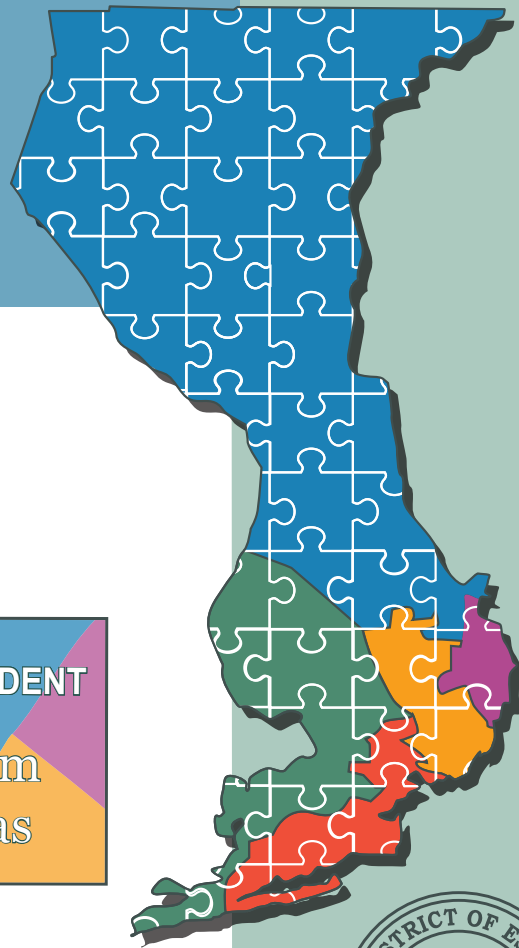
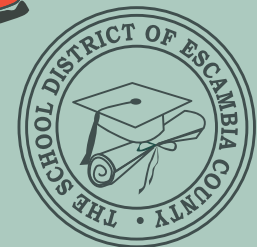
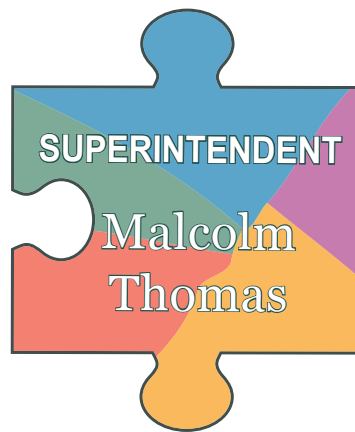


The District School Board of
Escambia County

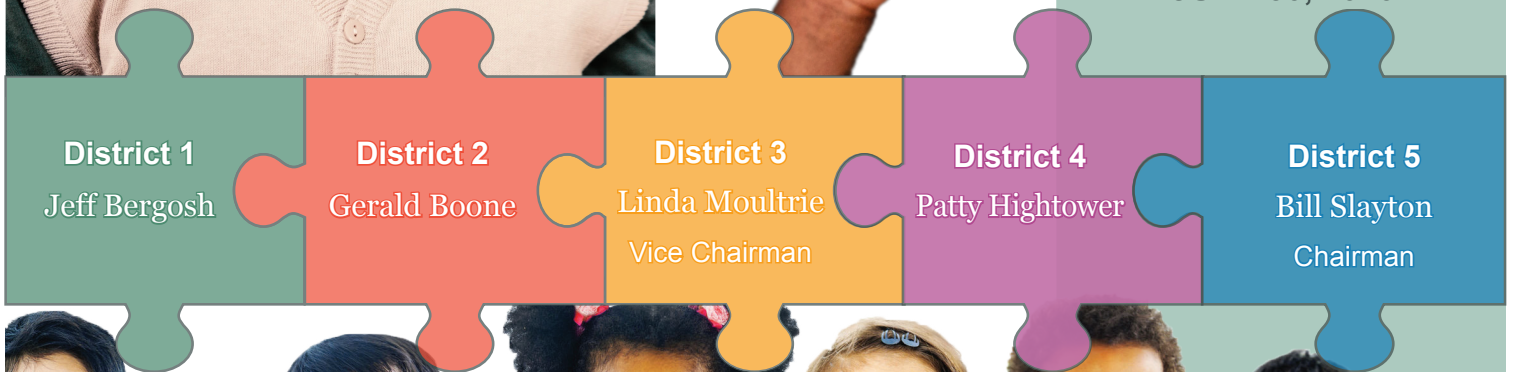
Pensacola, Florida



COMPREHENSIVE ANNUAL
FINANCIAL REPORT



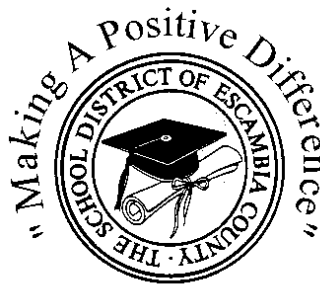
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JUNE 30, 2016



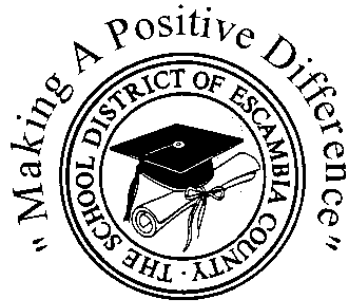
District School Board
Of Escambia County
Pensacola, Florida

Comprehensive Annual
Financial Report

For The
Fiscal Year
Ended June 30, 2016



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, 2016

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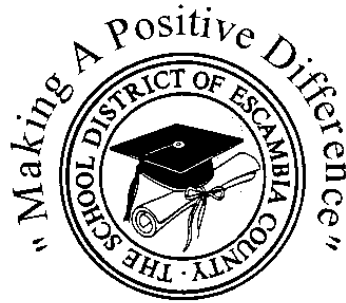
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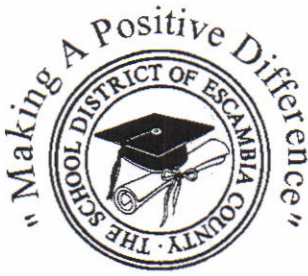
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INTRODUCTORY SECTION



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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

December 16, 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, 2016.

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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2016, 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) Uniform Guidance. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. A separate report related to this 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 Uniform Guidance 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 2015-16 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 6 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 2015-16 fiscal year, the District provided general, special, vocational, and other education programs to 40,110 unweighted full-time equivalent students (UFTE), a decrease of 46 UFTE over the prior fiscal year (40,156). Based on forecasting models, the District projects its 2016-17 student membership to further decrease in number to 40,079 UFTE which represents a decline of 31 UFTE from the current fiscal year.

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 306,944. The population has increased by approximately 3.2 percent over the last ten years. The statewide increase during that period has been approximately 10 percent. The Escambia county unemployment rate has decreased from 5.7 percent a year ago to 4.7 percent in June 2016.

Local sales tax revenues have stabilized from the economic downturn of the last several fiscal years as is reflected in a 3.4 percent increase in local receipts over the 2014-15 fiscal year. In addition, school taxable property values in Escambia County grew 3.6 percent over the same period.

Total education funding for Escambia County School District increased \$236 per UFTE (3.5 percent) over the prior 2014-15 fiscal year mainly due to a 3.0 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 2015-16 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 \$500 thousand. The District's General Fund financial condition ratio of 11.9 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 ninth 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 for construction of a new middle school and various remodel/renovation projects to other school facilities. Bonds were issued in January 2016 at a par amount of \$51.9 million and carried a premium of \$8.6 million. Proceeds from the bond sale netted \$60 million and the 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 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 2015-16 fiscal year this amount totaled \$34,895,161 or 11.9 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.

Awards and Acknowledgments

The District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015 received outstanding recognition from both the Government Finance Officers Association

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
December 16, 2016

(GFOA) and the Association of School Business Officials (ASBO). This was the ninth consecutive year that the District's CAFR has been so recognized.

GFOA awarded the District their Certificate of Achievement for Excellence in Financial Reporting and ASBO awarded the District their Certificate of Excellence in Financial Reporting both of which are valid for one year. The District is confident that the CAFR for the fiscal year ended June 30, 2016 presented herein will also meet that same level of excellence and commitment to transparency for the benefit of the taxpayers of Escambia County.

The timely preparation of this report was made possible by the dedicated service of the entire staff of the Finance and Business Services 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 School 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
10 years
November 2016



District 2
Gerald Boone
10 years
November 2018



District 3
Linda Moultrie
8 years
Vice Chairman
November 2018



District 4
Patty Hightower
12 years
November 2016



District 5
Bill Slayton
8 years
Chairman
November 2016



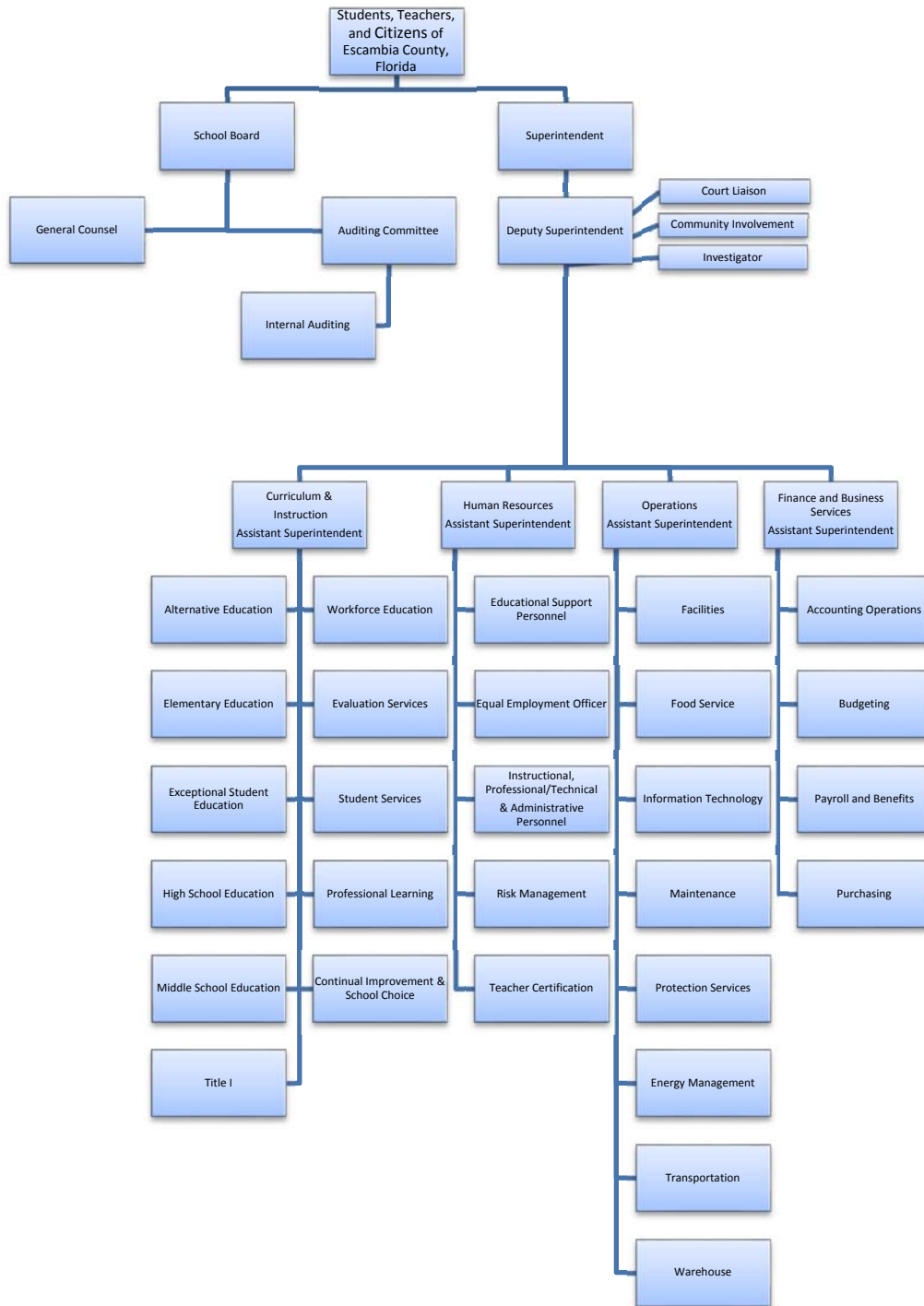
Malcolm Thomas
Superintendent
8 years
November 2016

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, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

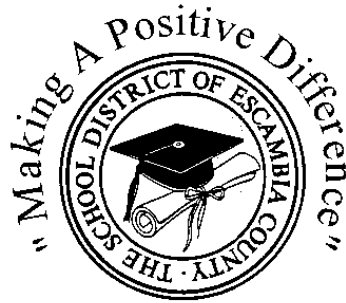
**District School Board
of Escambia County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

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

Management's Responsibility for the Financial Statements

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

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, 2016, 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.

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 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.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 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.

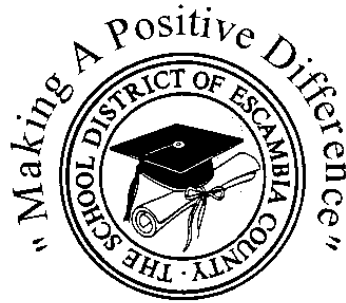
Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

December 16, 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, 2016. 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 2015-16 fiscal year are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at June 30, 2016, by \$276.3 million (net position).
- The District's total net position increased by \$4.2 million from the prior fiscal year (\$272.1 million).
- At June 30, 2016, the combined assigned and unassigned fund balance for the General Fund was \$34.9 million, or 11.9 percent (Financial Condition Ratio) of total General Fund revenues.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) was \$90.3 million, an increase of \$55.9 million from the prior fiscal year (\$34.4 million) primarily due to the issuance of Sales Tax Revenue Bonds, Series 2016.

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 seven separate legal entities in this report: Escambia Charter School, Inc., Beulah Academy of Science, Inc., Pensacola Beach Elementary School, Inc., Byrneville Elementary School, Inc., Jacqueline Harris Preparatory Academy, 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, 2016, compared to net position as of June 30, 2015:

	Net Position, End of Year	
	Governmental	
	Activities	
	6-30-16	6-30-15
Current Assets	\$ 259,324,908	\$ 191,633,147
Capital Assets	326,429,040	322,900,603
Total Assets	585,753,948	514,533,750
Deferred Outflow of Resources	46,554,092	25,540,146
Total Assets and Deferred Outflow of Resources	\$ 632,308,040	\$ 540,073,896
Long-Term Liabilities	\$ 298,144,645	\$ 200,366,377
Other Liabilities	14,471,598	12,266,601
Total Liabilities	312,616,243	212,632,978
Deferred Inflow of Resources	43,362,877	55,306,233
Total Liabilities and Deferred Inflow of Resources	\$ 355,979,120	\$ 267,939,211
Net Position:		
Net Investment in Capital Assets	234,417,599	288,526,040
Restricted	182,241,764	115,241,269
Unrestricted (Deficit)	(140,330,443)	(131,632,624)
Total Net Position	276,328,920	272,134,685
Total Liabilities and Net Position	\$ 632,308,040	\$ 540,073,896

The largest portion of the District's net position, \$234.4 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, \$182.2 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 \$140.3 million mainly due to the net pension liability of \$136.5 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, 2016, and June 30, 2015, are as follows:

	Operating Results for the Year	
	Governmental Activities	
	6-30-16	6-30-15
Program Revenues:		
Charges for Services	\$ 4,864,276	\$ 5,092,659
Operating Grants and Contributions	18,028,039	16,484,055
Capital Grants and Contributions	4,800,120	6,094,047
General Revenues:		
Property Taxes, Levied for Operational Purposes	91,336,026	95,102,045
Property Taxes, Levied for Capital Projects	21,709,577	21,492,708
Local Sales Taxes	24,164,744	23,376,775
Grants and Contributions Not Restricted to Specific Programs	228,438,767	222,905,305
Unrestricted Investment Earnings	681,813	584,835
Miscellaneous	3,015,412	3,604,535
Total Revenues	397,038,774	394,736,964
Functions/Program Expenses:		
Instruction	213,251,178	206,850,659
Student Personnel Services	18,119,750	16,357,758
Instructional Media Services	4,763,360	4,400,081
Instruction and Curriculum Development Services	12,301,860	10,450,035
Instructional Staff Training Services	9,038,724	8,497,923
Instruction Related Technology	4,598,508	4,165,597
Board of Education	1,370,750	1,223,781
General Administration	1,839,932	2,211,509
School Administration	16,420,126	14,978,087
Facility Services	15,877,255	19,944,374
Fiscal Services	2,428,612	2,335,937
Food Services	20,327,540	20,515,294
Central Services	5,488,570	5,050,783
Student Transportation Services	21,368,991	17,788,057
Operation of Plant	26,673,022	27,069,043
Maintenance of Plant	11,231,772	11,041,441
Administrative Technology Services	3,586,559	3,508,846
Community Services	1,106,272	1,119,798
Unallocated Interest on Long-Term Debt	3,051,758	1,855,933
Total Functions/Program Expenses	392,844,539	379,364,936
Increase (Decrease) in Net Position	4,194,235	15,372,028
Beginning Net Position	272,134,685	388,185,131
Adjustment to Net Position		(131,422,474)
Ending Net Position	\$ 276,328,920	\$ 272,134,685

Governmental Activities increased the District's net position by \$4.2 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, 2016, is \$34.9 million, while the total fund balance is \$48.5 million. The assigned and unassigned fund balances decreased by \$2.1 million, while the total fund balance decreased by \$2.7 million during the fiscal year. Key factors for the fund balance decrease are as follows:

- Based on a collective bargaining agreement, expenditures for salaries and benefits increased approximately 2 percent for all employee categories along with additional performance pay for appropriate personnel.
- A proration of the FEFP per the fourth calculation resulted in a \$500 thousand loss of expected revenue.
- An additional hour of instruction for various targeted schools was required by the Florida Department of Education. The costs of operating these programs was paid from normal FEFP and Title I allocations and therefore had an adverse effect on the District's general fund reserves.

Special Revenue – Other Fund. The Special Revenue – Other Federal Programs Fund had revenues and expenditures of \$31.0 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 \$134.1 million, of which \$9.8 million has been encumbered for specific projects. The fund balance increased from the prior year by \$64.7 million mainly due to the issuance of Sales Tax Revenue Bonds, Series 2016 in the amount \$51.9 million. Bond proceeds net of expenses totaled \$60.0 million.

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 \$20.9 million less than final budgeted expenditures. The instruction function accounted for \$8.3 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, 2016, amounts to \$326.4 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 \$3.5 million, or 1.0 percent.

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

- Initiated construction of a new elementary school and a new middle school.
- Roofing projects at various District locations.
- Bellview Middle School gymnasium construction.
- Woodham Middle School gymnasium construction.
- Installation and renovation of mechanical and life safety systems.
- Construction of modular classrooms at Pine Forest High School.
- Covered playground areas at two elementary schools.

Additional information on the District's capital assets can be found in Notes 5 and 12 to the financial statements.

Long-Term Debt

At June 30, 2016, the District has total long-term debt outstanding of \$90.2 million. The District had \$2.2 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 totaled of \$27.5 million; the remainder of the long-term debt was created during the 2015-16 fiscal year as the District issued Sales Tax Revenue Bonds, Series 2016 which have an outstanding balance of \$60.6 million at June 30, 2016.

Additional information on the District's long-term debt can be found in Notes 8 through 10 to the financial statements.

ECONOMIC FACTORS AFFECTING 2016-17 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2016-17 fiscal year:

Funding for Student Enrollment

The District receives the majority of its general operating funds through the Florida Education Finance Program (FEFP). The funds are based on the number of full-time equivalent (FTE) students and is a combination of state and local revenue. These formula funds will increase approximately \$3.5 million (\$104

per unweighted FTE) over the 2015-16 fiscal year due to a 1.5 percent increase in total formula funds appropriated by the State Legislature.

General Fund - Fund Balance

The District will budget approximately \$7.5 million of unrestricted fund balance to cover planned expenditures during the 2016-17 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.

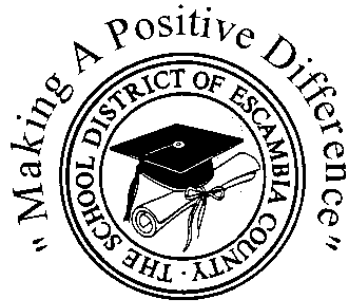
The District anticipates that the fund balance at June 30, 2017, will remain well in excess of the Board minimum target of 3.5 percent (of anticipated General Fund revenues).

Expected Cost Increases

Major increases expected in operating expenditures include continuing increases in health insurance costs and wellness benefits to offset medical inflation.

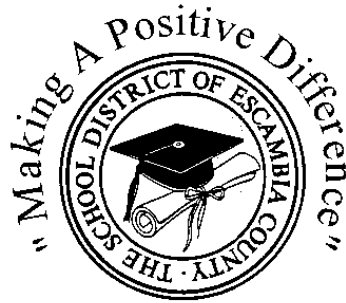
REQUESTS FOR INFORMATION

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, 2016

	Primary Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 172,158,407	\$ 4,268,841
Investments	77,465,793	-
Accounts Receivable	366,936	409,918
Deposits Receivable	2,000	1,016
Prepaid Items	-	41,458
Due from Other Agencies	5,779,771	-
Inventories	3,552,001	-
Capital Assets:		
Non-Depreciable Capital Assets	19,450,690	428,690
Depreciable Capital Assets, Net	306,978,350	4,850,977
Total Assets	585,753,948	10,000,900
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	46,554,092	143,309
Total Deferred Outflows of Resources	46,554,092	143,309
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 632,308,040	\$ 10,144,209
LIABILITIES		
Salaries and Benefits Payable	\$ 2,011,179	\$ 21,348
Payroll Deductions and Withholdings	3,150,376	-
Accounts Payable	2,056,415	379,534
Construction Contracts Payable	3,688	-
Construction Contracts Payable - Retainage	247,156	-
Due to Other Agencies	191,470	-
Deposits Payable	186,480	-
Accrued Interest Payable	592,675	-
Loan Payable	2,571,706	-
Unearned Revenue	3,460,453	553
Long-Term Liabilities:		
Portion Due Within One Year:	35,946,460	479,494
Portion Due After One Year:	262,198,185	1,118,289
Total Liabilities	312,616,243	1,999,218
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	41,605,791	72,079
Deferred Gains on Refunding	1,757,086	-
Total Deferred Inflows of Resources	43,362,877	72,079
NET POSITION		
Net Investment in Capital Assets	234,417,599	4,536,537
Restricted for:		
State Required Carryover Programs	7,494,319	44,229
Debt Service	8,659,559	140,000
Capital Projects	146,570,805	42,493
Federal Required Carryover Programs	1,104	-
Food Service	6,826,147	-
Other Required Carryover Programs	12,689,830	557,028
Unrestricted	(140,330,443)	2,752,625
Total Net Position	276,328,920	8,072,912
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 632,308,040	\$ 10,144,209

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, 2016

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 213,251,178	\$ 1,197,625	\$ -
Student Support Services	18,119,750	-	-
Instructional Media Services	4,763,360	-	-
Instruction and Curriculum Development Services	12,301,860	-	-
Instructional Staff Training Services	9,038,724	-	-
Instruction-Related Technology	4,598,508	-	-
Board	1,370,750	-	-
General Administration	1,839,932	-	-
School Administration	16,420,126	-	-
Facilities Acquisition and Construction	15,877,255	38,707	-
Fiscal Services	2,428,612	-	-
Food Services	20,327,540	2,897,012	18,028,039
Central Services	5,488,570	-	-
Student Transportation Services	21,368,991	259,827	-
Operation of Plant	26,673,022	-	-
Maintenance of Plant	11,231,772	-	-
Administrative Technology Services	3,586,559	-	-
Community Services	1,106,272	471,105	-
Unallocated Interest on Long-Term Debt	3,051,758	-	-
Total Governmental Activities	\$ 392,844,539	\$ 4,864,276	\$ 18,028,039
Component Units			
Foundation/Charter Schools	\$ 8,412,100	\$ 353,747	\$ 573,846

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, 2015

Net Position, June 30, 2016

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

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

<i>Net (Expense) Revenue and Changes in Net Position</i>		
<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
\$ -	\$ (212,053,553)	\$ -
-	(18,119,750)	-
-	(4,763,360)	-
-	(12,301,860)	-
-	(9,038,724)	-
-	(4,598,508)	-
-	(1,370,750)	-
-	(1,839,932)	-
-	(16,420,126)	-
4,178,215	(11,660,333)	-
-	(2,428,612)	-
-	597,511	-
-	(5,488,570)	-
-	(21,109,164)	-
-	(26,673,022)	-
-	(11,231,772)	-
-	(3,586,559)	-
-	(635,167)	-
621,905	(2,429,853)	-
<u>\$ 4,800,120</u>	<u>(365,152,104)</u>	<u>-</u>
<u>\$ 192,861</u>		<u>(7,291,646)</u>
	91,336,026	-
	21,709,577	-
	24,164,744	-
	228,438,767	7,364,656
	681,813	9,526
	3,015,412	210,230
	<u>369,346,339</u>	<u>7,584,412</u>
	<u>4,194,235</u>	<u>292,766</u>
	<u>272,134,685</u>	<u>7,780,146</u>
	<u>\$ 276,328,920</u>	<u>\$ 8,072,912</u>

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

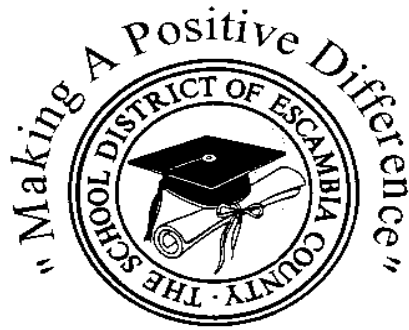
	General Fund	Special Revenue - Other Federal Programs Fund
ASSETS		
Cash and Cash Equivalents	\$ 48,004,669	\$ 124,133
Investments	1,083,956	-
Accounts Receivable	258,342	23,541
Deposits Receivable	2,000	-
Due from Other Funds	6,225,356	-
Due from Other Agencies	497,924	3,992,649
Inventories	1,347,401	-
TOTAL ASSETS	<u>\$ 57,419,648</u>	<u>\$ 4,140,323</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 1,752,648	\$ 236,824
Payroll Deductions and Withholdings	3,092,583	50,966
Accounts Payable	1,240,801	118,742
Construction Contracts Payable	-	-
Construction Contracts Payable - Retainage	-	-
Due to Other Funds	16	3,732,687
Due to Other Agencies	2,761,864	-
Deposits Payable	27,897	-
Accrued Interest Payable	-	-
Unearned Revenue	-	-
Total Liabilities	<u>8,875,809</u>	<u>4,139,219</u>
Fund Balances:		
Nonspendable:		
Inventories	1,347,401	-
Restricted for:		
State Required Carryover Programs	7,494,319	-
Debt Service	-	-
Special Revenue	-	1,104
Capital Projects	-	-
Food Service	-	-
Other Required Carryover Programs	4,806,958	-
Assigned for:		
Contingencies	8,327,350	-
Local Carryovers	16,250,516	-
Unassigned	10,317,295	-
Total Fund Balances	<u>48,543,839</u>	<u>1,104</u>
TOTAL LIABILITIES, DEERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 57,419,648</u>	<u>\$ 4,140,323</u>

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>
\$ 61,171,231	\$ 23,703,538	\$ 133,003,571
73,360,384	3,021,453	77,465,793
-	3,107	284,990
-	-	2,000
-	13,368	6,238,724
-	789,198	5,279,771
-	2,204,600	3,552,001
<u>\$ 134,531,615</u>	<u>\$ 29,735,264</u>	<u>\$ 225,826,850</u>

\$ -	\$ 21,707	\$ 2,011,179
-	6,828	3,150,377
210,724	367,467	1,937,734
3,687	-	3,687
247,156	-	247,156
-	590,802	4,323,505
-	-	2,761,864
-	158,583	186,480
-	592,675	592,675
-	10,738	10,738
<u>461,567</u>	<u>1,748,800</u>	<u>15,225,395</u>

-	2,204,600	3,552,001
-	-	7,494,319
-	8,659,559	8,659,559
-	-	1,104
134,070,048	12,500,758	146,570,806
-	4,621,547	4,621,547
-	-	4,806,958
-	-	8,327,350
-	-	16,250,516
-	-	10,317,295
<u>134,070,048</u>	<u>27,986,464</u>	<u>210,601,455</u>
<u>\$ 134,531,615</u>	<u>\$ 29,735,264</u>	<u>\$ 225,826,850</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, 2016**

Total Fund Balances - Governmental Funds \$ 210,601,455

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. 326,429,040

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. 6,674,417

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	\$	(53,907,000)	
Less: unamortized premiums on bonds payable		(8,869,892)	
Less: deferred gains on refunding		(42,800)	
Certificates of Participation Payable		(25,330,030)	
Less: unamortized premiums on certificates of participation payable		(2,147,433)	
Less: deferred gains on refunding		(1,714,286)	
Compensated Absences Payable		(42,170,264)	
Other Post Employment Benefits		(1,674,526)	(135,856,231)

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		(136,468,062)	
Deferred Outflows Related to Pensions		46,554,092	
Deferred Inflows Related to Pensions		(41,605,791)	(131,519,761)

Total Net Position - Governmental Activities \$ 276,328,920

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, 2016

	General Fund	Special Revenue - Other Federal Programs Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 977,633	\$ 1,405,073
Federal Through State and Local	2,605,783	29,559,511
State	193,851,412	-
Local:		
Property Taxes	91,336,026	-
Sales Taxes	-	-
Charges for Food Service	-	-
Miscellaneous	4,850,910	-
Total Revenues	293,621,764	30,964,584
Expenditures		
Current - Education:		
Instruction	189,295,155	10,681,110
Student Support Services	15,695,035	1,984,241
Instructional Media Services	4,525,736	99,266
Instruction and Curriculum Development Services	6,085,641	5,941,457
Instructional Staff Training Services	3,229,096	5,740,456
Instruction-Related Technology	2,447,882	1,762,195
Board	1,336,050	-
General Administration	768,255	1,049,431
School Administration	15,909,379	464
Facilities Acquisition and Construction	770,525	5,038
Fiscal Services	2,361,350	-
Food Services	376,974	-
Central Services	5,168,486	82,996
Student Transportation Services	16,226,684	2,684,396
Operation of Plant	26,312,503	20,834
Maintenance of Plant	10,706,582	-
Administrative Technology Services	3,175,301	76,466
Community Services	530,834	562,987
Fixed Capital Outlay:		
Facilities Acquisition and Construction	22,758	-
Other Capital Outlay	712,282	273,833
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	305,656,508	30,965,170
Excess (Deficiency) of Revenues Over Expenditures	(12,034,744)	(586)
Other Financing Sources (Uses)		
Bonds Issued	-	-
Premium of Bonds Issued	-	-
Sale of Capital Assets	-	-
Loss Recoveries	1,446,626	-
Transfers In	7,865,895	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	9,312,521	-
Net Change in Fund Balances	(2,722,223)	(586)
Fund Balances, July 1, 2015	51,266,062	1,690
Fund Balances, June 30, 2016	\$ 48,543,839	\$ 1,104

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>
\$ -	\$ -	\$ 2,382,706
-	17,811,917	49,977,211
290,103	2,816,335	196,957,850
-	21,709,577	113,045,603
24,164,744	-	24,164,744
-	2,897,012	2,897,012
567,421	50,467	5,468,798
<u>25,022,268</u>	<u>45,285,308</u>	<u>394,893,924</u>
-	15,792	199,992,057
-	-	17,679,276
-	-	4,625,002
-	-	12,027,098
-	-	8,969,552
-	-	4,210,077
-	-	1,336,050
-	-	1,817,686
-	-	15,909,843
5,847,841	8,337,619	14,961,023
-	-	2,361,350
-	19,602,538	19,979,512
-	-	5,251,482
-	-	18,911,080
-	-	26,333,337
-	-	10,706,582
-	-	3,251,767
-	-	1,093,821
11,047,477	4,975,621	16,045,856
-	471,950	1,458,065
-	4,316,613	4,316,613
-	1,650,018	1,650,018
<u>16,895,318</u>	<u>39,370,151</u>	<u>392,887,147</u>
<u>8,126,950</u>	<u>5,915,157</u>	<u>2,006,777</u>
-	51,910,000	51,910,000
-	8,641,751	8,641,751
1,369,143	-	1,369,143
144,039	306,159	1,896,824
60,000,000	9,018,595	76,884,490
(4,898,118)	(71,986,372)	(76,884,490)
<u>56,615,064</u>	<u>(2,109,867)</u>	<u>63,817,718</u>
64,742,014	3,805,290	65,824,495
69,328,034	24,181,174	144,776,960
<u>\$ 134,070,048</u>	<u>\$ 27,986,464</u>	<u>\$ 210,601,455</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, 2016

Net Change in Fund Balances - Governmental Funds \$ 65,824,495

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	\$ 15,349,134	
Capital Outlay - Other Capital Outlay - Capitalized	1,458,064	
Less, Depreciation Expense	<u>(12,157,644)</u>	4,649,554

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. (1,121,117)

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:

Bond Proceeds	(51,910,000)	
Premium on Bonds	(8,644,312)	
Bond Repayments	516,000	
Certificate of Participation Repayments	<u>3,800,613</u>	(56,237,699)

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:

Certificates of Participation Payable	357,906	
Amortization of deferred charges and gain on refunding, net	<u>(1,757,086)</u>	(1,399,180)

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. 2,876,193

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. (10,522,211)

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. 368,383

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. 552,679

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. (796,862)

Change in Net Position of Governmental Activities **\$ 4,194,235**

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, 2016

	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	\$ 1,075,000	\$ 977,633	\$ 977,633	\$ -
Federal Through State and Local	2,271,456	2,744,618	2,605,783	(138,835)
State	196,490,403	194,158,762	193,851,412	(307,350)
Local:				
Property Taxes	90,623,293	91,336,026	91,336,026	-
Miscellaneous	4,119,000	5,111,744	4,850,910	(260,834)
Total Revenues	<u>294,579,152</u>	<u>294,328,783</u>	<u>293,621,764</u>	<u>(707,019)</u>
Expenditures				
Current - Education:				
Instruction	191,662,168	197,644,146	189,295,155	8,348,991
Student Support Services	14,033,075	17,074,669	15,695,035	1,379,634
Instructional Media Services	4,447,261	4,904,385	4,525,736	378,649
Instruction and Curriculum Development Services	5,410,461	6,412,043	6,085,641	326,402
Instructional Staff Training Services	3,310,799	3,691,551	3,229,096	462,455
Instruction-Related Technology	2,254,827	2,809,342	2,447,882	361,460
Board	1,459,902	1,438,389	1,336,050	102,339
General Administration	898,150	900,602	768,255	132,347
School Administration	15,911,108	16,168,487	15,909,379	259,108
Facilities Acquisition and Construction	1,549,299	1,250,346	770,525	479,821
Fiscal Services	2,859,434	2,882,198	2,361,350	520,848
Food Services	137,000	377,316	376,974	342
Central Services	6,561,100	6,656,739	5,168,486	1,488,253
Student Transportation Services	17,884,717	18,864,709	16,226,684	2,638,025
Operation of Plant	27,607,528	28,054,723	26,312,503	1,742,220
Maintenance of Plant	11,730,952	11,557,135	10,706,582	850,553
Administrative Technology Services	3,329,471	3,312,345	3,175,301	137,044
Community Services	859,851	1,007,131	530,834	476,297
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	11,159	22,758	(11,599)
Other Capital Outlay	1,318,828	1,531,510	712,282	819,228
Debt Service:				
Principal	10,000	10,000	-	10,000
Total Expenditures	<u>313,235,931</u>	<u>326,558,925</u>	<u>305,656,508</u>	<u>20,902,417</u>
(Excess) Deficiency of Revenues Over Expenditures	<u>(18,656,779)</u>	<u>(32,230,142)</u>	<u>(12,034,744)</u>	<u>20,195,398</u>
Other Financing Sources (Uses)				
Transfers In	8,412,830	8,115,755	7,865,895	(249,860)
Loss Recoveries	-	1,446,626	1,446,626	-
Total Other Financing Sources (Uses)	<u>8,412,830</u>	<u>9,562,381</u>	<u>9,312,521</u>	<u>(249,860)</u>
Net Change in Fund Balances	(10,243,949)	(22,667,761)	(2,722,223)	19,945,538
Fund Balances, July 1, 2015	<u>51,266,062</u>	<u>51,266,062</u>	<u>51,266,062</u>	<u>-</u>
Fund Balances, June 30, 2016	<u>\$ 41,022,113</u>	<u>\$ 28,598,301</u>	<u>\$ 48,543,839</u>	<u>\$ 19,945,538</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, 2016

	Other Federal Programs Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	\$ 2,531,449	\$ 1,787,013	\$ 1,405,073	\$ (381,940)
Federal Through State and Local	29,785,575	31,824,872	29,559,511	(2,265,361)
Total Revenues	32,317,024	33,611,885	30,964,584	(2,647,301)
Expenditures				
Current - Education:				
Instruction	10,510,365	11,136,961	10,681,110	455,851
Student Support Services	2,347,376	2,159,171	1,984,241	174,930
Instructional Media Services	40,765	113,418	99,266	14,152
Instruction and Curriculum Development Services	6,895,146	6,058,994	5,941,457	117,537
Instructional Staff Training Services	5,712,402	6,809,598	5,740,456	1,069,142
Instruction-Related Technology	1,877,786	1,873,943	1,762,195	111,748
General Administration	1,078,654	1,127,278	1,049,431	77,847
School Administration	17,047	2,700	464	2,236
Facilities Acquisition and Construction	18,289	18,255	5,038	13,217
Central Services	74,072	111,999	82,996	29,003
Student Transportation Services	2,246,008	2,921,856	2,684,396	237,460
Operation of Plant	28,653	26,131	20,834	5,297
Administrative Technology Services	76,052	77,052	76,466	586
Community Services	1,007,147	806,980	562,987	243,993
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,158	1,000	-	1,000
Other Capital Outlay	387,794	368,239	273,833	94,406
Total Expenditures	32,318,714	33,613,575	30,965,170	2,648,405
Excess (Deficiency) of Revenues Over Expenditures	(1,690)	(1,690)	(586)	1,104
Net Change in Fund Balances	(1,690)	(1,690)	(586)	1,104
Fund Balances, July 1, 2015	1,690	1,690	1,690	-
Fund Balances, June 30, 2016	\$ -	\$ -	\$ 1,104	\$ 1,104

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, 2016

	<i>Governmental Activities - Internal Service Funds</i>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 39,154,836
Due From Other Agencies	<u>500,000</u>
TOTAL ASSETS	<u>\$ 39,654,836</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 118,665
Due to Other Funds	1,833,289
Due to Other Agencies	1,311
Unearned Revenue	3,449,715
Estimated Insurance Claims Payable	<u>6,972,750</u>
Total Current Liabilities	<u>12,375,730</u>
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	<u>20,604,689</u>
Total Noncurrent Liabilities	<u>20,604,689</u>
TOTAL LIABILITIES	<u>32,980,419</u>
NET POSITION	
Restricted for Employee Benefits	<u>6,674,417</u>
Total Net Position	<u>6,674,417</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 39,654,836</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, EXPENSES, AND
CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 43,955,605
Other	571,439
Total Operating Revenues	44,527,044
OPERATING EXPENSES	
Salaries	506,428
Employee Benefits	4,122,209
Purchased Services	5,812,996
Energy Services	15,787
Materials and Supplies	11,955
Capital Outlay	63,883
Other	34,940,087
Total Operating Expenses	45,473,345
Operating Income (Loss)	(946,301)
NONOPERATING REVENUES	
Loss Recoveries	149,439
Total Nonoperating Revenues	149,439
Income (Loss) Before Transfers	(796,862)
Change in Net Position	(796,862)
NET POSITION	
Total Net Position, July 1, 2015	7,471,279
Total Net Position, June 30, 2016	\$ 6,674,417

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, 2016

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 43,930,727
Cash Payments to Suppliers for Goods and Services	(8,431,685)
Cash Payments to Employees for Services	(646,019)
Cash Payments for Interfund Services	456,213
Cash Payments for Insurance Claims	(35,865,864)
Net Cash Provided (Used) by Operating Activities	<u>(556,628)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(556,628)
Beginning Cash and Cash Equivalents	<u>39,711,464</u>
Ending Cash and Cash Equivalents	<u><u>\$ 39,154,836</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (946,301)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Due From Other Funds	13,622
Increase in Due From Other Agencies	(500,000)
Decrease in Accounts Payable	(124,623)
Increase in Due to Other Funds	456,214
Increase in Due to Other Agencies	1,311
Decrease in Unearned Revenue	(109,938)
Increase in Estimated Insurance Claims Payable	536,987
Decrease in Estimated Insurance Claims Payable	(33,339)
Total Adjustments	<u>240,234</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (706,067)</u></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 FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,167,427
LIABILITIES	
Internal Accounts Payable	3,120,489
Payroll Deductions and Withholdings	<u>46,938</u>
Total Liabilities	<u>\$ 3,167,427</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, 2016**

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, 2016**

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.

Audits of the Foundation's financial statements and the charter schools' financial statements for the fiscal year ended June 30, 2016, 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.

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

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 unmatured 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 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.

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.
- 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

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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.

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

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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, 2016, 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.

➤ **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 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.

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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.

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.

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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.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The District has one item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions* reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 15.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting as deferred inflows of resources.

The two items reported as deferred inflows of resources are the *deferred gain on refunding* and the *deferred inflows related to pensions*, both reported in the government-wide statement of net position. A deferred gain on refunding results from a debt refinancing whereby the net carrying amount of the debt instrument exceeds the reacquisition price of the refunding debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 15.

➤ **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

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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 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 2015 tax levy on September 15, 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

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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. The sales tax levy will renew beginning January 1, 2018 for another ten year term as determined by the voters during the November 4, 2014 ballot referendum.

➤ **Federal Revenue Sources**

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

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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3. INVESTMENTS

As of June 30, 2016, the District has the following investments and maturities:

Investment	Maturities	Fair Value	Fair Value Measurement
State Board of Administration			
Florida PRIME (1)	39 Days	\$ 40,270,005	N/A
Debt Service Accounts	6 months	47,250	N/A
BlackRock T-Fund (Cash Reserves) (1)	32 Days	592,731	N/A
Sales Tax Investment Portfolio			
Government Bonds	2.82 Years	25,505,931	Level 2
Certificates of Deposit (Brokered)	77 Days	7,519,297	N/A
Commercial Paper	77 Days	14,036,539	N/A
Municipal Bonds	252 Days	1,006,705	Level 2
First American Gov Obligations (1)	26 Days	777,119	N/A
Florida Fixed Income Trust (FL FIT)			
Enhanced Cash Investments	80 Days	25,295,942	N/A
Commercial Paper Pool Investments	47 Days	4,054,130	N/A
Total Investments, Primary Government		<u>\$ 119,105,649</u>	

Notes: (1) Investments reported as cash equivalents for financial statement reporting purposes.

GASB Statement No. 72, Fair Value Measurement and Application

According to GASB 72, all assets meeting the definition of an investment should be measured at fair value, except the following:

- Nonparticipating interest earning investment contracts including non-negotiable certificates of deposit
- Investments in unallocated insurance contracts
- Money market investments and participating interest-earning investment contracts that have remaining maturity at time of purchase of 3 months or less
- Investments held by 2a-7 external investment pools
- Investments in 2a-7-like pools
- Fully benefit-responsive synthetic guaranteed investment contracts
- Investments in life insurance contracts not meeting the definition of a life settlement contract

In addition to expanding the definitions of fair value and investments, GASB 72 provides requirements for the valuation and disclosure of assets and liabilities reported at fair value. Governments are to use valuation techniques that are appropriate and for which sufficient data is available to measure assets and liabilities at fair value. These valuation techniques, which are inputs or data that market participants use in valuing assets and liabilities, should be applied consistently.

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The District uses the market approach for fair value measurements.

GASB Statement No. 72 establishes a three-tier fair value hierarchy that prioritizes the inputs based on relative reliability and requiring all assets and liabilities valued at fair market value to be categorized each using one of the three hierarchy levels:

- *Level 1 Inputs* – quoted prices in active markets for identical assets or liabilities. Observable markets include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
- *Level 2 Inputs* – inputs other than quoted prices included within Level 1 that are observable for the asset or liability. These inputs are derived from or corroborated by observable market data through correlation or by other means. Examples: Quoted prices for similar assets or liabilities in active or inactive markets, credit spreads, interest rates and yield curves observable at commonly quoted intervals.
- *Level 3 Inputs* – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable. Examples: Nonbinding quotes on interest rate swaps that cannot be corroborated by observable market data and financial forecasts using internal data for commercial real estate.

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, BlackRock T-Fund, Certificates of Deposit (CDs), and Commercial Paper (CP) had weighted average maturities (WAMs) of 26 days, 46 days, 32 days, 77 days, and 77 days, respectively, at June 30, 2016.
- The District's portfolio of Government Bonds and Municipal Bonds had WAMs of 2.82 years and 252 days, respectively, at June 30, 2015.
- Florida Fixed Income Trust (FL FIT) had the following WAM for each portfolio:
 - FL FIT Enhanced Cash – 80 days
 - FL FIT Commercial Paper Pool – 47 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, 2016, the District has the following interest rate risk by fund:

Investment by Fund	Fair Value	Investment Maturities		
		Six Months or Less	Greater than Six Months to Two Years	Greater than Two Years
Major Governmental Funds:				
General	\$ 11,134,660	\$ 11,134,660	\$	\$
Capital Projects - Other	104,354,588	77,841,952	1,006,705	25,505,931
Nonmajor Governmental	3,616,401	3,616,401		
Total Investments	<u>\$ 119,105,649</u>	<u>\$ 92,593,013</u>	<u>\$ 1,006,705</u>	<u>\$ 25,505,931</u>

Note: Investments that have stable net asset values (NAVs) 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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As of June 30, 2016, the District's investments are rated as follows:

- The District's investments in First American Government Obligations Fund and BlackRock T-Fund (Cash Reserve Shares) 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 are rated Aaa by Moody's
- The District's investments in Commercial Paper are rated P-1 by Moody's and A-1 by S&P.
- 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 rated AAf/S1 by Standard & Poor's.
- 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, 2016, 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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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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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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5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-15	Additions	Deletions	Balance 6-30-16
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 9,380,388	\$ 3,053,898	\$ 4,800	\$ 12,429,486
Construction in Progress	381,324	11,240,939	4,601,059	7,021,204
Total Capital Assets Not Being Depreciated	<u>9,761,712</u>	<u>14,294,837</u>	<u>4,605,859</u>	<u>19,450,690</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	17,349,491	106,976	611,024	16,845,443
Buildings and Fixed Equipment	420,956,542	1,594,812	2,591,089	419,960,265
Furniture, Fixtures, and Equipment	16,101,211	1,045,834	3,197,036	13,950,009
Motor Vehicles	47,389,766	4,354,232	2,431,421	49,312,577
Audio Visual Materials and Computer Software	10,005,774	11,567	862,934	9,154,407
Total Capital Assets Being Depreciated	<u>511,802,784</u>	<u>7,113,421</u>	<u>9,693,504</u>	<u>509,222,701</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	8,786,930	992,885	568,273	9,211,542
Buildings and Fixed Equipment	152,590,010	7,734,985	2,354,090	157,970,905
Furniture, Fixtures, and Equipment	11,041,364	751,604	2,888,480	8,904,488
Motor Vehicles	18,654,284	2,329,973	1,903,410	19,080,847
Audio Visual Materials and Computer Software	7,591,305	348,198	862,934	7,076,569
Total Accumulated Depreciation	<u>198,663,893</u>	<u>12,157,645</u>	<u>8,577,187</u>	<u>202,244,351</u>
Total Capital Assets Being Depreciated, Net	<u>313,138,891</u>	<u>(5,044,224)</u>	<u>1,116,317</u>	<u>306,978,350</u>
Governmental Activities Capital Assets, Net	<u>\$ 322,900,603</u>	<u>\$ 9,250,613</u>	<u>\$ 5,722,176</u>	<u>\$ 326,429,040</u>

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**DISTRICT SCHOOL BOARD OF
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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 8,282,837
Student Personnel Services	10,084
Instructional Media Services	6,584
Instruction and Curriculum Development Services	95,066
Instructional Staff Training Services	1,741
Instruction Related Technology	322,117
Board	370
General Administration	928
School Administration	18,978
Facilities Acquisition and Construction	212,750
Fiscal Services	1,880
Food Services	337,837
Central Services	105,300
Student Transportation Services	2,093,350
Operation of Plant	95,503
Maintenance of Plant	327,758
Administrative Technology Services	238,941
Community Services	5,620
Total Depreciation Expense - Governmental Activities	<u><u>\$ 12,157,644</u></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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**DISTRICT SCHOOL BOARD OF
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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, 2016:

Issue	Original		Principal		Refunded By Series	Balance 6-30-16
	Amount		Paid	Refunded		
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		4,509,969			5,490,031
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>\$ 54,779,530</u>	<u>\$ 104,540,000</u>		<u>\$ 25,330,031</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

Note: Carver/Century K-8 Elementary School (Physical Education Building/Media Center/Classroom Additions), previously a part of the Series 2014 Certificates of Participation, was released from the COP Master Lease Agreement during the fiscal year in order to provide for the legal sale of the property to another educational institution. However, certain conditions were required of the transaction to preserve the tax exempt status of the master lease. The sale was finalized on May 26, 2016 and the proceeds of the Series 2014 certificates allocable to the Carver/Century facilities are treated as financing the disposition proceeds rather than the facilities itself.

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**DISTRICT SCHOOL BOARD OF
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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, 2016:

Fiscal Year Ending June 30	Total	Principal	Interest
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	4,838,000	4,490,000	348,000
2022	4,832,875	4,715,000	117,875
Total Minimum Lease Payments	29,201,019	25,330,032	3,870,987
Unamortized Premium	2,147,433	2,147,433	
Total Certificates of Participation	<u>\$ 31,348,452</u>	<u>\$ 27,477,465</u>	<u>\$ 3,870,987</u>

8. BONDS PAYABLE

SBE Bonds payable at June 30, 2016 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	\$ 1,000,000	4.25-5.0	2028
Series 2010A	225,000	195,000	3.5-5.0	2030
Series 2011A (Refunding)	2,625,000	385,000	3.0-5.0	2023
Series 2014A (Refunding)	229,000	198,000	2.0-5.0	2025
Series 2014B (Refunding)	627,000	219,000	2.0-5.0	2020
Subtotal	5,001,000	1,997,000		
Unamortized Premiums, Net	382,400	228,141		
Total Bonds Payable	<u>\$ 5,383,400</u>	<u>\$ 2,225,141</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 \$1,648,660, all of which related to debt service. There were no new bonds issued or refunded during the fiscal year. 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.

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**DISTRICT SCHOOL BOARD OF
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Annual requirements to amortize all bonded debt outstanding as of June 30, 2016, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
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	225,203	169,000	56,203
2022-2026	927,435	763,000	164,435
2027-2030	322,923	300,000	22,923
Subtotal	2,550,193	1,997,000	553,193
Unamortized Premiums, Net	228,141	228,141	
Total Bonds Payable	<u>\$ 2,778,334</u>	<u>\$ 2,225,141</u>	<u>\$ 553,193</u>

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. Accordingly, in order to provide financing for the construction of a new middle school and improvements to several other of the various schools, the Board issued Sales Tax Revenue Bonds, Series 2016 in the amount of \$51,910,000.

The principal and interest on the Series 2016 Bonds are payable solely from and secured by the proceeds received by the Board from the levy and collection of the one-half cent sales surtax. Series 2016 Bonds payable at June 30, 2016 are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
Sales Tax Revenue Bonds:				
Series 2016	\$ 51,910,000	\$ 51,910,000	2.0-5.0	2027
Unamortized Premiums, Net	<u>8,641,751</u>	<u>8,641,751</u>		
Total Bonds Payable	<u>\$ 60,551,751</u>	<u>\$ 60,551,751</u>		

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DISTRICT SCHOOL BOARD OF
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The following is a schedule by years of the future annual debt service of the Series 2016 Bonds:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Sales Tax Revenue Bonds			
2017	\$ 4,608,015	\$ 2,155,000	\$ 2,453,015
2018	5,789,200	3,650,000	2,139,200
2019	5,785,300	3,795,000	1,990,300
2020	5,780,500	3,945,000	1,835,500
2021	5,789,800	4,105,000	1,684,800
2022-2026	28,770,625	23,365,000	5,405,625
2027-2028	11,446,375	10,895,000	551,375
Subtotal	67,969,815	51,910,000	16,059,815
Unamortized Premiums, Net	8,641,751	8,641,751	
Total Bonds Payable	<u>\$ 76,611,566</u>	<u>\$ 60,551,751</u>	<u>\$ 16,059,815</u>

9. CHANGES IN LONG-TERM LIABILITIES

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

<u>Description</u>	<u>Balance</u> <u>7-1-15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-16</u>	<u>Due in</u> <u>One Year</u>
GOVERNMENTAL ACTIVITIES					
SBE Bonds Payable	\$ 2,513,000	\$	\$ 516,000	\$ 1,997,000	\$ 285,000
Unamortized Premiums, Net	225,580	2,561		228,141	
Total SBE Bonds Payable	<u>2,738,580</u>	<u>2,561</u>	<u>516,000</u>	<u>2,225,141</u>	<u>285,000</u>
Sales Tax Revenue Bonds Payable		51,910,000		51,910,000	2,155,000
Unamortized Premiums, Net		8,641,751		8,641,751	
Total Sales Tax Revenue Bonds Payable		<u>60,551,751</u>		<u>60,551,751</u>	<u>2,155,000</u>
Certificates of Participation Payable	29,130,644		3,800,613	25,330,031	3,951,723
Unamortized Premium	2,505,339		357,906	2,147,433	
Total Certificates of Participation Payable	<u>31,635,983</u>		<u>4,158,519</u>	<u>27,477,464</u>	<u>3,951,723</u>
Estimated Insurance Claims Payable	27,073,789	36,360,174	35,856,525	27,577,438	6,972,750
Compensated Absences Payable	42,538,647	4,548,848	4,917,231	42,170,264	4,345,222
Net Pension Liability	94,152,174	52,858,291	10,542,403	136,468,062	
Other Postemployment Benefits Payable	2,227,205	1,257,859	1,810,538	1,674,526	
Total Governmental Activities	<u>\$ 200,366,378</u>	<u>\$ 155,579,484</u>	<u>\$ 57,801,216</u>	<u>\$ 298,144,646</u>	<u>\$ 17,709,695</u>

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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10. 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	\$ 6,207,957	
Special Revenue - Other Federal Programs		\$ 3,732,687
Nonmajor Governmental	13,360	590,802
Internal Service		1,897,828
Total	<u>\$ 6,221,317</u>	<u>\$ 6,221,317</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	\$ 7,865,895	
Capital Projects - Other	60,000,000	\$ 4,898,118
Nonmajor Governmental	9,018,595	71,986,372
Total	<u>\$ 76,884,490</u>	<u>\$ 76,884,490</u>

Transfers among funds were as follows: (1) Capital Outlay (nonmajor) funds were transferred to the General Fund to finance eligible maintenance operational costs and the payment of property insurance premiums, (2) Debt Service (nonmajor) funds were transferred to the Capital Projects – Other Fund to set up bond proceeds account to fund new school construction, (3) Capital Outlay (nonmajor) funds were transferred to Debt Service (nonmajor) funds to provide for debt service requirements for COP issues.

11. 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

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**DISTRICT SCHOOL BOARD OF
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Governmental Accounting Standard Board (GASB). The Board approves the assigned fund balance.

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, 2016.
- **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 \$24,577,866 consisting of the following: encumbered local project carryovers totaling \$2,151,334; unencumbered local project carryovers totaling \$14,099,182; and local project contingencies of \$8,327,350.
- **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 \$10,317,295 at June 30, 2016.

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

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**DISTRICT SCHOOL BOARD OF
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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 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, 2016, the unassigned and assigned fund balance in the General Fund of \$35,034,107 was 11.9 percent of General Fund revenues.

12. 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, 2016:

General	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Special Revenue - Other	Capital Projects - Other		
\$ 3,271,912	\$ 353,170	\$ 9,843,147	\$ 1,475,295	\$ 14,943,524

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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	\$ 1,149,890	\$ 259,019	\$ 890,871
Mechanical and Life Safety Systems	561,751	254,325	307,426
School Specific Projects:			
Bellview Middle School - Gymnasium	2,972,570	1,925,739	1,046,831
Pine Forest High School Modular Classrooms	1,173,608	575,250	598,358
Semmes Elementary School Covered Play Area	1,162,318	68,415	1,093,903
Sherwood Elementary School Covered Play Area	1,129,667	45,286	1,084,381
New Construction - Elementary School	1,943,873	760,385	1,183,488
New Construction - Middle School	2,210,226	726,692	1,483,534
Workman Middle School Gymnasium	3,166,608	1,826,451	1,340,157
Total	<u>\$ 15,470,511</u>	<u>\$ 6,441,562</u>	<u>\$ 9,028,949</u>

Total other construction contract commitments (individually below \$250,000) amounted to \$965,452 at June 30, 2016.

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**DISTRICT SCHOOL BOARD OF
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13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2015-16 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 141,767,900
Categorical Educational Program - Class Size Reduction	43,443,387
Workforce Development Program	4,449,197
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,648,660
Voluntary Pre-K Program	1,192,693
School Recognition	1,553,986
Public Education Capital Outlay	912,198
Racing Commission Funds	446,500
Best and Brightest Teacher Scholarship Program	396,301
Charter School Capital Outlay	290,103
Food Service Supplement	279,694
Workforce Education Performance Incentive	137,727
State License Tax	61,658
Miscellaneous	377,846
Total	<u>\$ 196,957,850</u>

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

14. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2015 tax roll for the 2015-16 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	4.999	\$ 82,053,256
Discretionary Local Effort	0.748	12,277,623
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.366	22,421,434
Total	<u>7.113</u>	<u>\$ 116,752,313</u>

15. 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

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**DISTRICT SCHOOL BOARD OF
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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, 2015 totaled \$136,468,062.

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 \$10,522,211 for the fiscal year ended June 30, 2016.

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.

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 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	7.26
FRS, Elected County Officers	3.00	42.27
DROP - Applicable to Members from All of the Above Classes	0.00	12.88
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 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, 2014, June 30, 2015, and June 30, 2016 totaled \$13,516,461, \$14,453,083, and \$14,606,949 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, 2016, the District reported a liability of \$67,523,936 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .52 percent, which remained the same as the proportionate share measured as of June 30, 2014.

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For the fiscal year ended June 30, 2016, the District recognized pension expense of \$5,153,593 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	\$ 7,128,528	\$ 1,601,462
Change of assumptions	4,481,790	-
Net difference between projected and actual earnings on FRS pension plan investments	23,783,800	39,907,385
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,480,538	96,944
District FRS contributions subsequent to the measurement date	2,236,967	-
Total	\$ 39,111,623	\$ 41,605,791

The deferred outflows of resources related to pensions, totaling \$2,236,967, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 326,020
2018	326,020
2019	326,020
2020	326,020
2021	85,002
Thereafter	(5,487)
Total	\$ 1,383,595

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

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

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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, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<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	1.0%	3.2%	3.1%	1.7%
Fixed Income	18.0%	4.8%	4.7%	4.7%
Global Equity	53.0%	8.5%	7.2%	17.7%
Real Estate (Property)	10.0%	6.8%	6.2%	12.0%
Private Equity	6.0%	11.9%	8.2%	30.0%
Strategic Investments	12.0%	6.7%	6.1%	11.4%
Total	<u>100.0%</u>			
Assumed inflation - Mean		2.60%		1.90%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The 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	\$ 174,969,784	\$ 67,523,934	\$ (21,888,662)

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

Payables to the Pension Plan. At June 30, 2016, the District reported a payable of \$194,194 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2016.

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 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, 2016, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$3,471,769 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension liability of \$68,944,126 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .676027064 percent, which was an increase of .0107 percent from its proportionate share measured as of June 30, 2014.

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For the fiscal year ended June 30, 2016, the District recognized pension expense of \$5,368,618 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	\$ 5,424,103	\$ -
Net difference between projected and actual earnings on HIS pension plan investments	37,321	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,341,819	-
District contributions subsequent to the measurement date	639,226	-
Total	\$ 7,442,469	\$ -

The deferred outflows of resources related to pensions, totaling \$639,226, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	\$ 323,389
2018	323,389
2019	323,389
2020	323,389
2021	323,389
Thereafter	180,376
Total	\$ 1,797,321

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

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.80 percent

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
District's proportionate share of the net pension liability	\$ 78,558,623	\$ 68,944,126	\$ 60,927,080

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, 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 2015-16 fiscal year were as follows:

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<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, 2016, 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 712 District participants in the Investment Plan during the 2015-2016 fiscal year. The District's contributions, including the employee contributions to the Investment Plan totaled \$2,574,369 which was equal to the required contribution for the 2015-16 fiscal year.

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16. 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 \$353,333 during the 2015-16 fiscal year for Retirement Incentive pay.

17. 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 2015-16 fiscal year, the District provided required contributions of \$1,810,538 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$1,857,372. 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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Description	Amount
Normal Cost (service cost for one year)	\$ 807,016
Amortization of Unfunded Actuarial Accrued Liability	398,636
Interest on Normal Cost and Amortization	48,226
Annual Required Contribution	1,253,878
Interest on Net OPEB Obligation	89,088
Amortization of Net OPEB Obligation	(85,107)
Annual OPEB Cost	1,257,859
Contribution Toward the OPEB Cost	(1,810,538)
Decrease in Net OPEB Obligation	(552,679)
Net OPEB Obligation, Beginning of Fiscal Year	2,227,205
Net OPEB Obligation, End of Fiscal Year	\$ 1,674,526

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, 2016, 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)
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
2015-16	1,257,859	1,810,538	143.9%	1,674,527

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$10,432,107 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$10,432,107 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$226,377,227 for the 2015-16 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4.6 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.

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

The District's OPEB actuarial valuation for the 2015-16 fiscal year used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2016, 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 7.5 percent initially for the 2015-16 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.

18. 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 \$27,577,438 (\$24,702,348 for workers' compensation, automobile and general liability claims, and \$2,875,090 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, 2016.

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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
2014-15	\$ 27,418,641	\$ 34,379,940	\$ (34,724,792)	\$ 27,073,789
2015-16	27,073,789	36,360,174	(35,856,525)	27,577,438

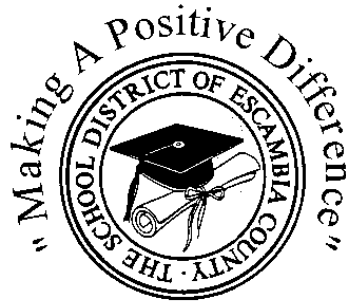
19. OTHER LOSS CONTINGENCY

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 ruled during the 2013-14 fiscal year that the leasehold improvements are taxable. The Property Appraiser was of the opinion that the land under lease is also addressed by the Court ruling but the leaseholders disagree. In March of 2016 the Florida 1st District Court of Appeal ruled that the land was not taxable in a specific case involving a condominium development. The effect of the ruling may be far reaching for other leaseholders. 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 \$313,511 at June 30, 2016) 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, 2016, the District has received \$32,621,912 in taxes collected from residential leaseholders.

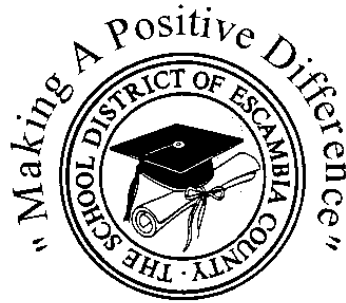
20. LITIGATION

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.



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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]
7/1/2013	\$ 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%
7/1/2015	0	10,432,107	10,432,107	0%	226,377,227	4.61%

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, 2015, unfunded actuarial accrued liability of \$10,432,107 was higher than the July 1, 2014, liability of \$9,915,992 mainly due inadequate retiree premiums that were not in line with medical inflation; consequently, costs exceeded revenue.

**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)	0.522779113%	0.523517774%
District's proportionate share of the FRS net pension liability (asset)	\$ 67,523,934	\$ 31,942,283
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	31%	15%

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

	<u>2016</u>	<u>2015</u>
Contractually required FRS contribution	\$ 12,017,157	\$ 12,745,799
FRS contributions in relation to the contractually required contribution	<u>(12,017,157)</u>	<u>(12,745,799)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 226,377,227	\$ 217,952,759
FRS contributions as a percentage of covered-employee payroll	5.31%	5.85%

**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)	0.676027064%	0.665329064%
District's proportionate share of the HIS net pension liability (asset)	\$ 68,944,126	\$ 62,209,891
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	32%	30%

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

	<u>2016</u>	<u>2015</u>
Contractually required HIS contribution	\$ 3,471,769	\$ 2,584,196
HIS contributions in relation to the contractually required HIS contribution	<u>(3,471,769)</u>	<u>(2,584,196)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 226,377,227	\$ 217,952,759
HIS contributions as a percentage of covered-employee payroll	1.53%	1.19%

**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)

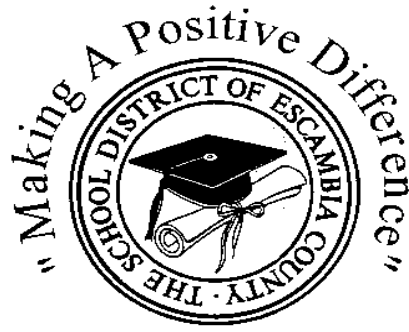
Capital Projects Funds

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, 2016

	Total Nonmajor Governmental Funds	Special Revenue Funds			Debt Service Funds		State Board of Education (SBE) Bond Fund
		Total Nonmajor Special Revenue Funds	Federal Economic Stimulus Programs Fund	Food Service Fund	Total Nonmajor Debt Service Funds	Other Debt Service Fund	
ASSETS							
Cash and Cash Equivalents	\$ 23,703,538	\$ 4,711,538	\$ -	\$ 4,711,538	\$ 9,204,985	\$ 9,204,985	\$ -
Investments	3,021,453	-	-	-	47,249	-	47,249
Accounts Receivable	3,107	3,107	-	3,107	-	-	-
Due from Other Funds	13,368	13,368	-	13,368	-	-	-
Due from Other Agencies	789,198	102,843	-	102,843	-	-	-
Inventories	2,204,600	2,204,600	-	2,204,600	-	-	-
TOTAL ASSETS	\$ 29,735,264	\$ 7,035,456	\$ -	\$ 7,035,456	\$ 9,252,234	\$ 9,204,985	\$ 47,249
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Salaries and Benefits Payable	\$ 21,707	\$ 21,707	\$ -	\$ 21,707	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	6,828	6,828	-	6,828	-	-	-
Accounts Payable	367,467	8,831	-	8,831	-	-	-
Due to Other Funds	590,802	13,360	-	13,360	-	-	-
Deposits Payable	158,583	158,583	-	158,583	-	-	-
Accrued Interest Payable	592,675	-	-	-	592,675	592,675	-
Unearned Revenue	10,738	-	-	-	-	-	-
Total Liabilities	1,748,800	209,309	-	209,309	592,675	592,675	-
Fund Balances:							
Nonspendable:							
Inventories	2,204,600	2,204,600	-	2,204,600	-	-	-
Restricted for:							
Debt Service	8,659,559	-	-	-	8,659,559	8,612,310	47,249
Capital Projects	12,500,758	-	-	-	-	-	-
Food Service	4,621,547	4,621,547	-	4,621,547	-	-	-
Total Fund Balances	27,986,464	6,826,147	-	6,826,147	8,659,559	8,612,310	47,249
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 29,735,264	\$ 7,035,456	\$ -	\$ 7,035,456	\$ 9,252,234	\$ 9,204,985	\$ 47,249

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
June 30, 2016

	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	\$ 9,787,015	\$ 1,591,448	\$ -	\$ 8,195,567
Investments	2,974,204	-	-	2,974,204
Due from Other Agencies	686,355	10,738	675,617	-
TOTAL ASSETS	\$ 13,447,574	\$ 1,602,186	\$ 675,617	\$ 11,169,771
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 358,636	\$ 6,560	\$ 25,018	\$ 327,058
Due to Other Funds	577,442	-	577,442	-
Unearned Revenue	10,738	10,738	-	-
Total Liabilities	946,816	17,298	602,460	327,058
Fund Balances:				
Restricted for:				
Capital Projects	12,500,758	1,584,888	73,157	10,842,713
Total Fund Balances	12,500,758	1,584,888	73,157	10,842,713
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,447,574	\$ 1,602,186	\$ 675,617	\$ 11,169,771

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, 2016

	<u>Special Revenue Funds</u>				<u>Debt Service Funds</u>		
	<u>Total Nonmajor Governmental 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	\$ 17,796,125	\$ 17,796,125	\$ -	\$ 17,796,125	\$ -	\$ -	\$ -
Race to the Top	15,792	15,792	15,792	-	-	-	-
Total Federal Through State and Local	<u>17,811,917</u>	<u>17,811,917</u>	<u>15,792</u>	<u>17,796,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
State:							
Food Service	279,694	279,694	-	279,694	-	-	-
CO and DS Withheld for SBE/COBI Bond	621,725	-	-	-	621,725	-	621,725
CO and DS Distribution	997,774	-	-	-	-	-	-
Public Education Capital Outlay	912,198	-	-	-	-	-	-
Other State Sources	4,944	-	-	-	118	-	118
Total State	<u>2,816,335</u>	<u>279,694</u>	<u>-</u>	<u>279,694</u>	<u>621,843</u>	<u>-</u>	<u>621,843</u>
Local:							
Charges for Food Service	2,897,012	2,897,012	-	2,897,012	-	-	-
Property Taxes	21,709,577	-	-	-	-	-	-
Other Local Sources	50,467	17,544	-	17,544	62	62	-
Total Local	<u>24,657,056</u>	<u>2,914,556</u>	<u>-</u>	<u>2,914,556</u>	<u>62</u>	<u>62</u>	<u>-</u>
Total Revenues	<u>\$ 45,285,308</u>	<u>\$ 21,006,167</u>	<u>\$ 15,792</u>	<u>\$ 20,990,375</u>	<u>\$ 621,905</u>	<u>\$ 62</u>	<u>\$ 621,843</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, 2016

	<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	\$ 15,792	\$ 15,792	\$ 15,792	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction	8,337,619	-	-	-	-	-	-
Food Services	19,602,538	19,602,538	-	19,602,538	-	-	-
Fixed Capital Outlay:							
Facilities Acquisition and Construction	4,975,621	-	-	-	-	-	-
Other Capital Outlay	471,950	471,950	-	471,950	-	-	-
Debt Service:							
Principal	4,316,613	-	-	-	4,316,613	3,800,613	516,000
Interest and Fiscal Charges	1,650,018	-	-	-	1,648,853	1,526,733	122,120
Total Expenditures	<u>39,370,151</u>	<u>20,090,280</u>	<u>15,792</u>	<u>20,074,488</u>	<u>5,965,466</u>	<u>5,327,346</u>	<u>638,120</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,915,157</u>	<u>915,887</u>	<u>-</u>	<u>915,887</u>	<u>(5,343,561)</u>	<u>(5,327,284)</u>	<u>(16,277)</u>
OTHER FINANCING SOURCES (USES)							
Bonds Issued	51,910,000	-	-	-	51,910,000	51,910,000	-
Premium on Bond Issues	8,641,751	-	-	-	8,641,751	8,641,751	-
Loss Recoveries	306,159	-	-	-	-	-	-
Transfers In	9,018,595	-	-	-	9,018,595	9,018,595	-
Transfers Out	(71,986,372)	-	-	-	(60,000,000)	(60,000,000)	-
Total Other Financing Sources (Uses)	<u>(2,109,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,570,346</u>	<u>9,570,346</u>	<u>-</u>
Net Change in Fund Balances	3,805,290	915,887	-	915,887	4,226,785	4,243,062	(16,277)
Fund Balances, July 1, 2015	24,181,174	5,910,260	-	5,910,260	4,432,774	4,369,248	63,526
Fund Balances, June 30, 2016	<u>\$ 27,986,464</u>	<u>\$ 6,826,147</u>	<u>\$ -</u>	<u>\$ 6,826,147</u>	<u>\$ 8,659,559</u>	<u>\$ 8,612,310</u>	<u>\$ 47,249</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, 2016

	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.
REVENUES				
State:				
CO and DS Distribution	\$ 997,774	\$ 997,774	\$ -	\$ -
Public Education Capital Outlay	912,198	-	912,198	-
Other State Sources	4,826	4,826	-	-
Total State	1,914,798	1,002,600	912,198	-
Local:				
Property Taxes	21,709,577	-	-	21,709,577
Other Local Sources	32,861	-	-	32,861
Total Local	21,742,438	-	-	21,742,438
Total Revenues	\$ 23,657,236	\$ 1,002,600	\$ 912,198	\$ 21,742,438

(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, 2016

	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:				
Facilities Acquisition and Construction	\$ 8,337,619	\$ 377,544	\$ 299,892	\$ 7,660,183
Fixed Capital Outlay:				
Facilities Acquisition and Construction	4,975,621	-	-	4,975,621
Debt Service:				
Interest and Fiscal Charges	1,165	1,165	-	-
Total Expenditures	13,314,405	378,709	299,892	12,635,804
Excess (Deficiency) of Revenues Over Expenditures	10,342,831	623,891	612,306	9,106,634
OTHER FINANCIAL SOURCES (USES)				
Loss Recoveries	306,159	-	-	306,159
Transfers Out	(11,986,372)	-	(671,512)	(11,314,860)
Total Other Financial Sources (Uses)	(11,680,213)	-	(671,512)	(11,008,701)
Net Change in Fund Balances	(1,337,382)	623,891	(59,206)	(1,902,067)
Fund Balances, July 1, 2015	13,838,140	960,997	132,363	12,744,780
Fund Balances, June 30, 2016	\$ 12,500,758	\$ 1,584,888	\$ 73,157	\$ 10,842,713

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, 2016

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Federal Impact, Current Operations	\$ 550,000	\$ 520,324	\$ 520,324	\$ -
Reserve Officers Training Corps (ROTC)	350,000	457,309	457,309	-
Other Federal Direct Sources	175,000	-	-	-
Total Federal Direct	<u>1,075,000</u>	<u>977,633</u>	<u>977,633</u>	<u>-</u>
Federal Through State and Local:				
Medicaid	1,400,000	1,679,079	1,679,079	-
Other Federal Through State and Local Sources	871,456	1,065,539	926,704	138,835
Total Federal Through State and Local	<u>2,271,456</u>	<u>2,744,618</u>	<u>2,605,783</u>	<u>138,835</u>
State:				
Florida Education Finance Program (FEFP)	144,674,076	141,767,900	141,767,900	-
Workforce Development	4,449,147	4,449,197	4,449,197	-
Workforce Education Performance Incentive	60,000	137,727	137,727	-
CO and DS Withheld for Administrative Expense	24,183	24,217	24,217	-
Discretionary Lottery Funds	139,295	-	-	-
Categorical Programs - Class Size Reduction	43,352,102	43,443,387	43,443,387	-
Other State Sources	3,791,600	4,336,333	4,028,984	(307,349)
Total State	<u>196,490,403</u>	<u>194,158,761</u>	<u>193,851,412</u>	<u>(307,349)</u>
Local:				
Property Taxes	90,623,293	91,336,026	91,336,026	-
Interest Income	50,000	138,683	128,417	(10,266)
Other Local Sources	4,069,000	4,973,062	4,722,493	(250,569)
Total Local	<u>94,742,293</u>	<u>96,447,771</u>	<u>96,186,936</u>	<u>(260,835)</u>
Total Revenues	<u>294,579,152</u>	<u>294,328,783</u>	<u>293,621,764</u>	<u>(707,019)</u>
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	127,458,250	131,715,551	129,704,823	2,010,728
Employee Benefits	38,694,604	36,837,850	35,973,847	864,003
Purchased Services	12,411,293	14,594,890	13,598,205	996,685
Energy Services	14,500	14,260	4,709	9,551
Materials and Supplies	7,261,160	7,763,668	3,533,188	4,230,480
Capital Outlay	1,494,225	1,822,976	1,643,951	179,025
Other Expenses	4,328,136	4,894,951	4,836,432	58,519
Total Instruction	<u>191,662,168</u>	<u>197,644,146</u>	<u>189,295,155</u>	<u>8,348,991</u>

(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, 2016

	<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)				
Student Support Services:				
Salaries	\$ 8,879,316	\$ 11,375,510	\$ 10,961,434	\$ 414,076
Employee Benefits	2,529,198	3,038,439	2,995,750	42,689
Purchased Services	2,469,598	2,469,513	1,659,509	810,004
Energy Services	4,000	4,000	2,695	1,305
Materials and Supplies	148,863	170,058	58,704	111,354
Capital Outlay	2,100	7,418	7,275	143
Other Expenses	-	9,731	9,668	63
Total Student Support Services	<u>14,033,075</u>	<u>17,074,669</u>	<u>15,695,035</u>	<u>1,379,634</u>
Instructional Media Services:				
Salaries	3,250,000	3,405,569	3,276,603	128,966
Employee Benefits	712,000	956,070	955,972	98
Purchased Services	49,263	56,006	43,585	12,421
Materials and Supplies	39,849	48,822	36,698	12,124
Capital Outlay	394,849	402,124	178,267	223,857
Other Expenses	1,300	35,794	34,611	1,183
Total Instructional Media Services	<u>4,447,261</u>	<u>4,904,385</u>	<u>4,525,736</u>	<u>378,649</u>
Instruction and Curriculum Development Services:				
Salaries	4,284,904	4,949,115	4,692,809	256,306
Employee Benefits	979,238	1,261,760	1,255,155	6,605
Purchased Services	46,959	132,488	91,895	40,593
Materials and Supplies	86,835	48,993	33,643	15,350
Capital Outlay	150	3,839	3,689	150
Other Expenses	12,375	15,848	8,450	7,398
Total Instruction and Curriculum Development Services	<u>5,410,461</u>	<u>6,412,043</u>	<u>6,085,641</u>	<u>326,402</u>
Instructional Staff Training Services:				
Salaries	1,853,307	1,944,759	1,942,939	1,820
Employee Benefits	457,684	451,547	432,743	18,804
Purchased Services	599,634	885,690	687,644	198,046
Materials and Supplies	147,953	195,957	73,385	122,572
Capital Outlay	190,000	106,498	18,590	87,908
Other Expenses	62,221	107,100	73,795	33,305
Total Instructional Staff Training Services	<u>3,310,799</u>	<u>3,691,551</u>	<u>3,229,096</u>	<u>462,455</u>
Instruction-Related Technology:				
Salaries	1,429,898	1,807,318	1,671,920	135,398
Employee Benefits	392,153	479,582	465,598	13,984
Purchased Services	318,073	392,102	288,943	103,159
Materials and Supplies	9,428	19,438	-	19,438
Capital Outlay	99,500	99,500	11,516	87,984
Other Expenses	5,775	11,402	9,905	1,497
Total Instruction-Related Technology	<u>2,254,827</u>	<u>2,809,342</u>	<u>2,447,882</u>	<u>361,460</u>

(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, 2016

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Board:				
Salaries	\$ 700,000	\$ 734,354	\$ 734,081	\$ 273
Employee Benefits	449,000	421,000	392,191	28,809
Purchased Services	270,823	233,680	165,082	68,598
Energy Services	900	601	524	77
Materials and Supplies	13,038	3,783	2,598	1,185
Capital Outlay	-	1,928	1,928	-
Other Expenses	26,141	43,043	39,646	3,397
Total Board of Education	1,459,902	1,438,389	1,336,050	102,339
General Administration:				
Salaries	600,000	600,000	551,971	48,029
Employee Benefits	128,000	128,000	123,522	4,478
Purchased Services	76,850	75,882	54,293	21,589
Materials and Supplies	24,300	24,300	8,716	15,584
Capital Outlay	-	1,002	1,002	-
Other Expenses	69,000	71,418	28,751	42,667
Total General Administration	898,150	900,602	768,255	132,347
School Administration:				
Salaries	12,536,801	12,742,795	12,518,375	224,420
Employee Benefits	3,295,763	3,305,468	3,297,556	7,912
Purchased Services	8,995	15,910	11,374	4,536
Materials and Supplies	53,328	67,693	47,557	20,136
Capital Outlay	13,766	20,697	19,895	802
Other Expenses	2,455	15,924	14,622	1,302
Total School Administration	15,911,108	16,168,487	15,909,379	259,108
Facilities Acquisition and Construction:				
Salaries	685,000	180,616	180,493	123
Employee Benefits	50,000	50,000	37,311	12,689
Purchased Services	187,667	191,853	182,980	8,873
Energy Services	20,750	16,242	14,997	1,245
Materials and Supplies	12,300	16,808	9,366	7,442
Capital Outlay	589,232	790,477	343,971	446,506
Other Expenses	4,350	4,350	1,407	2,943
Total Facilities Acquisition and Construction	1,549,299	1,250,346	770,525	479,821
Fiscal Services:				
Salaries	1,600,450	1,698,843	1,670,534	28,309
Employee Benefits	425,000	427,433	427,432	1
Purchased Services	789,875	685,698	228,693	457,005
Materials and Supplies	36,246	41,467	12,470	28,997
Capital Outlay	5,088	6,144	1,154	4,990
Other Expenses	2,775	22,613	21,067	1,546
Total Fiscal Services	2,859,434	2,882,198	2,361,350	520,848

(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, 2016

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Food Services:				
Salaries	\$ 132,000	\$ 365,382	\$ 365,380	\$ 2
Employee Benefits	5,000	11,451	11,444	7
Materials and Supplies	-	333	-	333
Other Expenses	-	150	150	-
Total Food Services	<u>137,000</u>	<u>377,316</u>	<u>376,974</u>	<u>342</u>
Central Services:				
Salaries	3,044,150	3,384,864	3,306,048	78,816
Employee Benefits	999,011	932,839	928,261	4,578
Purchased Services	1,797,772	1,701,503	665,241	1,036,262
Energy Services	40,000	40,221	17,180	23,041
Materials and Supplies	454,101	403,544	94,221	309,323
Capital Outlay	5,612	12,323	12,918	(595)
Other Expenses	220,454	181,445	144,617	36,828
Total Central Services	<u>6,561,100</u>	<u>6,656,739</u>	<u>5,168,486</u>	<u>1,488,253</u>
Student Transportation Services:				
Salaries	8,665,000	8,668,097	8,479,873	188,224
Employee Benefits	3,471,000	3,494,239	3,492,683	1,556
Purchased Services	733,381	728,603	463,285	265,318
Energy Services	3,182,525	3,031,038	1,264,150	1,766,888
Materials and Supplies	1,002,779	1,170,816	1,170,577	239
Capital Outlay	109,040	109,040	37,437	71,603
Other Expenses	720,992	1,662,876	1,318,679	344,197
Total Student Transportation Services	<u>17,884,717</u>	<u>18,864,709</u>	<u>16,226,684</u>	<u>2,638,025</u>
Operation of Plant:				
Salaries	5,515,887	5,649,980	5,583,701	66,279
Employee Benefits	2,544,504	2,547,958	2,389,491	158,467
Purchased Services	6,893,081	6,903,237	6,089,087	814,150
Energy Services	11,870,553	11,838,197	11,145,894	692,303
Materials and Supplies	563,828	619,194	613,874	5,320
Capital Outlay	33,235	44,522	48,971	(4,449)
Other Expenses	186,440	451,635	441,485	10,150
Total Operation of Plant	<u>27,607,528</u>	<u>28,054,723</u>	<u>26,312,503</u>	<u>1,742,220</u>
Maintenance of Plant:				
Salaries	4,706,797	4,816,630	4,783,807	32,823
Employee Benefits	1,816,048	1,797,312	1,705,506	91,806
Purchased Services	3,206,529	2,906,675	2,189,791	716,884
Energy Services	240,800	200,894	198,532	2,362
Materials and Supplies	1,706,480	1,767,186	1,766,541	645
Capital Outlay	54,298	54,298	62,046	(7,748)
Other Expenses	-	14,140	359	13,781
Total Maintenance of Plant	<u>11,730,952</u>	<u>11,557,135</u>	<u>10,706,582</u>	<u>850,553</u>

(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, 2016

	<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	\$ 2,460,286	\$ 2,568,265	\$ 2,476,181	\$ 92,084
Employee Benefits	654,339	654,357	616,934	37,423
Purchased Services	128,583	22,183	17,759	4,424
Energy Services	3,000	3,000	2,367	633
Materials and Supplies	83,263	29,689	27,209	2,480
Capital Outlay	-	30,174	30,174	-
Other Expenses	-	4,677	4,677	-
Total Administrative Technology Services	<u>3,329,471</u>	<u>3,312,345</u>	<u>3,175,301</u>	<u>137,044</u>
Community Services:				
Salaries	105,512	195,490	180,792	14,698
Employee Benefits	19,834	89,179	71,775	17,404
Purchased Services	42,562	43,017	41,954	1,063
Materials and Supplies	522,259	266,043	27,140	238,903
Capital Outlay	4,782	19,194	19,194	-
Other Expenses	164,902	394,208	189,979	204,229
Total Community Services	<u>859,851</u>	<u>1,007,131</u>	<u>530,834</u>	<u>476,297</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	11,159	22,758	(11,599)
Other Capital Outlay	1,318,828	1,531,510	712,282	819,228
Total Fixed Capital Outlay	<u>1,318,828</u>	<u>1,542,669</u>	<u>735,040</u>	<u>807,629</u>
Debt Service:				
Principal	10,000	10,000	-	10,000
Total Debt Service	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>313,235,931</u>	<u>326,558,925</u>	<u>305,656,508</u>	<u>20,902,417</u>
Deficiency of Revenues Over Expenditures	<u>(18,656,779)</u>	<u>(32,230,142)</u>	<u>(12,034,744)</u>	<u>20,195,398</u>
Other Financing Sources				
Transfers In	8,412,830	8,115,755	7,865,895	249,860
Loss Recoveries	-	1,446,626	1,446,626	-
Total Other Financing Sources	<u>8,412,830</u>	<u>9,562,381</u>	<u>9,312,521</u>	<u>249,860</u>
Net Change in Fund Balances	<u>(10,243,949)</u>	<u>(22,667,761)</u>	<u>(2,722,223)</u>	<u>19,945,538</u>
Fund Balances, July 1, 2015	<u>51,266,062</u>	<u>51,266,062</u>	<u>51,266,062</u>	<u>-</u>
Fund Balances, June 30, 2016	<u>\$ 41,022,113</u>	<u>\$ 28,598,301</u>	<u>\$ 48,543,839</u>	<u>\$ 19,945,538</u>

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, 2016

	Food Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State and Local:				
Food Service	\$ 16,635,000	\$ 17,796,125	\$ 17,796,125	\$ -
Total Federal Through State and Local	16,635,000	17,796,125	17,796,125	-
State:				
Food Service	300,000	279,694	279,694	-
Other State Sources	3,000	-	-	-
Total State	303,000	279,694	279,694	-
Local:				
Charges for Food Service	3,855,000	2,707,137	2,897,012	189,875
Other Local Sources	7,500	17,544	17,544	-
Total Local	3,862,500	2,724,681	2,914,556	189,875
Total Revenues	20,800,500	20,800,500	20,990,375	189,875
EXPENDITURES				
Current Education:				
Food Services:				
Salaries	4,918,285	4,918,285	4,897,018	21,267
Employee Benefits	2,783,697	2,783,697	2,358,060	425,637
Purchased Services	630,130	630,130	544,061	86,069
Energy Services	299,650	299,650	260,103	39,547
Materials and Supplies	10,645,578	10,645,578	10,164,172	481,406
Capital Outlay	191,270	191,270	129,655	61,615
Other Expenses	1,617,482	1,617,482	1,249,469	368,013
Total Food Services	21,086,092	21,086,092	19,602,538	1,483,554
Fixed Capital Outlay:				
Other Capital Outlay	637,053	637,053	471,950	165,103
Total Fixed Capital Outlay	637,053	637,053	471,950	165,103
Total Expenditures	21,723,145	21,723,145	20,074,488	1,648,657
Deficiency of Revenues Over Expenditures	(922,645)	(922,645)	915,887	1,838,532
Net Change in Fund Balances	(922,645)	(922,645)	915,887	1,838,532
Fund Balances, July 1, 2015	5,910,260	5,910,260	5,910,260	-
Fund Balances, June 30, 2016	\$ 4,987,615	\$ 4,987,615	\$ 6,826,147	\$ 1,838,532

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, 2016

	<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>		
REVENUES				
Federal Direct:				
Other Federal Direct Sources	\$ 2,531,449	\$ 1,787,013	\$ 1,405,073	\$ (381,940)
Total Federal Direct	2,531,449	1,787,013	1,405,073	(381,940)
Federal Through State and Local:				
Career and Technical Education	627,207	662,483	662,483	-
WIOA - Adult General Education	198,409	198,409	173,415	(24,994)
Other Workforce and Innovation Opportunity Act	295,469	245,731	245,731	-
Individuals with Disabilities Education Act	11,241,963	11,436,712	11,000,736	(435,976)
Elementary and Secondary Education Act - Title I	14,999,324	15,857,560	14,709,691	(1,147,869)
Other Federal Through State and Local Sources	2,423,203	3,423,977	2,767,455	(656,522)
Total Federal Through State and Local	29,785,575	31,824,872	29,559,511	(2,265,361)
Total Revenues	32,317,024	33,611,885	30,964,584	(2,647,301)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	4,517,913	5,375,451	5,368,294	7,157
Employee Benefits	1,691,442	1,704,352	1,620,633	83,719
Purchased Services	833,161	801,887	742,432	59,455
Materials and Supplies	1,054,521	868,433	802,580	65,853
Capital Outlay	1,496,479	1,633,723	1,599,229	34,494
Other Expenses	916,849	753,115	547,942	205,173
Total Instruction	10,510,365	11,136,961	10,681,110	455,851
Student Support Services:				
Salaries	814,326	745,738	721,365	24,373
Employee Benefits	235,409	243,457	219,715	23,742
Purchased Services	1,014,777	878,447	830,531	47,916
Materials and Supplies	166,783	177,930	122,616	55,314
Capital Outlay	13,247	10,631	4,188	6,443
Other Expenses	102,834	102,968	85,826	17,142
Total Student Support Services	2,347,376	2,159,171	1,984,241	174,930
Instructional Media Services:				
Salaries	24,266	86,166	73,683	12,483
Employee Benefits	3,949	12,049	11,992	57
Materials and Supplies	-	498	498	-
Capital Outlay	12,362	14,517	13,093	1,424
Other Expenses	188	188	-	188
Total Instructional Media Services	40,765	113,418	99,266	14,152

(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, 2016

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 5,486,438	\$ 4,541,177	\$ 4,488,758	\$ 52,419
Employee Benefits	1,166,577	1,247,954	1,247,954	-
Purchased Services	118,800	92,436	71,579	20,857
Materials and Supplies	72,152	106,509	74,007	32,502
Capital Outlay	39,879	46,938	35,179	11,759
Other Expenses	11,300	23,980	23,980	-
Total Instruction and Curriculum Development Services	<u>6,895,146</u>	<u>6,058,994</u>	<u>5,941,457</u>	<u>117,537</u>
Instructional Staff Training Services:				
Salaries	3,258,178	3,345,063	3,003,590	341,473
Employee Benefits	858,979	901,972	806,715	95,257
Purchased Services	1,150,982	1,747,917	1,460,923	286,994
Energy Services	-	1,000	-	1,000
Materials and Supplies	240,287	531,226	349,301	181,925
Capital Outlay	51,994	107,049	15,106	91,943
Other Expenses	151,982	175,372	104,821	70,551
Total Instructional Staff Training Services	<u>5,712,402</u>	<u>6,809,599</u>	<u>5,740,456</u>	<u>1,069,143</u>
Instruction-Related Technology:				
Salaries	1,349,007	1,360,107	1,276,159	83,948
Employee Benefits	422,108	423,262	398,428	24,834
Purchased Services	4,016	3,951	985	2,966
Other Expenses	102,655	86,623	86,623	-
Total Instruction-Related Technology	<u>1,877,786</u>	<u>1,873,943</u>	<u>1,762,195</u>	<u>111,748</u>
General Administration:				
Other Expenses	1,078,654	1,127,278	1,049,431	77,847
Total General Administration	<u>1,078,654</u>	<u>1,127,278</u>	<u>1,049,431</u>	<u>77,847</u>
School Administration:				
Salaries	13,988	1,568	399	1,169
Employee Benefits	2,259	267	65	202
Purchased Services	800	865	-	865
Total School Administration	<u>17,047</u>	<u>2,700</u>	<u>464</u>	<u>2,236</u>
Facilities Acquisition and Construction:				
Capital Outlay	18,289	18,255	5,038	13,217
Total Facilities Acquisition and Construction	<u>18,289</u>	<u>18,255</u>	<u>5,038</u>	<u>13,217</u>
Central Services:				
Salaries	23,365	23,365	19,987	3,378
Employee Benefits	5,415	8,227	7,495	732
Purchased Services	41,312	76,087	55,302	20,785
Other Expenses	3,980	4,320	212	4,108
Total Central Services	<u>74,072</u>	<u>111,999</u>	<u>82,996</u>	<u>29,003</u>

(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, 2016

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Student Transportation Services:				
Salaries	\$ 990,212	\$ 1,643,805	\$ 1,643,805	\$ -
Employees Benefits	605,384	843,565	725,847	117,718
Purchased Services	17,100	19,980	19,680	300
Energy Services	1,755	1,755	1,342	413
Other Expenses	631,557	412,751	293,722	119,029
Total Student Transportation Services	<u>2,246,008</u>	<u>2,921,856</u>	<u>2,684,396</u>	<u>237,460</u>
Operation of Plant:				
Purchased Services	28,653	26,130	20,834	5,296
Total Operation of Plant	<u>28,653</u>	<u>26,130</u>	<u>20,834</u>	<u>5,296</u>
Administrative Technology Services:				
Salaries	59,484	59,176	59,106	70
Employee Benefits	16,568	17,876	17,360	516
Total Administrative Technology Services	<u>76,052</u>	<u>77,052</u>	<u>76,466</u>	<u>586</u>
Community Services:				
Employee Benefits	1,201	1,025	1,025	-
Purchased Services	3,000	3,439	3,439	-
Materials and Supplies	2,600	1,588	1,588	-
Other Expenses	1,000,346	800,928	556,935	243,993
Total Community Services	<u>1,007,147</u>	<u>806,980</u>	<u>562,987</u>	<u>243,993</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,158	1,000	-	1,000
Other Capital Outlay	387,794	368,239	273,833	94,406
Total Fixed Capital Outlay	<u>388,952</u>	<u>369,239</u>	<u>273,833</u>	<u>95,406</u>
Total Expenditures	<u>32,318,714</u>	<u>33,613,575</u>	<u>30,965,170</u>	<u>2,648,405</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,690)</u>	<u>(1,690)</u>	<u>(586)</u>	<u>1,104</u>
Net Change in Fund Balances	<u>(1,690)</u>	<u>(1,690)</u>	<u>(586)</u>	<u>1,104</u>
Fund Balances, July 1, 2015	<u>1,690</u>	<u>1,690</u>	<u>1,690</u>	<u>-</u>
Fund Balances, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104</u>	<u>\$ 1,104</u>

**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, 2016**

	Federal Economic Stimulus Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local:				
Race-to-the-Top	\$ 15,792	\$ 15,792	\$ 15,792	\$ -
Total Federal Through State and Local	15,792	15,792	15,792	-
Total Revenues	15,792	15,792	15,792	-
EXPENDITURES				
Current Education:				
Instruction:				
Materials and Supplies	15,792	15,792	15,792	-
Total Instruction	15,792	15,792	15,792	-
Total Expenditures	15,792	15,792	15,792	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2015	-	-	-	-
Fund Balances, June 30, 2016	\$ -	\$ -	\$ -	\$ -

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.

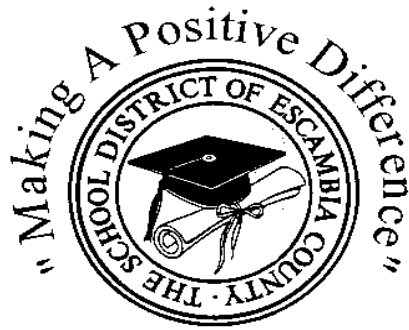
State Board of Education (SBE) Bond Fund - To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the SBE on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

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, 2016

	Other Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local:				
Interest Income	\$ -	\$ 62	\$ 62	\$ -
Total Local	-	62	62	-
Total Revenues	-	62	62	-
EXPENDITURES				
Debt Service:				
Principal	3,800,613	3,800,613	3,800,613	-
Interest and Fiscal Charges	1,312,238	1,526,733	1,526,733	-
Total Expenditures	5,112,851	5,327,346	5,327,346	-
Deficiency of Revenues Over Expenditures	(5,112,851)	(5,327,284)	(5,327,284)	-
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	51,910,000	51,910,000	-
Premium on Bond Issues	-	8,641,751	8,641,751	-
Transfers In	4,410,580	9,018,595	9,018,595	-
Transfers Out	-	(60,000,000)	(60,000,000)	-
Total Other Financing Sources (Uses)	4,410,580	9,570,346	9,570,346	-
Net Change in Fund Balances	(702,271)	4,243,062	4,243,062	-
Fund Balances, July 1, 2015	4,369,248	4,369,248	4,369,248	-
Fund Balances, June 30, 2016	\$ 3,666,977	\$ 8,612,310	\$ 8,612,310	\$ -

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, 2016

	State Board of Education (SBE) Bond Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State:				
CO and DS Withheld for SBE/COBI Bonds	\$ 637,927	\$ 621,725	\$ 621,725	\$ -
Other State Sources	-	118	118	-
Total State	<u>637,927</u>	<u>621,843</u>	<u>621,843</u>	<u>-</u>
Total Revenues	<u>637,927</u>	<u>621,843</u>	<u>621,843</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	516,000	516,000	516,000	-
Interest and Fiscal Charges	<u>121,927</u>	<u>122,120</u>	<u>122,120</u>	<u>-</u>
Total Expenditures	<u>637,927</u>	<u>638,120</u>	<u>638,120</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>(16,277)</u>	<u>(16,277)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(16,277)</u>	<u>(16,277)</u>	<u>-</u>
Fund Balances, July 1, 2015	<u>63,526</u>	<u>63,526</u>	<u>63,526</u>	<u>-</u>
Fund Balances, June 30, 2016	<u><u>\$ 63,526</u></u>	<u><u>\$ 47,249</u></u>	<u><u>\$ 47,249</u></u>	<u><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 ESCAMBA 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, 2016

	Local Capital Improvement Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local:				
Property Taxes	\$ 21,540,180	\$ 21,709,577	\$ 21,709,577	\$ -
Interest Income	-	32,861	32,861	-
Total Local	<u>21,540,180</u>	<u>21,742,438</u>	<u>21,742,438</u>	<u>-</u>
Total Revenues	<u>21,540,180</u>	<u>21,742,438</u>	<u>21,742,438</u>	<u>-</u>
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	776,814	4,306,046	4,186,033	120,013
Improvements Other Than Buildings	456,917	515,843	345,978	169,865
Remodeling and Renovations	2,785,071	4,367,832	2,839,848	1,527,984
Computer Software	279,758	513,324	288,324	225,000
Total Facilities Acquisition and Construction	<u>4,298,560</u>	<u>9,703,045</u>	<u>7,660,183</u>	<u>2,042,862</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	4,469,689	836,414	630,318	206,096
Motor Vehicles	4,239,439	4,721,036	4,320,088	400,948
Improvements Other Than Buildings	53,345	70,264	25,215	45,049
Computer Software	291,852	231,357	-	231,357
Total Facilities Acquisition and Construction	<u>9,054,325</u>	<u>5,859,071</u>	<u>4,975,621</u>	<u>883,450</u>
Total Expenditures	<u>13,352,885</u>	<u>15,562,116</u>	<u>12,635,804</u>	<u>2,926,312</u>
Excess of Revenues Over Expenditures	<u>8,187,295</u>	<u>6,180,322</u>	<u>9,106,634</u>	<u>2,926,312</u>
Other Financing Sources (Uses)				
Loss Recoveries	-	306,159	306,159	-
Transfers Out	(11,822,117)	(11,314,860)	(11,314,860)	-
Total Other Financing Uses	<u>(11,822,117)</u>	<u>(11,008,701)</u>	<u>(11,008,701)</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,634,822)</u>	<u>(4,828,379)</u>	<u>(1,902,067)</u>	<u>2,926,312</u>
Fund Balances, July 1, 2015	<u>12,744,780</u>	<u>12,744,780</u>	<u>12,744,780</u>	<u>-</u>
Fund Balances, June 30, 2016	<u>\$ 9,109,958</u>	<u>\$ 7,916,401</u>	<u>\$ 10,842,713</u>	<u>\$ 2,926,312</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, 2016

	Capital Outlay and Debt Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State:				
CO and DS Distribution	\$ 326,449	\$ 997,774	\$ 997,774	\$ -
Other State Sources	-	4,826	4,826	-
Total State	<u>326,449</u>	<u>1,002,600</u>	<u>1,002,600</u>	<u>-</u>
Total Revenues	<u>326,449</u>	<u>1,002,600</u>	<u>1,002,600</u>	<u>-</u>
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	25,145	25,145	-	25,145
Remodeling and Renovations	1,037,785	1,037,785	377,544	660,241
Total Facilities Acquisition and Construction	<u>1,062,930</u>	<u>1,062,930</u>	<u>377,544</u>	<u>685,386</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	105,015	105,015	-	105,015
Improvements Other Than Buildings	11,289	11,289	-	11,289
Total Facilities Acquisition and Construction	<u>116,304</u>	<u>116,304</u>	<u>-</u>	<u>116,304</u>
Debt Service:				
Dues and Fees	-	1,165	1,165	-
Total Debt Service	<u>-</u>	<u>1,165</u>	<u>1,165</u>	<u>-</u>
Total Expenditures	<u>1,179,234</u>	<u>1,180,399</u>	<u>378,709</u>	<u>801,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(852,785)</u>	<u>(177,799)</u>	<u>623,891</u>	<u>801,690</u>
Net Change in Fund Balances	<u>(852,785)</u>	<u>(177,799)</u>	<u>623,891</u>	<u>801,690</u>
Fund Balances, July 1, 2015	<u>960,997</u>	<u>960,997</u>	<u>960,997</u>	<u>-</u>
Fund Balances, June 30, 2016	<u><u>\$ 108,212</u></u>	<u><u>\$ 783,198</u></u>	<u><u>\$ 1,584,888</u></u>	<u><u>\$ 801,690</u></u>

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, 2016

	Public Education Capital Outlay Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State:				
Public Education Capital Outlay	\$ 912,198	\$ 912,198	\$ 912,198	\$ -
Total State	912,198	912,198	912,198	-
Total Revenues	912,198	912,198	912,198	-
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Remodeling and Renovations	332,946	373,049	299,892	73,157
Total Facilities Acquisition and Construction	332,946	373,049	299,892	73,157
Total Expenditures	332,946	373,049	299,892	73,157
Excess of Revenues Over Expenditures	579,252	539,149	612,306	73,157
Other Financing Uses				
Transfers Out	(711,615)	(671,512)	(671,512)	-
Total Other Financing Uses	(711,615)	(671,512)	(671,512)	-
Net Change in Fund Balances	(132,363)	(132,363)	(59,206)	73,157
Fund Balances, July 1, 2015	132,363	132,363	132,363	-
Fund Balances, June 30, 2016	\$ -	\$ -	\$ 73,157	\$ 73,157

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, 2016

	Other Capital Projects Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
Charter School Capital Outlay	\$ 289,678	\$ 290,103	\$ 290,103	\$ -
Total State	289,678	290,103	290,103	-
Local:				
Sales Taxes	20,000,000	24,164,744	24,164,744	-
Interest Income	-	567,421	567,421	-
Total Local	20,000,000	24,732,165	24,732,165	-
Total Revenues	20,289,678	25,022,268	25,022,268	-
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	398,514	214,329	24,764	189,565
Improvements Other Than Buildings	1,509,125	1,482,316	793,351	688,965
Remodeling and Renovations	12,612,195	32,621,975	5,029,726	27,592,249
Total Facilities Acquisition and Construction	14,519,834	34,318,620	5,847,841	28,470,779
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	51,040,859	97,552,230	7,670,946	89,881,284
Furniture, Fixtures, and Equipment	64,225	249,592	64,742	184,850
Land	3,075,307	3,973,443	3,041,205	932,238
Improvements Other Than Buildings	147,418	177,081	76,366	100,715
Remodeling and Renovations	4,662,998	571,045	194,218	376,827
Total Facilities Acquisition and Construction	58,990,807	102,523,391	11,047,477	91,475,914
Total Expenditures	73,510,641	136,842,011	16,895,318	119,946,693
Deficiency of Revenues Over Expenditures	(53,220,963)	(111,819,743)	8,126,950	119,946,693
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	1,369,143	1,369,143	-
Loss Recoveries	-	144,039	144,039	-
Transfers In	-	60,000,000	60,000,000	-
Transfers Out	(289,678)	(4,898,118)	(4,898,118)	-
Total Other Financing Sources (Uses)	(289,678)	56,615,064	56,615,064	-
Net Change in Fund Balances	(53,510,641)	(55,204,679)	64,742,014	119,946,693
Fund Balances, July 1, 2015	69,328,034	69,328,034	69,328,034	-
Fund Balances, June 30, 2016	\$ 15,817,393	\$ 14,123,355	\$ 134,070,048	\$ 119,946,693

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, 2016

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 25,124,482	\$ 14,030,354	\$ 39,154,836
Due from Other Agencies	-	500,000	500,000
TOTAL ASSETS	\$ 25,124,482	\$ 14,530,354	\$ 39,654,836
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ -	\$ 118,665	\$ 118,665
Due to Other Funds	422,133	1,411,156	1,833,289
Due to Other Agencies	-	1,311	1,311
Unearned Revenue	-	3,449,715	3,449,715
Estimated Insurance Claims Payable	4,097,660	2,875,090	6,972,750
Total Current Liabilities	4,519,793	7,855,937	12,375,730
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	20,604,689	-	20,604,689
Total Noncurrent Liabilities	20,604,689	-	20,604,689
TOTAL LIABILITIES	25,124,482	7,855,937	32,980,419
NET POSITION			
Restricted for Employee Benefits	-	6,674,417	6,674,417
Total Net Position	-	6,674,417	6,674,417
TOTAL LIABILITIES AND NET POSITION	\$ 25,124,482	\$ 14,530,354	\$ 39,654,836

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, 2016

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
OPERATING REVENUES			
Premium Revenues	\$ 4,745,591	\$ 39,210,014	\$ 43,955,605
Other	-	571,439	571,439
Total Operating Revenues	<u>4,745,591</u>	<u>39,781,453</u>	<u>44,527,044</u>
OPERATING EXPENSES			
Salaries	238,529	267,899	506,428
Employee Benefits	4,042,191	80,018	4,122,209
Purchased Services	542,297	5,270,699	5,812,996
Energy Services	5,081	10,706	15,787
Material and Supplies	2,211	9,744	11,955
Capital Outlay	63,883	-	63,883
Other	838	34,939,249	34,940,087
Total Operating Expenses	<u>4,895,030</u>	<u>40,578,315</u>	<u>45,473,345</u>
Operating Income (Loss)	<u>(149,439)</u>	<u>(796,862)</u>	<u>(946,301)</u>
NONOPERATING REVENUES			
Loss Recoveries	149,439	-	149,439
Total Nonoperating Revenues	<u>149,439</u>	<u>-</u>	<u>149,439</u>
Income (Loss) Before Transfers	-	(796,862)	(796,862)
Change in Net Position	<u>-</u>	<u>(796,862)</u>	<u>(796,862)</u>
NET POSITION			
Total Net Position, July 1, 2015	-	7,471,279	7,471,279
Total Net Position, June 30, 2016	<u>\$ -</u>	<u>\$ 6,674,417</u>	<u>\$ 6,674,417</u>

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, 2016

	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	\$ 4,745,591	\$ 39,185,136	\$ 43,930,727
Cash Payments to Suppliers for Goods and Services	(241,372)	(8,190,313)	(8,431,685)
Cash Payments to Employees for Services	(298,103)	(347,916)	(646,019)
Cash Payments for Interfund Services Used	20,728	435,485	456,213
Cash Payments for Insurance Claims	(4,239,454)	(31,626,410)	(35,865,864)
Net Cash Provided (Used) by Operating Activities	<u>(12,610)</u>	<u>(544,018)</u>	<u>(556,628)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,610)	(544,018)	(556,628)
Beginning Cash and Cash Equivalents	<u>25,137,092</u>	<u>14,574,372</u>	<u>39,711,464</u>
Ending Cash and Cash Equivalents	<u><u>\$ 25,124,482</u></u>	<u><u>\$ 14,030,354</u></u>	<u><u>\$ 39,154,836</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (149,439)	\$ (796,862)	\$ (946,301)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Due From Other Funds	-	13,622	13,622
Increase in Due From Other Agencies	-	(500,000)	(500,000)
Decrease in Accounts Payable	-	(124,623)	(124,623)
Increase in Due to Other Funds	20,729	435,485	456,214
Increase in Due to Other Agencies	-	1,311	1,311
Decrease in Unearned Revenue	-	(109,938)	(109,938)
Increase in Estimated Insurance Claims Payable	-	536,987	536,987
Decrease in Estimated Insurance Claims Payable	(33,339)	-	(33,339)
Total Adjustments	<u>(12,610)</u>	<u>252,844</u>	<u>240,234</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (162,049)</u></u>	<u><u>\$ (544,018)</u></u>	<u><u>\$ (706,067)</u></u>

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, 2016

	Agency Funds		
	Total	Student and Club Activities	Employee Benefits
ASSETS			
Cash	\$ 3,167,427	\$ 3,120,489	\$ 46,938
LIABILITIES			
Internal Accounts Payable	3,120,489	3,120,489	-
Payroll Deductions and Withholdings	46,938	-	46,938
Total Liabilities	\$ 3,167,427	\$ 3,120,489	\$ 46,938

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
June 30, 2016

	Student and Club Activities			June 30, 2016
	June 30, 2015	Additions	Deletions	
Assets				
Cash	\$ 2,792,528	\$ 5,063,542	\$ 4,735,581	\$ 3,120,489
Liabilities				
Internal Accounts Payable	\$ 2,792,528	\$ 5,063,542	\$ 4,735,581	\$ 3,120,489
Total Liabilities	\$ 2,792,528	\$ 5,063,542	\$ 4,735,581	\$ 3,120,489

	Employee Benefits Program			June 30, 2016
	June 30, 2015	Additions	Deletions	
Assets				
Cash	\$ 55,417	\$ -	\$ 8,479	\$ 46,938
Liabilities				
Payroll Deductions and Withholdings	\$ 55,417	\$ -	\$ 8,479	\$ 46,938
Total Liabilities	\$ 55,417	\$ -	\$ 8,479	\$ 46,938

	Total			June 30, 2016
	June 30, 2015	Additions	Deletions	
Assets				
Cash	\$ 2,847,945	\$ 5,063,542	\$ 4,744,060	\$ 3,167,427
Liabilities				
Internal Accounts Payable	\$ 2,792,528	\$ 5,063,542	\$ 4,735,581	\$ 3,120,489
Payroll Deductions and Withholdings	55,417	-	8,479	46,938
Total Liabilities	\$ 2,847,945	\$ 5,063,542	\$ 4,744,060	\$ 3,167,427

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., 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, 2016

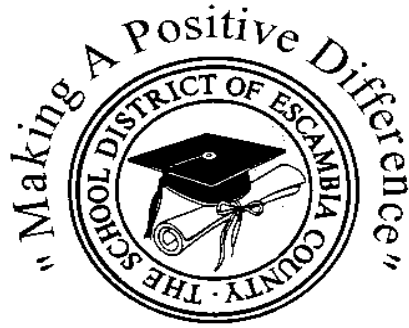
	Charter Schools			
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School, Inc.
ASSETS				
Cash and Cash Equivalents	\$ 1,086,586	\$ 295,486	\$ 608,386	\$ 219,918
Accounts Receivable	-	7,893	281,765	6,429
Deposits Receivable	-	1,016	-	-
Prepaid Items	7,532	7,376	15,765	10,785
Capital Assets:				
Non-Depreciable Capital Assets	428,690	-	-	-
Depreciable Capital Assets, Net	1,681,468	171,966	2,583,056	156,690
Total Assets	3,204,276	483,737	3,488,972	393,822
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	-	-	68,574	-
Total Deferred Outflows of Resources	-	-	68,574	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	\$ 3,204,276	\$ 483,737	\$ 3,557,546	\$ 393,822
LIABILITIES				
Salaries and Benefits Payable	\$ -	\$ -	\$ 20,171	\$ -
Accounts Payable	4,225	10,901	283,364	16,657
Unearned Revenue	-	-	-	-
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Notes Payable	183,681	-	160,997	117,062
Obligations Under Capital Leases	3,758	-	-	4,318
Compensated Absences Payable	-	-	-	4,450
Portion Due or Payable After One Year:				
Notes Payable	417,435	-	31,001	-
Obligations Under Capital Leases	15,977	-	-	10,637
Compensated Absences Payable	-	-	-	12,241
Pension Liability	-	-	283,898	-
Total Liabilities	625,076	10,901	779,431	165,365
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	-	-	31,780	-
Total Deferred Inflows of Resources	-	-	31,780	-
NET POSITION				
Net Investment in Capital Assets	1,489,307	171,966	2,583,056	141,735
Restricted for:				
State Required Carryover Programs	-	-	-	44,229
Debt Service	140,000	-	-	-
Capital Projects	-	-	-	42,493
Other Purposes	-	-	-	-
Unrestricted	949,893	300,870	163,279	-
Total Net Position - Component Units	2,579,200	472,836	2,746,335	228,457
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
	\$ 3,204,276	\$ 483,737	\$ 3,557,546	\$ 393,822

Charter Schools			The Escambia County Public Schools Foundation for Excellence, Inc.		Total Component Units
Byrneville Elementary School, Inc.	Capstone Academy Pensacola	Total Charter Schools			
\$ 1,265,325	\$ 119,100	\$ 3,594,801	\$ 674,040	\$	4,268,841
-	59,775	355,862	54,056		409,918
-	-	1,016			1,016
-	-	41,458			41,458
-	-	428,690			428,690
149,441	107,324	4,849,945	1,032		4,850,977
<u>1,414,766</u>	<u>286,199</u>	<u>9,271,772</u>	<u>729,128</u>		<u>10,000,900</u>
74,735	-	143,309	-		143,309
<u>74,735</u>	<u>-</u>	<u>143,309</u>	<u>-</u>		<u>143,309</u>
<u>\$ 1,489,501</u>	<u>\$ 286,199</u>	<u>\$ 9,415,081</u>	<u>\$ 729,128</u>		<u>\$ 10,144,209</u>
\$ -	\$ 1,177	\$ 21,348	\$ -	\$	21,348
29,766	34,621	379,534	-		379,534
-	553	553	-		553
-	731	462,471	-		462,471
-	-	8,076	-		8,076
4,497	-	8,947	-		8,947
-	-	448,436	-		448,436
-	-	26,614	-		26,614
23,868	-	36,109	-		36,109
323,232	-	607,130	-		607,130
<u>381,363</u>	<u>37,082</u>	<u>1,999,218</u>	<u>-</u>		<u>1,999,218</u>
40,299	-	72,079	-		72,079
<u>40,299</u>	<u>-</u>	<u>72,079</u>	<u>-</u>		<u>72,079</u>
149,441	-	4,535,505	1,032		4,536,537
-	-	44,229			44,229
-	-	140,000			140,000
-	-	42,493			42,493
-	-	-	557,028		557,028
918,398	249,117	2,581,557	171,068		2,752,625
<u>1,067,839</u>	<u>249,117</u>	<u>7,343,784</u>	<u>729,128</u>		<u>8,072,912</u>
<u>\$ 1,489,501</u>	<u>\$ 286,199</u>	<u>\$ 9,415,081</u>	<u>\$ 729,128</u>		<u>\$ 10,144,209</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

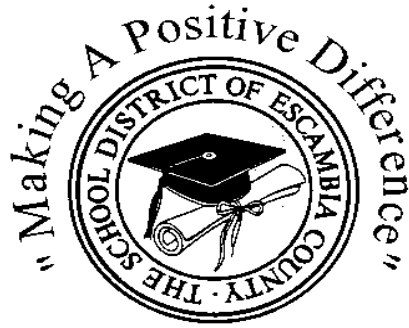
	Charter Schools			
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School, Inc.
Functions/Programs				
Expenses:				
Governmental Activities:				
Instruction	\$ 855,515	\$ 640,700	\$ 605,021	\$ 332,726
Student Support Services	1,454	28,341	-	39,575
Instructional Media Services	1,959	-	-	-
Instruction and Curriculum Development Services	-	1,500	3,662	-
Instructional Staff Training Services	240	-	492	-
Instruction-Related Technology	-	-	37,919	-
Board	-	-	-	401
General Administration	-	-	19,115	-
School Administration	248,089	200,538	194,641	3,587
Facilities Acquisition and Construction	4,305	-	194,038	24,043
Fiscal Services	13,500	40,200	31,062	153,920
Food Services	179,433	137	-	-
Central Services	90,707	-	-	69,417
Student Transportation Services	207,081	126,883	22,860	130,508
Operation of Plant	187,497	255,820	237,928	85,421
Maintenance of Plant	71,601	69,680	-	16,601
Administrative Technology Services	-	-	285	-
Unallocated Interest on Long-Term Debt	38,199	-	-	23
Unallocated Depreciation Expense	-	-	-	-
Total Expenses	1,899,580	1,363,799	1,347,023	856,222
Program Revenues:				
Charges for Services	55,855	-	140,400	-
Operating Grants and Contributions	289,117	46,876	27,479	115,579
Capital Grants and Contributions	-	74,416	118,445	-
Total Program Revenues	344,972	121,292	286,324	115,579
Net Program Expense	(1,554,608)	(1,242,507)	(1,060,699)	(740,643)
General Revenues and Special Item:				
Grants and Contributions Not Restricted to Specific Programs	1,700,313	1,372,609	984,959	577,481
Unrestricted Investment Earnings	-	-	6,197	402
Miscellaneous	193	3,745	-	3,636
Total General Revenues and Special Item	1,700,506	1,376,354	991,156	581,519
Changes in Net Position	145,898	133,847	(69,543)	(159,124)
Net Position				
Net Position, July 1, 2015	2,433,302	338,989	2,815,878	387,581
Net Position, June 30, 2016	\$ 2,579,200	\$ 472,836	\$ 2,746,335	\$ 228,457

Charter Schools			The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
Byrneville Elementary School, Inc.	Capstone Academy Pensacola	Total Charter Schools		
\$ 864,777	\$ 394,731	\$ 3,693,470	\$ 900,808	\$ 4,594,278
523	-	69,893	-	69,893
-	-	1,959	-	1,959
-	-	5,162	-	5,162
-	-	732	-	732
-	-	37,919	-	37,919
400	50	851	-	851
76,025	16,667	111,807	140,135	251,942
174,634	99,138	920,627	-	920,627
2,580	-	224,966	-	224,966
16,240	4,018	258,940	-	258,940
11,983	2,619	194,172	-	194,172
-	706	160,830	-	160,830
66,550	14,309	568,191	-	568,191
120,768	22,756	910,190	-	910,190
243	-	158,125	-	158,125
-	-	285	-	285
-	228	38,450	-	38,450
-	14,588	14,588	-	14,588
<u>1,334,723</u>	<u>569,810</u>	<u>7,371,157</u>	<u>1,040,943</u>	<u>8,412,100</u>
10,380	147,112	353,747	-	353,747
36,597	58,198	573,846	-	573,846
-	-	192,861	-	192,861
<u>46,977</u>	<u>205,310</u>	<u>1,120,454</u>	<u>-</u>	<u>1,120,454</u>
<u>(1,287,746)</u>	<u>(364,500)</u>	<u>(6,250,703)</u>	<u>(1,040,943)</u>	<u>(7,291,646)</u>
1,477,047	420,770	6,533,179	831,477	7,364,656
1,832	69	8,500	1,026	9,526
-	-	7,574	202,656	210,230
<u>1,478,879</u>	<u>420,839</u>	<u>6,549,253</u>	<u>1,035,159</u>	<u>7,584,412</u>
191,133	56,339	298,550	(5,784)	292,766
876,706	192,778	7,045,234	734,912	7,780,146
<u>\$ 1,067,839</u>	<u>\$ 249,117</u>	<u>\$ 7,343,784</u>	<u>\$ 729,128</u>	<u>\$ 8,072,912</u>



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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>	127
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>	135
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>	141
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>	145
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>	149

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, 2007	June 30, 2008	June 30, 2009
Governmental Activities:			
Net Investment in Capital Assets	\$ 178,915,643	\$ 188,476,535	\$ 219,815,751
Restricted	128,677,400	141,958,454	123,598,721
Unrestricted	<u>(5,337,670)</u>	<u>(8,743,741)</u>	<u>(8,902,576)</u>
Total Governmental Activities Net Position	<u>302,255,373</u>	<u>321,691,248</u>	<u>334,511,896</u>
Business-Type Activities:			
Net Investment in Capital Assets			
Restricted			
Unrestricted	<u>12,755</u>		
Total Business-Type Activities Net Position	<u>12,755</u>		
Primary Government:			
Net Investment in Capital Assets	178,915,643	188,476,535	219,815,751
Restricted	128,677,400	141,958,454	123,598,721
Unrestricted	<u>(5,324,915)</u>	<u>(8,743,741)</u>	<u>(8,902,576)</u>
Total Primary Government Net Position	<u>\$ 302,268,128</u>	<u>\$ 321,691,248</u>	<u>\$ 334,511,896</u>

Source: District Records

Fiscal Year Ending

<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
\$ 225,400,496	\$ 252,115,638	\$ 254,218,697	\$ 252,132,981	\$ 269,930,903	\$ 288,526,040	\$ 234,417,599
134,790,510	107,465,893	115,478,880	119,870,743	121,223,565	115,241,269	182,241,764
(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)	(131,632,624)	(140,330,443)
356,903,097	381,747,747	374,722,983	372,093,754	388,185,131	272,134,685	276,328,920
225,400,496	252,115,638	254,218,697	252,132,981	269,930,903	288,526,040	234,417,599
134,790,510	107,465,893	115,478,880	119,870,743	121,223,565	115,241,269	182,241,764
(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)	(131,632,624)	(140,330,443)
\$ 356,903,097	\$ 381,747,747	\$ 374,722,983	\$ 372,093,754	\$ 388,185,131	\$ 272,134,685	\$ 276,328,920

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

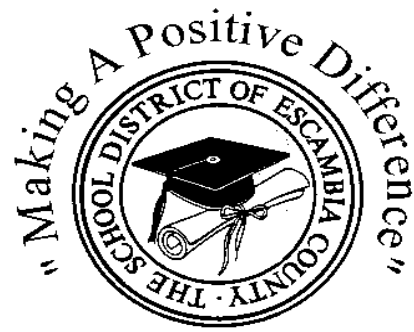
	Fiscal Year Ending									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Primary Government:										
Expenses:										
Governmental Activities:										
Instruction	\$ 200,035,407	\$ 210,699,076	\$ 205,755,887	\$ 205,951,789	\$ 209,265,786	\$ 197,679,286	\$ 202,319,715	\$ 200,433,368	\$ 206,850,659	\$ 213,251,178
Student Personnel Services	17,710,197	17,159,487	16,952,375	16,858,395	16,848,558	15,147,309	15,295,809	16,018,809	16,357,758	18,119,750
Instructional Media Services	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	4,763,360
Instruction and Curriculum Development Services	11,939,007	11,812,859	10,898,048	11,197,176	11,008,291	9,883,085	9,685,168	10,038,942	10,450,035	12,301,860
Instructional Staff Training Services	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	9,038,724
Instruction Related Technology	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	4,598,508
Board	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	1,370,750
General Administration	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	1,839,932
School Administration	15,866,203	15,674,843	14,449,919	14,170,094	14,358,227	13,427,115	14,123,325	14,787,725	14,978,087	16,420,126
Facilities Acquisition and Construction	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	15,877,255
Fiscal Services	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	2,428,612
Food Services	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	20,327,540
Central Services	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	5,488,570
Student Transportation Services	17,173,433	17,894,762	18,143,178	17,537,020	18,863,979	18,651,437	19,359,259	18,220,613	17,788,057	21,368,991
Operation of Plant	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	26,673,022
Maintenance of Plant	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	11,231,772
Administrative Technology Services	3,712,180	3,813,897	3,719,871	3,681,151	3,781,038	3,891,979	3,911,729	3,948,080	3,508,846	3,586,559
Community Services	709,533	897,108	985,155	1,242,581	1,084,175	1,253,975	1,458,102	1,384,546	1,119,798	1,106,272
Unallocated Interest on Long-Term Debt	3,650,125	3,251,291	2,876,984	2,843,124	2,643,630	2,404,644	2,105,728	1,883,019	1,855,933	3,051,758
Loss on Disposal of Capital Assets	3,653,313	334,149	1,123,337							
Unallocated Depreciation										
Total Governmental Activities Expenses	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	392,844,539
Business-Type Activities:										
Panhandle Management Development Network	65,894	8,000								
Total Business-Type Activities Expenses	65,894	8,000								
Total Primary Government Expenses	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	392,844,539
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	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	1,197,625
Facilities Acquisition and Construction							33,888	40,716	28,759	38,707
Food Services	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	2,897,012
Student Transportation Services			457,021	415,479	262,892	437,998	256,127	252,548	241,944	259,827
Community Services							394,213	393,075	424,983	471,105
Operating Grants and Contributions	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	18,028,039
Capital Grants and Contributions	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	4,800,120
Total Governmental Activities Program Revenues	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	27,692,435

(Continued)

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

	Fiscal Year Ending									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Business-Type Activities:										
Charges for Services	\$ 68,770	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Business-Type Activities Program Revenues	68,770									
Total Primary Government Program Revenues	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	27,692,435
Net (Expenses)/Revenues										
Governmental Activities	(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)	(365,152,104)
Business-Type Activities	2,876	(8,000)								
Total Primary Government Net Expenses	(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)	(365,152,104)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	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	91,336,026
Levied for Capital Projects	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	21,709,577
Local Sales Taxes	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254	23,376,775	24,164,744
Grants and Contributions Not Restricted to Specific Programs	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	228,438,767
Unrestricted Investment Earnings	8,754,067	5,787,426	1,743,725	492,008	295,489	158,475	77,582	96,333	584,835	681,813
Miscellaneous	3,015,536	4,756,160	3,319,666	6,216,542	4,185,317	2,937,726	3,213,169	3,702,323	3,604,535	3,015,412
Loss Recoveries	20,181,553	4,464,012	1,085,919							
Transfers		4,755								
Total Governmental Activities	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	369,346,339
Business-Type Activities:										
Transfers		(4,755)								
Investment Earnings	375									
Total Business-Type Activities	375	(4,755)								
Total Primary Government General Revenues and Other Changes in Net Position	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	369,346,339
Changes in Net Position:										
Governmental Activities	36,491,254	19,435,875	12,820,647	22,391,201	24,844,649	(7,024,764)	(2,629,229)	16,091,377	15,372,028	4,194,235
Business-Type Activities	3,251	(12,755)								
Total Primary Government	\$ 36,494,505	\$ 19,423,120	\$ 12,820,647	\$ 22,391,201	\$ 24,844,649	\$ (7,024,764)	\$ (2,629,229)	\$ 16,091,377	\$ 15,372,028	\$ 4,194,235

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	June 30, 2016
General Fund						
Nonspendable	\$ 1,215,720	\$ 1,208,455	\$ 1,208,455	\$ 1,215,625	\$ 1,208,455	\$ 1,208,455
Restricted	9,184,279	13,311,648	9,106,284	17,486,027	13,050,637	12,301,277
Assigned	15,762,759	20,804,591	21,234,802	20,243,410	22,247,545	24,577,866
Unassigned	40,731,996	20,156,679	19,036,830	14,514,070	14,759,425	10,456,241
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>	<u>\$ 48,543,839</u>
All Other Governmental Funds						
Nonspendable	\$ 1,334,910	\$ 1,286,998	\$ 1,600,470	\$ 1,715,215	\$ 1,977,837	\$ 2,204,600
Restricted	92,954,183	95,657,391	106,024,402	102,022,323	91,533,061	159,853,016
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>	<u>\$ 162,057,616</u>

Pre-GASB 54

	Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
General Fund				
Reserved for:				
Encumbrances	\$ 11,191,867	\$ 2,352,701	\$ 1,336,715	\$ 1,609,721
State Categorical Programs	5,202,838	4,293,074	7,549,726	12,581,661
Inventories	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	1,608,877			
Unreserved	20,481,566	24,826,303	24,432,388	32,916,644
Total General Fund	<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	13,303,247	28,393,311	13,645,239	28,830,870
Inventories	1,070,863	1,078,435	1,337,149	1,178,765
Unreserved, Reported in:				
Special Revenue Funds	4,426,188	3,889,807	4,779,396	5,733,237
Debt Service Funds	4,742,564	4,480,160	4,715,914	4,743,512
Capital Projects Funds	86,377,339	84,573,574	78,322,174	66,064,908
Total All Other Governmental Funds	<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)

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Revenues:										
Federal Direct:										
Federal Impact, Current Operations	\$ 1,152,581	\$ 1,183,926	\$ 1,018,679	\$ 765,872	\$ 920,990	\$ 724,457	\$ 701,600	\$ 550,597	\$ 615,566	\$ 520,324
Reserve Officers Training Corps (ROTC)	417,065	409,098	413,473	435,838	433,570	424,206	435,608	437,965	438,955	457,309
Other Federal Direct Sources	962,300	772,319	694,217	1,277,879	1,848,880	2,033,007	2,494,810	1,849,952	1,991,890	1,405,073
Total Federal Direct	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	2,382,706
Federal Through State and Local:										
Food Service	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	17,796,125
Other Federal Through State and Local Sources	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	32,181,086
Total Federal Through State and Local	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	49,977,211
State:										
Florida Education Finance Program (FEFP)	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	141,767,900
Workforce Development	5,432,193	5,272,821	5,041,903	4,632,491	4,532,780	4,765,518	4,778,222	4,895,677	4,880,129	4,586,924
Adults with Disabilities	292,671	270,706	241,255	230,654	219,164	187,087	160,690	162,244	167,298	167,298
Categorical Educational Programs	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	46,190,066
Discretionary Lottery Funds	1,586,871	1,880,022	942,182	106,881	143,196	125,912		387,403	142,093	
CO and DS Distribution	191,946	383,269	259,043	228,989	179,241	155,363	184,231	181,172	272,230	997,774
CO and DS Withheld for SBE/COBI Bonds	1,384,081	1,270,660	1,377,051	1,383,223	1,408,787	1,449,634	1,427,398	1,441,102	1,288,789	621,725
Public Education Capital Outlay	5,493,269	6,231,986	3,264,046	821,950	2,262,924				787,693	912,198
Class Size Reduction	6,995,090	4,061,135								
Food Service	371,943	367,566	360,688	336,673	347,024	317,775	301,994	302,684	284,424	279,694
Other State Sources	3,181,271	2,858,430	2,237,993	1,957,074	4,002,816	4,426,113	3,019,987	3,183,878	2,680,220	1,601,569
Total State	214,054,757	215,051,694	184,461,177	163,735,201	166,648,254	160,046,578	166,625,923	183,954,521	188,753,373	196,957,850
Local:										
Property Taxes	108,552,155	115,283,258	124,590,418	126,204,175	117,723,841	114,647,668	111,322,083	114,755,292	116,594,753	113,045,603
Charges for Food Service	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	2,897,012
Sales Taxes	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254	23,376,775	24,164,744
Interest Income	7,854,187	5,232,574	1,683,864	453,046	281,179	141,013	55,362	96,333	596,541	681,813
Other Local Sources	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	4,786,985
Total Local	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	145,576,157
Total Revenues	411,988,450	412,955,459	390,435,560	398,048,059	397,158,209	356,516,463	361,159,642	383,464,796	391,314,136	394,893,924
Expenditures:										
Current:										
Instruction	194,003,980	204,278,206	198,766,964	198,539,780	199,014,371	189,523,811	188,948,850	192,462,254	205,019,212	199,992,057
Student Personnel Services	17,744,031	17,053,141	16,925,918	16,780,482	16,569,587	15,268,235	14,898,648	15,986,593	16,849,656	17,679,276
Instructional Media Services	5,866,894	5,461,659	5,271,893	4,700,758	4,594,243	4,142,086	4,039,942	4,210,339	4,557,548	4,625,002
Instruction and Curriculum										
Development Services	11,518,924	11,693,817	10,950,595	11,180,453	10,918,167	9,985,299	9,438,703	9,927,607	10,540,383	12,027,098
Instructional Staff Training Services	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	8,969,552
Instruction Related Technology (a)	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	4,210,077
Board of Education	1,062,728	1,206,764	1,157,359	1,543,620	1,413,818	1,325,749	1,236,702	1,194,064	1,264,067	1,336,050

(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)

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
General Administration	\$ 1,360,405	\$ 1,504,389	\$ 1,621,018	\$ 2,963,753	\$ 2,545,919	\$ 1,405,283	\$ 1,558,318	\$ 2,409,159	\$ 2,238,154	\$ 1,817,686
School Administration	15,900,390	15,390,211	14,599,860	14,106,346	13,998,296	13,553,109	13,659,134	14,743,900	15,569,808	15,909,843
Facility Services	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	14,961,023
Fiscal Services	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	2,361,350
Food Service	18,687,353	18,262,744	17,937,965	18,256,402	17,787,701	19,800,947	20,180,916	20,629,628	20,171,124	19,979,512
Central Services	4,012,916	4,970,337	3,859,480	3,736,109	3,791,850	4,508,051	4,763,206	4,959,376	5,106,813	5,251,482
Student Transportation Services	15,868,321	16,496,816	16,637,566	15,783,172	16,556,430	16,865,818	16,134,634	16,362,999	16,274,752	18,911,080
Operation of Plant	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	26,333,337
Maintenance of Plant	12,293,035	11,547,704	10,806,804	10,268,080	10,813,898	10,196,603	10,985,410	10,592,744	10,953,267	10,706,582
Administrative Technology Services (a)	3,143,570	3,147,233	3,134,090	3,058,616	3,229,741	3,429,491	3,188,998	3,559,873	3,266,347	3,251,767
Community Services	709,533	896,030	985,155	1,239,929	1,081,523	1,251,320	1,446,291	1,379,526	1,123,431	1,093,821
Fixed Capital Outlay:										
Facilities Acquisition and Construction	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	16,045,856
Other Capital Outlay	3,768,805	3,174,268	2,451,582	3,080,669	2,949,474	1,723,958	2,191,130	1,381,185	1,622,740	1,458,065
Debt Service:										
Principal	4,455,384	4,434,860	4,541,769	4,380,125	4,221,187	4,213,595	4,498,680	4,697,828	4,768,768	4,316,613
Interest and Fiscal Charges	3,478,895	3,208,832	2,738,169	2,704,475	2,507,998	2,295,429	2,105,728	1,952,012	1,619,850	1,650,018
Total Expenditures	410,622,888	409,007,454	410,645,767	385,073,452	400,126,738	366,615,322	357,649,596	386,172,854	408,832,585	392,887,147
Excess (Deficiency) of Revenues Over Expenditures	1,365,562	3,948,005	(20,210,207)	12,974,607	(2,968,529)	(10,098,859)	3,510,046	(2,708,058)	(17,518,449)	2,006,777
Other Financing Sources (Uses)										
Bonds Issued		1,295,000			225,000					51,910,000
Refunding Bonds Issued						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	1,369,143
Loss Recoveries		4,750,744	1,085,919	1,233	7,474,473	45,345	650,765	500,000	3,285,325	1,896,824
Certificates of Participation Issued										
Refunding Certificates of Participation Issued						1,124,561			19,840,000	
Premiums on Long-Term Debt Issued		46,756			19,346	255,174		36,560	2,548,722	8,641,751
Payment to Refunding Escrow Agent						(3,986,280)		(186,007)	(23,126,288)	
Transfers In	14,218,508	15,448,151	15,817,649	11,996,925	11,369,796	16,156,101	16,449,253	12,691,682	13,632,905	76,884,490
Transfers Out	(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)	(76,884,490)
Total Other Financing Sources (Uses)		6,099,454	1,085,919	3,196,563	7,296,322	1,340,774	2,275,435	1,693,485	5,098,739	63,817,718
Change in Fund Balances Before Extraordinary Items	1,365,562	10,047,459	(19,124,288)	16,171,170	4,327,793	(8,758,085)	5,785,481	(1,014,573)	(12,419,710)	65,824,495
Extraordinary Items	20,181,553									
Net Change in Fund Balances	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)	65,824,495
Fund Balances, Beginning	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	144,776,960
Fund Balances, Ending	\$ 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	\$ 210,601,455
Debt Service as a Percentage of Noncapital Expenditures	2.08%	1.99%	1.97%	1.94%	1.83%	1.83%	1.90%	1.84%	1.68%	1.59%

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, 2016	\$ 91,336,026	\$21,709,577	\$ 24,164,744	\$ 137,210,347
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

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				Less: Exemptions	Total Taxable Value	Ratio of Taxable Value to Assessed Value	Total Direct Rate
	Real Property	Personal Property	Centrally Assessed Property	Total Assessed Value				
2015-16	\$ 22,920,773	\$ 2,209,501	\$ 28,109	\$ 25,158,383	\$ 9,734,784	\$ 15,423,599	61.31%	7.113
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

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

Source: 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			
	2006-07	2007-08	2008-09	2009-10
Direct Rates:				
District School Board:				
Local Required Effort	5.134	4.960	5.286	5.612
Discretionary Local	0.510	0.510	0.498	0.748
Supplemental Discretionary	0.250	0.250	0.250	0.250
Capital Improvement	2.000	2.000	1.686	1.250
Total District School Board	7.894	7.720	7.720	7.860
Overlapping Rates:				
Escambia County	8.756	8.017	6.976	6.976
Escambia County Municipal Service Taxing Unit	0.747	0.685	0.685	0.685
City of Pensacola	4.950	4.598	4.540	4.540
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000
Northwest Florida Water Management	0.050	0.045	0.045	0.045
Town of Century	0.764	0.781	0.823	0.905

Source: Escambia County Tax Collector

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
5.631	5.573	5.510	5.309	5.237	4.999
0.748	0.748	0.748	0.748	0.748	0.748
0.250	0.000	0.000	0.000	0.000	0.000
1.231	1.500	1.500	1.500	1.337	1.366
7.860	7.821	7.758	7.557	7.322	7.113
6.975	6.975	6.975	6.976	6.617	6.616
0.685	0.685	0.685	0.685	0.685	0.685
4.540	4.289	4.289	4.290	4.290	4.290
2.000	2.000	2.000	2.000	2.000	2.000
0.045	0.040	0.040	0.040	0.039	0.038
0.905	0.905	0.905	0.901	0.871	0.901

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

Taxpayer	Fiscal Year					
	2015-16			2006-07		
	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	\$ 426,161	3.67%
International Paper Company	2	330,543	2.09%	2	240,445	2.07%
Solutia, Inc. / Ascend Perf. Mat.	3	125,834	0.79%	3	160,098	1.38%
West Florida Medical Center	4	93,345	0.59%	7	95,500	0.82%
Simon Debartolo Group / Simon Property	5	57,903	0.37%	9	47,855	0.41%
Walmart Stores	6	58,315	0.37%	8	52,859	0.46%
Bellsouth Telecommunication	7	57,174	0.36%	6	98,773	0.85%
Navy Federal Credit Union	8	80,630	0.51%			
CoxCom, Inc. (formerly Cox Cable)	9	36,856	0.23%			0.00%
Pensacola POB/Baptist Hospital	10	67,485	0.43%			
WCI Communities				10	47,329	0.41%
Sacred Heart Health Systems				4	147,155	1.27%
Pensacola Christian College				5	113,224	0.97%
Totals		<u>\$ 1,488,713</u>	<u>9.40%</u>		<u>\$ 1,429,399</u>	<u>12.32%</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
2015-16	\$ 116,836,952	\$ 109,306,823	93.56%	\$ 3,738,780	\$ 113,045,603	96.76%
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%

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)					Percentage of Personal Income (B)	Per Capita (B)
	State Board of Education Bonds	Certificates of Participation	Sales Tax Revenue Bonds	Capital Leases	Total Primary Government		
2015-16	\$ 2,225,141	\$ 27,477,464	\$ 60,551,751		\$ 90,254,356	0.803%	294
2014-15	2,738,580	31,635,983			34,374,563	0.315%	112
2013-14	3,954,275	35,063,539			39,017,814	0.355%	128
2012-13	5,206,286	38,611,793			43,818,079	0.406%	146
2011-12	6,410,159	42,016,050			48,426,209	0.471%	162
2010-11	7,479,885	45,087,833		\$ 77,967	52,645,685	0.528%	176
2009-10	8,298,895	48,028,536		379,304	56,706,735	0.564%	190
2008-09	9,291,284	50,840,714		1,038,229	61,170,227	0.624%	206
2007-08	10,233,673	53,536,829		2,024,988	65,795,490	0.704%	222
2006-07	9,764,305	56,131,879		3,076,029	68,972,213	0.785%	232

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, 2016
(Unaudited)

Governmental Unit	State Board of Education (SBA) Bonded Debt Outstanding	Sales Tax Revenue Bonds, Series 2016	Certificates of Participation Outstanding	Direct Debt	
				Total Debt Outstanding	Percentage Applicable to This Governmental Unit
District School Board of Escambia County	\$ 2,225,141	60,551,751.00	\$ 27,477,464	\$ 90,254,356	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
2015-16	\$ 16,413,934,013	n/a	\$ -	\$ -	0.00%
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%

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>
2015-16	\$ 16,413,934	\$ 5,062,851	.32 Mills
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

(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

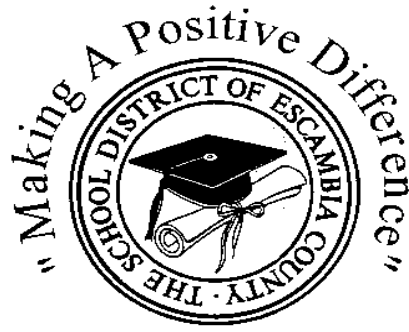
**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)**

Fiscal Year	Population (A)	Personal Income	Per Capita Personal Income (A)	Median Age (A)
2015-16	306,944	\$ 11,243,972,608	\$ 36,632	37.90
2014-15	305,872	10,919,018,656	35,698	37.70
2013-14	305,817	10,987,087,359	35,927	37.60
2012-13	301,120	10,782,203,840	35,807	38.30
2011-12	299,511	10,284,608,718	34,338	37.40
2010-11	299,114	9,977,545,698	33,357	37.00
2009-10	297,964	10,053,901,288	33,742	38.40
2008-09	297,015	9,805,653,210	33,014	35.00
2007-08	296,854	9,350,010,438	31,497	36.80
2006-07	297,393	8,791,234,473	29,561	36.90

Sources:

- (A) Population, personal income, and per capita personal income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.
- (B) Unemployment Rates were obtained from 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 which reduced total enrollment numbers.

Unemployment Rate (B)	Student Enrollment (C)	Government-wide Governmental Activities Expenses	Cost per Student
4.7%	40,125.27	\$ 392,844,539	\$ 9,790
5.7%	40,244.00	379,364,936	9,427
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



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

Employer	Fiscal Year					
	2015-16 ⁽¹⁾			2006-07 ⁽¹⁾		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Local Government	16,000	1	7.46%	15,790	1	7.40%
Federal Government	6,500	2	3.03%	7,403	2	3.47%
State of Florida	5,900	3	2.75%	5,970	3	2.80%
Baptist Healthcare	5,571	4	2.60%	3,500	5	1.64%
Navy Federal Credit Union	5,240	5	2.44%			
Sacred Heart Health System	5,000	6	2.33%	4,100	4	1.92%
Gulf Power Company	1,774	7	0.83%	1,400	8	0.66%
West Florida Healthcare	1,200	8	0.56%	1,300	9	0.61%
Solutia, Inc. / Ascend Perf. Mat.	830	9	0.39%	1,300	9	0.61%
West Corporation	800	10	0.37%			
University of West Florida				2,400	6	1.12%
Lakeview Center				1,500	7	0.70%
Total	48,815		22.75%	44,663		20.93%
Civilian Labor Force	214,528			213,406		

⁽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		
				2006-07	2007-08	2008-09
Elementary Schools/K-8						
Allen Elementary	1956	82,902	1	617.09	633.18	590.63
Bellview Elementary	1950	91,723	4	743.83	762.67	722.02
Beulah Elementary	1980	89,786	18	700.59	724.57	767.96
Bibbs Elementary	1962	57,871		382.90	344.17	336.40
Blue Angels Elementary	1999	112,793	7	827.43	815.10	860.56
Bratt Elementary	1980	69,313	5	386.22	394.02	393.28
Brentwood Elementary	1937	61,735	10	530.61	450.24	413.87
Caro Elementary	1989	110,126	8	879.56	864.49	908.50
Carver/Century K-8	1958	61,793	1	264.63	203.75	213.65
Cook Elementary	1997	119,728		591.80	588.18	608.90
Cordova Park Elementary	1962	85,651	8	625.75	673.04	658.14
Edgewater Elementary	1962	51,663		360.03	350.82	350.87
Ensley Elementary	1959	62,282	10	363.17	374.90	348.21
Ferry Pass Elementary	1957	77,426	11	673.44	646.94	619.81
Global Learning Academy	2011	130,802				
Hallmark Elementary	1928	36,993	3	239.50	241.43	225.34
Holm Elementary	1999	110,183	2	556.81	550.19	534.63
Lincoln Park Elementary	1961	56,091	2	334.74	279.94	247.52
Lipscomb Elementary	1991	107,268	12	871.98	950.12	1,018.97
Longleaf Elementary	1975	88,455	3	769.00	802.02	746.02
McArthur Elementary	1975	85,242	11	712.59	719.12	714.42
Molino Park Elementary	2002	129,694		459.84	463.95	431.27
Montclair Elementary	1960	68,383	2	296.56	321.92	473.91
Myrtle Grove Elementary	1936	77,263	8	640.92	679.32	651.69
Navy Point Elementary	1954	79,369		393.96	384.27	331.85
Oakcrest Elementary	1956	65,708	11	430.76	447.43	426.31
Pine Meadow Elementary	1960	76,748	10	796.95	780.37	797.83
Pleasant Grove Elementary	1948	65,857	7	620.28	658.23	645.02
Scenic Heights Elementary	1960	95,129	12	743.78	694.10	779.99
Semmes Elementary	1955	65,484		310.06	286.23	266.07
Sherwood Elementary	1958	77,292	1	530.79	524.10	518.14
Suter Elementary	1921	49,458	3	354.70	381.17	367.55
Warrington Elementary	1947	66,228	11	442.65	392.79	369.93
Weis Elementary	1990	111,524		516.72	548.52	533.02
West Pensacola Elementary	1955	69,757	10	481.45	461.44	455.00
Yniestra Elementary	1938	39,600	1	404.08	281.97	235.79
Total Elementary Schools			192	18,855.17	18,674.70	18,563.07
Middle Schools						
Bailey Middle School	1993	190,868	12	1,528.66	1,504.05	1,488.20
Bellview Middle School	1961	140,220	8	1,134.80	1,192.10	1,099.50
Brentwood Middle School	1955	88,445		818.79		
Brown Barge Middle School ⁽⁴⁾	1955	88,445	7	509.00	631.00	652.71
Brownsville Middle School	1955	106,664		524.30		
Ferry Pass Middle School	1961	127,961	5	899.43	880.80	894.56
Ransom Middle School	1987	158,627	12	1,403.11	1,365.31	1,325.81
Ward Middle School	1945	82,541	2	443.00	458.50	461.49
Warrington Middle School	1953	127,637	6	617.20	892.00	854.80
Wedgewood Middle School	1964	85,650		555.60		
Woodham Middle School	1964	215,596	4		1,012.60	928.50
Workman Middle School	1962	128,638	10	788.13	850.02	866.11
Total Middle Schools			66	9,222.02	8,786.38	8,571.68

Full-Time Equivalent Enrollment Data

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
582.19	652.44	628.36	632.13	563.93	577.49	616.68
730.25	672.10	698.00	746.50	696.10	720.25	750.09
817.78	844.84	887.80	896.00	920.11	967.64	963.52
328.55	242.86					
925.00	871.90	884.76	989.10	849.17	913.43	943.18
429.61	422.30	436.02	438.91	414.96	401.14	418.33
500.41	535.68	542.87	555.39	616.97	585.98	578.78
947.05	912.02	943.06	908.97	952.20	954.91	895.03
623.68	658.59	628.50	635.72	622.13	579.89	587.39
676.26	659.22	713.52	677.22	707.88	680.48	682.44
354.68	406.52	442.93	427.16	457.85	474.93	493.22
687.15	706.56	708.42	622.66	688.46	724.37	680.40
		780.06	753.14	757.43	757.96	726.78
212.56	210.84					
517.04	491.35	471.58	430.67	440.04	470.40	499.20
214.04	225.60	261.56	276.44	140.02	147.40	179.88
1,005.05	945.39	903.03	911.39	926.99	931.84	921.90
670.47	717.83	730.88	690.67	784.36	772.13	770.94
726.02	704.10	686.64	693.60	740.55	762.06	770.49
390.37	387.18	397.26	387.26	381.35	415.13	410.79
458.55	332.80	373.04	363.04	341.33	308.66	356.02
684.76	661.41	662.82	677.72	703.69	606.89	657.61
397.30	435.80	481.62	483.58	508.65	449.89	495.57
413.72	448.61	470.03	518.35	602.87	663.55	568.79
835.71	844.88	856.67	909.03	942.99	905.42	920.56
648.00	666.57	675.09	680.62	631.70	729.36	670.18
837.44	782.45	780.00	841.67	872.57	762.30	815.98
297.80	263.26	335.69	366.24	405.43	397.86	377.28
489.16	532.50	509.20	526.66	589.50	605.46	615.84
385.52	400.23	367.58	434.72	423.62	437.37	538.95
502.06	516.25	508.12	483.24	485.95	425.29	429.38
517.78	464.15	487.68	492.60	573.90	545.03	494.13
530.31	499.98	497.94	472.12	404.83	425.20	439.63
234.89	256.63					
<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>	<u>19,268.96</u>
1,453.50	1,479.60	1,406.93	1,400.90	1,481.31	1,389.71	1,345.50
1,060.30	1,107.60	1,071.40	1,110.69	980.69	1,019.59	1,009.26
634.00	617.50	610.70	620.99	594.23	576.87	536.37
873.37	946.00	889.82	980.71	1,011.74	987.37	1,023.05
1,310.05	1,312.30	1,356.40	1,360.09	1,429.64	1,392.08	1,331.98
519.31	480.00	465.58	461.33	458.58	453.79	459.53
850.71	731.11	727.70	705.79	649.87	672.76	666.22
924.90	912.63	853.80	805.80	699.61	687.07	821.14
867.10	936.43	921.42	1,008.49	979.62	941.48	852.51
<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>	<u>8,045.56</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			
				2006-07	2007-08	2008-09	2009-10
High Schools							
Escambia High School	1958	277,591	8	1,743.04	1,920.58	1,895.15	1,873.29
West Florida High School of Advanced Technology	1967	338,380	12	1,245.00	1,284.46	1,300.88	1,296.67
Northview High School	1993	142,694		558.33	551.61	546.10	552.65
Pensacola High School	1949	283,755	5	1,404.95	1,483.93	1,532.93	1,641.12
Pine Forest High School	1974	230,033	15	1,520.34	1,958.50	1,833.24	1,876.25
Tate Senior High School	1950	283,254	3	2,071.28	1,967.59	1,909.05	1,955.85
Washington High School	1976	270,222	6	1,659.19	1,875.50	1,691.68	1,634.31
Woodham High School	1962	115,126		1,229.01			
Total High Schools			49	11,431.14	11,042.17	10,709.03	10,830.14
Special Centers							
Judy Andrews Pre-K Center	1965	20,458		42.50	47.50	44.00	
Clubbs Alternative Middle School	1938	35,459		122.00	146.50	148.50	85.50
Judy Andrews Second Chance Center ⁽⁵⁾	1954	45,495					53.50
E-Seal Center	1992	36,527	5	97.55	85.59	83.97	85.31
Sid Nelson Community Learning	1956	56,836		107.35	122.10	143.75	154.24
McMillian Learning Center	1961	63,536	1	59.52	61.74	65.49	70.36
George Stone Technical Center ⁽³⁾	1967	219,913	5				
Escambia Westgate Center	1979	96,305		223.64	221.16	218.64	226.07
OASIS High School Preparatory Academy	1965			72.00	72.00	72.00	
Total Special Centers			11	724.56	756.59	776.35	674.98
Other Programs							
Camelot	n/a	n/a	n/a				
District Administered Programs	n/a	n/a	n/a	151.92	153.18	147.00	123.93
Escambia County Jail	n/a	n/a	n/a	0.93	1.23	1.35	4.65
Escambia Juvenile Justice Center	n/a	n/a	n/a	103.49	96.33	70.00	50.00
Hospital & Homebound	n/a	n/a	n/a	18.22	16.24	14.13	10.07
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	17.00	17.50	16.00	15.00
Lakeview Center	n/a	n/a	n/a	40.50	41.50	40.00	36.50
Escambia Boys Base	n/a	n/a	n/a	38.11	37.02	26.02	25.50
Escambia Bay Marine	n/a	n/a	n/a	75.98	68.30	72.00	55.50
Outward Bound	n/a	n/a	n/a	33.72			
PACE Center for Girls	n/a	n/a	n/a	61.30	63.30	51.00	53.00
McKay Scholarships	n/a	n/a	n/a	130.50	144.00	163.00	192.00
Opportunity Scholarships	n/a	n/a	n/a				
Total Other Programs				671.67	638.60	600.50	566.15
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	225.50	239.20	261.70	261.60
Byrneville Elementary School, Inc.	n/a	n/a	n/a	159.30	162.70	166.80	178.60
Capstone Academy Pensacola	n/a	n/a	n/a	10.00	13.50	18.82	24.84
Escambia Charter School, Inc.	n/a	n/a	n/a	108.50	121.50	130.50	126.00
Dr. Ruby J. Gainer School for Reaching Your Dream	n/a	n/a	n/a	118.51	109.88	113.50	
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a	179.50	194.30	203.30	182.00
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	115.45	124.86	143.76	140.68
Total Charter Schools				1,120.77	1,179.23	1,038.38	913.72
Virtual Instruction Programs	n/a	n/a	n/a				
Total District				42,025.33	41,077.67	40,259.01	40,049.39

⁽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 typically generate Full Time Enrollment (FTE) except for dual enrollment during 2015-16 school year..

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

⁽⁵⁾ Formerly known as Dixon Educational Center until the 2006-07 fiscal year.

Source: District Records

Full-Time Equivalent Enrollment Data

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1,811.94	1,786.06	1,646.34	1,678.82	1,707.46	1,660.39
1,279.41	1,249.58	1,245.51	1,254.39	1,257.06	1,260.88
541.38	540.27	535.95	495.89	481.26	487.64
1,607.20	1,611.19	1,571.52	1,463.15	1,419.10	1,406.35
1,744.28	1,702.56	1,729.23	1,646.97	1,674.06	1,630.10
1,928.49	1,884.06	1,969.99	1,928.67	2,073.34	2,144.49
1,591.01	1,609.95	1,623.54	1,626.17	1,711.79	1,721.81
<u>10,503.71</u>	<u>10,383.67</u>	<u>10,322.08</u>	<u>10,094.06</u>	<u>10,324.07</u>	<u>10,311.66</u>
52.00	40.51	38.76	40.72	42.99	57.59
84.30	68.15	49.14	38.95	25.51	16.96
232.00	246.00	238.50	242.49	228.83	228.47
<u>368.30</u>	<u>354.66</u>	<u>326.40</u>	<u>322.16</u>	<u>297.33</u>	<u>303.33</u>
182.50	154.00	160.00	177.75	181.05	177.83
108.46	102.20	90.44	92.98	100.45	82.83
2.90	9.00	17.00	15.13	17.30	28.14
44.50	58.22	49.53	48.09	52.05	36.40
9.99	12.28	9.33	9.85	14.76	6.08
16.00	18.50	16.00	16.41	12.45	12.68
29.00	29.50	28.50	26.63	24.90	43.52
24.50	27.66	19.17	28.38	30.34	34.38
54.00	74.55	59.12	31.69		
50.50	66.80	63.43	62.61	72.62	69.53
235.00	235.00	248.50	316.71	328.86	311.35
<u>757.35</u>	<u>787.71</u>	<u>761.02</u>	<u>826.23</u>	<u>834.78</u>	<u>802.74</u>
220.30	156.50	160.00			
261.30	282.90	282.60	288.04	286.55	289.89
161.40	157.10	158.80	174.10	191.63	206.72
25.93	21.51	25.50	26.00	23.42	24.93
107.50	126.50	114.00	120.03	115.26	104.69
214.50	188.00	174.50	197.63	179.94	209.75
				89.44	
	189.10	166.80	158.33	172.87	
	81.50	91.03	113.23	109.43	
141.45	135.45	138.26	135.34	138.00	139.10
<u>1,132.38</u>	<u>1,338.56</u>	<u>1,311.49</u>	<u>1,212.70</u>	<u>1,306.54</u>	<u>975.08</u>
	199.94	241.88	282.75	172.54	403.48
<u>39,657.75</u>	<u>40,119.02</u>	<u>40,340.18</u>	<u>40,170.72</u>	<u>40,155.69</u>	<u>40,110.81</u>

**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
2015-16	3,034	168	1,964	5,166	13.24	18.06
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

(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
2015-16	\$ 36,446 - \$ 40,046	\$ 58,786 - \$ 62,386	\$ 45,171
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

(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.

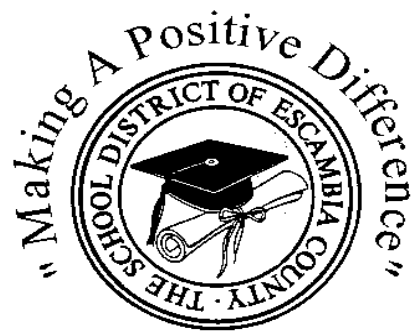
Source: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

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

	Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Days Meals were Served	180	180	180	177
Average Number of Free and Reduced Meals Served Daily	27,886	26,440	27,681	29,557
Number of Free and Reduced Meals Served	5,019,529	4,759,284	4,982,623	5,231,541
Average Daily Subsidy Received	\$ 62,312	\$ 65,436	\$ 71,958	\$ 78,042
Total Subsidy Received	\$ 11,216,190	\$ 11,778,397	\$ 12,952,440	\$ 13,813,367
Average Number of Meals Served Daily	35,695	33,365	33,766	35,511
Number of Meals Served	6,425,066	6,005,633	6,077,927	6,285,394
Average Daily Revenues	\$ 102,799	\$ 98,927	\$ 104,226	\$ 107,987
Total Revenues	\$ 18,503,864	\$ 17,806,948	\$ 18,760,744	\$ 19,113,616
Average Daily Costs	\$ 102,150	\$ 103,911	\$ 99,617	\$ 102,972
Total Costs	\$ 18,387,009	\$ 18,704,011	\$ 17,931,037	\$ 18,226,102

Source: District Records

Fiscal Year Ending					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
180	180	177	175	180	180
30,082	31,288	30,980	30,792	30,809	32,567
5,414,671	5,631,896	5,483,459	5,388,581	5,545,625	5,862,052
\$ 79,942	\$ 83,309	\$ 88,638	\$ 90,802	\$ 1,580	\$ 90,295
\$ 14,389,546	\$ 14,995,628	\$ 15,688,854	\$ 15,890,352	\$ 284,424	\$ 16,253,037
35,774	36,613	36,473	35,870	35,751	35,875
6,439,395	6,590,289	6,455,792	6,277,235	6,435,127	6,457,472
\$ 108,906	\$ 109,692	\$ 111,500	\$ 112,721	\$ 110,961	\$ 116,613
\$ 19,603,137	\$ 19,744,479	\$ 19,735,430	\$ 19,726,102	\$ 19,973,056	\$ 20,990,375
\$ 99,434	\$ 111,823	\$ 118,833	\$ 118,158	\$ 112,483	\$ 111,525
\$ 17,898,106	\$ 20,128,069	\$ 21,033,403	\$ 20,677,648	\$ 20,246,983	\$ 20,074,488



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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, 2016*

<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	\$ 4,096,004	
National School Lunch Program	10.555 (2)	13001	13,475,737	
Summer Food Service Program for Children	10.559	13006	147,325	
Total Child Nutrition Cluster			<u>17,719,066</u>	
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	330	29,279	
Total United States Department of Agriculture			<u>17,748,345</u>	
United States Department of Labor:				
Indirect:				
WIA Cluster:				
Workforce Escarosa, Inc.:				
WIA Youth Activities	17.259	None	245,731	
Total United States Department of Labor:			<u>245,731</u>	
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.063	N/A	886,355	
Impact Aid	84.041 (3)	N/A	520,324	
Total Direct			<u>1,406,679</u>	
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	10,588,024	
Special Education - Preschool Grants	84.173	266, 267	412,712	
Total Special Education Cluster			<u>11,000,736</u>	
Florida Department of Education				
Adult Education - Basic Grants to States	84.002	191	173,415	
Title I Grants to Local Educational Agencies	84.010	212, 222, 223, 228	14,562,024	
Education of Migrant Children, Title I, Part C	84.011	217	147,667	
Career and Technical Education - Basic Grants to States	84.048	161	662,483	
Education for Homeless Children and Youth	84.196	127	119,023	
English Language Acquisition Grants	84.365	102	88,877	
Improving Teacher Quality State Grants	84.367	224, 225	2,559,555	
ARRA - State Fiscal Stabilization Fund - Race-to-the-Top, Recovery Act	84.395	RL111, RG311, RG411	15,792	
Total Florida Department of Education			<u>18,328,836</u>	
Total Indirect			<u>29,329,572</u>	
Total United States Department of Education			<u>30,736,251</u>	
United States Department of Health and Human Services:				
Indirect:				
Community Action Community - Head Start				
Head Start	93.600	None	656,788	
Total United States Department of Health and Human Services:			<u>656,788</u>	

*DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2016*

<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	\$ 70,410	
Air Force Junior Reserve Officers Training Corps	None	N/A	54,911	
Navy Junior Reserve Officers Training Corps	None	N/A	331,988	
Competitive Grants: Promoting K-12 student Achievement at Military-Connected Schools	12.556	N/A	518,368	
Total United States Department of Defense			<u>975,677</u>	
Total Expenditures of Federal Awards			<u>\$ 50,362,792</u>	

Notes to Schedule of Federal Financial Assistance Program Expenditures

(1) Basis of Presentation

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2015-2016 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. The District did not elect to use the 10% de minimis indirect cost rate.

(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-2013-0001 (\$37,453.28), 19-FL-2014-0001 (\$64,750.86), and 19-FL-2016-0001 (\$418,120.01).



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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 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 December 16, 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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 16, 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 THE UNIFORM GUIDANCE**

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") *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of 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 the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 16, 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 the Uniform Guidance, 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 the Uniform Guidance (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
December 16, 2016

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For the Year Ended June 30, 2016

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 the Uniform Guidance.

No matters are reported.

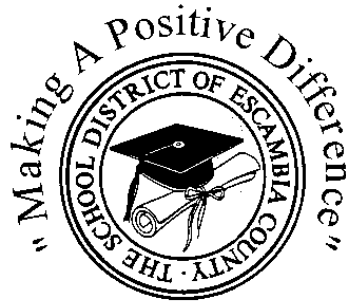
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2016

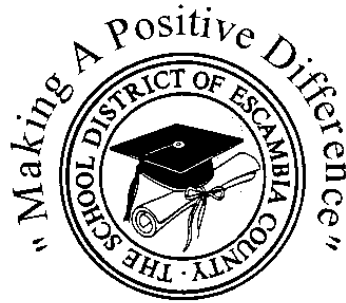
FEDERAL GRANT PROGRAM AUDIT FINDINGS

No matters were reported.



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OTHER REPORTS



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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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, 2016, and have issued our report thereon dated December 16, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting 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 the Uniform Guidance, 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 December 16, 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, there were no findings in the preceding annual financial report and corrective action was made 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)5.a. 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.

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 website 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 website 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
December 16, 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, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2016.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 16, 2016