014	31,075,114	6,184,188		6,184,188	4,640,107	4,466,502	173,605
Fund Balances, June 30, 2015	<u>\$ 24,181,174</u>	<u>\$ 5,910,260</u>	<u>\$</u>	<u>\$ 5,910,260</u>	<u>\$ 4,432,774</u>	<u>\$ 4,369,248</u>	<u>\$ 63,526</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2015

Capital Projects Funds

	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>Local Capital Improvement Section 1011.71(2), F.S.</u>
REVENUES				
State:				
Food Service				
CO and DS Withheld for SBE/COBI Bond				
CO and DS Distribution	\$ 272,230	\$ 272,230	\$ 787,693	\$
Public Education Capital Outlay	787,693			
Other State Sources	10,594	10,594		
Total State	<u>1,070,517</u>	<u>282,824</u>	<u>787,693</u>	
Local:				
Property Taxes	21,492,708			21,492,708
Other Local Sources	45,286			45,286
Total Local	<u>21,537,994</u>			<u>21,537,994</u>
Total Revenues	<u>\$ 22,608,511</u>	<u>\$ 282,824</u>	<u>\$ 787,693</u>	<u>\$ 21,537,994</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2015

	Capital Projects Funds			
	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund	Local Capital Improvement Section 1011.71(2), F.S.
EXPENDITURES				
Current Education:				
Facility Services	\$ 8,434,098	\$ 168,320	\$ 14,851	\$ 8,250,927
Fixed Capital Outlay:				
Facilities Acquisition and Construction	7,412,629			7,412,629
Debt Service:				
Interest and Fiscal Charges	893	893		
Total Expenditures	15,847,620	169,213	14,851	15,663,556
Excess (Deficiency) of Revenues Over Expenditures	6,760,891	113,611	772,842	5,874,438
OTHER FINANCIAL SOURCES (USES)				
Transfers Out	(13,173,570)		(640,479)	(12,533,091)
Total Other Financial Sources (Uses)	(13,173,570)		(640,479)	(12,533,091)
Net Change in Fund Balances	(6,412,679)	113,611	132,363	(6,658,653)
Fund Balances, July 1, 2014	20,250,819	847,386		19,403,433
Fund Balances, June 30, 2015	\$ 13,838,140	\$ 960,997	\$ 132,363	\$ 12,744,780

General Fund

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Federal Impact, Current Operations	\$ 500,000	\$ 615,565	\$ 615,565	\$
Reserve Officers Training Corps (ROTC)	400,000	438,955	438,955	
Other Federal Direct Sources	200,000	186,878	186,878	
Total Federal Direct	1,100,000	1,241,398	1,241,398	
Federal Through State and Local:				
Medicaid	1,250,000	1,763,829	1,763,829	
Other Federal Through State and Local Sources	871,456	1,195,899	1,195,899	
Total Federal Through State and Local	2,121,456	2,959,728	2,959,728	
State:				
Florida Education Finance Program (FEFP)	137,020,707	133,079,212	133,079,212	
Workforce Development	4,799,731	4,799,731	4,799,731	
Workforce Education Performance Incentive		80,398	80,398	
Adults With Disabilities	177,756	167,298	167,298	
CO and DS Withheld for Administrative Expense	24,183	24,217	24,217	
Discretionary Lottery Funds	387,861	142,093	142,093	
Categorical Programs - Class Size Reduction	44,048,794	43,750,668	43,750,668	
Other State Sources	2,905,889	3,951,046	3,652,532	(298,514)
Total State	189,364,921	185,994,663	185,696,149	(298,514)
Local:				
Property Taxes	91,051,655	95,102,045	95,102,045	
Interest Income	50,000	97,289	88,425	(8,864)
Other Local Sources	3,819,343	5,076,235	5,076,235	
Total Local	94,920,998	100,275,569	100,266,705	(8,864)
Total Revenues	287,507,375	290,471,358	290,163,980	(307,378)
EXPENDITURES				
Current Education:				
Instruction				
Salaries	124,443,752	129,410,374	127,215,106	2,195,268
Employee Benefits	35,014,857	35,759,835	35,758,625	1,210
Purchased Services	15,104,726	17,223,143	14,640,398	2,582,745
Energy Services	12,900	15,267	6,592	8,675
Materials and Supplies	6,361,416	12,404,504	6,514,334	5,890,170
Capital Outlay	1,144,090	1,711,579	1,564,848	146,731
Other Expenses	4,196,548	5,024,753	4,542,795	481,958
Total Instruction	186,278,289	201,549,455	190,242,698	11,306,757

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2015

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Student Support Services				
Salaries	\$ 9,512,774	\$ 10,067,329	\$ 10,002,140	\$ 65,189
Employee Benefits	3,174,373	2,807,251	2,807,251	
Purchased Services	1,629,501	2,337,693	1,594,629	743,064
Energy Services	4,000	4,000	3,735	265
Materials and Supplies	135,194	148,428	62,178	86,250
Capital Outlay	6,688	10,488	10,424	64
Other Expenses		8,664	8,464	200
Total Student Support Services	14,462,530	15,383,853	14,488,821	895,032
Instructional Media Services				
Salaries	2,966,391	3,337,953	3,227,648	110,305
Employee Benefits	994,511	941,319	939,598	1,721
Purchased Services	42,341	50,825	46,551	4,274
Materials and Supplies	55,242	50,500	34,000	16,500
Capital Outlay	390,070	394,218	181,633	212,585
Other Expenses	1,360	36,523	35,741	782
Total Instructional Media Services	4,449,915	4,811,338	4,465,171	346,167
Instruction and Curriculum Development Services				
Salaries	3,526,378	4,031,400	4,031,400	
Employee Benefits	1,132,960	1,006,067	1,006,067	
Purchased Services	31,890	66,890	66,153	737
Materials and Supplies	76,421	95,649	42,780	52,869
Capital Outlay	150	1,861	3,955	(2,094)
Other Expenses	7,445	8,679	7,774	905
Total Instruction and Curriculum Development Services	4,775,244	5,210,546	5,158,129	52,417
Instructional Staff Training Services				
Salaries	1,879,076	1,875,336	1,838,727	36,609
Employee Benefits	278,038	610,328	484,428	125,900
Purchased Services	756,673	909,640	659,128	250,512
Materials and Supplies	48,417	117,103	87,403	29,700
Capital Outlay	201,836	191,612	6,148	185,464
Other Expenses	70,857	103,296	54,810	48,486
Total Instructional Staff Training Services	3,234,897	3,807,315	3,130,644	676,671
Instruction-Related Technology				
Salaries	1,350,317	1,423,382	1,423,382	
Employee Benefits	449,120	438,367	382,202	56,165
Purchased Services	243,076	334,508	334,507	1
Materials and Supplies	17,552	17,148	152	16,996
Capital Outlay	100,832	1,832	89,711	(87,879)
Other Expenses	14,468	12,044	4,302	7,742
Total Instruction-Related Technology	2,175,365	2,227,281	2,234,256	(6,975)

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2015

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Board of Education				
Salaries	\$ 664,771	\$ 761,593	\$ 728,694	\$ 32,899
Employee Benefits	372,871	640,965	333,367	307,598
Purchased Services	216,364	217,600	153,648	63,952
Energy Services	975	645	640	5
Materials and Supplies	13,995	12,851	3,517	9,334
Capital Outlay		195	195	
Other Expenses	26,191	45,234	44,006	1,228
Total Board of Education	1,295,167	1,679,083	1,264,067	415,016
General Administration				
Salaries	390,157	571,145	571,143	2
Employee Benefits	130,804	130,804	127,445	3,359
Purchased Services	77,534	78,970	57,122	21,848
Materials and Supplies	21,900	18,500	8,458	10,042
Capital Outlay		165	164	1
Other Expenses	59,000	60,200	60,132	68
Total General Administration	679,395	859,784	824,464	35,320
School Administration				
Salaries	11,190,107	12,381,555	12,189,436	192,119
Employee Benefits	3,740,702	3,379,407	3,280,775	98,632
Purchased Services	6,226	8,238	7,223	1,015
Materials and Supplies	65,067	64,349	42,474	21,875
Capital Outlay	17,820	33,322	32,247	1,075
Other Expenses	1,980	18,108	16,952	1,156
Total School Administration	15,021,902	15,884,979	15,569,107	315,872
Facility Services				
Salaries	147,941	441,631	214,154	227,477
Employee Benefits	49,599	74,909	45,363	29,546
Purchased Services	570,514	267,866	218,587	49,279
Energy Services	20,500	22,800	22,734	66
Materials and Supplies	33,581	15,116	8,538	6,578
Capital Outlay	1,093,953	745,436	195,451	549,985
Other Expenses	4,350	2,000	1,134	866
Total Facility Services	1,920,438	1,569,758	705,961	863,797
Fiscal Services				
Salaries	1,582,439	1,666,193	1,633,126	33,067
Employee Benefits	530,377	552,623	430,538	122,085
Purchased Services	947,936	893,900	279,427	614,473
Materials and Supplies	42,414	41,669	11,083	30,586
Capital Outlay	5,000	5,220	1,220	4,000
Other Expenses	7,275	60,800	59,933	867
Total Fiscal Services	3,115,441	3,220,405	2,415,327	805,078

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2015

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Food Services				
Salaries	\$	\$ 147,204	\$ 139,941	\$ 7,263
Employee Benefits		4,820	4,804	16
Other Expenses		417	417	
Total Food Services		152,441	145,162	7,279
Central Services				
Salaries	3,941,439	3,141,191	3,140,437	754
Employee Benefits	1,188,599	979,119	977,020	2,099
Purchased Services	1,010,310	2,111,993	572,424	1,539,569
Energy Services	40,000	40,000	23,942	16,058
Materials and Supplies	347,033	388,687	216,907	171,780
Capital Outlay	1,197	5,227	5,638	(411)
Other Expenses	113,750	106,775	97,638	9,137
Total Central Services	6,642,328	6,772,992	5,034,006	1,738,986
Student Transportation Services				
Salaries	8,414,768	8,542,033	8,542,033	
Employee Benefits	2,812,424	3,570,529	3,569,800	729
Purchased Services	527,085	609,187	380,352	228,835
Energy Services	3,111,607	2,393,879	2,060,950	332,929
Materials and Supplies	948,857	1,557,173	1,046,580	510,593
Capital Outlay	91,819	93,672	35,172	58,500
Other Expenses	205,313	686,158	267,158	419,000
Total Student Transportation Services	16,111,873	17,452,631	15,902,045	1,550,586
Operation of Plant				
Salaries	5,550,143	5,601,588	5,521,761	79,827
Employee Benefits	1,911,170	2,549,282	2,542,955	6,327
Purchased Services	8,920,265	8,304,738	6,228,486	2,076,252
Energy Services	12,372,905	11,834,615	11,834,614	1
Materials and Supplies	603,285	688,136	679,545	8,591
Capital Outlay	25,708	70,097	81,269	(11,172)
Other Expenses	30,400	379,118	379,118	
Total Operation of Plant	29,413,876	29,427,574	27,267,748	2,159,826
Maintenance of Plant				
Salaries	4,548,765	4,587,540	4,532,731	54,809
Employee Benefits	1,555,641	1,745,396	1,745,112	284
Purchased Services	3,766,602	6,290,001	2,755,820	3,534,181
Energy Services	241,774	262,892	262,570	322
Materials and Supplies	1,533,362	1,588,454	1,588,133	321
Capital Outlay	55,238	54,651	60,482	(5,831)
Other Expenses		8,450	8,419	31
Total Maintenance of Plant	11,701,382	14,537,384	10,953,267	3,584,117

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2015

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Administrative Technology Services				
Salaries	\$ 2,400,785	\$ 2,517,709	\$ 2,442,819	\$ 74,890
Employee Benefits	801,014	725,307	669,544	55,763
Purchased Services	17,887	38,887	38,631	256
Energy Services	4,500	4,500	2,660	1,840
Materials and Supplies	82,480	77,899	20,735	57,164
Capital Outlay		5,364	5,309	55
Other Expenses		10,000	9,638	362
Total Administrative Technology Services	3,306,666	3,379,666	3,189,336	190,330
Community Services				
Salaries	108,000	183,236	173,452	9,784
Employee Benefits	28,380	72,333	69,848	2,485
Purchased Services	10,250	12,008	6,191	5,817
Materials and Supplies	302,366	284,270	18,578	265,692
Capital Outlay	5,244	13,956	11,313	2,643
Other Expenses	329,463	297,849	203,311	94,538
Total Community Services	783,703	863,652	482,693	380,959
Fixed Capital Outlay:				
Facilities Acquisition and Construction		20,589	34,255	(13,666)
Other Capital Outlay	673,920	1,174,147	768,123	406,024
Total Fixed Capital Outlay	673,920	1,194,736	802,378	392,358
Debt Service:				
Principal	10,000	10,000		10,000
Total Debt Service	10,000	10,000		10,000
Total Expenditures	306,052,331	329,994,873	304,275,280	25,719,593
Deficiency of Revenues Over Expenditures	(18,544,956)	(39,523,515)	(14,111,300)	25,412,215
Other Financing Sources				
Transfers In	8,007,949	8,632,905	8,632,905	
Insurance Loss Recoveries		3,285,325	3,285,325	
Total Other Financing Sources	8,007,949	11,918,230	11,918,230	
Net Change in Fund Balances	(10,537,007)	(27,605,285)	(2,193,070)	25,412,215
Fund Balances, July 1, 2014	53,459,132	53,459,132	53,459,132	
Fund Balances, June 30, 2015	\$ 42,922,125	\$ 25,853,847	\$ 51,266,062	\$ 25,412,215

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 that are required to finance designated activities. Activities included within the funds are as follows:

Major Special Revenue Funds

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

Nonmajor Special Revenue Funds

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

Federal Economic Stimulus Programs Fund - To account for programs funded by the American Recovery and Reinvestment Act (ARRA) and other Federal stimulus programs, requiring separate accountability because of legal or regulatory restrictions.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE
For the Fiscal Year Ended June 30, 2015

	<i>Food Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Federal Through State and Local:				
Food Service	\$ 15,810,000	\$ 16,199,631	\$ 16,199,631	\$
Total Federal Through State and Local	15,810,000	16,199,631	16,199,631	
State:				
Food Service	305,000	284,424	284,424	
Total State	305,000	284,424	284,424	
Local:				
Charges for Food Service	3,811,000	3,436,585	3,480,641	44,056
Other Local Sources	3,000	8,360	8,360	
Total Local	3,814,000	3,444,945	3,489,001	44,056
Total Revenues	19,929,000	19,929,000	19,973,056	44,056
EXPENDITURES				
Current Education:				
Food Services:				
Salaries	4,845,000	4,897,717	4,854,574	43,143
Employee Benefits	2,811,900	2,808,558	2,541,144	267,414
Purchased Services	704,579	641,577	525,885	115,692
Energy Services	360,150	274,641	274,641	
Materials and Supplies	10,058,000	10,584,207	10,202,292	381,915
Capital Outlay	829,640	271,640	127,809	143,831
Other Expenses	1,983,548	1,556,477	1,499,617	56,860
Total Food Services	21,592,817	21,034,817	20,025,962	1,008,855
Fixed Capital Outlay:				
Other Capital Outlay		558,000	221,022	336,978
Total Fixed Capital Outlay		558,000	221,022	336,978
Total Expenditures	21,592,817	21,592,817	20,246,984	1,345,833
Deficiency of Revenues Over Expenditures	(1,663,817)	(1,663,817)	(273,928)	1,389,889
Net Change in Fund Balances	(1,663,817)	(1,663,817)	(273,928)	1,389,889
Fund Balances, July 1, 2014	6,184,188	6,184,188	6,184,188	
Fund Balances, June 30, 2015	\$ 4,520,371	\$ 4,520,371	\$ 5,910,260	\$ 1,389,889

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2015

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Other Federal Direct Sources	\$ 1,400,431	\$ 1,805,013	\$ 1,805,013	\$
Total Federal Direct	1,400,431	1,805,013	1,805,013	
Federal Through State and Local:				
Career and Technical Education	577,364	611,814	598,873	(12,941)
WIOA - Adult General Education	404,488	194,161	129,851	(64,310)
Other Workforce and Innovation Opportunity Act	305,819	295,505	295,505	
Individuals with Disabilities Education Act	12,084,239	11,984,157	11,645,252	(338,905)
Elementary and Secondary Education Act - Title I	21,399,004	17,640,447	15,158,967	(2,481,480)
Other Federal Through State and Local Sources	3,844,938	3,942,942	2,889,754	(1,053,188)
Total Federal Through State and Local	38,615,852	34,669,026	30,718,202	(3,950,824)
Total Revenues	40,016,283	36,474,039	32,523,215	(3,950,824)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	6,736,848	7,293,109	7,165,620	127,489
Employee Benefits	2,597,247	2,747,366	2,509,113	238,253
Purchased Services	2,060,683	1,255,146	1,096,557	158,589
Materials and Supplies	5,582,215	1,125,423	849,834	275,589
Capital Outlay	1,549,361	2,364,869	2,270,793	94,076
Other Expenses	342,428	607,531	529,790	77,741
Total Instruction	18,868,782	15,393,444	14,421,707	971,737
Student Support Services:				
Salaries	887,494	1,008,264	969,482	38,782
Employee Benefits	241,552	296,858	271,684	25,174
Purchased Services	1,328,213	1,003,705	891,375	112,330
Materials and Supplies	143,978	165,237	128,799	36,438
Capital Outlay	2,570	3,089	1,532	1,557
Other Expenses	116,373	107,412	97,963	9,449
Total Student Support Services	2,720,180	2,584,565	2,360,835	223,730
Instructional Media Services:				
Salaries	24,266	64,831	64,831	
Employee Benefits	3,949	10,497	10,497	
Capital Outlay	15,800	16,436	16,360	76
Other Expenses	188	689	689	
Total Instructional Media Services	44,203	92,453	92,377	76

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2015

	<i>Other Federal Programs Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 4,218,250	\$ 4,240,186	\$ 4,023,630	\$ 216,556
Employee Benefits	1,240,093	1,199,832	1,116,304	83,528
Purchased Services	183,034	164,462	127,796	36,666
Materials and Supplies	75,913	83,945	63,170	20,775
Capital Outlay	28,419	46,773	39,056	7,717
Other Expenses	12,300	12,298	12,298	
Total Instruction and Curriculum Development Services	5,758,009	5,747,496	5,382,254	365,242
Instructional Staff Training Services:				
Salaries	3,066,912	2,934,036	2,577,093	356,943
Employee Benefits	794,065	832,215	700,561	131,654
Purchased Services	1,712,558	2,196,077	1,553,860	642,217
Materials and Supplies	675,023	750,694	208,121	542,573
Capital Outlay	342,948	201,165	132,583	68,582
Other Expenses	312,872	180,569	127,653	52,916
Total Instructional Staff Training Services	6,904,378	7,094,756	5,299,871	1,794,885
Instruction-Related Technology:				
Salaries	1,405,233	1,316,865	1,214,720	102,145
Employee Benefits	426,970	405,149	364,553	40,596
Purchased Services	3,900	1,645	1,238	407
Other Expenses	92,160	100,659	78,272	22,387
Total Instruction-Related Technology	1,928,263	1,824,318	1,658,783	165,535
General Administration:				
Other Expenses	1,211,630	1,510,915	1,410,252	100,663
Total General Administration	1,211,630	1,510,915	1,410,252	100,663
School Administration:				
Salaries	2,112	3,450	604	2,846
Employee Benefits	341	557	97	460
Purchased Services	813	813		813
Total School Administration	3,266	4,820	701	4,119
Facility Services:				
Capital Outlay	57,595	37,221	37,221	
Total Facility Services	57,595	37,221	37,221	
Fiscal Services				
Purchased Services		505	505	
Total Fiscal Services		505	505	
Central Services:				
Salaries	27,568	25,373	22,015	3,358
Employee Benefits	11,195	10,896	7,281	3,615
Purchased Services	39,006	43,515	39,124	4,391
Materials and Supplies	9,000	1,317	1,317	
Other Expenses	2,080	2,882	1,403	1,479
Total Central Services	88,849	83,983	71,140	12,843

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2015

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Student Transportation Services:				
Purchased Services	\$ 15,604	\$ 21,305	\$ 14,305	\$ 7,000
Energy Services	8,505	2,180	1,959	221
Other Expenses	998,374	385,220	356,443	28,777
Total Student Transportation Services	1,022,483	408,705	372,707	35,998
Operation of Plant:				
Purchased Services	37,981	32,024	25,134	6,890
Total Operation of Plant	37,981	32,024	25,134	6,890
Maintenance of Plant:				
Purchased Services	500			
Total Maintenance of Plant	500			
Administrative Technology Services:				
Salaries	55,499	57,751	57,751	
Employee Benefits	16,056	16,435	16,435	
Total Administrative Technology Services	71,555	74,186	74,186	
Community Services:				
Employee Benefits	1,561	1,424	1,424	
Purchased Services	7,660	3,684	3,684	
Materials and Supplies	1,445	1,246	1,246	
Other Expenses	109,930	634,384	634,384	
Total Community Services	120,596	640,738	640,738	
Fixed Capital Outlay:				
Facilities Acquisition and Construction	22,924	39,889	39,889	
Other Capital Outlay	1,155,459	904,391	633,595	270,796
Total Fixed Capital Outlay	1,178,383	944,280	673,484	270,796
Total Expenditures	40,016,653	36,474,409	32,521,895	3,952,514
Excess (Deficiency) of Revenues Over Expenditures	(370)	(370)	1,320	1,690
Net Change in Fund Balances	(370)	(370)	1,320	1,690
Fund Balances, July 1, 2014	370	370	370	
Fund Balances, June 30, 2015	\$	\$	\$ 1,690	\$ 1,690

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS
For the Fiscal Year Ended June 30, 2015**

	<i>Federal Economic Stimulus Programs Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Federal Through State and Local:				
Race-to-the-Top	\$ 98,578	\$ 524,824	\$ 509,032	\$ (15,792)
Total Federal Through State and Local	98,578	524,824	509,032	(15,792)
Total Revenues	98,578	524,824	509,032	(15,792)
EXPENDITURES				
Current Education:				
Instruction:				
Materials and Supplies		15,792		15,792
Capital Outlay		354,807	354,807	
Total Instruction		370,599	354,807	15,792
Instructional Staff Training Services:				
Salaries	37,842	37,838	37,838	
Employee Benefits		3,200	3,200	
Purchased Services	21,832	50,895	50,895	
Materials and Supplies	22,340	17,832	17,832	
Capital Outlay		31,836	31,836	
Other Expenses	10,900	4,694	4,694	
Total Instructional Staff Training Services	92,914	146,295	146,295	
General Administration:				
Other Expenses	1,172	3,438	3,438	
Total General Administration	1,172	3,438	3,438	
Central Services:				
Purchased Services	1,667	1,667	1,667	
Total Central Services	1,667	1,667	1,667	
Administrative Technology Services:				
Purchased Services	2,825	2,825	2,825	
Total Administrative Technology Services	2,825	2,825	2,825	
Total Expenditures	98,578	524,824	509,032	15,792
Excess (Deficiency) of Revenues Over Expenditures				
Net Change in Fund Balances Fund Balances, July 1, 2014				
Fund Balances, June 30, 2015	\$	\$	\$	\$

Debt Service Funds

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

Nonmajor Debt Service Funds

Other Debt Service Fund - To account for and report on Certificate of Participation Issues, characterized as lease-purchase agreements.

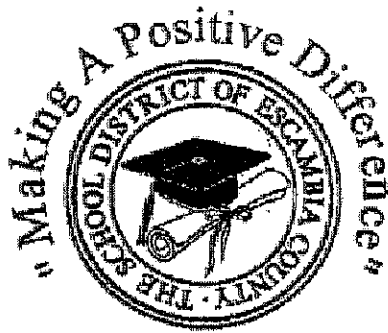
State Board of Education (SBE) Bond Fund - To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the SBE on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2015

	<i>Other Debt Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Local:				
Interest Income	\$	\$ 1,040	\$ 1,040	\$
Total Local		<u>1,040</u>	<u>1,040</u>	
Total Revenues		<u>1,040</u>	<u>1,040</u>	
EXPENDITURES				
Debt Service:				
Principal	3,620,768	3,620,768	3,620,768	
Interest and Fiscal Charges	1,539,081	1,459,585	1,459,584	
Total Expenditures	<u>5,159,849</u>	<u>5,080,353</u>	<u>5,080,352</u>	
Deficiency of Revenues Over Expenditures	<u>(5,159,849)</u>	<u>(5,079,313)</u>	<u>(5,079,312)</u>	
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issues:				
Refunding Certificates of Participation		19,840,000	19,840,000	
Premiums on Refunding Certificates of Participation		2,505,339	2,505,339	
Payments to Refunding Escrow Agent		(22,363,281)	(22,363,281)	
Transfers In	5,000,000	5,000,000	5,000,000	
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>4,982,058</u>	<u>4,982,058</u>	
Net Change in Fund Balances	<u>(159,849)</u>	<u>(97,255)</u>	<u>(97,254)</u>	
Fund Balances, July 1, 2014	4,466,502	4,466,502	4,466,502	
Fund Balances, June 30, 2015	<u>\$ 4,306,653</u>	<u>\$ 4,369,247</u>	<u>\$ 4,369,248</u>	<u>\$</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - STATE BOARD OF EDUCATION (SBE) BONDS
For the Fiscal Year Ended June 30, 2015

	State Board of Education (SBE) Bond Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO and DS Withheld for SBE/COBI Bonds	\$ 1,322,953	\$ 1,288,789	\$ 1,288,789	\$
Other State Sources		1,129	1,129	
Total State	<u>1,322,953</u>	<u>1,289,918</u>	<u>1,289,918</u>	
Total Revenues	<u>1,322,953</u>	<u>1,289,918</u>	<u>1,289,918</u>	
EXPENDITURES				
Debt Service:				
Principal	1,148,000	1,148,000	1,148,000	
Interest and Fiscal Charges	<u>174,953</u>	<u>159,373</u>	<u>159,373</u>	
Total Expenditures	<u>1,322,953</u>	<u>1,307,373</u>	<u>1,307,373</u>	
Deficiency of Revenues Over Expenditures		<u>(17,455)</u>	<u>(17,455)</u>	
Other Financing Sources (Uses)				
Refunded Bonds Issued		627,000	627,000	
Premium on Refunded Bonds		43,383	43,383	
Payments to Refunded Bond Escrow Agent		<u>(763,007)</u>	<u>(763,007)</u>	
Total Other Financing Sources (Uses)		<u>(92,624)</u>	<u>(92,624)</u>	
Net Change in Fund Balances		<u>(110,079)</u>	<u>(110,079)</u>	
Fund Balances, July 1, 2014	<u>173,605</u>	<u>173,605</u>	<u>173,605</u>	
Fund Balances, June 30, 2015	<u>\$ 173,605</u>	<u>\$ 63,526</u>	<u>\$ 63,526</u>	<u>\$</u>



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Capital Projects Funds

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

Major Capital Projects Funds

Capital Projects - Other Fund - To account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including new construction, renovation, and remodeling projects.

Nonmajor Capital Projects Funds

Local Capital Improvement Fund - To account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on certificates of participation.

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2015

	<u>Local Capital Improvement Fund</u>			Variance with Final Budget - Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local:				
Property Taxes	\$ 20,340,194	\$ 21,492,708	\$ 21,492,708	\$
Interest Income		45,286	45,286	
Total Local	<u>20,340,194</u>	<u>21,537,994</u>	<u>21,537,994</u>	
Total Revenues	<u>20,340,194</u>	<u>21,537,994</u>	<u>21,537,994</u>	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	768,579	2,353,039	2,131,188	221,851
Improvements Other Than Buildings	613,124	1,176,558	599,994	576,564
Remodeling and Renovations	3,409,140	6,855,123	5,134,583	1,720,540
Computer Software	423,710	564,919	385,162	179,757
Total Facility Services	<u>5,214,553</u>	<u>10,949,639</u>	<u>8,250,927</u>	<u>2,698,712</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	2,648,098	853,552	486,461	367,091
Motor Vehicles	6,510,494	6,947,114	6,782,884	164,230
Improvements Other Than Buildings	183,895	341,795	119,814	221,981
Remodeling and Renovations	13,704	23,470	23,470	
Computer Software	433,113	291,852		291,852
Total Facilities Acquisition and Construction	<u>9,789,304</u>	<u>8,457,783</u>	<u>7,412,629</u>	<u>1,045,154</u>
Total Expenditures	<u>15,003,857</u>	<u>19,407,422</u>	<u>15,663,556</u>	<u>3,743,866</u>
Excess of Revenues Over Expenditures	<u>5,336,337</u>	<u>2,130,572</u>	<u>5,874,438</u>	<u>3,743,866</u>
Other Financing Uses				
Transfers Out	<u>(11,919,449)</u>	<u>(12,533,091)</u>	<u>(12,533,091)</u>	
Total Other Financing Uses	<u>(11,919,449)</u>	<u>(12,533,091)</u>	<u>(12,533,091)</u>	
Net Change in Fund Balances	<u>(6,583,112)</u>	<u>(10,402,519)</u>	<u>(6,658,653)</u>	<u>3,743,866</u>
Fund Balances, July 1, 2014	<u>19,403,433</u>	<u>19,403,433</u>	<u>19,403,433</u>	
Fund Balances, June 30, 2015	<u>\$ 12,820,321</u>	<u>\$ 9,000,914</u>	<u>\$ 12,744,780</u>	<u>\$ 3,743,866</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE
For the Fiscal Year Ended June 30, 2015

	<i>Capital Outlay and Debt Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
CO and DS Distribution	\$ 188,005	\$ 272,230	\$ 272,230	\$
Other State Sources		10,594	10,594	
Total State	188,005	282,824	282,824	
Total Revenues	188,005	282,824	282,824	
EXPENDITURES				
Current - Education:				
Facility Services:				
Improvements Other Than Buildings	25,145	25,145		25,145
Remodeling and Renovations	917,660	917,660	168,320	749,340
Total Facility Services	942,805	942,805	168,320	774,485
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	67,011	67,011		67,011
Improvements Other Than Buildings	11,289	11,289		11,289
Total Facilities Acquisition and Construction	78,300	78,300		78,300
Debt Service:				
Dues and Fees		893	893	
Total Debt Service		893	893	
Total Expenditures	1,021,105	1,021,998	169,213	852,785
Excess (Deficiency) of Revenues Over Expenditures	(833,100)	(739,174)	113,611	852,785
Net Change in Fund Balances	(833,100)	(739,174)	113,611	852,785
Fund Balances, July 1, 2014	847,385	847,385	847,386	
Fund Balances, June 30, 2015	\$ 14,285	\$ 108,211	\$ 960,997	\$ 852,785

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY
For the Fiscal Year Ended June 30, 2015**

	<i>Public Education Capital Outlay Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Public Education Capital Outlay	\$ 787,693	\$ 787,693	\$ 787,693	\$
Total State	787,693	787,693	787,693	
Total Revenues	787,693	787,693	787,693	
EXPENDITURES				
Current - Education:				
Facility Services:				
Remodeling and Renovations	99,744	147,214	14,851	132,363
Total Facility Services	99,744	147,214	14,851	132,363
Total Expenditures	99,744	147,214	14,851	132,363
Excess of Revenues Over Expenditures	687,949	640,479	772,842	132,363
Other Financing Uses				
Transfers Out	(687,949)	(640,479)	(640,479)	
Total Other Financing Uses	(687,949)	(640,479)	(640,479)	
Net Change in Fund Balances			132,363	132,363
Fund Balances, July 1, 2014				
Fund Balances, June 30, 2015	\$	\$	\$ 132,363	\$ 132,363

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
For the Fiscal Year Ended June 30, 2015

	<i>Other Capital Projects Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Charter School Capital Outlay	\$ 400,551	\$ 412,365	\$ 412,365	\$
Total State	400,551	412,365	412,365	
Local:				
Sales Taxes	20,000,000	23,376,775	23,376,775	
Interest Income		456,244	456,244	
Total Local	20,000,000	23,833,019	23,833,019	
Total Revenues	20,400,551	24,245,384	24,245,384	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	937,658	1,703,845	1,305,331	398,514
Improvements Other Than Buildings	265,477	1,506,211	605,582	900,629
Remodeling and Renovations	14,915,413	15,960,697	6,809,890	9,150,807
Computer Software	1,448			
Total Facility Services	16,119,996	19,170,753	8,720,803	10,449,950
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	67,632,856	66,322,544	18,902,235	47,420,309
Furniture, Fixtures, and Equipment	977,945	1,033,809	969,584	64,225
Land	1,868,000	1,954,377	29,070	1,925,307
Improvements Other Than Buildings	345,028	305,847	158,429	147,418
Remodelling and Renovations	681,847	680,889	263,928	416,961
Total Facilities Acquisition and Construction	71,505,676	70,297,466	20,323,246	49,974,220
Total Expenditures	87,625,672	89,468,219	29,044,049	60,424,170
Deficiency of Revenues Over Expenditures	(67,225,121)	(65,222,835)	(4,798,665)	60,424,170
Other Financing Sources (Uses)				
Sale of Fixed Assets		1,877,010	1,877,010	
Transfers Out	(400,551)	(412,365)	(412,365)	
Total Other Financing Sources (Uses)	(400,551)	1,464,645	1,464,645	
Net Change in Fund Balances	(67,625,672)	(63,758,190)	(3,334,020)	60,424,170
Fund Balances, July 1, 2014	72,662,054	72,662,054	72,662,054	
Fund Balances, June 30, 2015	\$ 5,036,382	\$ 8,903,864	\$ 69,328,034	\$ 60,424,170

Internal Service Funds

Internal service funds are nonmajor proprietary funds and are reported as Governmental-Type Activities. They are used to account for the financing of goods or services provided by one department to other departments within the District on a cost-reimbursement basis. The following funds are included in the internal service funds:

Risk Management Fund – To account for and report on funds received for and used by the District’s self-insured property, casualty, liability, and workers’ compensation program.

Employee Benefit Trust Fund – To account for and report on funds received for and used to pay for life, health, and dental insurance issued under the District’s self-insurance program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 25,137,092	\$ 14,574,372	\$ 39,711,464
Due from Other Funds		13,622	13,622
TOTAL ASSETS	\$ 25,137,092	\$ 14,587,994	\$ 39,725,086
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 401,405	\$ 243,288	\$ 243,288
Due to Other Funds		975,671	1,377,076
Unearned Revenue		3,559,654	3,559,654
Estimated Insurance Claims Payable	3,321,507	2,338,102	5,659,609
Total Current Liabilities	3,722,912	7,116,715	10,839,627
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	21,414,180		21,414,180
Total Noncurrent Liabilities	21,414,180		21,414,180
TOTAL LIABILITIES	25,137,092	7,116,715	32,253,807
NET POSITION			
Restricted for Employee Benefits		7,471,279	7,471,279
Total Net Position		7,471,279	7,471,279
TOTAL LIABILITIES AND NET POSITION	\$ 25,137,092	\$ 14,587,994	\$ 39,725,086

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2015

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
OPERATING REVENUES			
Premium Revenues	\$ 4,070,333	\$ 39,983,931	\$ 44,054,264
Other	120,439	740,524	860,963
Total Operating Revenues	4,190,772	40,724,455	44,915,227
OPERATING EXPENSES			
Salaries	223,751	262,883	486,634
Employee Benefits	58,608	81,626	140,234
Purchased Services	391,482	5,121,428	5,512,910
Energy Services	5,537	10,581	16,118
Material and Supplies	2,261	2,966	5,227
Capital Outlay		3,536	3,536
Insurance Claims	3,508,541	30,871,399	34,379,940
Other	592	2,985,271	2,985,863
Total Operating Expenses	4,190,772	39,339,690	43,530,462
Operating Income		1,384,765	1,384,765
NONOPERATING REVENUES			
Interest		5,536	5,536
Total Nonoperating Revenues		5,536	5,536
Income Before Transfers		1,390,301	1,390,301
Transfers out		(46,970)	(46,970)
Change in Net Position		1,343,331	1,343,331
NET POSITION			
Total Net Position, July 1, 2014		6,127,948	6,127,948
Total Net Position, June 30, 2015	\$	\$ 7,471,279	\$ 7,471,279

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 4,090,388	\$ 40,838,227	\$ 44,928,615
Cash Payments to Suppliers for Goods and Services	(285,840)	(8,004,444)	(8,290,284)
Cash Payments to Employees for Services	(282,359)	(344,509)	(626,868)
Cash Payments for Interfund Services Used	10,903	(296,810)	(285,907)
Cash Payments for Insurance Claims	(2,741,088)	(32,008,039)	(34,749,127)
Net Cash Provided by Operating Activities	792,004	184,425	976,429
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers To Other Funds		(46,970)	(46,970)
Net Cash (Used) by Noncapital Financing Activities		(46,970)	(46,970)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income		5,536	5,536
Net Cash Provided by Investment Activities		5,536	5,536
Net Increase in Cash and Cash Equivalents	792,004	142,991	934,995
Beginning Cash and Cash Equivalents	24,345,088	14,431,381	38,776,469
Ending Cash and Cash Equivalents	\$ 25,137,092	\$ 14,574,372	\$ 39,711,464
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$	\$ 1,384,765	\$ 1,384,765
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	20,056		20,056
Decrease in Due From Other Funds		(13,622)	(13,622)
Increase in Accounts Payable	(6,407)	120,610	114,203
Decrease in Due to Other Funds	10,903	(296,811)	(285,908)
Increase in Due to Other Agencies		(1,272)	(1,272)
Decrease in Unearned Revenue		127,394	127,394
Increase in Estimated Insurance Claims Payable	767,452	(1,136,639)	(369,187)
Total Adjustments	792,004	(1,200,340)	(408,336)
Net Cash Provided by Operating Activities	\$ 792,004	\$ 184,425	\$ 976,429

Agency Funds

Agency funds are fiduciary funds and are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, athletic, class, club activities, etc., and a voluntary employee benefits program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2015

	<i>Agency Funds</i>		
	<i>Total</i>	<i>Student and Club Activities</i>	<i>Employee Benefits</i>
ASSETS			
Cash	\$ 2,847,945	\$ 2,792,528	\$ 55,417
LIABILITIES			
Internal Accounts Payable	2,792,528	2,792,528	
Payroll Deductions and Withholdings	55,417		55,417
Total Liabilities	\$ 2,847,945	\$ 2,792,528	\$ 55,417

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
June 30, 2015

	<i>Student and Club Activities</i>			<i>June 30, 2015</i>
	<i>June 30, 2014</i>	<i>Additions</i>	<i>Deletions</i>	
Assets				
Cash	\$ 2,773,462	\$ 5,305,390	\$ 5,286,324	\$ 2,792,528
Liabilities				
Internal Accounts Payable	\$ 2,773,462	\$ 5,305,390	\$ 5,286,324	\$ 2,792,528
Total Liabilities	\$ 2,773,462	\$ 5,305,390	\$ 5,286,324	\$ 2,792,528

	<i>Employee Benefits Program</i>			<i>June 30, 2015</i>
	<i>June 30, 2014</i>	<i>Additions</i>	<i>Deletions</i>	
Assets				
Cash	\$ 587,660	\$	\$ 532,243	\$ 55,417
Liabilities				
Payroll Deductions and Withholdings	\$ 587,660	\$	\$ 532,243	\$ 55,417
Total Liabilities	\$ 587,660	\$	\$ 532,243	\$ 55,417

	<i>Total</i>			<i>June 30, 2015</i>
	<i>June 30, 2014</i>	<i>Additions</i>	<i>Deletions</i>	
Assets				
Cash	\$ 3,361,122	\$ 5,305,390	\$ 5,818,567	\$ 2,847,945
Liabilities				
Internal Accounts Payable	\$ 2,773,462	\$ 5,305,390	\$ 5,286,324	\$ 2,792,528
Payroll Deductions and Withholdings	587,660		532,243	55,417
Total Liabilities	\$ 3,361,122	\$ 5,305,390	\$ 5,818,567	\$ 2,847,945

Discretely Presented Component Units

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

Nonmajor Discretely Presented Component Units

The Escambia County Public Schools Foundation for Excellence, Inc. (Foundation) is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. Section 1001.453, Florida Statutes, requires the Foundation to be authorized and approved by the District. The stated mission of the Foundation is to enhance the quality of education in Escambia County Public Schools through raising and distributing funds and in-kind contributions, fostering involvement in the public system. The Foundation is considered to be a component unit of the District because the District must approve all members of the Foundation's board and the District has the ability to impose its will on the Foundation. It is considered to be a discretely presented component unit because the two boards are not the same.

Beulah Academy of Science, Inc., Jacqueline Harris Preparatory Academy, Pensacola Beach Elementary School, Inc., Escambia Charter School Inc., Five Flags Elementary School, Newpoint Pensacola Academy Middle School, Newpoint Pensacola High School, Byrneville Elementary School, Inc., and Capstone Academy Pensacola (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These nine charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District since they cannot levy taxes and are fiscally dependent on the District to levy taxes for their support.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2015

	Charter Schools				
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School, Inc.	Five Flags Elementary School
ASSETS					
Cash and Cash Equivalents	\$ 1,019,519	\$ 142,258	\$ 827,104	\$ 220,084	\$ 35,066
Accounts Receivable		5,386	189,505	7,340	595
Deposits Receivable		1,016			
Prepaid Items	9,359	743	29,835	16,409	
Due from Other Agencies					49,650
Capital Assets:					
Non-Depreciable Capital Assets	428,690				
Depreciable Capital Assets, Net	1,755,224	209,839	2,657,292	204,365	
Total Assets	<u>3,212,792</u>	<u>359,242</u>	<u>3,703,736</u>	<u>448,198</u>	<u>85,311</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pensions			56,326		
Total Deferred Outflows of Resources			<u>56,326</u>		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,212,792</u>	<u>\$ 359,242</u>	<u>\$ 3,760,062</u>	<u>\$ 448,198</u>	<u>\$ 85,311</u>
LIABILITIES					
Salaries and Benefits Payable	\$	\$	\$ 20,463	\$	\$
Accounts Payable	3,006	20,253	193,190	19,696	599,792
Deposits Payable					
Note Payable					
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
Notes Payable	175,329			2,350	
Obligations Under Capital Leases	1,249			4,180	
Compensated Absences Payable			11,296	6,259	
Pension Liability			193,720		
Portion Due or Payable After One Year:					
Notes Payable	599,906		404,805		
Obligations Under Capital Leases				14,955	
Compensated Absences Payable			30,359	13,177	
Total Liabilities	<u>779,490</u>	<u>20,253</u>	<u>853,833</u>	<u>60,617</u>	<u>599,792</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions			90,351		
Total Deferred Inflows of Resources			<u>90,351</u>		
NET POSITION					
Net Investment in Capital Assets	1,407,430	209,839	2,657,292	182,880	
Restricted for:					
Debt Service	140,000				
Capital Projects					
Other Purposes					
Unrestricted	885,872	129,150	158,586	204,701	(514,481)
Total Net Position - Component Units	<u>2,433,302</u>	<u>338,989</u>	<u>2,815,878</u>	<u>387,581</u>	<u>(514,481)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 3,212,792</u>	<u>\$ 359,242</u>	<u>\$ 3,760,062</u>	<u>\$ 448,198</u>	<u>\$ 85,311</u>

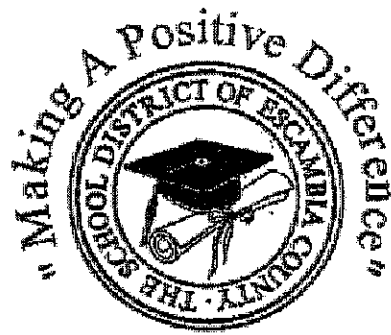
Charter Schools

<i>Newpoint Pensacola Academy Middle School</i>	<i>Newpoint Pensacola High School</i>	<i>Byrenville Elementary School, Inc.</i>	<i>Capstone Academy Pensacola</i>	<i>Total Charter Schools</i>	<i>The Escambia County Public Schools Foundation for Excellence, Inc.</i>	<i>Total Component Units</i>
\$ 52,244	\$ 1,591	\$ 1,054,633	\$ 8,614	\$ 3,361,113	\$ 685,601	\$ 4,046,714
47,095	314,895		82,719	647,535	47,883	695,418
	735			1,751		1,751
18,000				74,346		74,346
91,664	46,237			187,551		187,551
				428,690		428,690
		145,345	110,193	5,082,258	1,428	5,083,686
<u>209,003</u>	<u>363,458</u>	<u>1,199,978</u>	<u>201,526</u>	<u>9,783,244</u>	<u>734,912</u>	<u>10,518,156</u>
		74,852		131,178		131,178
		<u>74,852</u>		<u>131,178</u>		<u>131,178</u>
<u>\$ 209,003</u>	<u>\$ 363,458</u>	<u>\$ 1,274,830</u>	<u>\$ 201,526</u>	<u>\$ 9,914,422</u>	<u>\$ 734,912</u>	<u>\$ 10,649,334</u>
\$ 377,850	\$ 490,580	\$ 33,667	\$ 955	\$ 21,418	\$	\$ 21,418
			65	1,738,099		1,738,099
			25	25		25
65,900	64,600			130,500		130,500
5,561			6,972	190,212		190,212
				5,429		5,429
		16,099		33,654		33,654
		225,356		419,076		419,076
			731	1,005,442		1,005,442
				14,955		14,955
		7,988		51,524		51,524
<u>449,311</u>	<u>555,180</u>	<u>283,110</u>	<u>8,748</u>	<u>3,610,334</u>		<u>3,610,334</u>
		115,014		205,365		205,365
		<u>115,014</u>		<u>205,365</u>		<u>205,365</u>
		145,345	102,490	4,705,276	1,428	4,706,704
				140,000		140,000
			3,159	3,159		3,159
					555,517	555,517
(240,308)	(191,722)	731,361	87,129	1,250,288	177,967	1,428,255
<u>(240,308)</u>	<u>(191,722)</u>	<u>876,706</u>	<u>192,778</u>	<u>6,098,723</u>	<u>734,912</u>	<u>6,833,635</u>
<u>\$ 209,003</u>	<u>\$ 363,458</u>	<u>\$ 1,274,830</u>	<u>\$ 201,526</u>	<u>\$ 9,914,422</u>	<u>\$ 734,912</u>	<u>\$ 10,649,334</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2015

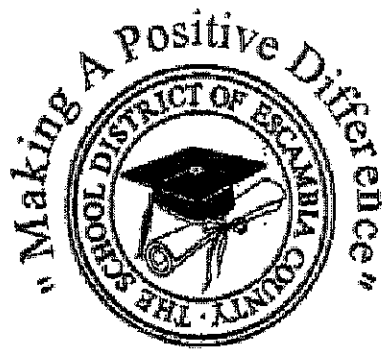
	Charter Schools				
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School, Inc.	Five Flags Elementary School
Functions/Programs					
Expenses:					
Governmental Activities:					
Instruction	\$ 720,844	\$ 597,997	\$ 773,929	\$ 337,750	\$ 448,733
Student Personnel Services	1,249	1,096		50,966	1,910
Instructional Media Services	1,573		223		
Instruction and Curriculum Development Services	400	4,667	442	1,500	
Instructional Staff Training Services	640				850
Instruction-Related Technology			38,626		61,722
Board of Education		500		978	155,548
General Administration	237		32,195		
School Administration	257,795	246,539	179,457	3,219	233,585
Facility Services	5,080		187,994	23,763	127,247
Fiscal Services	13,500	34,000	30,685	152,660	15,769
Food Services	159,567	837			8,582
Central Services	88,505			57,283	
Student Transportation Services	194,054	123,454	18,940	139,075	
Operation of Plant	173,966	246,243	10,356	85,127	39,494
Maintenance of Plant	67,559	71,288	1,827	21,505	2,150
Community Services					5
Unallocated Interest on Long-Term Debt	44,589	10,983		278	
Unallocated Depreciation Expense					
Total Expenses	1,729,558	1,337,604	1,274,674	874,104	1,095,395
Program Revenues:					
Charges for Services	55,422		140,400		
Operating Grants and Contributions	249,670	58,435	17,010	114,724	
Capital Grants and Contributions		67,593	121,575		
Total Program Revenues	305,092	126,028	278,985	114,724	
Net Program Expense	(1,424,466)	(1,211,576)	(995,689)	(759,380)	(1,095,395)
General Revenues and Special Item:					
Grants and Contributions Not Restricted to Specific Programs	1,623,046	1,177,003	953,517	686,339	577,260
Unrestricted Investment Earnings			9,497	202	
Miscellaneous	2,752	10,726		6,184	11,959
Total General Revenues and Special Item	1,625,798	1,187,729	963,014	692,725	589,219
Changes in Net Position	201,332	(23,847)	(32,675)	(66,655)	(506,176)
Net Position					
Net Position, July 1, 2014 - As Previously Reported	2,231,970	362,836	3,088,249	454,236	(8,305)
Cumulative Effect of Change in Accounting Principle			(239,696)		
Net Position, July 1, 2014 - As Restated	<u>2,231,970</u>	<u>362,836</u>	<u>2,848,553</u>	<u>454,236</u>	<u>(8,305)</u>
Net Position, June 30, 2015	\$ 2,433,302	\$ 338,989	\$ 2,815,878	\$ 387,581	\$ (514,481)

Charter Schools					The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
Newpoint Pensacola Academy Middle School	Newpoint Pensacola High School	Byrneville Elementary School, Inc.	Capstone Academy Pensacola	Total Charter Schools		
\$ 357,852	\$ 228,526	\$ 831,585	\$ 430,756	\$ 4,727,972	\$ 704,632	\$ 5,432,604
1,581	10,348	736		67,886		67,886
		1,800		1,796		1,796
1,698	1,084			8,809		8,809
10,483	12,976			4,072		4,072
245,754	168,405			123,807		123,807
				561,185		561,185
130,510	117,863	178,063	11,862	44,294	151,775	196,069
245,505	146,455	2,400	109,161	1,456,192		1,456,192
26,643	16,474	12,475	4,015	738,444		738,444
15,924	9,874	10,746	2,423	306,221		306,221
		30,535	460	207,953		207,953
		62,659	4,985	176,783		176,783
73,386	45,307	99,328	24,346	543,167		543,167
17,360	9,523	243	535	797,553		797,553
9	4			191,990		191,990
22,318	17,198		558	18		18
83,890	88,479		13,991	95,924		95,924
1,232,913	862,516	1,230,570	603,092	186,360		186,360
				10,240,426	856,407	11,096,833
7,530	6,447	8,931	164,376	383,106		383,106
		26,350		466,189		466,189
57,949	48,576			295,693		295,693
65,479	55,023	35,281	164,376	1,144,988		1,144,988
(1,167,434)	(807,493)	(1,195,289)	(438,716)	(9,095,438)	(856,407)	(9,951,845)
1,013,057	637,406	1,324,435	380,336	8,372,399	685,900	9,058,299
		1,637	30	11,366	432	11,798
1,257	250		81,290	114,418	197,097	311,515
1,014,314	637,656	1,326,072	461,656	8,498,183	883,429	9,381,612
(153,120)	(169,837)	130,783	22,940	(597,255)	27,022	(570,233)
(87,188)	(21,885)	1,025,282	169,838	7,215,033	707,890	7,922,923
		(279,359)		(519,055)		(519,055)
(87,188)	(21,885)	745,923	169,838	6,695,978	707,890	7,403,868
\$ (240,308)	\$ (191,722)	\$ 876,706	\$ 192,778	\$ 6,098,723	\$ 734,912	\$ 6,833,635



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STATISTICAL SECTION



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STATISTICAL SECTION

This part of the District School Board of Escambia County, Florida's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trend Information <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	126
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	134
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	140
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	144
Operating Information <i>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.</i>	148

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

	Fiscal Year Ending		
	June 30, 2006	June 30, 2007	June 30, 2008
Governmental Activities:			
Net Investment in Capital Assets	\$ 165,456,952	\$ 178,915,643	\$ 188,476,535
Restricted	104,744,385	128,677,400	141,958,454
Unrestricted	<u>(4,437,218)</u>	<u>(5,337,670)</u>	<u>(8,743,741)</u>
Total Governmental Activities Net Position	<u>265,764,119</u>	<u>302,255,373</u>	<u>321,691,248</u>
Business-Type Activities:			
Net Investment in Capital Assets			
Restricted			
Unrestricted	<u>9,504</u>	<u>12,755</u>	
Total Business-Type Activities Net Position	<u>9,504</u>	<u>12,755</u>	
Primary Government:			
Net Investment in Capital Assets	165,456,952	178,915,643	188,476,535
Restricted	104,744,385	128,677,400	141,958,454
Unrestricted	<u>(4,427,714)</u>	<u>(5,324,915)</u>	<u>(8,743,741)</u>
Total Primary Government Net Position	<u>\$ 265,773,623</u>	<u>\$ 302,268,128</u>	<u>\$ 321,691,248</u>

Source: District Records

Fiscal Year Ending						
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 219,815,751	\$ 225,400,496	\$ 252,115,638	\$ 254,218,697	\$ 252,132,981	\$ 269,930,903	\$ 288,526,040
123,598,721	134,790,510	107,465,893	115,478,880	119,870,743	121,223,565	115,241,269
(8,902,576)	(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)	(131,632,624)
<u>334,511,896</u>	<u>356,903,097</u>	<u>381,747,747</u>	<u>374,722,983</u>	<u>372,093,754</u>	<u>388,185,131</u>	<u>272,134,685</u>
219,815,751	225,400,496	252,115,638	254,218,697	252,132,981	269,930,903	288,526,040
123,598,721	134,790,510	107,465,893	115,478,880	119,870,743	121,223,565	115,241,269
(8,902,576)	(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)	(131,632,624)
<u>\$ 334,511,896</u>	<u>\$ 356,903,097</u>	<u>\$ 381,747,747</u>	<u>\$ 374,722,983</u>	<u>\$ 372,093,754</u>	<u>\$ 388,185,131</u>	<u>\$ 272,134,685</u>

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

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Primary Government:										
Expenses:										
Governmental Activities:										
Instruction	\$ 184,674,639	\$ 200,035,407	\$ 210,699,076	\$ 205,755,887	\$ 205,951,789	\$ 209,265,786	\$ 197,679,286	\$ 202,319,715	\$ 200,433,368	\$ 206,850,659
Student Personnel Services	16,289,854	17,710,197	17,169,487	16,952,375	16,858,395	16,848,558	15,147,309	15,295,809	16,018,809	16,357,758
Instructional Media Services	5,471,588	5,877,497	5,591,263	5,302,170	4,761,283	4,772,147	4,223,246	4,170,561	4,224,367	4,400,081
Instruction and Curriculum Development Services	10,324,742	11,939,007	11,812,859	10,896,048	11,197,176	11,008,291	9,883,085	9,685,168	10,038,942	10,450,035
Instructional Staff Training Services	7,157,151	7,408,236	7,787,869	7,202,670	8,724,396	8,633,858	7,502,117	8,083,368	9,139,669	8,497,923
Instruction Related Technology	2,677,467	2,777,732	3,267,448	3,105,661	3,923,575	4,254,642	4,054,693	4,295,397	4,401,182	4,165,597
Board of Education	1,063,889	1,063,256	1,212,416	1,169,146	1,564,164	1,444,331	1,353,109	1,272,572	1,196,527	1,223,781
General Administration	1,741,746	1,369,805	1,525,336	1,609,860	3,003,731	2,653,708	1,518,541	1,581,664	2,413,878	2,211,509
School Administration	14,577,098	15,866,203	15,674,843	14,449,919	14,170,094	14,368,227	13,427,115	14,123,325	14,787,725	14,978,087
Facility Services	37,322,496	37,396,130	31,604,053	22,275,464	17,510,854	15,698,815	16,667,247	9,966,883	13,506,908	19,944,374
Fiscal Services	2,104,460	2,255,833	2,386,653	2,211,047	2,184,481	2,299,755	2,180,152	2,401,752	2,164,484	2,335,937
Food Service	18,021,854	18,952,187	18,578,045	18,394,973	18,879,371	18,486,692	20,414,794	21,199,498	20,988,484	20,515,294
Central Services	3,440,807	4,160,563	5,103,314	3,830,766	3,857,958	3,967,315	4,629,028	5,019,010	4,791,656	5,050,783
Student Transportation Services	15,593,018	17,173,433	17,894,762	18,143,178	17,537,020	18,863,979	18,651,437	19,359,259	18,220,613	17,788,067
Operation of Plant	23,119,212	27,270,568	28,308,033	27,722,642	28,935,143	28,489,116	28,363,047	27,069,683	27,217,458	27,069,043
Maintenance of Plant	19,020,854	13,854,263	11,875,929	11,125,532	10,704,965	11,255,993	10,749,457	11,641,163	10,943,295	11,041,441
Administrative Technology Services	3,670,920	3,712,180	3,813,897	3,719,871	3,681,151	3,891,979	3,911,729	3,948,080	3,508,846	
Community Services	694,296	709,533	897,108	985,155	1,242,581	1,084,175	1,253,975	1,458,102	1,384,546	1,119,798
Unallocated Interest on Long-Term Debt	3,181,513	3,650,125	3,251,291	2,876,984	2,843,124	2,643,630	2,404,644	2,105,728	1,863,019	1,855,933
Loss on Disposal of Capital Assets	1,006,503	3,653,313	334,149	1,123,337						
Unallocated Depreciation										
Total Governmental Activities Expenses	371,154,107	396,835,468	398,777,831	378,854,685	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010	379,364,936
Business-Type Activities:										
Panhandle Management Development Network	47,785	65,894	8,000							
Total Business-Type Activities Expenses	47,785	65,894	8,000							
Total Primary Government Expenses	371,201,892	396,901,362	398,785,831	378,854,685	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010	379,364,936
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	1,163,378	1,186,281	1,221,058	1,146,218	1,394,372	1,344,462	1,302,174	1,040,440	1,154,747	916,332
Facility Services								33,888	40,716	28,759
Food Services	5,833,058	6,104,082	5,901,163	5,753,396	5,282,975	5,195,911	4,734,992	4,033,654	3,827,300	3,480,641
Transportation				457,021	415,479	262,892	437,998	256,127	252,548	241,944
Community Services								394,213	393,075	424,983
Operating Grants and Contributions	23,186,429	23,196,783	22,893,049	23,782,878	13,816,659	14,392,698	15,000,374	16,029,099	15,890,352	16,484,055
Capital Grants and Contributions	6,626,047	14,393,520	12,787,860	5,549,903	2,872,668	11,338,456	1,966,452	2,583,367	2,632,234	6,094,047
Total Governmental Activities Program Revenues	38,808,912	44,880,666	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990	24,370,788	24,190,972	27,670,761

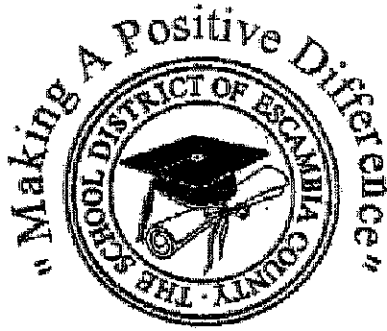
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DISTRICT SHOOl BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Business-Type Activities:										
Charges for Services	\$ 47,598	\$ 68,770	\$	\$	\$	\$	\$	\$	\$	\$
Total Business-Type Activities Program Revenues	47,598	68,770								
Total Primary Government Program Revenues	36,856,510	44,949,436	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990	24,370,788	24,190,972	27,670,761
Net (Expenses)/Revenues										
Governmental Activities	(334,345,195)	(351,954,802)	(355,974,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)	(351,694,175)
Business-Type Activities	(187)	2,876	(8,000)							
Total Primary Government Net Expenses	(334,345,382)	(351,951,926)	(355,982,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)	(351,694,175)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	65,457,064	81,045,039	85,413,366	97,379,871	106,137,711	99,288,288	92,658,245	89,803,524	91,977,693	95,102,045
Levied for Capital Projects	21,702,808	27,507,116	29,869,892	27,210,547	20,066,464	18,435,553	21,989,423	21,518,559	22,777,599	21,492,708
Local Sales Taxes	22,770,190	21,969,232	20,665,828	19,438,020	18,742,256	19,643,863	20,135,054	20,944,666	21,856,254	23,376,775
Grants and Contributions Not Restricted to Specific Programs	221,882,698	225,973,513	224,459,137	204,808,168	224,485,318	230,271,976	195,648,584	202,402,869	219,193,213	222,905,305
Unrestricted Investment Earnings	6,555,524	8,754,067	5,787,426	1,743,725	492,008	295,489	158,475	77,582	96,333	584,835
Miscellaneous	2,941,087	3,015,536	4,756,160	3,319,686	6,216,542	4,185,317	2,937,726	3,213,169	3,702,323	3,604,535
Loss Recoveries	22,011,233	20,181,553	4,484,012	1,085,919						
Transfers			4,755							
Total Governmental Activities	363,320,604	388,446,056	375,410,576	354,985,916	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415	367,066,203
Business-Type Activities:										
Transfers			(4,755)							
Investment Earnings	173	375								
Total Business-Type Activities	173	375	(4,755)							
Total Primary Government General Revenues and Other Changes in Net Position	363,320,777	388,446,431	375,405,821	354,985,916	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415	367,066,203
Changes in Net Position:										
Governmental Activities	28,975,409	36,491,264	19,435,875	12,820,647	22,391,201	24,844,649	(7,024,764)	(2,629,229)	16,091,377	15,372,028
Adjustment to Net Position (a)										(131,422,474)
Business-Type Activities	(14)	3,251	(12,755)							
Total Primary Government	\$ 28,975,395	\$ 36,494,505	\$ 19,423,120	\$ 12,820,647	\$ 22,391,201	\$ 24,844,649	\$ (7,024,764)	\$ (2,629,229)	\$ 16,091,377	\$ (116,050,446)

(a) Adjustment due to implementation of GASB 68 "Accounting and Financial Reporting for Pensions."

Source: District Records



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

Post-GASB 54

	Fiscal Year Ending				
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General Fund					
Nonspendable	\$ 1,215,720	\$ 1,208,455	\$ 1,208,455	\$ 1,215,625	\$ 1,208,455
Restricted	9,184,279	13,311,648	9,106,284	17,486,027	13,050,637
Assigned	15,762,759	20,804,591	21,234,802	20,243,410	22,247,545
Unassigned	40,731,996	20,156,679	19,036,830	14,514,070	14,759,425
Total General Fund	<u>\$ 66,894,754</u>	<u>\$ 55,481,373</u>	<u>\$ 50,586,371</u>	<u>\$ 53,459,132</u>	<u>\$ 51,266,062</u>
All Other Governmental Funds					
Nonspendable	\$ 1,334,910	\$ 1,286,998	\$ 1,600,470	\$ 1,715,215	\$ 1,977,837
Restricted	92,954,183	95,657,391	106,024,402	102,022,323	91,533,061
Total All Other Governmental Funds	<u>\$ 94,289,093</u>	<u>\$ 96,944,389</u>	<u>\$ 107,624,872</u>	<u>\$ 103,737,538</u>	<u>\$ 93,510,898</u>

Pre-GASB 54

	Fiscal Year Ending				
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
General Fund					
Reserved for:					
Encumbrances	\$ 12,727,760	\$ 11,191,867	\$ 2,352,701	\$ 1,336,715	\$ 1,609,721
State Categorical Programs	3,391,398	5,202,838	4,293,074	7,549,726	12,581,661
Inventories	1,319,469	1,356,364	1,422,407	1,316,108	1,270,326
Legal Restrictions			4,267,982	3,005,887	1,706,293
Other Purposes	1,381,969	1,608,877			
Unreserved	20,703,572	20,481,566	24,826,303	24,432,388	32,916,644
Total General Fund	<u>\$ 39,524,168</u>	<u>\$ 39,841,512</u>	<u>\$ 37,162,467</u>	<u>\$ 37,640,824</u>	<u>\$ 50,084,645</u>
All Other Governmental Funds					
Reserved for:					
Debt Service	\$	\$	\$ 231,418	\$ 244,188	\$ 220,117
Encumbrances	12,308,154	13,303,247	28,393,311	13,645,239	28,830,870
Inventories	1,148,835	1,070,863	1,078,435	1,337,149	1,178,765
Unreserved, Reported in:					
Special Revenue Funds	4,604,630	4,426,188	3,889,807	4,779,396	5,733,237
Debt Service Funds	2,915,269	4,742,564	4,480,160	4,715,914	4,743,512
Capital Projects Funds	67,713,542	86,377,339	84,573,574	78,322,174	66,064,908
Total All Other Governmental Funds	<u>\$ 88,690,430</u>	<u>\$ 109,920,201</u>	<u>\$ 122,646,705</u>	<u>\$ 103,044,060</u>	<u>\$ 106,771,409</u>

Source: District Records

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

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Revenues:										
Federal Direct:										
Federal Impact, Current Operations	\$ 923,300	\$ 1,152,581	\$ 1,183,926	\$ 1,018,679	\$ 765,872	\$ 920,990	\$ 724,457	\$ 701,600	\$ 550,597	\$ 615,566
Reserve Officers Training Corps (ROTC)	453,665	417,065	409,098	413,473	435,838	433,570	424,206	435,608	437,965	438,955
Other Federal Direct Sources	311,764	952,300	772,319	694,217	1,277,879	1,848,880	2,033,007	2,494,810	1,849,952	1,991,890
Total Federal Direct	1,688,729	2,531,946	2,365,343	2,126,369	2,479,589	3,203,440	3,181,670	3,632,018	2,838,514	3,046,411
Federal Through State and Local:										
Food Service	11,318,091	11,671,718	11,410,831	11,578,098	13,479,986	14,045,674	14,682,599	15,386,860	15,587,668	16,199,631
Other Federal Through State and Local Sources	38,520,498	35,048,555	31,078,529	35,881,314	61,469,091	64,993,242	34,657,795	34,719,040	34,830,597	34,186,962
Total Federal Through State and Local	49,838,589	46,720,273	42,489,360	47,459,412	74,949,077	79,038,916	49,340,394	50,105,900	50,418,265	50,386,593
State:										
Florida Education Finance Program (FEFP)	139,867,238	137,022,162	119,465,949	112,591,939	109,426,496	110,995,559	105,659,076	113,112,565	130,085,150	133,079,212
Workforce Development	5,228,544	5,432,193	5,272,821	5,041,903	4,632,491	4,532,780	4,765,518	4,778,222	4,895,677	4,680,129
Adults with Disabilities	293,265	292,671	270,706	241,255	230,654	219,164	187,087	160,690	162,244	167,295
Categorical Educational Programs	42,949,749	52,103,260	72,989,150	58,145,077	44,610,770	42,556,763	42,960,100	43,640,836	43,315,211	45,171,285
Discretionary Lottery Funds	1,964,953	1,586,671	1,890,022	942,182	106,881	143,196	125,912	387,403	142,093	142,093
CO and DS Distribution	171,673	181,946	383,269	259,049	228,989	179,241	155,383	184,231	181,172	272,230
CO and DS Withheld for SBE/COBI Bonds	1,409,332	1,384,081	1,270,650	1,377,051	1,383,223	1,408,787	1,449,634	1,427,398	1,441,102	1,288,789
Public Education Capital Outlay	4,200,190	5,493,269	6,231,986	3,264,046	821,950	2,262,924				787,693
Class Size Reduction	660,491	6,895,090	4,081,135							
Food Service	371,017	371,943	397,566	360,688	336,673	347,024	317,775	301,994	302,684	284,424
Other State Sources	2,921,613	3,181,271	2,858,430	2,237,993	1,957,074	4,002,616	4,426,113	3,019,987	3,183,678	2,680,220
Total State	200,038,065	214,054,757	215,061,694	184,461,177	163,735,201	166,646,254	160,046,578	166,625,923	183,964,521	188,753,373
Local:										
Property Taxes	87,159,872	108,552,155	115,283,258	124,690,418	126,204,175	117,723,841	114,647,668	111,322,083	114,755,292	116,594,753
Charges for Food Service	5,833,058	6,104,082	5,901,163	5,753,396	5,282,976	5,195,911	4,734,991	4,033,654	3,827,300	3,480,641
Sales Taxes	22,770,190	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,136,054	20,944,666	21,856,254	23,376,775
Interest Income	5,855,365	7,854,187	5,232,574	1,883,864	453,046	281,179	141,013	55,362	96,333	596,541
Other Local Sources	4,104,466	4,201,818	5,976,239	4,922,904	6,201,739	5,423,005	4,289,095	4,440,036	5,718,317	5,079,049
Total Local	125,722,951	148,681,474	153,049,062	156,388,602	156,884,192	148,267,599	143,947,821	140,795,801	146,253,496	149,127,759
Total Revenues	377,288,334	411,988,450	412,955,459	390,435,560	398,048,059	397,158,209	356,518,463	361,159,642	383,464,796	391,314,136
Expenditures:										
Current:										
Instruction	181,014,101	194,003,860	204,278,206	193,766,964	198,539,780	199,014,371	189,523,611	188,948,850	192,462,254	205,019,212
Student Personnel Services	16,499,340	17,744,031	17,053,141	16,925,918	16,760,482	16,569,587	15,268,235	14,896,648	15,986,593	16,849,656
Instructional Media Services	5,556,320	5,666,894	5,461,659	5,271,893	4,700,758	4,594,243	4,142,086	4,039,942	4,210,339	4,557,548
Instruction and Curriculum Development Services	10,322,096	11,518,924	11,893,817	10,950,595	11,180,453	10,918,167	9,985,299	9,438,703	9,927,607	10,540,383
Instructional Staff Training Services	7,152,755	7,407,788	7,729,025	7,271,003	8,732,663	8,636,753	7,522,735	8,025,677	9,134,087	8,576,810
Instruction Related Technology (a)	2,531,278	2,777,316	2,814,699	2,725,577	3,468,362	3,742,020	3,551,024	3,855,314	4,035,137	3,893,039
Board of Education	896,235	1,082,728	1,206,764	1,157,359	1,543,620	1,413,818	1,325,749	1,236,702	1,194,064	1,264,067

(Continued)

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

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General Administration	\$ 1,749,728	\$ 1,380,405	\$ 1,504,389	\$ 1,821,018	\$ 2,963,753	\$ 2,545,919	\$ 1,405,283	\$ 1,558,318	\$ 2,408,159	\$ 2,238,154
School Administration	14,768,168	15,900,390	15,390,211	14,599,860	14,106,346	13,598,296	13,553,109	13,659,134	14,743,900	15,569,808
Facility Services	29,608,301	32,431,045	23,719,493	19,403,257	13,674,311	12,200,265	14,446,528	9,776,555	13,324,504	17,898,083
Fiscal Services	2,136,659	2,255,801	2,350,543	2,253,484	2,136,906	2,226,105	2,125,880	2,331,986	2,159,270	2,415,832
Food Service	17,712,161	18,687,353	18,262,744	17,937,965	18,258,402	17,787,701	19,800,947	20,180,916	20,629,628	20,171,124
Central Services	3,368,861	4,012,916	4,970,337	3,859,480	3,738,109	3,791,850	4,508,051	4,763,206	4,959,376	5,106,613
Student Transportation Services	14,588,532	15,868,321	16,496,816	16,637,586	15,783,172	16,556,430	16,865,818	16,134,634	16,362,999	16,274,752
Operation of Plant	23,246,435	27,282,271	28,281,523	27,700,704	28,862,677	28,290,543	28,074,548	26,741,413	27,123,194	27,292,882
Maintenance of Plant	17,443,160	12,293,035	11,547,704	10,806,804	10,268,080	10,813,898	10,186,603	10,985,410	10,582,744	10,953,267
Administrative Technology Services (a)	2,980,297	3,143,570	3,147,233	3,134,090	3,058,616	3,229,741	3,429,491	3,186,998	3,559,873	3,286,347
Community Services	694,295	709,533	896,030	985,155	1,239,929	1,081,523	1,251,320	1,448,291	1,379,526	1,123,431
Fixed Capital Outlay:										
Facilities Acquisition and Construction	11,629,269	24,593,503	21,385,160	38,905,555	15,875,764	33,036,849	11,405,823	7,643,361	23,947,575	27,810,019
Other Capital Outlay	4,746,264	3,766,805	3,174,268	2,451,582	3,080,669	2,949,474	1,723,958	2,191,130	1,381,185	1,622,740
Debt Service:										
Principal	4,477,131	4,465,384	4,434,860	4,541,769	4,360,125	4,221,187	4,213,595	4,498,680	4,697,828	4,768,768
Interest and Fiscal Charges	3,102,584	3,478,895	3,208,832	2,738,169	2,704,475	2,507,868	2,295,429	2,105,728	1,952,012	1,619,850
Total Expenditures	376,255,971	410,622,868	409,007,454	410,845,787	385,073,452	400,126,738	366,615,322	357,649,596	386,172,854	408,832,585
Excess (Deficiency) of Revenues Over Expenditures	1,032,363	1,365,562	3,948,005	(20,210,207)	12,974,607	(2,968,528)	(10,098,859)	3,510,046	(2,708,058)	(17,516,449)
Other Financing Sources (Uses)										
Bonds Issued			1,295,000			225,000				
Refunding Bonds Issued	3,260,000						2,625,000		229,000	627,000
Proceeds from Sale of Capital Assets			2,199		3,195,330		1,669,973	924,408	1,113,573	1,877,010
Loss Recoveries			4,750,744	1,065,919	1,233	7,474,473	45,345	650,785	500,000	3,285,325
Certificates of Participation Issued	20,000,000									
Refunding Certificates of Participation Issued							1,124,561			19,840,000
Premiums on Long-Term Debt Issued	301,935		46,756			19,346	255,174		38,560	2,548,722
Payment to Refunding Escrow Agent	(23,515,752)						(3,986,280)		(186,007)	(23,126,288)
Transfers In	12,851,686	14,218,508	15,448,151	15,817,649	11,996,925	11,369,796	16,156,101	16,449,253	12,891,682	13,832,905
Transfers Out	(12,851,686)	(14,218,508)	(15,443,396)	(15,817,649)	(11,996,925)	(11,792,293)	(16,549,100)	(15,748,991)	(12,691,323)	(13,585,935)
Total Other Financing Sources (Uses)	46,183		6,099,454	1,085,919	3,196,563	7,296,322	1,340,774	2,275,435	1,693,485	5,098,739
Net Change in Fund Balances	23,089,779	21,547,115	10,047,459	(19,124,288)	16,171,170	4,327,793	(8,758,085)	5,785,481	(1,014,573)	(12,419,710)
Fund Balances, Beginning	105,124,820	128,214,599	149,761,714	159,809,173	140,684,885	156,856,054	161,183,847	152,425,762	158,211,243	157,196,670
Fund Balances, Ending	\$ 128,214,599	\$ 149,761,714	\$ 159,809,173	\$ 140,684,885	\$ 156,856,055	\$ 161,183,847	\$ 152,425,762	\$ 158,211,243	\$ 157,196,670	\$ 144,776,960
Debt Service as a Percentage of Noncapital Expenditures	2.11%	2.08%	1.99%	1.97%	1.94%	1.83%	1.83%	1.80%	1.84%	1.68%

(a) In fiscal year ending June 30, 2006, two new function/program expenditures classifications were established to report technology expenditures previously reported in central services.

Source: District Records

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

Fiscal Year Ending	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
June 30, 2015	\$ 95,102,045	\$21,492,708	\$ 23,376,775	\$ 139,971,528
June 30, 2014	91,977,693	22,777,599	21,856,254	136,611,546
June 30, 2013	89,803,524	21,518,559	20,944,666	132,266,749
June 30, 2012	92,658,245	21,989,423	20,135,054	134,782,722
June 30, 2011	99,288,288	18,435,553	19,643,663	137,367,504
June 30, 2010	106,137,711	20,066,464	18,742,256	144,946,431
June 30, 2009	97,379,871	27,210,548	19,438,020	144,028,439
June 30, 2008	85,413,366	29,869,892	20,655,828	135,939,086
June 30, 2007	81,045,039	27,507,116	21,969,232	130,521,387
June 30, 2006	65,457,064	21,702,808	22,770,190	109,930,062

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Assessed Value			Total Assessed Value	Less: Exemptions	Total Taxable Value	Ratio of Taxable Value to Assessed Value	Total Direct Rate
	Real Property	Personal Property	Centrally Assessed Property					
2014-15	\$ 24,030,738	\$ 2,593,312	\$ 26,499	\$ 26,650,549	\$ 9,578,244	\$ 17,072,305	64.06%	7.322
2013-14	21,388,874	2,255,095	25,485	23,669,454	9,446,754	14,222,700	60.09%	7.557
2012-13	20,679,182	2,210,551	24,618	22,914,351	9,342,485	13,571,866	59.23%	7.758
2011-12	20,879,864	2,204,413	22,872	23,107,149	8,111,344	14,995,805	64.90%	7.821
2010-11	21,289,236	2,209,636	23,087	23,521,959	8,193,669	15,328,290	65.17%	7.860
2009-10	23,233,171	2,303,807	21,196	25,558,174	10,310,080	15,248,094	59.66%	7.860
2008-09	25,691,952	2,659,525	23,023	28,374,500	12,537,387	15,837,113	55.81%	7.720
2007-08	26,716,632	2,361,421	21,134	29,099,187	13,148,156	15,951,031	54.82%	7.720
2006-07	24,459,300	2,374,054	18,447	26,851,801	12,025,873	14,825,928	55.21%	7.894
2005-06	18,226,317	2,175,889	17,849	20,420,055	8,806,171	11,613,884	56.87%	8.033

Notes: Assessed values approximate estimated actual values.
Tax rates per \$1,000 of assessed value.

Source: Escambia County Property Appraiser and Florida Department of Revenue

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

	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Direct Rates:				
District School Board:				
Local Required Effort	5.273	5.134	4.960	5.286
Discretionary Local	0.510	0.510	0.510	0.498
Supplemental Discretionary	0.250	0.250	0.250	0.250
Capital Improvement	2.000	2.000	2.000	1.686
Total District School Board	8.033	7.894	7.720	7.720
Overlapping Rates:				
Escambia County	8.756	8.756	8.017	6.976
Escambia County Municipal Service Taxing Unit	0.747	0.747	0.685	0.685
City of Pensacola	5.057	4.950	4.598	4.540
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000
Northwest Florida Water Management	0.050	0.050	0.045	0.045
Town of Century	0.861	0.764	0.781	0.823

Source: Escambia County Tax Collector

Fiscal Year						
2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
5.612	5.631	5.573	5.510	5.309	5.237	
0.748	0.748	0.748	0.748	0.748	0.748	
0.250	0.250	0.000	0.000	0.000	0.000	
1.250	1.231	1.500	1.500	1.500	1.337	
7.860	7.860	7.821	7.758	7.557	7.322	
6.976	6.975	6.975	6.975	6.976	6.617	
0.685	0.685	0.685	0.685	0.685	0.685	
4.540	4.540	4.289	4.289	4.290	4.290	
2.000	2.000	2.000	2.000	2.000	2.000	
0.045	0.045	0.040	0.040	0.040	0.039	
0.905	0.905	0.905	0.905	0.901	0.871	

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT AND NINE YEARS AGO
 (amounts expressed in thousands)
 (Unaudited)**

Taxpayer	Fiscal Year					
	2014-15			2005-06		
	Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Gulf Power Company	1	\$ 580,628	3.66%	1	\$ 426,218	3.67%
International Paper Company	2	330,543	2.09%	2	252,412	2.17%
Solutia, Inc. / Ascend Perf. Mat.	3	125,834	0.79%	3	140,410	1.21%
West Florida Medical Center	4	93,345	0.59%	6	84,866	0.73%
Simon Debartolo Group / Simon Property	5	57,903	0.37%	10	42,480	0.37%
Walmart Stores	6	58,315	0.37%	9	44,623	0.38%
Bellsouth Telecommunication	7	57,174	0.36%	4	112,225	0.97%
Navy Federal Credit Union	8	80,630	0.51%			
CoxCom, Inc. (formerly Cox Cable)	9	36,856	0.23%	7	52,195	0.45%
Pensacola POB/Baptist Hospital	10	67,485	0.43%			
WCI Communities				8	46,081	0.40%
Sacred Heart Health Systems				5	105,196	0.91%
Totals		<u>\$ 1,488,713</u>	<u>9.40%</u>		<u>\$ 1,306,706</u>	<u>11.26%</u>
Total Estimated Assessed Value - County		<u>\$ 15,845,710</u>			<u>\$ 11,613,884</u>	

Source: Escambia County Clerk of Court, Escambia County Tax Collector

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

Fiscal Year	Total Tax Levy	Fiscal Year Collections		Delinquent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014-15	\$ 116,033,176	\$ 112,111,423	96.62%	\$ 4,483,330	\$ 116,594,753	100.48%
2013-14	\$ 114,760,128	\$ 110,015,982	95.87%	\$ 4,739,310	\$ 114,755,292	100.00%
2012-13	116,337,455	110,886,858	95.31%	435,225	111,322,083	95.69%
2011-12	119,882,566	114,257,815	95.31%	389,853	114,647,668	95.63%
2010-11	119,850,006	114,139,658	95.24%	3,584,183	117,723,841	98.23%
2009-10	124,479,688	114,199,954	91.74%	3,645,089	117,845,043	94.67%
2008-09	126,868,775	118,049,237	93.05%	873,145	118,922,382	93.74%
2007-08	123,128,068	113,579,256	92.24%	1,704,002	115,283,258	93.63%
2006-07	117,027,107	107,994,392	92.28%	557,763	108,552,155	92.76%
2005-06	93,284,933	86,860,563	93.11%	299,309	87,159,872	93.43%

Note: Property taxes become due and payable on November 1 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 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

Source: Escambia County Tax Collector

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

Fiscal Year	Governmental Activities (A)			Total Primary Government	Percentage of Personal Income (B)	Per Capita (B)
	State Board of Education Bonds	Certificates of Participation	Capital Leases			
2014-15	\$ 2,738,580	\$ 31,635,983	\$	\$ 34,374,563	0.293%	112
2013-14	3,954,275	35,063,539		39,017,814	0.332%	128
2012-13	5,206,286	38,611,793		43,818,079	0.379%	146
2011-12	6,410,159	42,016,050		48,426,209	0.432%	162
2010-11	7,479,885	45,087,833	77,967	52,645,685	0.488%	176
2009-10	8,298,895	48,028,536	379,304	56,706,735	0.551%	190
2008-09	9,291,284	50,840,714	1,038,229	61,170,227	0.612%	206
2007-08	10,233,673	53,536,829	2,024,988	65,795,490	0.640%	222
2006-07	9,764,305	56,131,879	3,076,029	68,972,213	0.689%	232
2005-06	9,240,982	58,719,369	4,070,281	72,030,632	0.752%	240

Source:

(A) District Records

(B) See the table on Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2015
(Unaudited)

Governmental Unit	State Board of Education (SBA) Bonded Debt Outstanding	Certificates of Participation Outstanding	Direct Debt	
			Total Debt Outstanding	Percentage Applicable to This Governmental Unit
District School Board of Escambia County	\$ 2,738,580	\$ 31,635,983	\$ 34,374,563	100%

Note:

Overlapping debt is that debt of local governments and Escambia county which apply to property owners within the county. Not all overlapping debt applies to all county property owners. Municipality and county debt outstanding was not determined at June 30, 2015, as their fiscal years end on September 30. Consequently there is no data to report for the District's current fiscal year.

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
LEGAL DEBT MARGIN INFORMATION
June 30, 2015
(Unaudited)

Fiscal Year	Assessed Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percent of Debt Limit
2014-15	\$ 15,845,710,220	n/a	\$ -	\$ -	0.00%
2013-14	15,185,937,304	n/a	-	-	0.00%
2012-13	14,995,805,026	n/a	-	-	0.00%
2011-12	15,328,183,064	n/a	-	-	0.00%
2010-11	15,248,094,138	n/a	-	-	0.00%
2009-10	15,932,352,281	n/a	-	-	0.00%
2008-09	16,435,045,831	n/a	-	-	0.00%
2007-08	15,951,031,059	n/a	-	-	0.00%
2006-07	14,825,927,718	n/a	-	-	0.00%
2005-06	11,613,884,200	n/a	-	-	0.00%

Source: District Records

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

<u>Fiscal Year</u>	<u>Taxable Assessed Value (A)</u>	<u>Annual Lease Payment</u>	<u>Millage Levy to Provide 1.00x Coverage (B)</u>
2014-15	15,845,710	5,109,849	.34 Mills
2013-14	15,185,937	5,134,381	.35 Mills
2012-13	14,995,805	5,136,131	.36 Mills
2011-12	15,328,183	4,941,173	.34 Mills
2010-11	15,248,094	4,945,453	.34 Mills
2009-10	15,932,352	4,944,814	.33 Mills
2008-09	16,435,046	4,948,369	.32 Mills
2007-08	15,951,031	5,108,002	.34 Mills
2006-07	14,825,928	5,205,952	.37 Mills
2005-06	11,613,884	4,543,929	.41 Mills

(A) Final assessed value is in thousands.

(B) Millage rate calculated using 96% of the taxable assessed valuation.

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

Source: District Records

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

Fiscal Year	Population (A)	Personal Income	Per Capita Personal Income (A)	Median Age (A)
2014-15	305,872	\$ 11,742,120,208	\$ 38,389	37.70
2013-14	305,817	11,740,008,813	38,389	37.60
2012-13	301,120	11,554,576,640	38,372	38.30
2011-12	299,511	11,211,595,263	37,433	37.40
2010-11	299,114	10,782,162,358	36,047	37.00
2009-10	297,964	10,299,721,588	34,567	38.40
2008-09	297,015	9,999,604,005	33,667	35.00
2007-08	296,854	10,285,694,246	34,649	36.80
2006-07	297,393	10,010,545,773	33,661	36.90
2005-06	300,395	9,578,394,970	31,886	37.40

Sources:

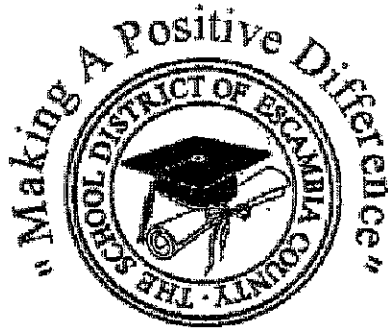
(A)

Population, personal income, and per capita personal income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research. Personal income was estimated for 2005 through 2009 based on historical growth. Estimated population for the 2014-15 fiscal year was obtained the United States Department of Census.

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

(C) Student enrollment was obtained from District records. Starting in the 2013-14 fiscal year, student enrollment figures were capped at 1.0 unweighted FTE.

Unemployment Rate (B)	Student Enrollment (C)	Government-wide Governmental Activities Expenses	Cost per Student
5.7%	40,244.00	\$ 387,411,172	\$ 9,627
6.0%	40,170.72	367,703,010	9,154
6.7%	40,340.18	364,960,386	9,047
8.7%	40,119.02	363,994,261	9,073
10.2%	39,657.75	379,810,056	9,577
10.5%	40,049.39	377,531,252	9,427
9.9%	40,259.01	378,854,685	9,410
5.5%	41,077.67	398,777,831	9,708
3.8%	42,025.33	396,835,468	9,443
3.4%	42,590.86	371,154,107	8,714



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(Unaudited)

Employer	Fiscal Year					
	2014-15 ⁽¹⁾			2005-06 ⁽¹⁾		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Local Government	13,857	1	6.48%	15,790	1	7.55%
Federal Government	7,162	2	3.35%	7,403	2	3.54%
State of Florida	5,253	3	2.46%	5,970	3	2.86%
Sacred Heart Health System	5,000	4	2.34%	3,500	4	1.67%
Baptist Health Care	3,163	5	1.48%	3,470	5	1.66%
Lakeview Center	2,000	6	0.94%	1,500	8	0.72%
Solutia, Inc. / Ascend Perf. Mat.	1,400	7	0.66%	1,800	7	0.86%
Gulf Power Company	1,365	8	0.64%	1,400	9	0.67%
West Florida Healthcare	1,300	9	0.61%	1,300	10	0.62%
University of West Florida	1,231	10	0.58%	2,400	6	1.15%
Total	41,731		19.53%	44,533		21.30%
Civilian Labor Force	213,700			209,059		

⁽¹⁾ Sources:

- Pensacola Chamber of Commerce
- Escambia County Clerk of Court
- Florida Department of Economic Opportunity, Bureau of Labor Statistics

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

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data		
				2005-06	2006-07	2007-08
Elementary Schools/K-8						
Allen Elementary	1956	82,902	1	618.52	617.09	633.18
Bellview Elementary	1950	91,723	4	685.92	743.83	762.67
Beulah Elementary	1980	89,786	18	734.86	700.59	724.57
Bibbs Elementary	1962	57,871		399.58	382.90	344.17
Blue Angels Elementary	1999	112,793	7	868.08	827.43	815.10
Bratt Elementary	1980	69,313	5	396.63	386.22	394.02
Brentwood Elementary	1937	61,735	10	587.61	530.61	450.24
Caro Elementary	1989	110,126	8	887.40	879.56	864.49
Carver/Century K-8	1958	61,793	1	335.40	264.63	203.75
Cook Elementary	1997	119,728		555.05	591.80	588.18
Cordova Park Elementary	1962	85,651	8	642.20	625.75	673.04
Edgewater Elementary	1962	51,663		383.38	360.03	350.82
Ensley Elementary	1959	62,282	10	436.56	363.17	374.90
Ferry Pass Elementary	1957	77,426	11	653.90	673.44	646.94
Global Learning Academy	2011	130,802				
Hallmark Elementary	1928	36,993	3	263.86	239.50	241.43
Holm Elementary	1999	110,183	2	614.43	556.81	550.19
Lincoln Park Elementary	1961	56,091	2	331.53	334.74	279.94
Lipscomb Elementary	1991	107,268	12	849.01	871.98	950.12
Longleaf Elementary	1975	88,455	3	680.08	769.00	802.02
McArthur Elementary	1975	85,242	11	719.04	712.59	719.12
Molino Park Elementary	2002	129,694		485.88	459.84	463.95
Montclair Elementary	1960	68,383	2	425.22	296.56	321.92
Myrtle Grove Elementary	1936	77,263	8	633.39	640.92	679.32
Navy Point Elementary	1954	79,369		406.44	393.96	384.27
Oakcrest Elementary	1956	65,708	11	471.65	430.76	447.43
Pine Meadow Elementary	1960	76,748	10	752.94	796.95	780.37
Pleasant Grove Elementary	1948	65,857	7	602.22	620.28	658.23
Scenic Heights Elementary	1960	95,129	12	787.13	743.78	694.10
Semmes Elementary	1955	65,484		330.71	310.06	286.23
Sherwood Elementary	1958	77,292	1	529.47	530.79	524.10
Suter Elementary	1921	49,458	3	315.75	354.70	381.17
Warrington Elementary	1947	66,228	11	471.28	442.65	392.79
Weis Elementary	1990	111,524		555.32	516.72	548.52
West Pensacola Elementary	1955	69,757	10	476.21	481.45	461.44
Yniestra Elementary	1938	39,600	1	332.13	404.08	281.97
Total Elementary Schools			192	19,218.78	18,855.17	18,674.70
Middle Schools						
Bailey Middle School	1993	190,868	12	1,566.28	1,528.66	1,504.05
Bellview Middle School	1961	140,220	8	1,106.20	1,134.80	1,192.10
Brentwood Middle School	1955	88,445		869.20	818.79	
Brown Barge Middle School ⁽⁴⁾	1955	88,445	7	501.00	509.00	631.00
Brownsville Middle School	1955	106,664		605.70	524.30	
Ferry Pass Middle School	1961	127,961	5	899.70	899.43	880.80
Ransom Middle School	1987	158,627	12	1,447.88	1,403.11	1,365.31
Ward Middle School	1945	82,541	2	383.50	443.00	458.50
Warrington Middle School	1953	127,637	6	721.50	617.20	892.00
Wedgewood Middle School	1964	85,650		541.00	555.60	
Woodham Middle School	1964	215,596	4			1,012.60
Workman Middle School	1962	128,638	10	827.90	788.13	850.02
Total Middle Schools			66	9,469.86	9,222.02	8,786.38

Full-Time Equivalent Enrollment Data

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
590.63	582.19	652.44	628.36	632.13	563.93	577.49
722.02	730.25	672.10	698.00	746.50	696.10	720.25
767.96	817.78	844.84	887.80	896.00	920.11	967.64
336.40	328.55	242.86				
860.56	925.00	871.90	884.76	989.10	849.17	913.43
393.28	429.61	422.30	436.02	438.91	414.96	401.14
413.87	500.41	535.68	542.87	555.39	616.97	585.98
908.50	947.05	912.02	943.06	908.97	952.20	954.91
213.65						
608.90	623.68	658.59	628.50	635.72	622.13	579.89
658.14	676.26	659.22	713.52	677.22	707.88	680.48
350.87						
348.21	354.68	406.52	442.93	427.16	457.85	474.93
619.81	687.15	706.56	708.42	622.66	688.46	724.37
			780.06	753.14	757.43	757.96
225.34	212.56	210.84				
534.63	517.04	491.35	471.58	430.67	440.04	470.40
247.52	214.04	225.60	261.56	276.44	140.02	147.40
1,018.97	1,005.05	945.39	903.03	911.39	926.99	931.84
746.02	670.47	717.83	730.88	690.67	784.36	772.13
714.42	726.02	704.10	686.64	693.60	740.55	762.06
431.27	390.37	387.18	397.26	387.26	381.35	415.13
473.91	458.55	332.80	373.04	363.04	341.33	308.66
651.69	684.76	661.41	662.82	677.72	703.69	606.89
331.85	397.30	435.80	481.62	483.58	508.65	449.89
426.31	413.72	448.61	470.03	518.35	602.87	663.55
797.83	835.71	844.88	856.87	909.03	942.99	905.42
645.02	648.00	666.57	675.09	680.62	631.70	729.36
779.99	837.44	782.45	780.00	841.67	872.57	762.30
266.07	297.80	263.26	335.69	366.24	405.43	397.86
518.14	489.16	532.50	509.20	526.66	589.50	605.46
367.55	385.52	400.23	367.58	434.72	423.62	437.37
369.93	502.06	516.25	508.12	483.24	485.95	425.29
533.02	517.78	464.15	487.68	492.60	573.90	545.03
455.00	530.31	499.98	497.94	472.12	404.83	425.20
235.79	234.89	256.63				
<u>18,563.07</u>	<u>18,571.16</u>	<u>18,372.84</u>	<u>18,750.73</u>	<u>18,922.52</u>	<u>19,147.53</u>	<u>19,099.71</u>
1,488.20	1,453.50	1,479.60	1,406.93	1,400.90	1,481.31	1,389.71
1,099.50	1,060.30	1,107.60	1,071.40	1,110.69	980.69	1,019.59
652.71	634.00	617.50	610.70	620.99	594.23	576.87
894.56	873.37	946.00	889.82	980.71	1,011.74	987.37
1,325.81	1,310.05	1,312.30	1,356.40	1,360.09	1,429.64	1,392.08
461.49	519.31	480.00	465.58	461.33	458.58	453.79
854.80	850.71	731.11	727.70	705.79	649.87	672.76
928.50	924.90	912.63	853.80	805.80	699.61	687.07
866.11	867.10	936.43	921.42	1,008.49	979.62	941.48
<u>8,571.68</u>	<u>8,493.24</u>	<u>8,523.17</u>	<u>8,303.75</u>	<u>8,454.79</u>	<u>8,285.29</u>	<u>8,120.72</u>

(continued)

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

	Placed In Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data			
				2005-06	2006-07	2007-08	2008-09
High Schools							
Escambia High School	1958	277,591	8	1,683.69	1,743.04	1,920.58	1,895.15
West Florida High School of Advanced Technology	1967	338,380	12	1,244.51	1,245.00	1,284.46	1,300.88
Northview High School	1993	142,694		545.97	558.33	551.61	546.10
Pensacola High School	1949	283,755	5	1,509.07	1,404.95	1,483.93	1,532.93
Pine Forest High School	1974	230,033	15	1,498.28	1,520.34	1,958.50	1,833.24
Tate Senior High School	1950	283,254	3	1,945.50	2,071.28	1,967.59	1,909.05
Washington High School	1976	270,222	6	1,589.02	1,659.19	1,875.50	1,691.68
Woodham High School	1962	115,126		1,323.76	1,229.01		
Total High Schools			49	11,339.80	11,431.14	11,042.17	10,709.03
Special Centers							
Judy Andrews Pre-K Center	1965	20,458			42.50	47.50	44.00
Clubbs Alternative Middle School	1938	35,459		156.00	122.00	146.50	148.50
Judy Andrews Second Chance Center ⁽⁶⁾	1954	45,495		166.50			
E-Seal Center	1992	36,527	5	99.50	97.55	85.59	83.97
Sid Nelson Community Learning	1956	56,836		129.15	107.35	122.10	143.75
McMillan Learning Center	1981	63,536	1	58.35	59.52	61.74	65.49
George Stone Technical Center ⁽³⁾	1987	219,913	5				
Escambia Westgate Center	1979	96,305		223.50	223.64	221.16	218.64
OASIS High School Preparatory Academy	1965			72.00	72.00	72.00	72.00
Total Special Centers			11	905.00	724.56	756.59	776.35
Other Programs							
Camelot	n/a	n/a	n/a				
District Administered Programs	n/a	n/a	n/a	165.07	151.92	153.18	147.00
Escambia County Jail	n/a	n/a	n/a	0.72	0.93	1.23	1.35
Escambia Juvenile Justice Center	n/a	n/a	n/a	77.50	103.49	96.33	70.00
Hospital & Homebound	n/a	n/a	n/a	16.19	18.22	16.24	14.13
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	13.50	17.00	17.50	16.00
Lakeview Center	n/a	n/a	n/a	43.50	40.50	41.50	40.00
Escambia Boys Base	n/a	n/a	n/a	29.50	38.11	37.02	26.02
Escambia Bay Marine	n/a	n/a	n/a	75.50	75.98	68.30	72.00
Outward Bound	n/a	n/a	n/a	30.50	33.72		
PACE Center for Girls	n/a	n/a	n/a	47.50	61.30	63.30	51.00
McKay Scholarships	n/a	n/a	n/a	191.50	130.50	144.00	163.00
Opportunity Scholarships	n/a	n/a	n/a	12.50			
Total Other Programs				703.48	671.67	638.60	600.50
Charter Schools							
A. A. Dixon Charter School of Excellence	n/a	n/a	n/a				
Beulah Academy of Science, Inc.	n/a	n/a	n/a	216.30	225.50	239.20	261.70
Byrneville Elementary School, Inc.	n/a	n/a	n/a	172.00	159.30	162.70	166.80
Capstone Academy Pensacola	n/a	n/a	n/a	5.44	10.00	13.50	18.82
Escambia Charter School, Inc.	n/a	n/a	n/a	120.00	108.50	121.50	130.50
Dr. Ruby J. Gainer School for Reaching Your Dream	n/a	n/a	n/a	117.00	118.51	109.88	113.50
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a	192.50	179.50	194.30	203.30
Life Skills Center	n/a	n/a	n/a		204.01	213.29	
Five Flags Academy	n/a	n/a	n/a				
Newpoint Academy Middle School	n/a	n/a	n/a				
Newpoint Pensacola High School	n/a	n/a	n/a				
Pensacola Beach Elementary School, Inc.	n/a	n/a	n/a	130.70	115.45	124.86	143.76
Total Charter Schools				953.94	1,120.77	1,179.23	1,038.38
Virtual Instruction Programs	n/a	n/a	n/a				
Total District				42,590.86	42,025.33	41,077.67	40,259.01

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

⁽²⁾ Square footage is current, but does not include portables.

⁽³⁾ The George Stone Center houses adult programs which do not generate Full Time Enrollment (FTE).

⁽⁴⁾ Brown-Barge moved to the former Brentwood Middle facility in 2007-08.

⁽⁶⁾ Formerly known as Dixon Educational Center until the 2006-07 fiscal year.

Source: District Records

Full-Time Equivalent Enrollment Data

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1,873.29	1,811.94	1,786.06	1,646.34	1,678.82	1,707.46
1,296.67	1,279.41	1,249.58	1,245.51	1,254.39	1,257.06
552.65	541.38	540.27	535.95	495.89	481.26
1,641.12	1,607.20	1,611.19	1,571.52	1,463.15	1,419.10
1,876.25	1,744.28	1,702.56	1,729.23	1,646.97	1,674.06
1,955.85	1,928.49	1,884.06	1,969.99	1,928.67	2,073.34
1,634.31	1,591.01	1,609.95	1,623.54	1,626.17	1,711.79
10,830.14	10,503.71	10,383.67	10,322.08	10,094.06	10,324.07
85.50					
53.50	52.00	40.51	38.76	40.72	42.99
85.31					
154.24					
70.36	84.30	68.15	49.14	38.95	25.51
226.07	232.00	246.00	238.50	242.49	228.83
674.98	368.30	354.66	326.40	322.16	297.33
	182.50	154.00	160.00	177.75	181.05
123.93	108.46	102.20	90.44	92.98	100.45
4.65	2.90	9.00	17.00	15.13	17.30
50.00	44.50	58.22	49.53	48.09	52.05
10.07	9.99	12.28	9.33	9.86	14.76
15.00	16.00	18.50	16.00	16.41	12.45
36.50	29.00	29.50	28.50	26.63	24.90
25.50	24.50	27.66	19.17	28.38	30.34
55.50	54.00	74.55	59.12	31.69	
53.00	50.50	66.80	63.43	62.61	72.62
192.00	235.00	235.00	248.50	316.71	328.86
566.15	757.35	787.71	761.02	826.23	834.78
	220.30	156.50	160.00		
261.60	261.30	282.90	282.60	288.04	286.55
178.60	161.40	157.10	158.80	174.10	191.63
24.84	25.93	21.51	25.50	26.00	23.42
126.00	107.50	126.50	114.00	120.03	115.26
182.00	214.50	188.00	174.50	197.63	179.94
					89.44
		189.10	166.80	158.33	172.87
		81.50	91.03	113.23	109.43
140.68	141.45	135.45	138.26	135.34	138.00
913.72	1,132.38	1,338.56	1,311.49	1,212.70	1,306.54
		199.94	241.88	262.75	172.54
40,049.39	39,657.75	40,119.02	40,340.18	40,170.72	40,155.69

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

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students (FTE) to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2014-15	3,138	173	1,865	5,176	12.80	18.14
2013-14	3,161	164	1,870	5,195	12.71	19.27
2012-13	3,074	141	1,849	5,064	13.12	21.80
2011-12	3,191	140	1,843	5,174	12.57	22.79
2010-11	3,269	141	1,912	5,322	12.13	23.18
2009-10	3,270	142	1,964	5,376	11.94	23.03
2008-09	3,371	145	2,022	5,538	11.59	23.25
2007-08	3,442	150	2,084	5,676	11.93	22.95
2006-07	3,421	152	2,192	5,765	12.28	22.51
2005-06	3,371	152	2,145	5,668	12.63	22.18

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

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

(C) Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
TEACHERS' SALARIES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Minimum Range 10-Month Salary (a)	Maximum Range 10-Month Salary (a)	Average Teacher Salary
2014-15	\$ 35,872 - \$ 39,472	\$ 56,250 - \$ 59,850	\$ 44,841
2013-14	34,152 - 37,752	55,635 - 59,235	44,254
2012-13	33,482 - 37,082	53,026 - 56,626	42,619
2011-12	32,825 - 36,425	51,986 - 55,586	41,989
2010-11	32,825 - 36,425	51,986 - 55,586	41,560
2009-10	32,500 - 36,100	51,471 - 55,071	42,346
2008-09	32,000 - 35,600	51,000 - 54,600	41,430
2007-08	32,000 - 35,600	51,000 - 54,600	41,551
2006-07	29,105 - 32,705	48,197 - 51,797	39,075
2005-06	27,878 - 31,478	46,631 - 50,231	37,402
2004-05	27,252 - 30,852	45,639 - 49,239	36,407

(a) Minimum and maximum salary ranges are based on the educational level of the employee. The starting amount represents a bachelor's degree and the ending amount represents an in-field doctorate degree. Employees may earn additional pay for the following degree levels: in-field masters (\$2,500); out-of-field masters (\$1,700); in-field specialist (\$3,100); out-of-field specialist (\$2,600); in-field doctorate (\$3,600); out-of-field doctorate (\$3,300). Employees may also receive additional compensation for working 11 or 12 months.

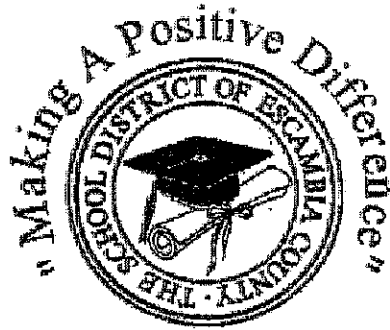
Source: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

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

	Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Days Meals were Served	179	180	180	180
Average Number of Free and Reduced Meals Served Daily	28,330	27,886	26,440	27,681
Number of Free and Reduced Meals Served	5,071,159	5,019,529	4,759,284	4,982,623
Average Daily Subsidy Received	\$ 61,462	\$ 62,312	\$ 65,436	\$ 71,958
Total Subsidy Received	\$ 11,001,688	\$ 11,216,190	\$ 11,778,397	\$ 12,952,440
Average Number of Meals Served Daily	35,871	35,695	33,365	33,766
Number of Meals Served	6,420,924	6,425,066	6,005,633	6,077,927
Average Daily Revenues	\$ 100,536	\$ 102,799	\$ 98,927	\$ 104,226
Total Revenues	\$ 17,995,872	\$ 18,503,864	\$ 17,806,948	\$ 18,760,744
Average Daily Costs	\$ 100,429	\$ 102,150	\$ 103,911	\$ 99,617
Total Costs	\$ 17,976,729	\$ 18,387,009	\$ 18,704,011	\$ 17,931,037

Source: District Records

Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
177	180	180	177	175	180
29,557	30,082	31,288	30,980	30,792	30,809
5,231,541	5,414,671	5,631,896	5,483,459	5,388,581	5,545,625
\$ 78,042	\$ 79,942	\$ 83,309	\$ 88,638	\$ 90,802	\$ 1,580
\$ 13,813,367	\$ 14,389,546	\$ 14,995,628	\$ 15,688,854	\$ 15,890,352	\$ 284,424
35,511	35,774	36,613	36,473	35,870	35,751
6,285,394	6,439,395	6,590,289	6,455,792	6,277,235	6,435,127
\$ 107,987	\$ 108,906	\$ 109,692	\$ 111,500	\$ 112,721	\$ 110,961
\$ 19,113,616	\$ 19,603,137	\$ 19,744,479	\$ 19,735,430	\$ 19,726,102	\$ 19,973,056
\$ 102,972	\$ 99,434	\$ 111,823	\$ 118,833	\$ 118,158	\$ 112,483
\$ 18,226,102	\$ 17,898,106	\$ 20,128,069	\$ 21,033,403	\$ 20,677,648	\$ 20,246,983



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SINGLE AUDIT

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2015

<u>Federal Grantor /Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Grantor Number</u>	<u>Amount of Expenditures (1)</u>	<u>Amount Provided to Subrecipients</u>
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	13002	\$ 3,763,837.97	
National School Lunch Program	10.555 (2)	13001	12,301,785.12	
Summer Food Service Program for Children	10.559	13006	112,560.07	
Total Child Nutrition Cluster			<u>16,178,183.16</u>	
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	330	21,447.93	
Total United States Department of Agriculture			<u>16,199,631.09</u>	
United States Department of Labor:				
Indirect:				
WIA Cluster:				
Workforce Escarosa, Inc.:				
WIA Youth Activities	17.259	None	295,505.15	
Total United States Department of Labor:			<u>295,505.15</u>	
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.063	N/A	885,647.39	
Impact Aid	84.041 (3)	N/A	615,565.46	
Total Direct			<u>1,501,212.85</u>	
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	11,110,519.70	
Special Education - Preschool Grants	84.173	266, 267	534,732.33	
Total Special Education Cluster			<u>11,645,252.03</u>	
Florida Department of Education				
Adult Education - Basic Grants to States	84.002	191	129,851.09	
Title I Grants to Local Educational Agencies	84.010	212, 222, 223, 228	15,122,373.80	
Career and Technical Education - Basic Grants to States	84.048	161	598,873.36	
Education for Homeless Children and Youth	84.196	127	74,616.50	
English Language Acquisition Grants	84.365	102	55,775.01	
Improving Teacher Quality State Grants	84.367	224, 225	2,759,362.15	
School Improvement Grants	84.377	226	36,592.86	
ARRA - State Fiscal Stabilization Fund - Race-to-the-Top, Recovery Act	84.395	RL111, RG311, RG411	509,031.91	
Total Florida Department of Education			<u>19,286,476.68</u>	
Total Indirect			<u>30,931,728.71</u>	
Total United States Department of Education			<u>32,432,941.56</u>	
United States Department of Health and Human Services:				
Indirect:				
Community Action Community - Head Start				
Head Start	93.600	None	558,515.46	
Total United States Department of Health and Human Services:			<u>558,515.46</u>	

*DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2015*

<u>Federal Grantor /Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Grantor Number</u>	<u>Amount of Expenditures (1)</u>	<u>Amount Provided to Subrecipients</u>
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	69,124.55	
Air Force Junior Reserve Officers Training Corps	None	N/A	46,912.92	
Navy Junior Reserve Officers Training Corps	None	N/A	322,917.98	
Competitive Grants: Promoting K-12 student Achievement at Military-Connected Schools	12.556	N/A	918,045.80	
Total United States Department of Defense			<u>1,357,001.25</u>	
Total Expenditures of Federal Awards			<u>50,843,594.51</u>	

(1) Basis of Presentation

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2014-2015 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 general purpose financial statements have been reported.

(2) Noncash Assistance

National School Lunch Program - Represents the amount of donated food received during the fiscal year. Donated food is valued at fair value as determined at the time of donation by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution.

(3) Impact Aid - Expenditures are related to grant numbers/programs as follows: 19-FL-2011-0001 (\$5,322.21), 19-FL-2012-0001 (\$92,218.96), and 19-FL-2015-0001 (\$518,024.29).



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

Chairman and Members of
The District School Board of Escambia County, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2016. Our report includes a reference to other auditors who audited the financial statements of the 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 on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Chairman and Members of
The District School Board of Escambia County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated January 12, 2016.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
January 12, 2016



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Chairman and Members of
The District School Board of Escambia County, Florida

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Chairman and Members of
The District School Board of Escambia County, Florida

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 12, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Chairman and Members of
The District School Board of Escambia County, Florida

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (Cont.)

The 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 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
January 12, 2016

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies)? ___ Yes X None reported

Type of report issued on compliance for major federal programs: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ___ Yes X No

Identification of Major Programs:

CFDA Numbers

Name of Federal Program or Cluster

84.010	Title I, Part A Cluster
84.027, 84.173	Special Education Cluster
84.063	Student Financial Assistance Pell Grant
84.367	Improving Teacher Quality

Dollar threshold used to distinguish between Type A and Type B programs: \$1,525,308

Auditee qualified as low-risk auditee? ___ Yes X No

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended June 30, 2015

Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.

No matters are reported.

Section III - Federal Award Findings and Questioned Costs Section reported in accordance with OMB Circular A-133.

No matters are reported.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2015

FEDERAL AUDIT FINDINGS

One matter was reported in the prior year affecting federal financial assistance programs.

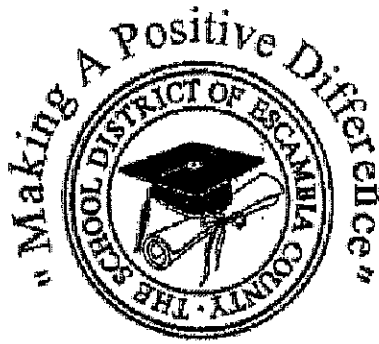
Federal Award Finding Number 2014-001
U.S. Department of Education
Student Financial Assistance Pell Grant, CFDA Number 84.063
Award Number: P063P13415
Material Noncompliance and Material Weaknesses

Fiscal Year 2014 Recommendation:

The District should review and revise all financial aid award and disbursement policies and procedures to ensure compliance with all statutory requirements of the Federal Pell Grant Program. In addition, the District should document to the grantor (ED) the allowability of the questioned costs, totaling \$19,236, or restore these monies to the Program.

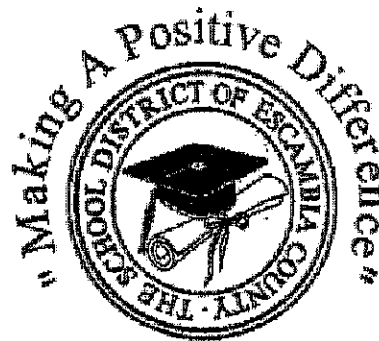
Fiscal year 2015 Status:

During the fiscal year, the District initiated a review of all financial aid award and disbursement policies and procedures to ensure compliance with all statutory requirements of the Federal Pell Grant Program. Follow-up examination of records was performed by the grantor, resulting in a Final Audit Determination letter dated September 15, 2015. The District waived rights to appeal and subsequently refunded \$506,456 to the U.S. Department of Education. Based on our risk assessment, and considering the severity of the prior audit finding, the Pell Grant program was determined to be high risk and, accordingly, was subjected to A-133 Single Audit procedures in the current fiscal year. In conjunction with our audit, we did not have any such findings.



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OTHER REPORTS



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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Chairman and Members of
The District School Board of Escambia County, Florida

Report on Financial Statements

We have audited the financial statements of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2015, and have issued our report thereon dated January 12, 2016.

Auditor's Responsibility

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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated January 12, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. In conjunction with our audit, the District took corrective action on all findings identified in the preceding annual financial report and on all findings identified in the second preceding annual financial report.

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 specific condition(s) met. In conjunction with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Chairman and Members of
The District School Board of Escambia County, Florida

Financial Condition (Cont.)

Pursuant to Sections 10.804(1)(f)5a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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. The assessment was prepared as of fiscal year end.

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.

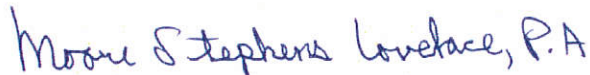
Other Matters

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 conjunction with our audit, we did not have any such findings.

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 conjunction 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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
January 12, 2016



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

Chairman and Members of
The District School Board of Escambia County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
January 12, 2016