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ALL STUDENTS FOR THE FUTURE**

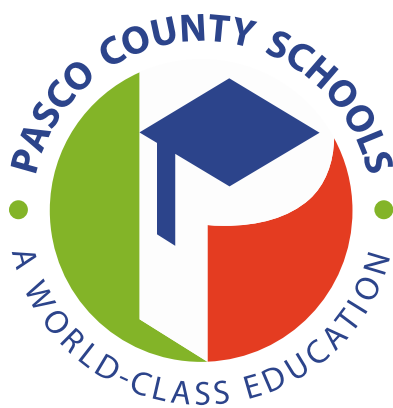
Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2015



**DISTRICT SCHOOL BOARD
OF PASCO COUNTY**

Kurt S. Browning, Superintendent of Schools
Land O' Lakes, Florida
www.pasco.k12.fl.us



Comprehensive Annual Financial Report

of the

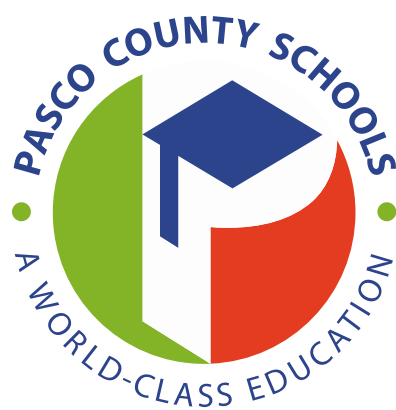
District School Board of Pasco County
Land O' Lakes, Florida

for the

Fiscal Year Ended June 30, 2015



Issued by:
Finance Services Department



District School Board of Pasco County Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015

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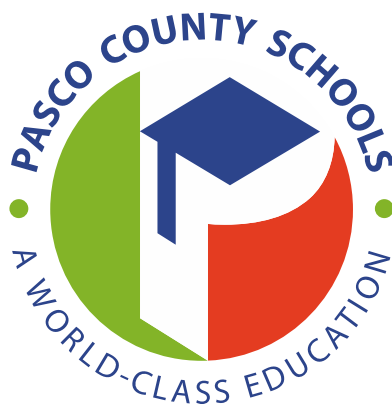
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INTRODUCTORY SECTION



Pasco County Schools

Kurt S. Browning, Superintendent of Schools

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

January 14, 2016

Dear Chairman, Members of the School Board and Citizens of Pasco County:

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 that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the District School Board of Pasco County, Florida (District) for the fiscal year ended June 30, 2015.

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

The accounting firm of Moore Stephens Lovelace, P.A. has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was a part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local governments and Non-Profit Organizations*. The standards governing the Single Audit engagement require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, summary of prior audit findings, and the independent auditor's reports on the system of internal control and the compliance with applicable requirements, are included in the Single Audit section.

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

Profile of the School District

The District and its governing body were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District School Board in accordance with Chapter 1001.30, Florida Statutes. The District School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Pasco County.

The elected Superintendent of Schools 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 Rules, and School Board policies. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by law and rules of the State Board of Education.

The geographic boundaries of the District are those of Pasco County. During the 2014-2015 fiscal year, the District operated 77 schools, including 44 elementary schools, 15 middle schools, 13 high schools, Pasco eSchool and 4 specialized schools; and sponsored 9 charter schools. The District reported serving 68,116 un-weighted full-time equivalent students for the 2014-2015 fiscal year and projects it will enroll 69,010 students for the 2015-2016 school year.

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.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population is predominately White (65 percent). Other ethnicities include: Hispanic (21 percent), Black (7 percent), and Asian/American Indian/Pacific Islander/Alaskan Native/Other (7 percent).

In addition to the educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education for infants and toddlers below the age of three; pre-kindergarten programs for three and four year old disabled students; and programs for eligible low income, at-risk pre-school age students.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students who do not demonstrate proficiency with English as a second language have the opportunity to learn communication skills through the District's English Language Learners (ELL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

This report includes all funds of the District, the Pasco County School Board Leasing Corporation (the "Leasing Corporation"), nine (9) charter schools and the Pasco Education Foundation, Inc. (the "Foundation"), which comprise the reporting entity. The Leasing Corporation was formed to facilitate financing for the acquisition of educational facilities and equipment. Charter schools are public schools operating under performance contracts with the District. 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 Pasco County. The charter schools and Foundation are included in the CAFR as discretely presented component units.

Economic Condition and Outlook

Pasco County is a 745 square mile area located centrally on the west coast of Florida, 200 miles south of the State capital of Tallahassee and 300 miles northwest of Miami. The County is approximately 30 miles northwest of the City of Tampa, and approximately 45 miles north of the City of St. Petersburg. It is part of a nine county region referred to as the "Nature Coast" and contains a mix of suburban and rural communities. The County was established in 1887. Within its borders there are six municipalities: the cities of San Antonio, St. Leo, Zephyrhills, Port Richey, Dade City, and New Port Richey. There are also several smaller unincorporated communities such as Darby, Holiday, Hudson, Land O' Lakes, Trinity, and Wesley Chapel. The County is primarily a retirement and tourist area but construction, retail trade, service industries, agriculture, and manufacturing play active parts in the community's financial status.

Since calendar year 2006, the population of Pasco County increased 14.37 percent to an estimated 485,331 in calendar year 2015. For the calendar year 2014, the Florida Price Level Index for School Personnel, which is prepared by the Florida Polytechnic University under the direction of the Florida Department of Education, ranked Pasco County 24th of 67 counties in the State with a value of 98.19.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 98.19 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (100.89) and Pinellas (100.95), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 9,713 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Financial Information

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 District School 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 fund-function-object level for all funds.

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

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the District adopts a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance (assigned and unassigned fund balance) at June 30, 2015, in the general fund is \$47,520,110 or 9.59 percent of total general fund expenditures.

The District has an investment policy in place for investments of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes.

The District is self-insured up to specified limits for Worker's compensation, automobile liability, general liability, and employee group health insurance. Additional information on the District's risk management can be found in the notes to the financial statements.

The District's capital asset policy specifies the categories of capital assets and the dollar thresholds for capitalizing purchases. It also specifies the length of depreciation for each asset category.

The Penny for Pasco is a Local Government Infrastructure Surtax originally passed by Pasco County voters on March 9, 2004 and renewed on November 6, 2012. The original surtax became effective on January 1, 2005 to December 31, 2014. Voters signaled their approval for the continuation of the Penny for Pasco for another ten years, beginning in January 2015. The renewal was supported by 70% of the voters in Pasco County. The District School Board of Pasco County receives 45% of the sales tax collections. The purpose of the Penny of Pasco is for renovation of current facilities and for technology improvements. The District School Board of Pasco County established the Penny for Pasco Oversight Committee to help monitor the needs and allocation of the funding.

Accomplishments

The District School Board of Pasco County is committed to fulfilling its vision to prepare students for success in college, career, and life. To that end, the district has been expanding educational options such as magnet programs and career academies so students can get the most out of education, life, and future work.

We currently offer the International Baccalaureate Program at Gulf and Land O' Lakes high schools, and are in the planning process to add a middle years program at Pine View Middle School. We continue to expand our career and technical programs, and students can take honors, Advanced Placement, and Dual Enrollment classes at the middle and high school levels. We also offer the nationally-recognized college readiness program, AVID, at four high schools, five middle schools, and three elementary schools. Our

Educational Choice program allows parents to choose a school other than the one for which they are zoned through our open choice program. In 2015, we re-opened Sanders Memorial Elementary School as the District's first magnet school with a focus on STEAM (Science, Technology, Engineering, Arts, and Math) education. Finally, we continue to expand charter school options.

Expanded choices include a regional Embry-Riddle Aeronautics Academy at Sunlake High School, and aeronautical programs at Hudson and Zephyrhills high schools. The rigorous Cambridge education program is offered at Pasco Middle and Pasco High schools, and a gaming technology academy is available at Gulf High School.

The Infinity Program that started in 2013-2014 at Paul R. Smith Middle School also is offered at Raymond B. Stewart Middle School and Zephyrhills High School. Infinity Academy uses a blended learning environment that allows tech-savvy students to own their learning and education. Each student is given a computer to use at school and at home while they are enrolled in the academy.

Our Pasco eSchool is one of Florida's premier online education programs, boasting some of the highest completion rates and assessment scores in the state and the second highest enrollment of any Florida school district virtual education program.

Finally, in July, we implemented a Success Plan to guide our work. This Plan includes 4 key strategic pillars: Excellence in Student Achievement, Employee Success, Taxpayer Value, and Connecting to the Community. Each pillar is backed up with strategies and tactics to achieve success. Every quarter we will review our success toward meeting identified goals and we'll publish a scorecard to show how we've done. This is a bona fide, actionable plan that the District and 12 pilot schools will follow in 2015-2016 in pursuit of our vision to provide a world class education for all students.

On measures of student achievement, such as the District's graduation and drop-out rates, Pasco continues to exceed the state average. Graduation rates are released by the state in mid-December. Last Year, under the Florida calculation rate, Pasco improved to a 79.4 percent graduation rate, compared to the state average 76.1 percent. Our drop-out rate was 1.6 percent, compared to the state average of 4.3 percent. This achievement is a reflection of Pasco's mission to provide a world class education for all of our students.

Studies clearly indicate that student success is linked to teacher quality. The District School Board of Pasco County has demonstrated a commitment to recruiting and retaining the brightest individuals to work with our children. In 2014-2015, 37.6 percent of teachers in Pasco had earned a Master's Degree or higher and we expect that trend to continue in 2014-2015. Additionally, the District has embarked upon a new comprehensive teacher evaluation system that is based upon an evaluation of the teacher's use of research-based best professional practices (50 percent) and student achievement data (50 percent). This will provide a more thorough evaluation of how a teacher performs and will allow the District to provide targeted staff development in areas of need. The District's goal is to help each teacher and student reach their highest potential.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the "ASBO") awarded its Certificate of Excellence in Financial Reporting to the

District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the fourteenth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. These awards are granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. It is the belief of management that our current CAFR continues to meet the Certificate of Achievement Program's requirements, as well as the Certificate of Excellence Program's requirements. We are submitting this CAFR to GFOA and ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Finance 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,



Mr. Kurt S. Browning
Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer



Ms. Joanne Millovitsch
Director of Finance Services



Government Finance Officers Association

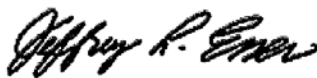
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**District School Board of Pasco County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

Association of School Business Officials International



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

District School Board of Pasco County

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

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



A handwritten signature in black ink, appearing to read "M. Pepera", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

List of Principal Officials As of June 30, 2015

Principal Officials – Elected

Mr. Kurt S. Browning, Superintendent of Schools Present Term Expires	November 2016
Mr. Steve Luikart, Chairman, Member from District 5 Present Term Expires	November 2018
Ms. Joanne Hurley, Vice-Chairman Member from District 2 Present Term Expires	November 2016
Mr. Allen Altman, Member from District 1 Present Term Expires	November 2018
Ms. Cynthia Armstrong, Member from District 3 Present Term Expires	November 2018
Ms. Alison Crumbley, Member from District 4 Present Term Expires	November 2016

Principal Officials – Appointed

ADMINISTRATORS

Ray Gadd, Deputy Superintendent

Olga Swinson, CPA, CGFM, Chief Finance Officer

Vanessa Hilton, Assistant Superintendent for Student Achievement

Kevin Shibley, Esq., Assistant Superintendent for Administration

Ray Bonti, Assistant Superintendent for Support Services

Beth Brown, Area Superintendent-Southwest

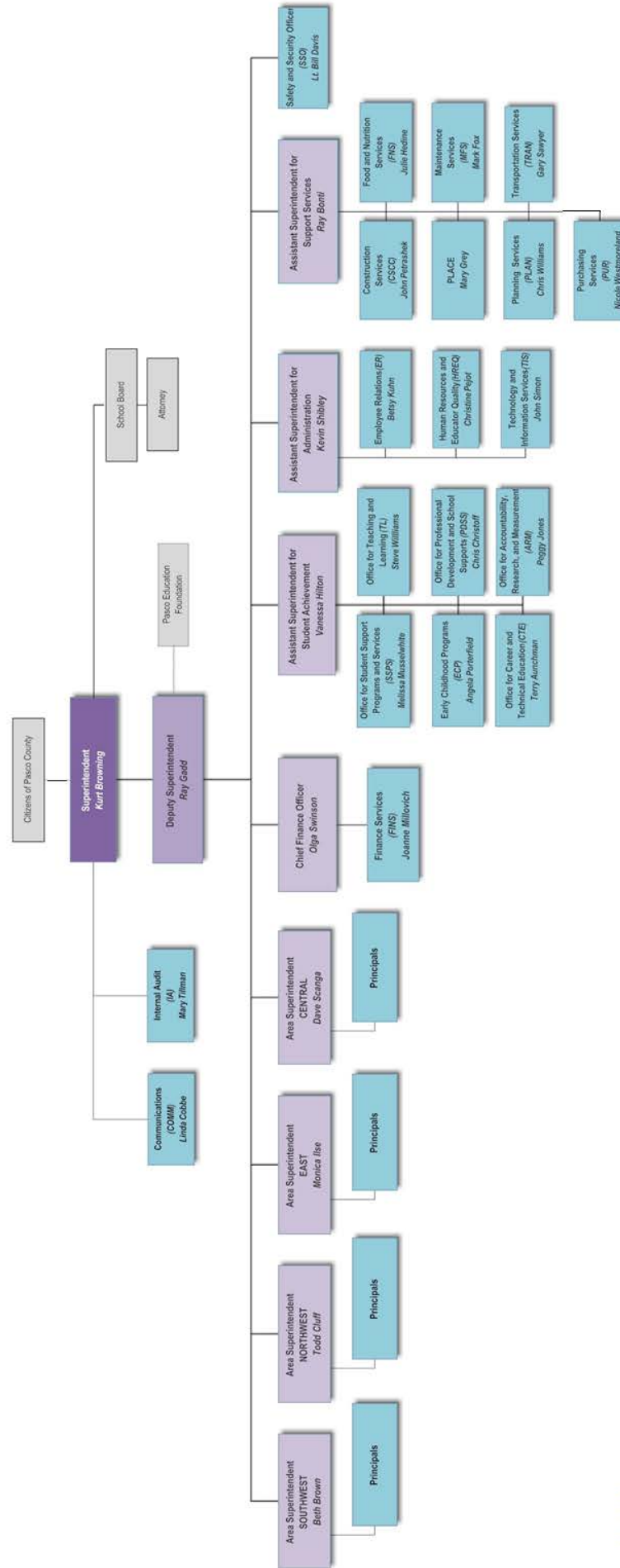
Dr. Dave Scanga, Area Superintendent-Central

Todd Cluff, Area Superintendent-Northwest

Dr. Monica Ilse, Area Superintendent-East

ORGANIZATIONAL CHART

District School Board of Pasco County



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the
District School Board of Pasco County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 Pasco Education Foundation, Inc., which comprise 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

Change in Accounting Principle

As discussed in Note 3 to the financial statements, in the fiscal year ended June 30, 2015, the District adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement Number 27*. As a result of the implementation of GASBS 68, the District reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, combining and individual 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 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.

Chairman and Members of the
District School Board of Pasco County, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Information (Continued)

In our opinion, the combining and individual 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
January 14, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2015**

The management of the District School Board of Pasco County (the District) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

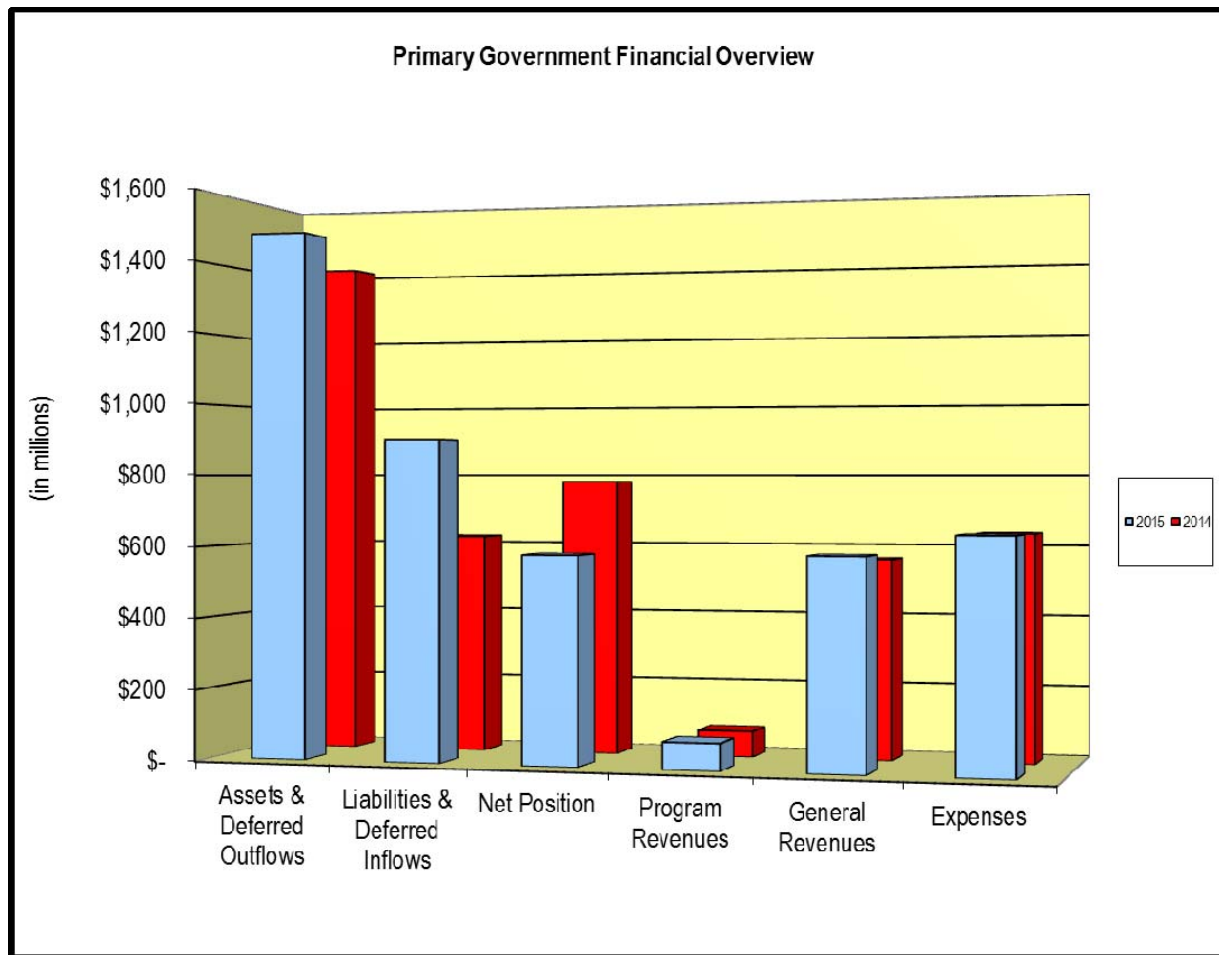
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2014-2015 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2015, by \$580,854,597. Of this amount, \$15,024,516 may be used to meet the District's ongoing obligations to citizens and creditors and represents unrestricted net position exclusive of the impact of FRS Pension Amounts as discussed below.
- The District's total net position increased by \$18,331,137.
- The beginning net position was restated and decreased by \$218,455,901 which represents the recording of Net Pension Assets and Liabilities and the related Deferred Outflows of resources due to the implementation of GASB 68.
- At June 30, 2015, the District's unrestricted net position was negatively impacted in the amount of \$199,381,383 by recording our proportionate share of FRS Pension Amounts. Exclusive of these amounts, the District's net position at June 30, 2015 is \$780,235,980, compared to the net position at June 30, 2014 of \$780,979,361.
- Total revenues of \$659,619,232 were comprised of general revenues in the amount of \$584,068,616 or 88.55 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$75,550,616 or 11.45 percent.
- For the year ended June 30, 2015, the District had \$641,288,095 in expenses related to governmental and business-type activities; \$75,550,616 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$584,068,616 were sufficient to provide the District's programs.
- The Business-type activities had total revenues of \$10,011,064 which exceeded total expenses by \$95,198.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$289,385,714, a decrease of \$31,230,434 in comparison with the prior fiscal year. Approximately 16.42 percent of this total amount, or \$47,520,110, is available for spending at the District's discretion for the purposes defined for each governmental fund (*assigned and unassigned fund balance*).
- At the end of the 2014-2015 fiscal year, unassigned fund balance for the General Fund was \$26,101,381, or 5.27 percent of total General Fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation) decreased by \$5,752,550 or 1.20 percent, during the current fiscal year.

The primary government financial overview for the 2013-2014 and 2014-2015 fiscal years is shown below:

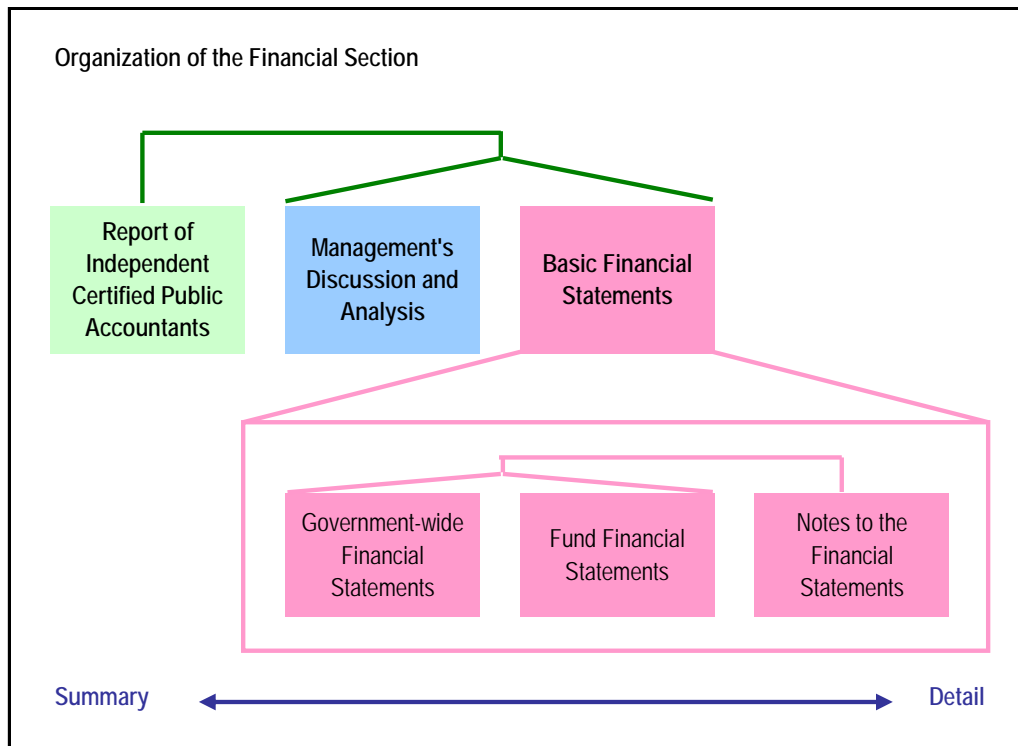


Overview of the Financial Statements

The financial section consists of three parts: Independent Auditor's Report on Financial Statements, MD&A (this section), and Basic Financial Statements. The MD&A is intended to serve as an introduction to the District's basic financial statements and presents other supplementary information in addition to the basic financial statements themselves. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements.

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

The illustration below shows how the various parts of the financial section are arranged and relate to one another.



The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to 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 and business-type activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, deferred outflows, liabilities and deferred inflows, using an economic resources measurement focus. The difference between the assets and deferred outflows and liabilities and deferred inflows is the net position which is a measurement of the financial health of the District. The statement of activities presents information about the change in the District's net position and the results of its 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.

The government-wide statements present the District's activities in three 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 operation and maintenance of plant, pupil 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.
- **Business-Type Activity** – The District charges fees to cover the cost of certain services it provides. The Pasco Learning and Activity Centers of Enrichment (the "PLACE"), a before and after-school child care program, is reported as a business-type activity. Also reported as a business-type activity is the Vending Program, which operates food and beverage machines through the District.
- **Component Units** – The District presents nine charter schools (Academy at the Farm, Inc.; Athenian Academy of Pasco County, Inc.; Classical Preparatory School; Countryside Montessori; Dayspring Academy for Education and the Arts; Florida Virtual Academy at Pasco; Imagine School at Land O'Lakes; Learning Lodge Academy, Inc.; and Pepin Academies of Pasco County, Inc.) and the Pasco Education Foundation, Inc. (the "Foundation") as separate legal entities in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by accounting principles generally accepted in the United States ("GAAP").
- The Pasco County School Board Leasing Corporation (the "Leasing Corporation"), a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included 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:

- **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 spendable 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 statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

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, Capital Projects – Other Funds, Debt Service – Other Funds, and Special Revenue – Federal Economic Stimulus Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

- **Proprietary Funds** – Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:
- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its before and after-school child care and vending programs. The District's major enterprise fund is the PLACE Fund.
 - 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 internal service funds to account for its fully insured employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee assistance program; the energy management program; and exclusive agreements administered by the School Board. 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. Conversely, 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 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 a private-purpose trust fund to account for scholarship funds established by private donors. The District uses a pension trust fund to account for resources used to finance its early retirement program. The District uses agency funds to account for resources held for student activities and groups.

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 Post-Employment Benefits (OPEB) to its employees.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$580,854,597 at June 30, 2015. The following is a summary of the District's net position as of June 30, 2015, compared to net position as of June 30, 2014:

Net Position, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014	
Current and Other Assets	\$ 392,394,012	\$ 408,694,792	\$ 3,611,201	\$ 3,612,820	\$ 396,005,213	\$ 412,307,612	
Capital Assets	1,004,300,051	974,318,447	206,739	176,128	1,004,506,790	974,494,575	
Deferred Outflows	79,623,879	15,764,484	891,860	-	80,515,739	15,764,484	
Total Assets and Deferred Outflows	1,476,317,942	1,398,777,723	4,709,800	3,788,948	1,481,027,742	1,402,566,671	5.59%
Long-Term Liabilities	720,189,883	554,129,257	3,732,088	797,404	723,921,971	554,926,661	
Other Liabilities	78,638,515	66,054,811	150,522	605,838	78,789,037	66,660,649	
Deferred Inflows	96,090,388	-	1,371,749	-	97,462,137	-	
Total Liabilities and Deferred Inflows	894,918,786	620,184,068	5,254,359	1,403,242	900,173,145	621,587,310	44.82%
Net Position:							
Net Investment in							
Capital Assets	623,953,695	599,058,815	206,739	176,128	624,160,434	599,234,943	
Restricted	141,051,030	164,220,978	-	-	141,051,030	164,220,978	
Unrestricted - FRS Pensions (1)	(196,510,342)	-	(2,871,041)	-	(199,381,383)		
Unrestricted - Other	12,904,773	15,313,862	2,119,743	2,209,578	15,024,516	17,523,440	
Total Net Position	\$ 581,399,156	\$ 778,593,655	\$ (544,559)	\$ 2,385,706	\$ 580,854,597	\$ 780,979,361	-25.62%

(1) Balances for June 30, 2014 have not been restated for adjustments to beginning net position due to the implementation of GASB Statement No. 68 as described in Note 3.

The largest portion of the District's net position (80.00 percent), exclusive of FRS pension amounts, reflects its net investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

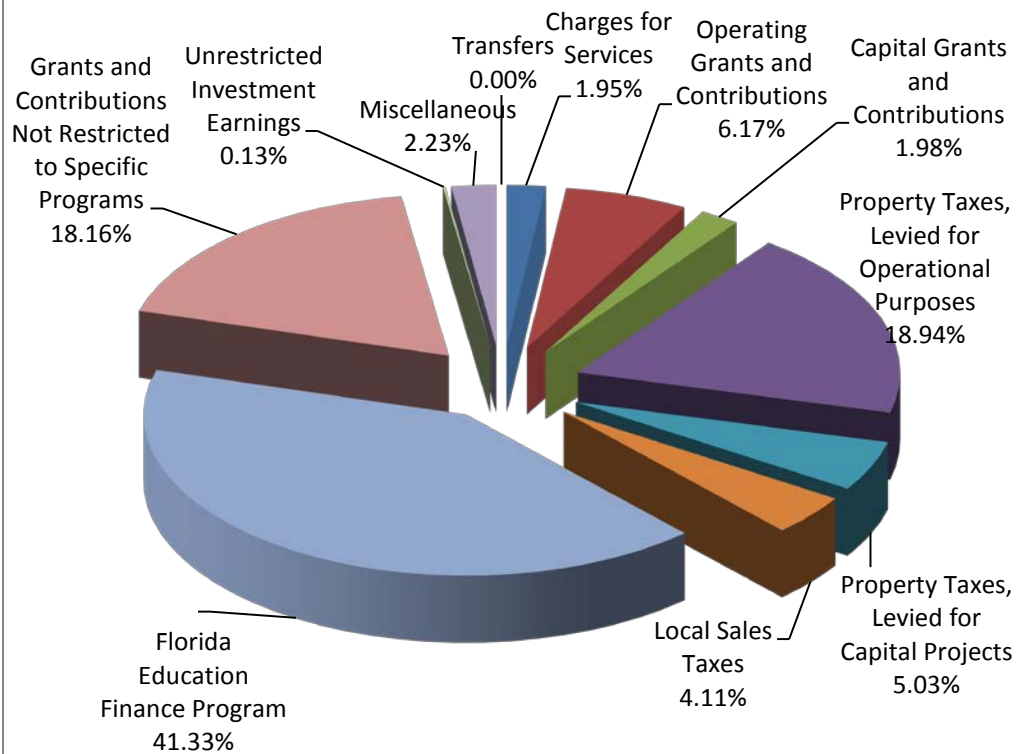
The restricted portion of the District's net position (18.08 percent), exclusive of FRS pension amounts, represents resources which are subject to external restrictions on how they may be used. The portion of unrestricted net position (1.92 percent), exclusive of FRS pension amounts, may be used to meet the government's ongoing obligations to students, employees and creditors.

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

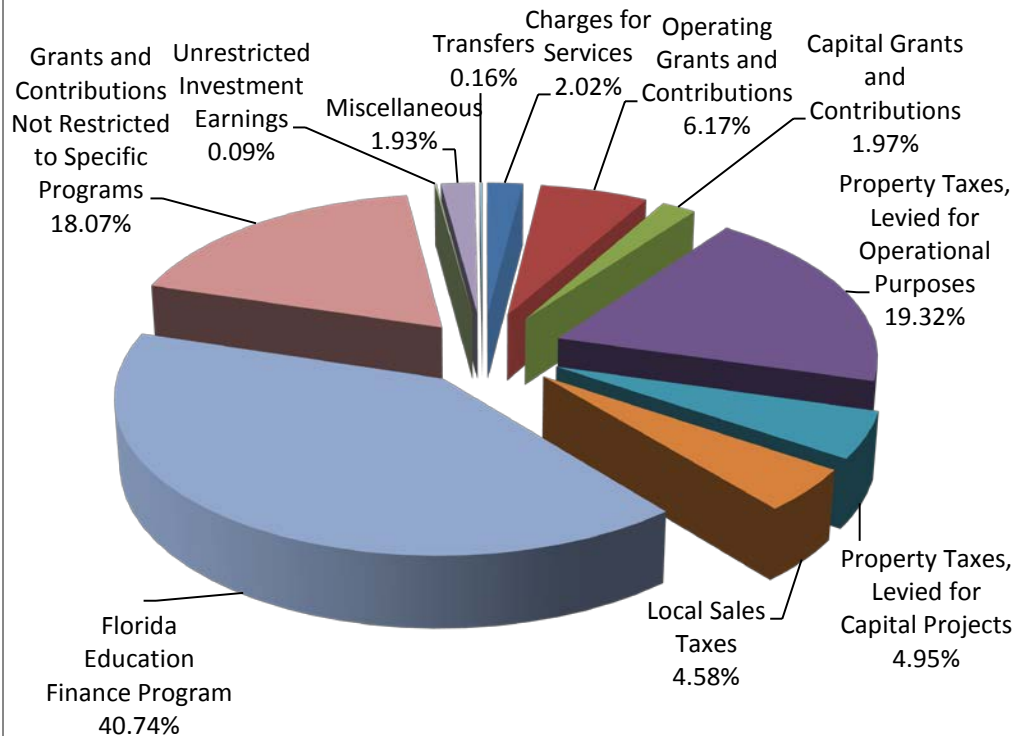
<u>Operating Results for the Year</u>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:							
Program Revenues:							
Charges for Services	\$ 12,651,314	\$ 12,733,749	\$ 9,990,177	\$ 9,360,814	\$ 22,641,491	\$ 22,094,563	2.48%
Operating Grants and Contributions	40,056,713	38,821,862	-	-	40,056,713	38,821,862	3.18%
Capital Grants and Contributions	12,852,412	12,418,525	-	-	12,852,412	12,418,525	3.49%
General Revenues:							
Property Taxes, Levied for Operational Purposes	123,010,141	121,552,684	-	-	123,010,141	121,552,684	1.20%
Property Taxes, Levied for Capital Projects	32,660,786	31,131,186	-	-	32,660,786	31,131,186	4.91%
Local Sales Taxes	26,680,307	28,784,359	-	-	26,680,307	28,784,359	-7.31%
Florida Education Finance Program	268,469,393	256,270,767	-	-	268,469,393	256,270,767	4.76%
Grants and Contributions not Restricted to Specific Programs	117,956,450	113,686,857	-	-	117,956,450	113,686,857	3.76%
Unrestricted Investment Earnings	816,253	580,012	20,578	121	836,831	580,133	44.25%
Miscellaneous	14,454,399	12,125,787	309	389	14,454,708	12,126,176	19.20%
Transfers	-	1,000,000	-	(1,000,000)	-	-	0.00%
Total Revenues and Transfers	649,608,168	629,105,788	10,011,064	8,361,324	659,619,232	637,467,112	3.48%
Program Expenses:							
Instruction	362,962,619	358,768,503	-	-	362,962,619	358,768,503	1.17%
Pupil Personnel Services	26,801,838	25,618,232	-	-	26,801,838	25,618,232	4.62%
Instructional Media Services Inst. and Curriculum Development Services	2,343,060	1,906,905	-	-	2,343,060	1,906,905	22.87%
Instructional Staff Training	15,800,130	14,558,446	-	-	15,800,130	14,558,446	8.53%
Instructional Related Technology	7,324,613	9,426,682	-	-	7,324,613	9,426,682	-22.30%
Board of Education	6,888,825	8,425,406	-	-	6,888,825	8,425,406	-18.24%
General Administration	530,109	620,416	-	-	530,109	620,416	-14.56%
School Administration	2,407,270	2,556,141	-	-	2,407,270	2,556,141	-5.82%
Facilities Acquisition and Construction	37,661,405	36,456,573	-	-	37,661,405	36,456,573	3.30%
Fiscal Services	17,381,716	14,491,329	-	-	17,381,716	14,491,329	19.95%
Food Services	2,792,302	2,708,890	-	-	2,792,302	2,708,890	3.08%
Central Services	35,477,047	32,787,091	-	-	35,477,047	32,787,091	8.20%
Pupil Transportation Services	8,227,505	6,030,792	-	-	8,227,505	6,030,792	36.42%
Operation of Plant	29,695,863	29,162,574	-	-	29,695,863	29,162,574	1.83%
Maintenance of Plant	42,537,525	45,192,330	-	-	42,537,525	45,192,330	-5.87%
Administrative Technology Services	10,565,620	11,583,005	-	-	10,565,620	11,583,005	-8.78%
Community Services	6,047,282	3,692,101	-	-	6,047,282	3,692,101	63.79%
Interest on Long-term Liabilities	867,512	510,674	9,915,866	9,155,859	10,783,378	9,666,533	11.55%
Total Expenses	631,372,229	628,811,360	9,915,866	9,155,859	641,288,095	637,967,219	0.52%
Change in Net Position	18,235,939	294,428	95,198	(794,535)	18,331,137	(500,107)	-3765.44%
Net Position, Beginning	778,593,655	791,368,011	2,385,706	3,180,241	780,979,361	794,548,252	-1.71%
Adjustment to Beginning Net Position	(215,430,438)	(13,068,784)	(3,025,463)	-	(218,455,901)	(13,068,784)	-
Net Position, Ending	\$ 581,399,156	\$ 778,593,655	\$ (544,559)	\$ 2,385,706	\$ 580,854,597	\$ 780,979,361	-25.62%

Revenue by Source – Statement of Activities

2015

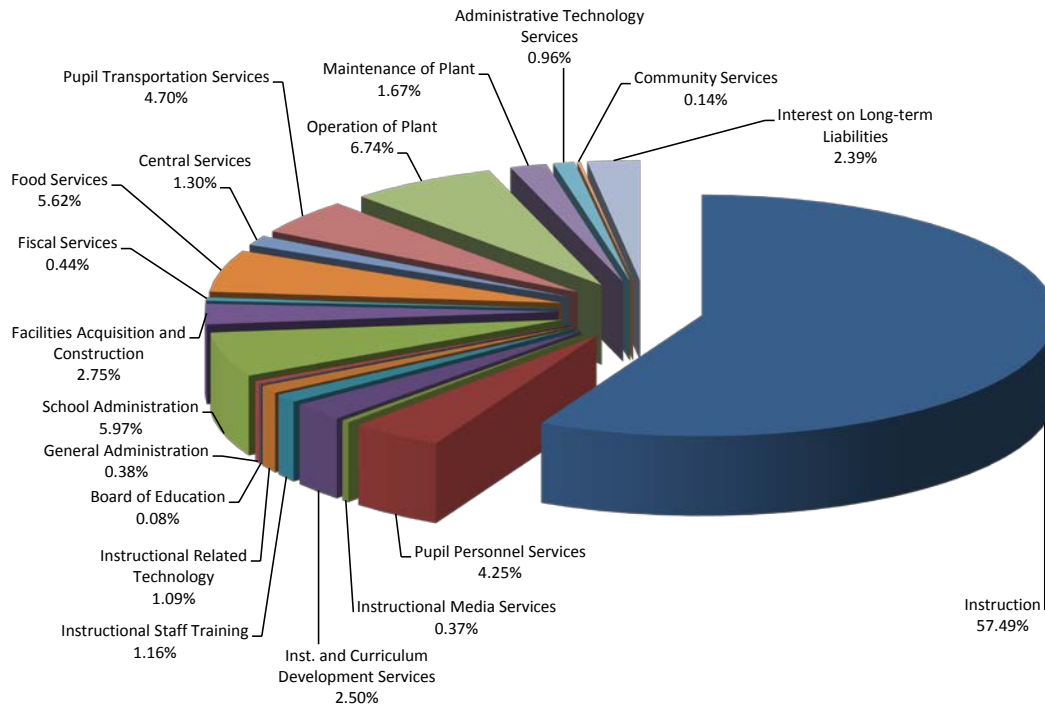


2014

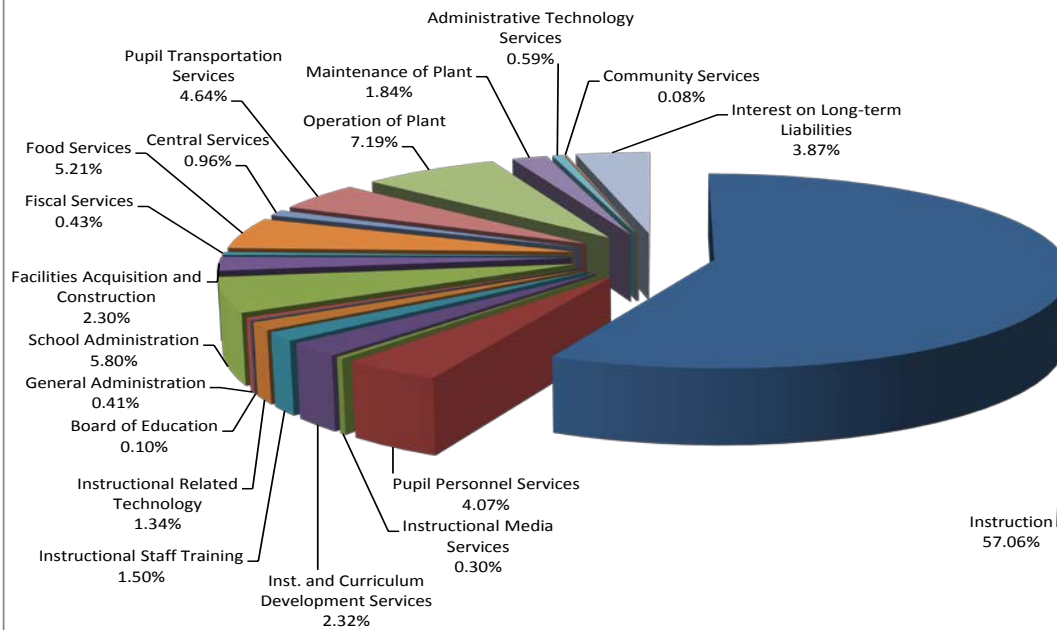


Expenses by Function – Statement of Activities

2015



2014



Total revenues increased by \$22,152,120, primarily due to an increase in Florida Education Finance Program revenues received during the fiscal year. This \$12,198,626 increase was related to an increase in State funding per student and an increase in student FTE.

Total expenses increased by \$3,320,876, primarily due to a rise in instructional costs during the fiscal year.

The Business-type activities had total revenues of \$10,011,064 which exceeded total expenses by \$95,198.

Financial Analysis of the Government Funds

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

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

As of the end of the 2014-2015 fiscal year, the District's governmental funds reported combined ending fund balances of \$289,385,714, a decrease of \$31,230,434 in comparison with the prior fiscal year. Approximately 16.42 percent of this total amount, or \$47,520,110, constitutes total assigned and unassigned fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2015 and June 30, 2014.

Fund Balance	2015	2014	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 56,019,672	\$ 54,783,642	\$ 1,236,030	2.26%
Debt Service - Other Funds	11,641,906	12,754,743	(1,112,837)	-8.72%
Capital Projects - Other Funds	182,447,759	211,703,448	(29,255,689)	-13.82%
Special Revenue - Economic Stimulus Funds	-	-	-	0.00%
Other Governmental Funds (nonmajor)	39,276,377	41,374,315	(2,097,938)	-5.07%
Total Fund Balances	<u>\$ 289,385,714</u>	<u>\$ 320,616,148</u>	<u>\$ (31,230,434)</u>	<u>-9.74%</u>

The General Fund is the chief operating fund of the District. At the end of the 2014-2015 fiscal year, the unassigned fund balance of the General Fund was \$26,101,381, while total fund balance reached \$56,019,672. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.27 percent of total General Fund expenditures, while total fund balance represents 11.30 percent. Fund balance of the District's General Fund increased by \$1,236,030 during the 2014-2015 fiscal year.

The following schedule shows the changes in General Fund revenues and other financing sources for the fiscal years ended June 30, 2015 and June 30, 2014:

<u>General Fund Revenues and Other Financing Sources</u>	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 517,824	\$ 460,154	\$ 57,670	12.53%
Federal Through State Sources:				
Other Federal Through State Sources	5,339,316	633,391	4,705,925	742.97%
State Sources				
Florida Education Finance Program (FEFP)	268,469,393	256,270,767	12,198,626	4.76%
Other Restricted State Sources	83,937,686	82,403,009	1,534,677	1.86%
Local Sources:				
Ad Valorem Taxes	123,010,141	121,552,684	1,457,457	1.20%
Interest Income	207,804	569,547	(361,743)	-63.51%
Other Local Sources	14,373,902	12,932,046	1,441,856	11.15%
Other Financing Sources	1,081,597	2,193,867	(1,112,270)	-50.70%
Total General Fund Revenues and Other Financing Sources	\$ 496,937,663	\$ 477,015,465	\$ 19,922,198	4.18%

During the 2014-2015 fiscal year, Revenues and Other Financing Sources increased by \$19,922,198, or 4.18 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation and the increase in the number of unweighted full-time equivalent students on the fourth calculation.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2015 and June 30, 2014:

<u>General Fund - Expenditures by Object</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Salaries	\$ 308,972,265	\$ 297,378,293	\$ 11,593,972	3.90%
Employee Benefits	101,343,894	96,844,047	4,499,847	4.65%
Purchased Services	47,957,503	44,620,746	3,336,757	7.48%
Energy Services	13,805,465	14,733,909	(928,444)	-6.30%
Materials and Supplies	14,495,607	9,393,487	5,102,120	54.32%
Capital Outlay	3,295,406	1,676,584	1,618,822	96.55%
Other Expenditures	5,831,493	5,229,380	602,113	11.51%
Total General Fund Expenditures	\$ 495,701,633	\$ 469,876,446	\$ 25,825,187	5.50%

General Fund expenditures increased by \$25,825,187 or 5.50 percent. The following are some of the highlights:

- Salaries expenditures increased by \$11,593,972 which reflects salary increases
- Employee Benefits increased by \$4,499,847 related to increased insurance and retirement costs
- Purchased Services increased by \$3,336,757 primarily due to an increase in the number of Charter Schools and in Charter School enrollment
- Materials and Supplies costs increased by \$5,102,120 due primarily to expenditures for new textbook adoptions that had been reserved in the prior fiscal year
- Capital Outlay increased by \$1,618,822 to spend additional state funds provided for Digital Classroom Allocation and Tampa Bay Regional Aeronautics

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2015 and June 30, 2014:

General Fund Expenditures by Function	2015	2014	Increase (Decrease)	Percentage Change
Instruction	\$ 308,693,209	\$ 289,873,605	\$ 18,819,604	6.49%
Pupil Personnel Services	23,318,004	22,076,115	1,241,889	5.63%
Instructional Media Services	2,612,249	2,293,270	318,979	13.91%
Inst. and Curriculum Development Services	10,920,557	10,132,007	788,550	7.78%
Instructional Staff Training Services	2,370,033	2,330,109	39,924	1.71%
Instructional Related Technology	6,387,191	7,386,667	(999,476)	-13.53%
Board of Education	490,170	469,656	20,514	4.37%
General Administration	895,879	896,354	(475)	-0.05%
School Administration	36,843,694	35,097,821	1,745,873	4.97%
Facilities Acquisition and Construction	2,719,854	2,431,548	288,306	11.86%
Fiscal Services	2,679,848	2,510,642	169,206	6.74%
Food Services	242,793	184,557	58,236	31.55%
Central Services	7,416,799	6,358,880	1,057,919	16.64%
Pupil Transportation Services	29,076,167	28,062,010	1,014,157	3.61%
Operation of Plant	42,337,996	44,245,731	(1,907,735)	-4.31%
Maintenance of Plant	10,475,300	11,210,553	(735,253)	-6.56%
Administrative Technology Services	5,808,009	3,395,851	2,412,158	71.03%
Community Services	856,821	501,587	355,234	70.82%
Capital Outlay	1,557,060	419,483	1,137,577	271.19%
Total General Fund Expenditures	\$ 495,701,633	\$ 469,876,446	\$ 25,825,187	5.50%

The *Capital Projects Fund Other*, which is used to account for capital project activity funded by sources such as Certificates of Participation, Sales Tax and Impact Fees, has a total fund balance of \$182,447,759, all of which is restricted for specific capital projects. The net decrease in fund balance during the current year in the Capital Projects Fund Other was \$29,255,689 and resulted primarily from expenditures to renovate Sanders Memorial Elementary School, Shady Hills Elementary School and Quail Hollow Elementary School which were reopened in the 2015-2016 school year. It should also be noted that \$17,930,803 of the total fund balance has been encumbered under specific engineering and construction contracts for projects in progress at year-end.

The *Debt Service - Other Fund*, which is used to account for debt service on Certificates of Participation and Sales Tax Revenue Bond issues, has a total fund balance of \$11,641,906, all of which is restricted for debt service related to capital projects. The net decrease in fund balance during the current year in the Debt Service - Other Fund was \$1,112,837 and resulted primarily from scheduled debt payments.

The *Special Revenue – Federal Economic Stimulus Programs Fund* does not report fund balances because revenues are reported to the extent of expenditures. Revenues and expenditures decreased by \$4,693,464 from the previous fiscal year due to a decrease in the grant awards.

General Fund Budgetary Highlights

During the fiscal year, the District revised its budget and brought monthly amendments to the Board for approval. The following schedule shows the changes in the General Fund Budget revenues and actual:

<u>General Fund Revenues and Other Financing Sources</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual 2015</u>	<u>Final -Original Budget Inc (Dec)</u>	<u>Actual - Final Budget Inc (Dec)</u>
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 685,026	\$ 775,454	\$ 517,824	\$ 90,428	\$ (257,630)
Federal Through State Sources:					
Other Federal Through State Sources	699,851	4,256,724	5,339,316	3,556,873	1,082,592
State Sources					
Florida Education Finance Program (FEFP)	275,480,805	273,274,539	268,469,393	(2,206,266)	(4,805,146)
Other Restricted State Sources	83,252,703	84,046,163	83,937,686	793,460	(108,477)
Local Sources:					
Ad Valorem Taxes	121,625,320	121,625,320	123,010,141	-	1,384,821
Interest Income	665,000	665,000	207,804	-	(457,196)
Other Local Sources	8,645,673	9,200,948	14,373,902	555,275	5,172,954
Other Financing Sources	1,102,568	1,081,597	1,081,597	(20,971)	-
Total General Fund Revenues and Other Financing Sources	\$ 492,156,946	\$ 494,925,745	\$ 496,937,663	\$ 2,768,799	\$ 2,011,918

The General Fund actual revenues were more than the final budgeted revenues, excluding Other Financing Sources, by \$2,011,918. This difference primarily was attributed to the timing of recognition of Medicaid revenue. The General Fund final budget revenues, excluding Other Financing Sources, increased by \$2,789,770 over the original budget due primarily to the timing of recognition of Medicaid revenue.

The following schedule shows the changes in the General Fund Budget appropriations and actual:

<u>General Fund Expenditures by Function</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual 2015</u>	<u>Final -Original Budget Inc (Dec)</u>	<u>Actual - Final Budget Inc (Dec)</u>
Instruction	\$ 316,754,293	\$ 327,629,929	\$308,693,209	\$10,875,636	\$ (18,936,720)
Pupil Personnel Services	24,409,949	24,505,078	23,318,004	95,129	(1,187,074)
Instructional Media Services	2,720,668	3,146,829	2,612,249	426,161	(534,580)
Inst. and Curriculum Development Services	11,289,000	11,660,600	10,920,557	371,600	(740,043)
Instructional Staff Training Services	2,843,254	2,734,609	2,370,033	(108,645)	(364,576)
Instructional Related Technology	7,018,653	6,560,548	6,387,191	(458,105)	(173,357)
Board of Education	3,115,991	3,093,472	490,170	(22,519)	(2,603,302)
General Administration	961,216	982,746	895,879	21,530	(86,867)
School Administration	33,990,348	35,720,883	36,843,694	1,730,535	1,122,811
Facilities Acquisition and Construction	3,181,449	3,147,542	2,719,854	(33,907)	(427,688)
Fiscal Services	3,359,840	3,489,930	2,679,848	130,090	(810,082)
Food Services	-	163,822	242,793	163,822	78,971
Central Services	8,413,684	8,461,446	7,416,799	47,762	(1,044,647)
Pupil Transportation Services	28,844,873	32,729,455	29,076,167	3,884,582	(3,653,288)
Operation of Plant	43,100,839	43,401,768	42,337,996	300,929	(1,063,772)
Maintenance of Plant	12,047,408	12,119,037	10,475,300	71,629	(1,643,737)
Administrative Technology Services	4,927,870	5,755,422	5,808,009	827,552	52,587
Community Services	564,904	995,400	856,821	430,496	(138,579)
Capital Outlay	-	-	1,557,060	-	1,557,060
Total General Fund Expenditures	\$ 507,544,239	\$ 526,298,516	\$495,701,633	\$18,754,277	\$ (30,596,883)

The General Fund actual expenditures were less than the final budgeted appropriations by \$30,596,883. There were many approved but unfilled teaching and transportation positions. Diesel fuel was \$3.3 million below budget. The General Fund final budget appropriations increased \$18,754,277 over the original budget due primarily to salary and benefit increases, increased diesel fuel cost and textbook adoptions.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2015, amounts to \$1,004,506,790. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials, and computer software. Major capital asset events during the current fiscal year ended June 30, 2015, included continuing progress in the renovation of several elementary schools and Marchman Technical College, which were included in Construction in Progress totals at fiscal year-end.

The following is a summary of the District's capital assets as of June 30, 2015:

<u>Capital Assets (net of depreciation)</u>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Land	\$ 81,617,607	\$ 79,516,810	\$ -	\$ -	\$ 81,617,607	\$ 79,516,810	2.64%
Construction in Progress	62,807,408	47,209,419	-	-	62,807,408	47,209,419	33.04%
Improvements Other Than Buildings	21,421,852	20,608,588	18,763	11,075	21,440,615	20,619,663	3.98%
Buildings and Fixed Equipment	788,925,845	781,012,456	16,381	17,936	788,942,226	781,030,392	1.01%
Furniture, Fixtures and Equipment	30,158,260	29,142,893	165,973	142,888	30,324,233	29,285,781	3.55%
Motor Vehicles	11,430,753	9,729,025	-	-	11,430,753	9,729,025	17.49%
Audio Visual Materials	32,051	36,272	-	-	32,051	36,272	-11.64%
Computer Software	7,906,275	7,062,984	5,622	4,229	7,911,897	7,067,213	11.95%
Total	<u>\$1,004,300,051</u>	<u>\$ 974,318,447</u>	<u>\$ 206,739</u>	<u>\$ 176,128</u>	<u>\$1,004,506,790</u>	<u>\$ 974,494,575</u>	3.08%

Additional information on the District's capital assets can be found in the notes to the financial statements in Note 6 - Changes in Capital Assets on pages 57 and 58.

Long-term Debt

As of June 30, 2015, the District has total long-term debt outstanding of \$473,190,336. This amount is comprised of \$121,586,529 of bonds payable and \$351,603,807 of certificates of participation.

The following is a summary of the District's long-term debt as of June 30, 2015:

<u>Outstanding Long-Term Debt</u>				
	Total School District		Increase (Decrease)	Percentage Change
	<u>2015</u>	<u>2014</u>		
SBE Bonds	\$ 12,068,756	\$ 13,770,270	\$ (1,701,514)	-12.36%
District Revenue Bonds	2,643,796	2,736,785	(92,989)	-3.40%
Sales Tax Revenue Bonds	106,873,977	122,299,509	(15,425,532)	-12.61%
Certificates of Participation	351,603,807	340,136,322	11,467,485	3.37%
Total	<u>\$ 473,190,336</u>	<u>\$ 478,942,886</u>	<u>\$ (5,752,550)</u>	-1.20%

The District received ratings of A1 from Moody's and A+ from Fitch on its Certificates of Participation. The underlying rating for the Sales Tax Revenue Bonds, Series 2013, is A1 from Moody's and A+ from Fitch.

Additional information on the District's long-term debt can be found in the notes to the financial statements in Note 13 – Changes in Long Term Liabilities on page 69.

Outlook for the Future

At the time these basic financial statements were prepared and audited, the District was not aware of material instances that could significantly affect its financial health in the future. However, the future financial stability of the District is not without challenges.

The first challenge and continuous endeavor is for management to ensure resources can be preserved as long as possible. Management utilizes the general fund budget and the five-year capital outlay plan as tools to manage resources effectively.

A second challenge facing the District is the local economy. It is important to note that if the growth patterns in student population change so a greater or lesser number of students enter the District than currently anticipated, adjustments will be made to the financial models upon which assumptions have been made. In addition, changes in economic conditions, such as an economic slowdown, could result in revenue forecasts being revised downward and a reduction in estimated funding sources.

Requests for Information

These financial statements are designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided or requests for additional financial information should be addressed to:

Director of Finance Services
District School Board of Pasco County
7227 Land O' Lakes Boulevard
Land O' Lakes, Florida 34638

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BASIC FINANCIAL STATEMENTS



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District School Board of Pasco County
Statement of Net Position
June 30, 2015

Exhibit A

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
ASSETS:				
Cash	\$ 43,670,011	\$ 408,038	\$ 44,078,049	\$ 2,874,866
Cash with Fiscal Agent	7,474,535	-	7,474,535	-
Investments	306,464,428	3,077,490	309,541,918	2,199,215
Accounts Receivable	4,763,329	122,609	4,885,938	22,774
Accrued Interest Receivable	285,614	3,064	288,678	-
Deposits Receivable	-	-	-	27,584
Due From Other Agencies	16,096,542	-	16,096,542	247,838
Inventories	4,806,604	-	4,806,604	-
Prepaid Items	137,568	-	137,568	1,876,073
Capital Credits Receivable	4,600,463	-	4,600,463	-
Net Pension Asset - SERP	4,094,918	-	4,094,918	-
Capital Assets (net of accumulated depreciation):				
Land	81,617,607	-	81,617,607	1,333,662
Construction in Progress	62,807,408	-	62,807,408	1,524,647
Improvements Other Than Buildings	21,421,852	18,763	21,440,615	243,064
Leasehold Property and Improvements	-	-	-	1,097,361
Buildings and Fixed Equipment	788,925,845	16,381	788,942,226	1,988,323
Furniture, Fixtures, and Equipment	30,158,260	165,973	30,324,233	412,799
Motor Vehicles	11,430,753	-	11,430,753	59,507
Audio Visual Materials	32,051	-	32,051	-
Computer Software	7,906,275	5,622	7,911,897	77,216
Total Assets	<u>1,396,694,063</u>	<u>3,817,940</u>	<u>1,400,512,003</u>	<u>13,984,929</u>
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of				
Hedging Derivatives	16,279,499	-	16,279,499	-
Deferred Amount - Bond Refunding	7,474,796	-	7,474,796	-
Deferred Amount - Pension SERP	399,722	-	399,722	-
Deferred Amount - Pension FRS / HIS	55,469,862	891,860	56,361,722	-
Total Deferred Outflows of Resources	<u>79,623,879</u>	<u>891,860</u>	<u>80,515,739</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,476,317,942</u>	<u>\$ 4,709,800</u>	<u>\$ 1,481,027,742</u>	<u>\$ 13,984,929</u>

(continued)

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
LIABILITIES:				
Salaries and Benefits Payable	\$ 8,643,650	\$ -	\$ 8,643,650	\$ 952,275
Payroll Deductions and Withholdings Payable	2,676,188	3,316	2,679,504	-
Accounts Payable	30,442,354	73,918	30,516,272	475,573
Construction Contracts Payable	13,497	-	13,497	-
Construction Contracts Payable-Retainage	2,808,137	-	2,808,137	-
Arbitrage Rebate Payable	81,410	-	81,410	-
Due to Other Agencies	1,031	-	1,031	16,384
Sales Tax Payable	3,186	896	4,082	-
Deposits Payable	52,497	-	52,497	-
Accrued Interest Payable	4,264,478	-	4,264,478	18,118
Advanced Revenue	1,392,549	67,648	1,460,197	10,160
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	2,423,581
Bonds Payable	11,862,399	-	11,862,399	-
Certificates of Participation Payable	12,858,041	-	12,858,041	-
Obligations Under Capital Leases	-	-	-	118,414
Estimated Insurance Claims Payable	2,482,000	-	2,482,000	-
Compensated Absences Payable	1,057,098	4,744	1,061,842	91,396
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	1,679,918
Bonds Payable	109,724,130	-	109,724,130	-
Certificates of Participation Payable	338,745,766	-	338,745,766	-
Obligations Under Capital Leases	-	-	-	173,533
Estimated Insurance Claims Payable	4,392,000	-	4,392,000	-
Compensated Absences Payable	36,228,715	402,494	36,631,209	-
Other Post-Employment Benefits Obligation	54,760,639	938,442	55,699,081	-
Net Pension Liability - FRS / HIS	160,059,134	2,391,152	162,450,286	-
Derivatives Swap Liability	16,279,499	-	16,279,499	-
TOTAL LIABILITIES	798,828,398	3,882,610	802,711,008	5,959,352
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount - Pension SERP	4,169,318	-	4,169,318	-
Deferred Amount - Pension FRS / HIS	91,921,070	1,371,749	93,292,819	-
Total Deferred Inflows of Resources	96,090,388	1,371,749	97,462,137	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	894,918,786	5,254,359	900,173,145	5,959,352
NET POSITION:				
Net Investment in Capital Assets	623,953,695	206,739	624,160,434	2,341,133
Restricted for:				
State Categorical Programs	4,793,446	-	4,793,446	-
Debt Service	7,693,759	-	7,693,759	-
Capital Projects	118,324,867	-	118,324,867	-
Special Revenue-Food Service	10,238,958	-	10,238,958	-
Other Purposes	-	-	-	1,886,480
Non-expendable-Permanent Endowment	-	-	-	1,967,076
Unrestricted	(183,605,569)	(751,298)	(184,356,867)	1,830,888
Total Net Position	581,399,156	(544,559)	580,854,597	8,025,577
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 1,476,317,942	\$ 4,709,800	\$ 1,481,027,742	\$ 13,984,929

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

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 362,962,619	\$ 407,780	\$ -	\$ -
Pupil Personnel Services	26,801,838	-	-	-
Instructional Media Services	2,343,060	-	-	-
Instruction and Curriculum Development Services	15,800,130	-	-	-
Instructional Staff Training Services	7,324,613	-	-	-
Instruction Related Technology	6,888,825	-	-	-
Board of Education	530,109	-	-	-
General Administration	2,407,270	-	-	-
School Administration	37,661,405	-	-	-
Facilities Acquisition and Construction	17,381,716	-	-	10,130,847
Fiscal Services	2,792,302	-	-	-
Food Services	35,477,047	11,033,632	24,979,878	-
Central Services	8,227,505	-	-	-
Pupil Transportation Services	29,695,863	1,209,902	15,076,835	-
Operation of Plant	42,537,525	-	-	-
Maintenance of Plant	10,565,620	-	-	-
Administrative Technology Services	6,047,282	-	-	-
Community Services	867,512	-	-	-
Interest on Long-term Liabilities	15,059,988	-	-	2,721,565
Total Governmental Activities	631,372,229	12,651,314	40,056,713	12,852,412
Business-Type Activities:				
PLACE Program	9,363,111	9,435,575	-	-
Vending Program	552,755	554,602	-	-
Total Business-Type Activities	9,915,866	9,990,177	-	-
Total Primary Government	\$ 641,288,095	\$ 22,641,491	\$ 40,056,713	\$ 12,852,412
Component Units:				
Educational Foundation/Charter Schools	\$ 25,281,551	\$ 515,994	\$ 461,922	\$ 919,363

General Revenues:

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 and Transfers
Change in Net Position
Net Position, July 1, 2014
* Adjustment to Beginning Net Position
Net Position, June 30, 2015

*The implementation of GASB Statement 68 resulted in the reclassification of the beginning net position of the governmental and business-type activities in the government-wide financial statements. The net pension liabilities (assets) and the related deferred amounts were reclassified as expenses of prior periods and resulted in this adjustment. Adjustments to the Internal Service Funds June 30, 2014 net position are included in the governmental activities as well as the related Internal Service Fund financial statements.

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (362,554,839)	\$ -	\$ (362,554,839)	\$ -
(26,801,838)	-	(26,801,838)	-
(2,343,060)	-	(2,343,060)	-
(15,800,130)	-	(15,800,130)	-
(7,324,613)	-	(7,324,613)	-
(6,888,825)	-	(6,888,825)	-
(530,109)	-	(530,109)	-
(2,407,270)	-	(2,407,270)	-
(37,661,405)	-	(37,661,405)	-
(7,250,869)	-	(7,250,869)	-
(2,792,302)	-	(2,792,302)	-
536,463	-	536,463	-
(8,227,505)	-	(8,227,505)	-
(13,409,126)	-	(13,409,126)	-
(42,537,525)	-	(42,537,525)	-
(10,565,620)	-	(10,565,620)	-
(6,047,282)	-	(6,047,282)	-
(867,512)	-	(867,512)	-
(12,338,423)	-	(12,338,423)	-
(565,811,790)	-	(565,811,790)	-
-	72,464	72,464	-
-	1,847	1,847	-
-	74,311	74,311	-
(565,811,790)	74,311	(565,737,479)	-
-	-	-	(23,384,272)
123,010,141	-	123,010,141	-
32,660,786	-	32,660,786	-
26,680,307	-	26,680,307	-
386,425,843	-	386,425,843	23,981,532
816,253	20,578	836,831	88,762
14,454,399	309	14,454,708	-
584,047,729	20,887	584,068,616	24,070,294
18,235,939	95,198	18,331,137	686,022
778,593,655	2,385,706	780,979,361	7,339,555
(215,430,438)	(3,025,463)	(218,455,901)	-
\$ 581,399,156	\$ (544,559)	\$ 580,854,597	\$ 8,025,577

**District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2015**

	Major Funds					Total Governmental Funds
	General	Capital Projects	Debt Service	Special Revenue	Nonmajor	
	Primary Operating Fund	Other Funds	Other Funds	Federal Economic Stimulus Programs Fund	Governmental Funds	
ASSETS:						
Cash	\$ 10,565,908	\$ 9,699,619	\$ 4,404,396	\$ -	\$ 8,578,449	\$ 33,248,372
Cash with Fiscal Agent	-	6,290,626	1,183,909	-	-	7,474,535
Investments	48,637,880	169,724,046	9,105,993	-	27,545,195	255,013,114
Accounts Receivable	4,319,194	-	-	-	55,403	4,374,597
Accrued Interest Receivable	13,477	192,762	39	-	29,310	235,588
Due from Other Funds	7,733,050	-	-	-	-	7,733,050
Due from Other Agencies	673,867	6,709,885	-	487,490	8,225,300	16,096,542
Inventories	3,568,548	-	-	-	1,238,056	4,806,604
Prepaid Items	137,568	-	-	-	-	137,568
TOTAL ASSETS	\$ 75,649,492	\$ 192,616,938	\$ 14,694,337	\$ 487,490	\$ 45,671,713	\$ 329,119,970
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Salaries and Benefits Payable	\$ 8,643,636	\$ -	\$ -	\$ -	\$ -	\$ 8,643,636
Payroll Deductions and Withholdings Payable	2,555,854	-	-	2,368	3,952	2,562,174
Accounts Payable	8,322,397	7,393,199	122,662	-	860,160	16,698,418
Construction Contracts Payable	-	-	-	-	13,497	13,497
Construction Contracts Payable-Retainage	-	2,775,980	-	-	32,157	2,808,137
Arbitrage Rebate Payable	-	-	81,410	-	-	81,410
Due to Other Funds	-	-	2,848,359	485,122	4,399,569	7,733,050
Due to Other Agencies	-	-	-	-	1,031	1,031
Sales Tax Payable	3,186	-	-	-	-	3,186
Deposits Payable	52,497	-	-	-	-	52,497
Advanced Revenue	52,250	-	-	-	1,084,970	1,137,220
Total Liabilities	19,629,820	10,169,179	3,052,431	487,490	6,395,336	39,734,256
Fund Balances:						
Nonspendable:						
Inventories:						
General Fund	3,568,548	-	-	-	-	3,568,548
Special Revenues-Food Service	-	-	-	-	1,238,056	1,238,056
Prepaid Items:						
General Fund	137,568	-	-	-	-	137,568
Restricted:						
Categorical Programs	4,793,446	-	-	-	-	4,793,446
Special Revenues-Food Service	-	-	-	-	9,000,902	9,000,902
Debt Service	-	-	11,641,906	-	316,331	11,958,237
Capital Projects	-	182,447,759	-	-	28,721,088	211,168,847
Assigned:						
School Operations:						
School and Local Programs	21,418,729	-	-	-	-	21,418,729
Unassigned Fund Balance	26,101,381	-	-	-	-	26,101,381
Total Fund Balances	56,019,672	182,447,759	11,641,906	-	39,276,377	289,385,714
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,649,492	\$ 192,616,938	\$ 14,694,337	\$ 487,490	\$ 45,671,713	\$ 329,119,970

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

District School Board of Pasco County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances for total governmental funds (page 26). \$ 289,385,714

Amounts reported for governmental activities in the statement of net position (page 22 & 23)
are different because:

Non-current assets do not represent current financial resources and, therefore,
are not reported in the governmental funds.

Non-current assets at year-end consist of:

Capital Credits Receivable	\$ 4,600,463	
Net Pension Asset - SERP	4,094,918	
Capital Assets (net of accumulated depreciation)	1,004,300,051	1,012,995,432

Deferred outflows of resources are reported as a result of:

Changes in fair value of Hedging Derivatives	16,279,499	
Deferred Amounts on Bond Refundings	7,474,796	
Deferred Amounts for Pension - SERP	399,722	
Deferred Amounts for Pension - FRS / HIS	55,469,862	79,623,879

Interest on long-term debt is accrued as a liability in the government-wide statements,
but is not recognized in the governmental funds until due.

(4,264,478)

Long-term liabilities are not due and payable in the current period, therefore,
are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Bonds Payable	(121,586,529)	
Certificates of Participation Payable	(351,603,807)	
Compensated Absences Payable	(37,285,813)	
Other Post-Employment Benefits Obligation	(54,760,639)	
Net Pension Liability FRS / HIS	(160,059,134)	
Derivative Swap Liability	(16,279,499)	(741,575,421)

Deferred inflows of resources are reported as a result of :

Deferred Amounts for Pension - SERP	(4,169,318)	
Deferred Amounts for Pension - FRS / HIS	(91,921,070)	(96,090,388.00)

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

41,324,418

Total Net Position - Governmental Activities

\$ 581,399,156

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Primary Operating Fund	Capital Projects Other Funds	Debt Service Other Funds	Special Revenue Federal Economic Stimulus Programs Fund		
Revenues:						
Federal Sources:						
Federal Direct	\$ 517,824	\$ -	\$ 273,839	\$ -	\$ 6,994,339	\$ 7,786,002
Federal Through State	5,339,316	-	-	806,425	59,547,023	65,692,764
State Sources:						
Florida Education Finance Program	268,469,393	-	-	-	-	268,469,393
Public Education Capital Outlay	-	-	-	-	796,597	796,597
Food Services	-	-	-	-	414,356	414,356
SBE/COBI Bond Interest	-	-	-	-	1,873	1,873
CO & DS Withheld for State Education Bonds	-	-	-	-	2,169,268	2,169,268
CO & DS Interest	-	-	-	-	17,891	17,891
CO & DS Distributed	-	-	-	-	491,638	491,638
Racing Commission Funds	-	-	-	-	223,250	223,250
State Grants and Other	83,937,686	-	-	-	-	83,937,686
Local Sources:						
Property Taxes	123,010,141	-	-	-	32,660,786	155,670,927
Local Sales Taxes	-	26,680,307	-	-	-	26,680,307
Impact Fees	-	9,334,250	-	-	-	9,334,250
Food Services	-	-	-	-	10,532,753	10,532,753
Investment Earnings	207,804	1,004,030	(310,811)	-	(83,800)	817,223
Local Grants and Other	14,373,902	209,190	125,334	-	500,879	15,209,305
Total Revenues	495,856,066	37,227,777	88,362	806,425	114,266,853	648,245,483
Expenditures:						
Current-Education:						
Instruction	308,693,209	-	-	77,236	24,257,852	333,028,297
Pupil Personnel Services	23,318,004	-	-	-	3,294,969	26,612,973
Instructional Media Services	2,612,249	-	-	-	8,954	2,621,203
Inst. and Curriculum Development Services	10,920,557	-	-	-	4,719,511	15,640,068
Instructional Staff Training Services	2,370,033	-	-	167,733	4,858,730	7,396,496
Instruction Related Technology	6,387,191	-	-	-	355,164	6,742,355
Board of Education	490,170	-	-	-	10,058	500,228
General Administration	895,879	-	-	164	1,461,144	2,357,187

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service	Special Revenue		
	Primary Operating Fund	Other Funds	Other Funds	Federal Economic Stimulus Programs Fund		
Expenditures (continued):						
School Administration	36,843,694	-	-	4,041	77,407	36,925,142
Facilities Acquisition and Construction	2,719,854	1,396,945	-	-	1,591,815	5,708,614
Fiscal Services	2,679,848	-	-	-	94,878	2,774,726
Food Services	242,793	-	-	-	35,007,088	35,249,881
Central Services	7,416,799	-	-	-	343,485	7,760,284
Pupil Transportation Services	29,076,167	-	-	-	329,183	29,405,350
Operation of Plant	42,337,996	-	-	-	114,209	42,452,205
Maintenance of Plant	10,475,300	-	-	-	61,443	10,536,743
Administrative Technology Services	5,808,009	-	-	-	180,454	5,988,463
Community Services	856,821	-	-	-	-	856,821
Capital Outlay:						
Facilities Acquisition and Construction	127,902	62,505,991	-	183,375	15,379,322	78,196,590
Other Capital Outlay	1,429,158	-	-	373,876	1,808,132	3,611,166
Debt Service:						
Principal	-	-	19,612,001	-	1,712,000	21,324,001
Interest	-	-	15,329,340	-	651,400	15,980,740
Fiscal Charges	-	-	699,217	-	7,037	706,254
Total Expenditures	495,701,633	63,902,936	35,640,558	806,425	96,324,235	692,375,787
Excess (Deficiency) of Revenues Over Expenditures	154,433	(26,675,159)	(35,552,196)	-	17,942,618	(44,130,304)
Other Financing Sources (Uses):						
Issuance of Refunding Bonds	-	-	-	-	2,411,000	2,411,000
Premium on Refunding Bonds	-	-	-	-	174,776	174,776
Premiums on Refunding Certificates of Participation	-	-	7,814,270	-	-	7,814,270
Proceeds Of Certificates of Participation Issued	-	13,410,249	244,751	-	-	13,655,000
Proceeds Of Refunding Certificates of Participation	-	-	44,145,000	-	-	44,145,000
Proceeds from the Sale of Capital Assets	100,000	-	-	-	-	100,000
Payments to Refunded Bond Escrow Agent	-	-	(52,018,946)	-	(3,566,230)	(55,585,176)
Transfers In	981,597	-	34,254,284	-	656,318	35,892,199
Transfers Out	-	(15,990,779)	-	-	(19,716,420)	(35,707,199)
Total Other Financing Sources (Uses)	1,081,597	(2,580,530)	34,439,359	-	(20,040,556)	12,899,870
Net Change in Fund Balances	1,236,030	(29,255,689)	(1,112,837)	-	(2,097,938)	(31,230,434)
Fund Balances, July 1, 2014	54,783,642	211,703,448	12,754,743	-	41,374,315	320,616,148
Fund Balances, June 30, 2015	<u>\$ 56,019,672</u>	<u>\$ 182,447,759</u>	<u>\$ 11,641,906</u>	<u>\$ -</u>	<u>\$ 39,276,377</u>	<u>\$ 289,385,714</u>

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

District School Board of Pasco County
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Governmental Funds (page 29). \$ (31,230,434)

Amounts reported for governmental activities on the statement of activities (pages 24 & 25) are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 81,807,756	
Less current year depreciation	(51,354,758)	30,452,998

Capital assets donated to the District increase net assets on the statement of activities.

However, they do not provide current financial resources and are not reported as revenues in the governmental funds.		409,539
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The net change in the Net Pension Asset (SERP) is reported in the government-wide statements, but not in the governmental fund statements.		9,581,307
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The net change in the Net Pension Liability (FRS / HIS) is reported in the government-wide statements, but not in the governmental fund statements.		9,514,820
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The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the assets disposed of.		(878,169)
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Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Additionally, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.

Principal payments	21,324,001	
New Sales Tax Bonds Issued	(13,655,000)	
Bonds Refunded	55,585,176	
Refunding Bonds	(54,545,046)	
Net decrease in deferred charges	(463,115)	
Net decrease in premiums and discounts	2,454,128	10,700,144

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period.		282,976
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In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not 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 period.		(2,525,924)
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Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.		(364,007)
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The net change in liability for Other Post-Employment Benefits Obligation related to health care benefits is reported in the government-wide statements, but not in the governmental fund statements.		(7,484,105)
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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.		(223,206)
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Change in Net Position - Governmental Activities (pages 24 & 25).	\$ 18,235,939	
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The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 685,026	\$ 775,454	\$ 517,824	\$ (257,630)
Federal Through State	699,851	4,256,724	5,339,316	1,082,592
State Sources:				
Florida Education Finance Program	275,480,805	273,274,539	268,469,393	(4,805,146)
State Grants and Other	83,252,703	84,046,163	83,937,686	(108,477)
Local Sources:				
Property Taxes	121,625,320	121,625,320	123,010,141	1,384,821
Investment Earnings	665,000	665,000	207,804	(457,196)
Local Grants and Other	8,645,673	9,200,948	14,373,902	5,172,954
Total Revenues	491,054,378	493,844,148	495,856,066	2,011,918
Expenditures:				
Current-Education:				
Instruction				
Salaries	\$ 204,759,699	\$ 204,945,047	\$ 203,302,863	\$ 1,642,184
Employee Benefits	61,849,933	63,178,611	62,277,156	901,455
Purchased Services	29,928,539	31,167,865	27,707,815	3,460,050
Materials and Supplies	16,775,168	21,470,622	10,530,406	10,940,216
Capital Outlay	67,998	2,262,481	667,163	1,595,318
Other Expenses	3,372,956	4,605,303	4,207,806	397,497
Pupil Personnel Services				
Salaries	16,202,403	16,452,045	15,734,545	717,500
Employee Benefits	5,394,791	5,371,998	5,194,982	177,016
Purchased Services	2,302,457	2,311,116	2,143,414	167,702
Materials and Supplies	166,022	237,015	170,316	66,699
Capital Outlay	5,975	132,103	8,194	123,909
Other Expenses	338,301	801	66,553	(65,752)
Instructional Media Services				
Salaries	867,118	952,572	936,999	15,573
Employee Benefits	407,878	413,827	411,397	2,430
Purchased Services	150,471	178,645	178,330	315
Materials and Supplies	421,586	321,350	286,660	34,690
Capital Outlay	873,303	1,278,897	797,419	481,478
Other Expenses	312	1,538	1,444	94
Instruction and Curriculum Development Services				
Salaries	8,040,016	8,425,364	7,847,590	577,774
Employee Benefits	2,326,058	2,432,084	2,545,812	(113,728)
Purchased Services	401,101	310,346	211,006	99,340
Materials and Supplies	501,625	430,558	275,242	155,316
Capital Outlay	3,300	22,769	14,887	7,882
Other Expenses	16,900	39,479	26,020	13,459

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	1,712,413	1,770,618	1,539,879	230,739
Employee Benefits	353,968	406,775	369,017	37,758
Purchased Services	218,884	336,059	262,229	73,830
Materials and Supplies	552,639	201,956	188,017	13,939
Capital Outlay	3,082	1,025	1,010	15
Other Expenses	2,268	18,176	9,881	8,295
Instruction Related Technology				
Salaries	4,930,047	4,953,161	4,789,322	163,839
Employee Benefits	1,587,545	1,589,313	1,579,795	9,518
Materials and Supplies	550	17,899	17,899	-
Capital Outlay	500,511	175	175	-
School Board				
Salaries	223,221	223,221	225,558	(2,337)
Employee Benefits	2,686,379	2,636,379	137,309	2,499,070
Purchased Services	178,820	186,301	85,293	101,008
Materials and Supplies	3,255	3,255	678	2,577
Capital Outlay	935	935	-	935
Other Expenses	23,381	43,381	41,332	2,049
General Administration				
Salaries	599,756	599,756	561,745	38,011
Employee Benefits	219,629	224,629	226,840	(2,211)
Purchased Services	106,160	121,664	76,214	45,450
Materials and Supplies	8,500	8,580	5,953	2,627
Capital Outlay	3,500	4,596	2,532	2,064
Other Expenses	23,671	23,521	22,595	926
School Administration				
Salaries	23,686,828	24,426,135	25,186,094	(759,959)
Employee Benefits	8,421,123	8,622,912	9,266,064	(643,152)
Purchased Services	1,176,170	1,212,361	1,121,479	90,882
Materials and Supplies	494,132	624,208	497,569	126,639
Capital Outlay	147,242	232,795	133,190	99,605
Other Expenses	64,853	602,472	639,298	(36,826)
Facilities Services				
Salaries	1,074,085	1,224,085	1,245,704	(21,619)
Employee Benefits	310,996	350,996	399,389	(48,393)
Purchased Services	1,336,188	1,244,956	1,058,844	186,112
Materials and Supplies	10,575	13,535	11,477	2,058
Capital Outlay	448,005	312,370	3,241	309,129
Other Expenses	1,600	1,600	1,199	401

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	1,819,447	1,943,021	1,782,754	160,267
Employee Benefits	593,182	597,054	554,303	42,751
Purchased Services	225,384	259,697	236,333	23,364
Materials and Supplies	27,022	22,453	14,410	8,043
Capital Outlay	2,875	4,670	2,194	2,476
Other Expenses	691,930	663,035	89,854	573,181
Food Services				
Salaries	-	149,107	148,822	285
Employee Benefits	-	11,815	92,382	(80,567)
Materials and Supplies	-	2,900	1,589	1,311
Central Services				
Salaries	4,533,204	4,532,410	4,231,504	300,906
Employee Benefits	1,478,239	1,481,305	1,457,024	24,281
Purchased Services	1,853,586	1,829,676	1,280,381	549,295
Materials and Supplies	69,055	69,239	45,640	23,599
Capital Outlay	35,587	31,853	7,680	24,173
Other Expenses	444,013	516,963	394,570	122,393
Pupil Transportation Services				
Salaries	13,390,067	15,690,067	15,942,747	(252,680)
Employee Benefits	6,910,689	6,910,689	6,920,453	(9,764)
Purchased Services	1,021,044	935,900	1,010,454	(74,554)
Energy Services	6,110,000	7,676,255	3,836,939	3,839,316
Materials and Supplies	1,395,001	1,384,675	1,245,475	139,200
Capital Outlay	7,547	6,369	1,413	4,956
Other Expenses	10,525	125,500	118,686	6,814
Operation of Plant				
Salaries	15,923,013	16,041,112	15,882,094	159,018
Employee Benefits	6,808,389	6,817,792	6,684,712	133,080
Purchased Services	9,455,372	9,480,427	8,875,440	604,987
Energy Services	10,012,975	9,999,975	9,968,526	31,449
Materials and Supplies	872,322	978,808	850,911	127,897
Capital Outlay	25,718	46,865	37,617	9,248
Other Expenses	3,050	36,789	38,696	(1,907)
Maintenance of Plant				
Salaries	6,624,630	6,624,630	5,485,988	1,138,642
Employee Benefits	2,209,783	2,209,783	1,840,932	368,851
Purchased Services	2,845,415	2,894,599	2,835,621	58,978
Materials and Supplies	344,000	376,163	301,326	74,837
Capital Outlay	16,015	8,015	5,728	2,287
Other Expenses	7,565	5,847	5,705	142

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	3,268,531	3,543,531	3,810,680	(267,149)
Employee Benefits	980,729	1,090,729	1,223,217	(132,488)
Purchased Services	633,150	1,010,452	693,046	317,406
Materials and Supplies	35,335	38,318	20,921	17,397
Capital Outlay	6,125	15,392	12,070	3,322
Other Expenses	4,000	57,000	48,075	8,925
Community Services				
Salaries	134,876	402,060	317,378	84,682
Employee Benefits	58,122	148,131	163,110	(14,979)
Purchased Services	190,363	209,654	181,605	28,049
Materials and Supplies	23,425	37,829	31,118	6,711
Capital Outlay	20,522	58,854	43,832	15,022
Other Expenses	137,596	138,872	119,778	19,094
Capital Outlay:				
Facilities Acquisition and Construction	-	-	127,902	(127,902)
Other Capital Outlay	-	-	1,429,158	(1,429,158)
Total Expenditures	507,544,239	526,298,516	495,701,633	30,596,883
Excess (Deficiency) of Revenues Over Expenditures	(16,489,861)	(32,454,368)	154,433	32,608,801
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	-	100,000	100,000	-
Transfers In	1,102,568	981,597	981,597	-
Total Other Financing Sources (Uses)	1,102,568	1,081,597	1,081,597	-
Net Change in Fund Balance	(15,387,293)	(31,372,771)	1,236,030	32,608,801
Fund Balance, Beginning	54,783,642	54,783,642	54,783,642	-
Fund Balance, Ending	\$ 39,396,349	\$ 23,410,871	\$ 56,019,672	\$ 32,608,801

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

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal Economic Stimulus Programs Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Through State	\$ -	\$ 860,532	\$ 806,425	\$ (54,107)
Total Revenues	-	860,532	806,425	(54,107)
Expenditures:				
Current-Education:				
Instruction				
Materials and Supplies	-	3	-	3
Capital Outlay	-	97,538	77,236	20,302
Instructional Staff Training Services				
Salaries	-	177,953	150,050	27,903
Employee Benefits	-	21,017	17,683	3,334
Materials and Supplies	-	103	-	103
General Administration				
Other Expenses	-	280	164	116
School Administration				
Salaries	-	3,100	3,100	-
Employee Benefits	-	676	676	-
Purchased Services	-	2,611	265	2,346
Capital Outlay:				
Facilities Acquisition and Construction	-	183,375	183,375	-
Other Capital Outlay	-	373,876	373,876	-
Total Expenditures	-	860,532	806,425	54,107
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

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

District School Board of Pasco County
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

Exhibit I

	Major Fund	Business-Type Activity Nonmajor	Total Enterprise Funds	Governmental Activities Internal Service Funds
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program		
ASSETS:				
Current Assets:				
Cash	\$ 348,461	\$ 59,577	\$ 408,038	\$ 10,421,639
Investments	3,077,490	-	3,077,490	51,451,314
Accounts Receivable	122,609	-	122,609	388,732
Accrued Interest Receivable	3,064	-	3,064	50,026
Total Current Assets	3,551,624	59,577	3,611,201	62,311,711
Noncurrent Assets:				
Improvements Other Than Buildings, Net	18,763	-	18,763	-
Buildings and Fixed Equipment, Net	16,381	-	16,381	-
Furniture, Fixtures, and Equipment, Net	165,973	-	165,973	12,817
Computer Software, Net	5,622	-	5,622	-
Total Noncurrent Assets	206,739	-	206,739	12,817
Total Assets	3,758,363	59,577	3,817,940	62,324,528
DEFERRED OUTFLOWS OF RESOURCES:				
Pension	891,860	-	891,860	372,010
Total Deferred Outflows of Resources	891,860	-	891,860	372,010
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 4,650,223	\$ 59,577	\$ 4,709,800	\$ 62,696,538
LIABILITIES:				
Current Liabilities:				
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 14
Payroll Deductions and Withholdings Payable	3,316	-	3,316	114,014
Accounts Payable	17,316	56,602	73,918	13,743,936
Sales Tax Payable	-	896	896	-
Advanced Revenues	67,648	-	67,648	255,329
Current portion of long-term liabilities:				
Compensated Absences Payable	4,744	-	4,744	16,909
Estimated Insurance Claims Payable	-	-	-	2,482,000
Total Current Liabilities	93,024	57,498	150,522	16,612,202
Noncurrent Liabilities:				
Compensated Absences Payable	402,494	-	402,494	389,951
Estimated Insurance Claims Payable	-	-	-	4,392,000
Other Post-Employment Benefits Obligation	938,442	-	938,442	210,290
Net Pension Liability - FRS / HIS	2,391,152	-	2,391,152	463,895
Total Noncurrent Liabilities	3,732,088	-	3,732,088	5,456,136
Total Liabilities	3,825,112	57,498	3,882,610	22,068,338
DEFERRED INFLOWS OF RESOURCES:				
Pension	1,371,749	-	1,371,749	364,991
Total Deferred Inflows of Resources	1,371,749	-	1,371,749	364,991
NET POSITION:				
Net Investment in Capital Assets	206,739	-	206,739	15,581
Unrestricted	(753,377)	2,079	(751,298)	40,247,628
Total Net Position	(546,638)	2,079	(544,559)	40,263,209
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 4,650,223	\$ 59,577	\$ 4,709,800	\$ 62,696,538

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

District School Board of Pasco County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

Exhibit J

	Business-Type Activity		Governmental Activities
	Major Fund	Nonmajor	
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program	Total Enterprise Funds
			Internal Service Funds
Operating Revenues:			
Charges for Services Provided	\$ 9,435,575	\$ -	\$ 9,435,575
Charges for Sales	-	554,602	554,602
Insurance Premiums:			
Board Contributions	-	-	-
Employees	-	-	-
Retirees	-	-	-
Other Operating Revenues	-	52	52
Total Operating Revenues	9,435,575	554,654	9,990,229
Operating Expenses:			
Salaries	5,435,236	-	5,435,236
Employee Benefits	2,070,384	-	2,070,384
Purchased Services	367,959	-	367,959
Insurance Premiums	-	-	-
Energy Services	446,348	-	446,348
Materials and Supplies	352,245	118,575	470,820
Capital Outlay	126,295	-	126,295
Insurance Claims	-	-	-
Other	511,972	434,180	946,152
Depreciation	45,238	-	45,238
Total Operating Expenses	9,355,677	552,755	9,908,432
Operating Income (Loss)	79,898	1,899	81,797
Nonoperating Revenues (Expenses):			
Investment Earnings	20,578	-	20,578
Gifts, Grants, and Bequests	-	-	-
Other Miscellaneous Revenue	77	180	257
Insurance Loss Recoveries	-	-	-
Loss on Disposition of Assets	(7,434)	-	(7,434)
Total Nonoperating Revenues (Expenses)	13,221	180	13,401
Income (Loss) Before Transfers	93,119	2,079	95,198
Transfers In	-	-	-
Transfers Out	-	-	-
Change in Net Position	93,119	2,079	95,198
Total Net Position, July 1, 2014	2,385,706	-	2,385,706
Adjustment to Net Position	(3,025,463)	-	(3,025,463)
Total Net Position, June 30, 2015	\$ (546,638)	\$ 2,079	\$ (544,559)

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

District School Board of Pasco County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

Exhibit K

	Business-Type Activity		Governmental Activities
	Major Fund	Nonmajor	
	Pasco Learning and Activity Centers of Enrichment (PLACE)	Vending Program	Total Enterprise Funds
			Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Sales and Services	\$ 9,496,140	\$ 554,602	\$ 10,050,742
Cash Received from Premiums	-	-	-
Cash Received from Other Operating Revenues	-	52	52
Cash Payments to Suppliers for Goods and Services	(1,874,293)	(495,257)	(2,369,550)
Cash Payments to Employees for Services	(7,574,463)	-	(7,574,463)
Cash Payments for Insurance Claims	-	-	-
Net Cash Provided (Used) by Operating Activities	47,384	59,397	106,781
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Insurance Loss Recoveries	-	-	-
Gifts, Grants and Bequests	-	-	-
Other Miscellaneous Revenue	77	180	257
Transfers In	-	-	-
Transfers Out	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	77	180	257
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Disposition of Capital Assets	-	-	-
Acquisition and Construction of Capital Assets	(83,283)	-	(83,283)
Net Cash Provided (Used) by Capital and Related Financing Activities	(83,283)	-	(83,283)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Earnings	20,905	-	20,905
Purchase and Sale of Investments	13,681	-	13,681
Net Cash Provided (Used) by Investing Activities	34,586	-	34,586
Net Change in Cash	(1,236)	59,577	58,341
Cash, Beginning	349,697	-	349,697
Cash, Ending	\$ 348,461	\$ 59,577	\$ 408,038
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 79,898	\$ 1,899	\$ 81,797
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	45,238	-	45,238
Change in Assets and Liabilities:			
Increase in Accounts Receivable	45,952	-	45,952
(Decrease) in Accounts Payable	(69,474)	57,498	(11,976)
(Decrease) in Salaries and Benefits Payable	(444)	-	(444)
Increase (Decrease) in Payroll Deductions and Withholdings Payable	(12,671)	-	(12,671)
Increase in Advanced Revenues	14,613	-	14,613
Increase (Decrease) in Compensated Absences Payable	(42,344)	-	(42,344)
Increase in Other Post-Employment Benefits Obligation	141,038	-	141,038
(Decrease) in Pension Amounts	(154,422)	-	(154,422)
(Decrease) in Estimated Insurance Claims Payable	-	-	-
Total Adjustments	(32,514)	57,498	24,984
Net Cash Provided (Used) by Operating Activities	\$ 47,384	\$ 59,397	\$ 106,781

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

District School Board of Pasco County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

Exhibit L

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 1,972,552	\$ 1,375	\$ 8,369,596
Collateralized Mortgage Obligations	896,690	-	-
Corporate Bonds	460,585	-	-
Government and Municipal Bonds	8,884,656	-	-
Domestic Equity Mutual Funds	2,426,970	-	-
International Equity Mutual Funds	1,311,469	-	-
Domestic Fixed Income Mutual Funds	2,052,605	-	-
Mutual Fund - Government Securities	-	-	-
Government Sponsored Enterprise Securities	249,805	42,400	72,493
Accounts Receivable	-	-	8,935
Interest Receivable	162,704	41	68
Inventories	-	-	3,943
TOTAL ASSETS	\$ 18,418,036	\$ 43,816	\$ 8,455,035
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ 1,091,474
Internal Accounts Payable	-	-	7,287,319
ABC Program Payable	-	-	76,242
Total Liabilities	-	-	\$ 8,455,035
NET POSITION:			
Net Position Restricted for Pension Benefits	18,418,036	-	
Net Position Restricted for Medical Benefits	-	26,199	
Net Position Restricted for Educational Support	-	17,617	
Total Net Position	18,418,036	43,816	
TOTAL LIABILITIES AND NET POSITION	\$ 18,418,036	\$ 43,816	

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

District School Board of Pasco County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Contributions:		
Employer	\$ 1,662,560	\$ -
Gifts, Grants and Bequests	-	40,000
Total Contributions	<u>1,662,560</u>	<u>40,000</u>
Investment Earnings:		
Interest, Dividends and Other	428,679	289
Net Investment Income	<u>428,679</u>	<u>289</u>
Total Additions	<u>2,091,239</u>	<u>40,289</u>
DEDUCTIONS:		
Benefit Payments	1,074,335	-
Purchased Services	-	3,523
Administrative Expenses	12,549	45,821
Total Deductions	<u>1,086,884</u>	<u>49,344</u>
Change in Net Position	1,004,355	(9,055)
Net Position, July 1, 2014	<u>17,413,681</u>	<u>52,871</u>
Net Position, June 30, 2015	<u><u>\$ 18,418,036</u></u>	<u><u>\$ 43,816</u></u>

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Statement No. 61. Pursuant to Section 1002.33(17), Florida Statutes, students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the school district. Accordingly, charter schools' full-time equivalent (FTE) student enrollment is the basis for school districts to provide funding to charter schools. Funding is provided to the charter schools by the District. Furthermore, Article IX, Section 4(b) of the Florida Constitution states that, "The school board shall operate, control and supervise all free public schools within the school district and determine the rate of school district taxes within the limits prescribed herein." Because the District is financially accountable for charter schools, and charter schools create a financial burden on school districts, charter schools are considered component units of the school districts.

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

- Blended Component Unit. The Pasco County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the Pasco County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component unit columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, nine charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District since they impose a financial burden on the District. The component units are as follows:

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

- ◇ Academy at the Farm focuses on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.
- ◇ Athenian Academy of Pasco County is a K through 8th grade school offering students a program that incorporates the Greek language and culture.
- ◇ Classical Preparatory Academy is a K through 8th grade school providing a classical style education.
- ◇ Countryside Montessori is a 1st through 8th grade school providing an alternative education program.
- ◇ Dayspring Academy for Education and the Arts emphasizes the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Florida Virtual Academy at Pasco is a K through 8th grade school providing curriculum in an on-line educational environment.
- ◇ Imagine School at Land O'Lakes is a K through 7th grade school providing an alternative education program.
- ◇ Learning Lodge Academy is a K through 3rd grade school providing an alternative elementary education program.
- ◇ Pepin Academies of Pasco is a 3rd through 10th grade school providing an alternative education program for special needs students.

The Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2015.

The Pasco Education Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. Because of the nature and significance of its relationship with the District, the foundation is considered a component unit. The financial data reported on the accompanying statements was derived from the foundation's audited financial statements for the fiscal year ended June 30, 2015.

Audits of the charter schools and foundation for the fiscal year ended June 30, 2015, were conducted by independent certified public accountants and are filed at the District's administrative office at 7227 Land O' Lakes Boulevard, Land O' Lakes, Florida 34638.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

➤ **Basis of Presentation**

The basic financial statements include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

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

The effects of interfund balances and activities have been eliminated from the government-wide financial statements except for interfund services provided and used. Interfund transactions, consisting of transactions involving the internal service funds, were eliminated by allocating the change in net position of internal service funds in direct proportion as they were charged as expenses to the various functions.

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

The District reports the following major governmental funds:

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

- Capital Projects – Other Fund – to account for the financial resources such as sales tax proceeds, impact fees and certificates of participation which are used for capital outlay needs.
- Debt Service Fund – to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.
- Special Revenue – Federal Economic Stimulus Programs Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act.

Additionally, the District reports the following major proprietary fund:

- Enterprise Fund – Pasco Learning and Activity Centers of Enrichment (PLACE) Fund – to account for the financial resources of the District's PLACE program, a before and after-school child care program.

The District also reports the following fiduciary funds and nonmajor proprietary fund:

- Internal Service Funds – to account for the District's fully-insured program for employees' life insurance; individual self-insurance programs for property/casualty, liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee assistance program; the energy management program; and exclusive agreements administered by the School Board.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – to account for resources legally held by the District in a trustee capacity or as an agent for individuals or private organizations.
- Agency Funds – to account for resources held by the District in a trustee capacity, primarily for the benefit of various schools and their activity funds.
- Enterprise Fund – Vending Program – to account for the operation of food and beverage machines throughout the District.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

➤ **Basis of Accounting**

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

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other post-employment healthcare benefits, compensated absences and net pension liability for retirement benefits, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's enterprise and internal service funds are from services provided for before and after-school child care and charges for employee health insurance premiums. The principal operating expenses for the enterprise and internal service funds include salaries and benefits, administrative expenses, claims, energy services and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

➤ **Recently Issued and Adopted Pronouncements**

The District adopted new accounting guidance GASB Statement 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB 68 and GASB 71 replace the requirements of Statement 27, *Accounting for Pensions by State and Local Governmental Employers and Note Disclosures for Defined Contribution Plans* and Statement 50, *Pension Disclosures*. Statement 68, as well as Statement 67 adopted in fiscal year 2014, establish the definition of pension plans. Statements 68 and 71 further address accounting and financial reporting for pension plans that are administered through trusts. It further defines the employer's reporting requirements for pensions based on the pension plan classification of a single-employer, multiple-employer or cost-sharing multiple-employer plan. The District is required to report the net pension assets or liabilities and related pension amounts for its Early Retirement Pension Plan as well as its proportionate share of the Florida Division of Retirement's Florida Retirement System (FRS) defined benefit pension plan and Health Insurance Subsidy (HIS) defined benefit plan. The requirements of GASB 68 and GASB 71 were effective for the fiscal year 2015.

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depositary Insurance Corporation and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. For the enterprise and internal service funds, the statement of cash flows considers cash and cash equivalents as those accounts used as demand deposit accounts and amounts held by fiscal agent.

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service money with SBA for participation in the Florida PRIME investment pool created by Sections 218.405 and 218.47, Florida Statutes; and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2015, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at fair value, which is amortized cost.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Investments made locally consist of United States Treasury Securities and Federal Agency Securities, money market and bond mutual funds, corporate debt obligations, commercial paper and collateralized mortgage obligations and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at cost. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, telecommunications, technology services, and transportation items are based on a weighted average. Fuel inventories are stated at last quoted price at June 30, 2015. 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The purchase method is used to account for prepaid items.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported 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 \$750 or more. 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. Land and buildings acquired or constructed prior to July 1, 1972, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, \$1,348,251 of stated land values and \$15,047,877 of stated building values are based on these estimates.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the costs of construction.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	20 - 40 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

Changes in capital assets for the current year are further described in Note 6.

➤ **Compensated Absences**

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 District will compensate the employees for the benefits through paid time off. Sick leave benefits are accrued as a liability using the vesting method.

The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees to whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, only the amount payable to employees who terminated their employment as of the end of the fiscal year is reported. The liability at year-end includes salary-related payments such as Social Security, Medicare and Florida Retirement System contributions.

Changes in compensated absences liability for the current year are further described in Note 13.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

➤ **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 premiums and discounts are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

Changes in long-term debt obligations for the current year are further described in Note 13.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial net position reports 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The government has three items that qualify for reporting in this category. They are the accumulated decrease in the fair value of hedging derivatives, the deferred amount on refunding reported in the government-wide statement of net position, and the deferred amount for pension. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pension are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

In addition to liabilities, the statement of financial net position reports 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting in this category, deferred amount for pension. The deferred inflows related to pension are an aggregate of items related to pension as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pension*.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Deferred outflows/ inflows for pensions for the current year are further described in Notes 18 and 19.

➤ **Net Position Flow Assumption**

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

➤ **Fund Balance Flow Assumptions**

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

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five (5) months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

A schedule of revenue from State sources for the current year is further described in Note 16.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Pasco County Property Appraiser determines the real and personal property values within the District. The Pasco County Tax Collector then collects the taxes and remits them to the District.

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

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

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

Millage rates and taxes levied for the current year are further described in Note 17.

➤ **School Capital Outlay Surtax (Local Sales Tax)**

The citizens of Pasco County on March 9, 2004, approved a one-cent sales tax authorized under Section 212.055(6), Florida Statutes. The Board receives 45% of

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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the one-cent sales tax. The surtax levy commenced on January 1, 2005, and remained in effect for a period of 10 years through December 31, 2014. On November 6, 2012, voters signaled their approval for the continuation of the tax for another 10 years, beginning in January 2015.

➤ **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 State Board of Education rules in establishing budget balances for governmental funds, as described below:

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

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3. PRIOR PERIOD ADJUSTMENTS

The implementation of GASB Statement 68 resulted in the reclassification of the beginning net position of the governmental and business-type activities in the government-wide financial statements. The net pension liabilities (assets) and the related deferred amounts were reclassified as expenses of prior periods and resulted in the adjustments below. Adjustments to the Internal Service Funds June 30, 2014 net position are included in the governmental activities as well as the related Internal Service Fund financial statements.

	Governmental Activities	Business-type Activities
Net Position - June 30, 2014 - As previously stated	\$ 778,593,655	\$ 2,385,706
Change in reporting for pensions	(215,430,438)	(3,025,463)
Net Position - June 30, 2014 - As restated	<u>\$ 563,163,217</u>	<u>\$ (639,757)</u>

4. INVESTMENTS

Investments at June 30, 2015, are shown below:

<u>Investments (1)</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration Local Government		
Florida PRIME	34 Days Average	\$ 8,562,246
Debt Service Account	180 Days Average	279,760
Money Market Funds		
Fidelity Institutional Prime	25 Days Average	7,038,060
Wells Fargo Advantage Funds - Short Duration Government Bond Fund	2.55 Years Average	5,546,295
Florida Education Investment Trust Fund	32 Days Average	5,007,961
Wertz York - Florida Fixed Income Trust - 90	211 Days Average	20,282,800
Wertz York - Florida Fixed Income Trust - 1-3 Year	2.26 Years Average	82,122,023
Wertz York - Florida Fixed Income Trust - Preferred Deposit Program	1 Day Average	288
Commercial Paper	115 Days Average	19,213,308
United States Treasury Securities	1.19 Years Average	88,358,964
Government Sponsored Enterprises (2)	1.57 Years Average	59,964,387
State and/or Local Governments	1.38 Years Average	2,208,865
Corporate Notes	1.32 Years Average	11,071,854
Total Investments, Reporting Entity		<u>\$ 309,656,811</u>

(1) Pension Trust Fund investments are separately disclosed in Note 19.

(2) Amount includes \$114,893 held in Fiduciary Funds.

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Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments of operating funds to a maximum of eighteen months as a means of managing its exposure to fair value losses arising from an increase in interest rates. Investments of reserves, project funds, debt proceeds and other non-operating funds are limited to a maximum of five years with the average duration of all these funds as a whole not to exceed three years.
- Florida PRIME had weighted average days to maturity (WAM) of 34 days at June 30, 2015. A portfolio's WAM reflects the average maturity in days 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.

Credit Risk

- The District's investment policy authorizes the following investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:
 - Florida PRIME when rated at least AAAm by Standard & Poor's or the equivalent by another Nationally Recognized Statistical Rating Organization (NRSRO)
 - United States Government Securities
 - United States Government Agencies
 - Federal Instrumentalities (United States Government Sponsored Enterprise ("GSE")) limited to the Federal Farm Credit Bank (FFCB), Federal Home Loan Bank or its District banks (FHLB), Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (Freddie-Mac) including Federal Home Loan Mortgage Corporation participation certificates
 - Interest Bearing Time Deposit or Savings Accounts
 - Repurchase Agreements
 - Commercial Paper of any United States company that is rated, at the time of purchase, Prime 1 by Moody's and A-1 by Standards & Poor's (prime commercial paper)
 - Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum single A category by any two NRSROs
 - State and/or Local Government Taxable and/or Tax-Exempt Debt, general obligation and/or revenue bonds, rated at the time of purchase, at a minimum

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single A category by any two NRSROs for long-term debt, or rated at least MIG-1 by Moody's or SP-1 by Standard & Poor's for short term debt

- Money Market Mutual Funds rated AAAm by Standard & Poor's or the equivalent by another NRSRO
 - Short Term Bonds rated AAA or better by Standards & Poor's or the equivalent by another NRSRO
 - Intergovernmental Investment Pools rated AAAm by Standard & Poor's or the equivalent by another NRSRO
- The District's investments in the State Board of Administration Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing credit risk for this account.
- As of June 30, 2015, the District's investment in Florida PRIME was rated AAAm by Standard & Poor's.
- The Florida Education Investment Trust Fund is rated AAAm by Standard & Poor's.
- The District's investments in Commercial Paper included commercial paper from four companies which were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's.
- The District's investment in Florida Fixed Income Trust 90 Day Plus is a fund of funds investment portfolio and is not rated. The underlying funds in the portfolio are rated and/or have FDIC insurance.
- The District's investment in Government Sponsored Enterprise Securities was rated AA+ and Aaa by Standard & Poor's and Moody's, respectively.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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 all investment securities purchased by the District shall be held by third party custodians and be properly designated as an asset of the District. All investments, except for investments in money market funds and the SBA, were held in third-party custodial accounts in the District's name.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.
- More than five (5) percent of the District's investments are in Government Sponsored Enterprise Securities. These securities are made up of investments in Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal National Mortgage Association and total 3.59, 5.76, and 10.01 percent of total plan investments, respectively.

Foreign Currency Risk

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

5. RECEIVABLES AND ADVANCED REVENUE

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

Governmental funds report advanced revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities on the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of June 30, 2015, the various components of advanced revenue reported in the governmental funds were as follows:

General Operating - Advanced Revenue	\$ 52,250
Capital Projects - Advanced Revenue	80,219
Special Revenue Other Federal Programs - Advanced Revenue	18,977
Food & Nutrition - Advanced Revenue	985,774
Total Advanced Revenue for Government Funds	<u><u>\$ 1,137,220</u></u>

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6. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2015, are presented in the table below:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 79,516,810	\$ 2,100,797	\$ -	\$ 81,617,607
Construction in Progress	47,209,419	63,245,156	47,647,167	62,807,408
Total Capital Assets Not Being Depreciated	126,726,229	65,345,953	47,647,167	144,425,015
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	50,874,038	2,571,286	-	53,445,324
Buildings and Fixed Equipment	1,221,653,577	45,265,718	-	1,266,919,295
Furniture, Fixtures, and Equipment (1)	90,618,973	8,603,889	5,886,895	93,335,967
Motor Vehicles	38,467,555	4,309,902	2,399,390	40,378,067
Audio Visual Materials	300,992	-	12,617	288,375
Computer Software	17,046,056	3,752,970	86,017	20,713,009
Total Capital Assets Being Depreciated	1,418,961,191	64,503,765	8,384,919	1,475,080,037
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	30,265,450	1,758,022	-	32,023,472
Buildings and Fixed Equipment	440,641,121	37,352,329	-	477,993,450
Furniture, Fixtures, and Equipment (1)	61,476,080	6,969,993	5,268,366	63,177,707
Motor Vehicles	28,738,530	2,370,378	2,161,594	28,947,314
Audio Visual Materials	264,720	2,959	11,355	256,324
Computer Software	9,983,072	2,901,077	77,415	12,806,734
Total Accumulated Depreciation	571,368,973	51,354,758	7,518,730	615,205,001
Total Capital Assets Being Depreciated, Net	847,592,218	13,149,007	866,189	859,875,036
Governmental Activities Capital Assets, Net	\$ 974,318,447	\$ 78,494,960	\$ 48,513,356	\$ 1,004,300,051
Note (1) includes Internal Service Fund assets of \$128,169 and \$115,352 of accumulated depreciation.				
BUSINESS-TYPE ACTIVITIES				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 16,579	\$ 8,727	\$ -	\$ 25,306
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	454,171	72,924	74,340	452,755
Computer Software	39,899	1,632	-	41,531
Total Capital Assets Being Depreciated	545,224	83,283	74,340	554,167
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	5,504	1,039	-	6,543
Buildings and Fixed Equipment	16,639	1,555	-	18,194
Furniture, Fixtures, and Equipment	311,283	42,405	66,906	286,782
Computer Software	35,670	239	-	35,909
Total Accumulated Depreciation	369,096	45,238	66,906	347,428
Business Type Activities Capital Assets, Net	\$ 176,128	\$ 38,045	\$ 7,434	\$ 206,739

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

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 39,122,976
Pupil Personnel Services	34,362
Instructional Media Services	63,828
Instruction and Curriculum Dev Services	28,198
Instructional Staff Training Services	13,674
Instructional Related Technology	4,406
School Administration	15,759
Facilities Services	11,551,667
Food Services	17,060
Central Services	3,923
Pupil Transportation Services	320,878
Operation of Plant	6,906
Maintenance of Plant	164,878
Community Services	6,243
Total Depreciation Expense - Governmental Activities	<u>\$ 51,354,758</u>
BUSINESS - TYPE ACTIVITIES	
PLACE Program	<u>\$ 45,238</u>

7. CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2015, are shown below:

Salary and Benefits Payable	\$ 8,643,650
Payroll Deductions and Withholdings Payable	2,676,188
Accounts Payable	30,442,354
Construction Contracts Payable	13,497
Construction Contracts Payable-Retainage	2,808,137
Arbitrage Rebate Payable	81,410
Due to Other Agencies	1,031
Sales Tax Payable	3,186
Deposits Payable	52,497
Accrued Interest Payable	4,264,478
Advanced Revenue	1,392,549
	<u>\$ 50,378,977</u>

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NOTES TO FINANCIAL STATEMENTS
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8. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on April 1, 1992, which was characterized as a lease-purchase agreement, with the Florida School Boards Association and supplemental arrangements dated September 15, 2004, July 1, 2005, December 23, 2005, February 22, 2007, June 5, 2008, September 23, 2008, December 16, 2009, June 2, 2013, June 12, 2014, June 30, 2014, December 4, 2014, and March 31, 2015 with the Pasco County School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing of various educational facilities in the total amounts of \$4,546,000, \$66,415,000, \$785,612, \$76,045,000, \$74,115,000, \$1,170,000, \$11,000,000, \$45,385,000, \$30,655,000, \$75,656,458, \$13,655,000, and \$44,145,000 respectively.

The financing was accomplished through the issuance of Certificates of Participation, as listed below, to be repaid from the proceeds of rents paid by the District. On March 1, 2004, the financing agreements with the Florida School Boards Association were assigned to the Leasing Corporation.

Certificates of Participation payable at June 30, 2015, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004 - QZAB	\$ 4,546,000	\$ 4,546,000	1.100	2018
Series 2005A	35,915,000	770,000	3.500 - 5.000	2015
Series 2005B (1)	30,500,000	30,500,000	Weekly ARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2007A	76,045,000	9,910,000	4.000 - 5.000	2018
Series 2008C (2)	74,115,000	72,860,000	Weekly	2033
Series 2008 - QZAB	1,170,010	468,004	0.00	2018
Series 2009 - QSCB	11,000,000	11,000,000	2.440	2025
Series 2013A (3)	45,385,000	45,385,000	3.000-5.000	2029
Series 2014A (4)	30,655,000	30,655,000	2.980	2030
Series 2014B-1 (5)	72,246,316	72,246,316	2.600	2026
Series 2014B-2 (5)	3,410,142	3,410,142	0.570	2015
Series 2014 - QSCB	13,655,000	13,655,000	5.000	2038
Series 2015A (6)	44,145,000	44,145,000	5.000	2028
Total Certificates of Participation	<u>\$ 443,573,080</u>	<u>\$ 340,336,074</u>		

Note: (1) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2015, was 2.07 percent.

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- (2) On June 5, 2008, the School Board caused the issuance of the Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000 for the principal purpose of refunding, on a current basis, all of the outstanding Series 2007B Certificates.

On June 9, 2014, the School Board replaced the expiring letter of credit on the Series 2008C with Bank of America as a floating rate note with interest initially calculated as the SIFMA Index plus a 53 basis point spread. The floating rate note has to be renegotiated in three (3) years.

- (3) On July 2, 2013, the School Board caused the issuance of the Certificates of Participation, Series 2013 in the aggregate principal amount of \$45,385,000, which were used to refund portions of the Certificates of Participation, Series 2004.
- (4) On June 12, 2014, the School Board entered into an arrangement to refund a portion of the District's Certificates of Participation, Series 2005A. This refunding was accomplished through the issuance of \$30,655,000 of Certificates of Participation, Series 2014A.
- (5) On June 30, 2014, the School Board issued Certificates of Participation, Series 2014B in the total principal amount of \$75,656,458, which were used to refund Certificates of Participation, Series 2008A and to terminate the swap agreement. Series 2014 B-2 in the amount of \$3,410,142 is the taxable portion of the bond issue.
- (6) On March 31, 2015, the School Board caused the issuance of the Certificates of Participation, Series 2015A in the aggregate principal amount of \$44,145,000, which were used to refund portions of the Certificates of Participation, Series 2007A.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation with a rental fee of \$1 per year. The District has the following ground leases as of June 30, 2015:

	Ground Lease Commencement Date	Run Through
Certificates of Participation		
Series 2004 - QZAB	September 15, 2004	September 15, 2018
Series 2005A	July 1, 2005	August 1, 2015
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2007A	February 22, 2007	August 1, 2017
Series 2008C	June 5, 2008	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018
Series 2009 - QSCB	December 16, 2009	December 15, 2025
Series 2013A	June 2, 2013	August 1, 2029
Series 2014A	June 12, 2014	August 1, 2030
Series 2014B-1	June 30, 2014	August 1, 2026
Seres 2014B-2	June 30, 2014	August 1, 2015
Series 2014 - QSCB	December 4, 2014	December 1, 2037
Series 2015A	March 31, 2015	August 1, 2027

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The District properties included in the ground lease agreements are as follows:

Certificates of Participation, Series 1992-A

Colee River Elementary School
Seven Springs Middle School
Hudson Elementary School Media Center Addition
Mitty P. Locke Elementary School ESE Addition
R. B. Stewart Middle School ESE Addition
Lake Myrtle Elementary School ESE Addition
West Zephyrhills Elementary School Addition

Certificates of Participation, Series 2004-QZAB

Additions and Renovations for the following facilities:
Bayonet Point Middle School
Chasco Middle School
Cypress Elementary School
Gulf High School
Gulf Middle School
Hudson High School
Mitty P. Locke Elementary School
Lacoochee Elementary School
Pasco High School
Rodney B. Cox Elementary School
Ridgewood High School
Sanders Memorial Elementary School
Woodland Elementary School
T. E. Weightman Middle School
Zephyrhills High School

Certificates of Participation, Series 1996

Sand Pine Elementary School
Chasco Elementary School
Wesley Chapel High School, Phases I and II
James M. Marlowe Elementary School
J. W. Mitchell High School
Pine View Elementary School

Certificates of Participation, Series 2005-QZAB

Additions and Renovations for the following facilities:
Fox Hollow Elementary School
Dr. Mary Giella Elementary School
Moore Mickens Education Center
Hudson Elementary School
Calusa Elementary School

Certificates of Participation, Series 2007-A and B

Sunlake High School
New River Elementary School
Veterans Elementary School
Ridgewood High School Classroom Additions
Charles S. Rushe Middle School
Gulf Trace Elementary School
Zephyrhills High School Classroom Additions

Certificates of Participation, Series 2004

Paul R. Smith Middle School
Wiregrass Ranch High School
Odessa Elementary School Equipment

Certificates of Participation, Series 2005-A and B

Gulf Highlands Elementary School
Trinity Oaks Elementary School
Dr. John Long Middle School
Odessa Elementary School

Certificates of Participation, Series 2008-QZAB

Renovations for Pasco High School

Certificates of Participation, Series 2009 QSCB

Culinary Arts Academy at Land O Lakes High School
Richey Elementary School Renovations

Certificates of Participation, Series 2014 QSCB

Repairs and Replacements of HVAC for the following facilities:
Wesley Chapel High School
Woodland Elementary School
San Antonio Elementary School
T.E. Weightman Middle School
Pineview Middle School
Ridgewood High School

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The lease payments for the Series 2005-A, Series 2007-A, Series 2013-A, Series 2014-A, 2014-B(1) and 2014-B(2) and Series 2015A Certificates are payable by the District, semiannually, on August 1st and February 1st. Interest payments for the Series 2005-B Certificates are payable weekly at current auction interest rates until the final maturity date. Interest payments for the Series 2008-C Certificates are payable monthly. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15th and March 15th. The lease payments for the Series 2005-QZAB and the Series 2008-QZAB are payable by the District, annually, on December 23rd and September 23rd respectively. Interest payments for the Series 2009-QSCB are payable by the District, quarterly, on September 15th, December 15th, March 15th and June 15th. The lease payments for the Series 2014 QSCB are payable by the District, semiannually, on June 1st and December 1st. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30 2015:

	Total	Principal	Interest
Fiscal Year Ending June 30:			
2016	\$ 24,467,687	\$ 11,981,524	\$ 12,486,163
2017	35,980,995	23,465,069	12,515,926
2018	25,923,335	13,872,551	12,050,784
2019	29,261,639	17,709,822	11,551,817
2020	25,020,002	13,998,128	11,021,874
2021-2025	125,222,088	78,589,948	46,632,140
2026-2030	124,729,884	96,274,032	28,455,852
2031-2035	78,002,137	70,790,000	7,212,137
2036-2040	15,361,875	13,655,000	1,706,875
Sub-Total	483,969,642	340,336,074	143,633,568
Add: Unamortized Premium on Debt	11,267,733	11,267,733	-
Total Minimum Lease Payments	<u>\$ 495,237,375</u>	<u>\$ 351,603,807</u>	<u>\$ 143,633,568</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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9. DERIVATIVE INSTRUMENTS

Objectives – On June 5, 2008, the District issued Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000. The Certificates of Participation, Series 2008C pay interest at a weekly rate determined by the Remarketing Agent and will mature on August 1, 2032.

The District entered into a pay-fixed, receive-variable interest rate swap agreement in order to protect against the potential of rising interest rates. The intention of the swap agreements was to effectively change the District's variable interest rate on the certificates of participation to a synthetically fixed rate. These interest rate swaps qualify for hedge accounting under Government Accounting Standards Board Statement No. 53; therefore, there is no impact on the Statement of Net Position.

On June 9, 2014, the School Board replaced the expiring letter of credit on the Series 2008C with Bank of America as a floating rate note with interest initially calculated as the SIFMA Index plus a 53 basis point spread. The floating rate note must be renegotiated in three (3) years from the issuance of the floating rate note.

The interest rate swap is reported as an investment derivative instrument because it does not meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ended June 30, 2015.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015 and the changes in fair values of such derivative instruments for the year ended are as follows:

	Changes In Fair Value		Fair Value at June 30, 2015		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Fair value hedges:					
Pay-fixed interest rate					
swaps	Deferred outflow	\$ 3,973,788	Debt	\$(16,279,499)	\$ 72,860,000

Terms – The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$72,860,000 matches the \$72,860,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 4.44 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

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Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative \$16,279,499 for the Certificates of Participation, Series 2008C. Bank of America, N.A. estimated the fair value of the Certificates of Participation, Series 2008C related swap agreement using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market.

Credit Risk – The District is exposed to credit risk when a swap has a positive fair value. All the swap agreements contain a collateral agreement with the Counterparty. A Counterparty's credit rating from either Standard & Poor's (S&P) and/or Moody's Investors Service must be A+ or A1, respectively. If the Counterparty or guarantor's long term unsecured rating falls below Baa3 or BBB- by either Moody's or S&P, a replacement counterparty or guarantor, meeting the rating requirements above, shall be required.

Termination Risk – In the event the swap is terminated, the District could be exposed to higher interest rate payments on the Certificate. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value. Under certain circumstances, some within the control and some outside the control of the School Board, the 2008C swap agreement may be terminated and the School Board may be obligated to make a termination payment, which under certain market conditions, could be substantial.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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10. **BONDS PAYABLE**

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Interest Rates (Percent)</u>	<u>Range of Final Maturity Dates</u>
State School Bonds:				
Series 2008-A	\$ 4,235,000	\$ 5,295,000	4.25 - 5.00	2015-2028
Series 2009-A, Refunding	590,000	1,300,000	4.00 - 5.00	2015-2029
Series 2010A	1,275,000	1,450,000	3.50 - 5.00	2015-2030
Series 2011A	1,130,000	1,710,000	3.00 - 5.00	2015-2023
Series 2014A, Refunding	1,647,000	1,724,000	2.00-3.00	2015-2025
Series 2014B, Refunding	2,411,000	2,411,000	2.00-5.00	2015-2020
District Revenue Bonds:				
Series 2003, Refunding	2,680,000	3,660,000	3.50 - 4.00	2015-2033
Series 2013, Sales Tax	<u>96,715,000</u>	96,715,000	2.125 - 5.00	2015-2025
Subtotal	110,683,000			
Unamortized Premium on Debt	10,939,733			
Unamortized Discount on Debt	<u>(36,204)</u>			
Total Bonds Payable	<u>\$ 121,586,529</u>			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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 State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

➤ **District Revenue Bonds**

District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapter 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes). The approximate amount of pari-mutuel tax proceeds pledged is \$3,981,281, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 18 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue until repaid. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account. For the 2014-2015 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$218,550 of principal and interest.

Sales Tax Revenue Bonds – Series 2013 - These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Part I, Florida Statutes, Chapter 2006-340, Laws of Florida, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the major remodeling of elementary, middle, and high schools within the District. For the 2014-2015 fiscal year, the District recognized pledged revenue of \$12,211,699 and paid \$4,375,619 principal and interest.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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Annual requirements to amortize all bonded debt outstanding as of June 30, 2015, are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2016	\$ 2,606,539	\$ 2,061,000	\$ 545,539
2017	1,756,500	1,321,000	435,500
2018	1,292,830	922,000	370,830
2019	1,108,730	784,000	324,730
2020	968,180	682,000	286,180
2021-2025	4,481,750	3,563,000	918,750
2026-2030	<u>2,158,375</u>	<u>1,955,000</u>	<u>203,375</u>
Total State School Bonds	<u>14,372,904</u>	<u>11,288,000</u>	<u>3,084,904</u>
District Revenue Bonds:			
2016	12,500,350	8,125,000	4,375,350
2017	12,502,050	8,375,000	4,127,050
2018	12,453,500	8,625,000	3,828,500
2019	12,402,425	8,970,000	3,432,425
2020	12,411,416	9,420,000	2,991,416
2021-2025	61,567,825	54,280,000	7,287,825
2026-2030	1,106,056	810,000	296,056
2031-2035	<u>883,194</u>	<u>790,000</u>	<u>93,194</u>
Total District Revenue Bonds	<u>125,826,816</u>	<u>99,395,000</u>	<u>26,431,816</u>
Subtotal	140,199,720	110,683,000	29,516,720
Unamortized Discount on Debt	(36,204)	(36,204)	-
Unamortized Premium on Debt	<u>10,939,733</u>	<u>10,939,733</u>	<u>-</u>
Total	<u><u>\$151,103,249</u></u>	<u><u>\$121,586,529</u></u>	<u><u>\$29,516,720</u></u>

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11. ESTIMATED ARBITRAGE REBATE

The District had an interim cumulative arbitrage rebate liability of \$81,410 for the \$30,500,000 Certificates of Participation, Series 2005B as of June 30, 2015. One hundred percent (100 percent) of the cumulative rebate liability was rebated to the United States Treasury on August 31, 2015.

12. DEFEASED DEBT

SBE Series 2014B

On December 2, 2014, the Board entered in an agreement to refund a portion of the District's callable portion of the SBE Series 2005-A and 2005-B. This refunding was accomplished through the issuance of \$2,411,000 of SBE Series 2014B, with an interest rate of 2.00 – 5.00 percent. The Series 2014B, refunding certificates, were issued with a premium of \$174,776. The principal and premium were used to refund the \$1,800,000 principal amount of the Series 2005A, that mature after June 30, 2016 and the Series 2005B, that mature after June 30, 2019. The net proceeds of \$2,634,660 (after payment of \$4,137 in underwriting fees, and other issuance costs) were placed in an irrevocable trust to provide for the principal and interest payments on the Series 2005A and 2005B maturing after June 30, 2016 and June 30, 2019. As a result, \$2,545,000 of the Series 2005A and 2005B certificates are considered to be in substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2005A and 2005B certificates were refunded to reduce its total debt service payments over the next five (5) years by approximately \$168,251 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$165,500.

Certificates of Participation, Series 2015A

On March 31, 2015, the Board entered in an arrangement to refund a portion of the District's Certificates of Participation, Series 2007A. This refunding was accomplished through the issuance of \$44,145,000 of Certificates of Participation, Series 2015A, with an average interest rate of 5.00 percent. The Series 2015A, Refunding Certificates, were issued with a premium of \$7,814,270. The principal and premium were used to advance refund the \$47,200,000 principal amount of the District's Certificates of Participation, Series 2007A, that mature after August 1, 2017. The net proceeds of \$52,343,350 (after payment of \$324,404.56 in underwriting fees, and other issuance costs) were placed in an irrevocable trust to provide for the principal and interest payments on the Series 2007A certificates maturing after August 1, 2017. As a result, \$47,200,000 of the Series 2007A certificates are considered to be in substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2007A certificates were refunded to reduce its total debt service payments over the next 12 years by approximately \$4,051,548 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,375,135.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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13. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 126,054,000	\$ 2,411,000	\$ 17,782,000	\$ 110,683,000	\$ 10,181,000
Add: Unamortized Premium (Discount) on Debt	12,752,564	174,776	2,023,811	10,903,529	1,681,399
Total Bonds Payable	<u>138,806,564</u>	<u>2,585,776</u>	<u>19,805,811</u>	<u>121,586,529</u>	<u>11,862,399</u>
Certificates of Participation Payable	335,823,075	57,800,000	53,287,001	340,336,074	11,981,524
Add: Unamortized Premium on Debt	4,313,247	7,814,270	859,784	11,267,733	876,517
Total Certificates of Participation Payable	<u>340,136,322</u>	<u>65,614,270</u>	<u>54,146,785</u>	<u>351,603,807</u>	<u>12,858,041</u>
Estimated Insurance Claims Payable	7,487,313	2,288,873	2,902,186	6,874,000	2,482,000
Compensated Absences Payable (1)	34,686,030	14,766,376	12,166,593	37,285,813	1,057,098
Other Post-Employment Benefits Obligation	47,066,244	11,165,346	3,470,951	54,760,639	-
Net Pension Liability - FRS / HIS (2)	229,147,914	-	69,088,780	160,059,134	-
Derivatives Swap Liability	12,305,711	3,973,788	-	16,279,499	-
Total Governmental Activities	<u>\$ 809,636,098</u>	<u>\$ 100,394,429</u>	<u>\$ 161,581,106</u>	<u>\$ 748,449,421</u>	<u>\$ 28,259,538</u>
BUSINESS - TYPE ACTIVITIES					
Other Post-Employment Benefits Obligation	\$ 797,404	\$ 204,660	\$ 63,622	\$ 938,442	\$ -
Compensated Absences Payable	449,582	308,050	350,394	407,238	4,744
Net Pension Liability - FRS / HIS (2)	3,368,668	-	977,516	2,391,152	-
Total Business - Type Activities	<u>\$ 4,615,654</u>	<u>\$ 512,710</u>	<u>\$ 1,391,532</u>	<u>\$ 3,736,832</u>	<u>\$ 4,744</u>

Note (1) includes balances at June 30 2015, of the Internal Service Funds of \$406,860 with \$16,909 due in one year, and additions and deductions of \$186,671 and \$112,812, respectively.

Note (2) Net Pension Liabilities are reported due to the implementation of GASB 68 as stated under Recently Issued and Adopted Pronouncements in Note 1. Amounts as of 7/1/2014 are recorded as part of the prior period adjustment described in Note 3.

For the governmental activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 24.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

14. FUND BALANCE REPORTING

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories totaling \$4,806,604 and prepaid assets totaling \$137,568 that are considered nonspendable. The District does not have nonspendable funds related to endowments.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted*, *Committed*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and 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.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints 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 education funding that are legally or otherwise restricted. The District's restricted fund balance total is \$236,921,432 and represents \$4,793,446 in State Categorical programs primarily for Instructional Materials, \$9,000,902 in Food Service, \$11,958,237 in Debt Service, and \$211,168,847 in Capital Projects.
- 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). Amounts are committed upon a majority vote of the Board at a public meeting. 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 does not report any committed fund balance.
- 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 a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The Board has adopted Policy 6220, which authorizes the Superintendent to assign amounts in fund balance to a specific purpose. At fiscal year-end, based on the Board policy, the assigned fund balances were \$21,418,729 for local instructional programs.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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- 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. The Board has not adopted a stabilization arrangement or a minimum fund balance policy. Instead, the Board has adopted Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unassigned fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned General Fund balance was \$26,101,381 or 5.27 percent of General Fund total expenditures. This indicates a positive financial condition for the District.

The following table represents fund balances at June 30, 2015:

Description	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Funds	Capital Projects Other Funds	Debt Service		
Fund Balances:					
Nonspendable:					
Inventories:					
General Fund	\$ 3,568,548	\$ -	\$ -	\$ -	\$ 3,568,548
Special Revenues - Food Service	-	-	-	1,238,056	1,238,056
Prepaid Items:					
General Fund	137,568	-	-	-	137,568
Restricted:					
Categorical Programs	4,793,446	-	-	-	4,793,446
Special Revenues -Food Service	-	-	-	9,000,902	9,000,902
Debt Service	-	-	11,641,906	316,331	11,958,237
Capital Projects	-	182,447,759	-	28,721,088	211,168,847
Assigned:					
School Operations					
State and Local Programs	21,418,729	-	-	-	21,418,729
Unassigned:	26,101,381	-	-	-	26,101,381
	<u>\$ 56,019,672</u>	<u>\$ 182,447,759</u>	<u>\$ 11,641,906</u>	<u>\$ 39,276,377</u>	<u>\$ 289,385,714</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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15. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General	\$ 7,733,050	\$ -
Special Revenue - Federal Economic Stimulus	-	485,122
Special Revenue - Other	-	4,399,569
Debt Service - Other	-	2,848,359
Total	<u>\$ 7,733,050</u>	<u>\$ 7,733,050</u>

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2015-2016 fiscal year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 981,597	\$ -
Capital Project:		
Other	-	15,990,779
Debt Service:		
Other	34,254,284	-
Nonmajor Governmental Funds	656,318	19,716,420
Internal Service Funds	-	185,000
Total	<u>\$ 35,892,199</u>	<u>\$ 35,892,199</u>

Interfund transfers represent permanent transfers of monies between funds. In general, funds are transferred from Capital Projects to the Debt Service Funds to make debt service payments for outstanding bond issues. The transfers from the Capital Fund to the General Fund are for Charter Schools Capital Outlay funds. The transfer from the Internal Service Fund to the General Fund is to cover expenses related to athletic participation. Transfers between Internal Service Funds have been eliminated in this summary.

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16. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2014-2015 fiscal year:

Florida Education Finance Program	\$	268,469,393
Class Size Reduction		74,797,431
School Recognition		2,470,898
Motor Vehicle License Tax (Capital Outlay and Debt Service)		2,721,565
Workforce Development Program		2,502,267
Tampa Bay Regional Aeronautics		1,500,000
Voluntary Pre K		1,420,786
Charter School Capital Outlay Funding		796,597
Food Service Supplement		414,356
Mobile Home License Tax		388,327
Full Service Schools		137,325
Fuel Tax Refund		179,883
School Health Supplement		122,413
Miscellaneous		<u>600,711</u>
Total	\$	<u><u>356,521,952</u></u>

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

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17. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2014 tax roll for the 2014-2015 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.901	\$ 109,822,367
Basic Discretionary Local Effort	0.748	16,761,300
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	33,612,232
Total	<u>7.149</u>	<u>\$ 160,195,899</u>

18. FLORIDA RETIREMENT SYSTEM PENSION PLANS

Florida Retirement System (FRS) – Defined Benefit Pension Plans – The Florida Retirement System (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 plan is the FRS Investment Plan. Additionally, the Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs.

Essentially, all regular employees of the District are eligible to enroll as members of FRS. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. Plan provisions 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 Plan eligibility, contributions, and benefits are defined and described in detail. A comprehensive annual financial report of FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

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Florida Retirement System (FRS) Defined Benefit Pension Plan

Plan Description – The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Employees in the Plan vest at six years of service if enrolled before July 1, 2011. All employees enrolled in the Plan on or after July 1, 2011 vest at eight years of 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, which may include up to four (4) years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. Members who enrolled in the Plan on or after July 1, 2011 and become vested are eligible for normal retirement at age 65 or at any age after 33 years of service, which may include up to four (4) years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. The Plan also includes an early retirement provision but there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

The DROP Program, subject to the 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 the 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.

There are three general classes of membership applicable to the District, as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Elected District Officers - Members who are elected officers of the District.

Benefits Provided – Benefits under the FRS Pension 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 plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<u>Regular Class members initially enrolled before July 1, 2011</u>	
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
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
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
<u>Elected District Officers</u>	3.00
<u>Senior Management Service Class</u>	2.00

The COLA for retirees with an effective retirement date or DROP begin date effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date effective on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions – The contribution rates for Plan members are established and may be amended by the State of Florida. During the 2014-2015 fiscal year, contribution rates were as follows:

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

Note: (A) Employer rates include 1.26 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .04 percent for administrative costs of the Investment Plan.
(B) Contribution rates are dependent upon the retirement class in which reemployed.

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The District's contributions to the FRS Pension Plan (not including the 1.26 percent HIS Program Contributions or employee contributions) totaled \$21,229,773 for the fiscal year ended June 30, 2015. Employee contributions totaled \$8,155,159 for the same period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the District reported a liability of \$53,867,811 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.8829 percent, which was an increase of 0.0753 percent from its proportionate share of 0.8076 percent measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$7,147,678 for the FRS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Difference between expected and actual experience	\$ -	\$ 3,333,501
Changes in assumptions	9,329,010	-
Net difference between projected and actual earnings on pension plan investments	-	89,860,448
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	10,960,301	58,468
District contributions subsequent to the measurement date	21,229,773	-
Total	<hr/> <hr/> \$ 41,519,084	<hr/> <hr/> \$ 93,252,417

The deferred outflows of resources related to pensions totaling \$21,229,773 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan will be recognized in pension expense as follows:

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Fiscal Year Ending June 30,	Amount Recognized
2016	\$ (19,276,936)
2017	(19,276,936)
2018	(19,276,936)
2019	(19,276,936)
2020	3,188,176
Thereafter	956,462

Actuarial Assumptions – The total pension liability for the FRS Pension Plan was determined by an actuarial valuation based on the following assumptions:

Valuation date	July 1, 2014
Discount rate	7.65%
Long-term expected rate of return, net of investment expense	7.65%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

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

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.

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in September 2014 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Hewitt EnnisKnupp, which are consultants for the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. 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

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is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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 of the FRS Pension Plan 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:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of			
FRS Pension Plan net pension liability	\$ 230,399,784	\$ 53,867,811	\$ (92,973,106)

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

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Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description – The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. 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 Department of Management Services.

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

Contributions – The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2014, the contribution rate was 1.20 percent of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding two (2) years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Pension Plan totaled \$4,333,407 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the District reported a liability of \$108,582,475 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 1.1613 percent, which was an increase of 0.0874 percent from its proportionate share of 1.0739 percent measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$8,596,975 for the HIS Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,863,798	\$ -
Net difference between projected and actual earnings on pension plan investments	52,120	-
Changes in proportionate share of District in relation to other Plan participants and changes in proportionate share between District funds	6,593,313	40,402
District contributions subsequent to the measurement date	4,333,407	-
Total	<u>\$ 14,842,638</u>	<u>\$ 40,402</u>

The deferred outflows of resources related to pensions totaling \$4,333,407 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount Recognized
2016	\$ 1,693,144
2017	1,693,144
2018	1,693,144
2019	1,693,144
2020	1,680,114
Thereafter	2,016,139

Actuarial Assumptions – The total pension liability for the HIS Pension Plan was determined by an actuarial valuation based on the following assumptions:

Valuation date	July 1, 2014
Discount rate	4.29%
Municipal bond rate	4.29%
Inflation	2.60%
Salary increases, including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of June 30, 2014, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

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Discount Rate – In general, the discount rate for calculating the total pension liability under GASB 67 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 plan sponsor.

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 of the HIS Pension Plan calculated using the discount rate of 4.29 percent as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.29 percent) or 1 percentage-point higher (5.29 percent) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
District's proportionate share of			
HIS Pension Plan net pension liability	\$ 123,503,773	\$ 108,582,475	\$ 96,127,462

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

Defined Contribution Plan

Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the FRS Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by the SBA as an option to the defined benefit plan, and reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment options. Allocations to the investment members' accounts during the 2014-15 fiscal year were as follows:

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Class	Percent of Gross Compensation
Florida Retirement System, Regular	6.30
Florida Retirement System, Elected County Officers	11.34
Florida Retirement System, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one (1) 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 (5) 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. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's FRS Investment Plan contributions and pension expense (not including the 1.26 percent HIS contributions or employee contributions) totaled \$3,061,822 for the fiscal year ended June 30, 2015. Employee contributions totaled \$1,472,800 for the same period.

Payables to Pension Plan

At June 30, 2015, the District reported payables of \$6,835,449 for the outstanding amount of employee (\$1,802,533) and employer (\$5,032,916) contributions to the FRS Plans required for the fiscal year ended June 30, 2015. This includes amounts for the FRS Pension Plan, the HIS Pension Plan and the FRS Investment Plan.

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19. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the FRS, as described in Note 18, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age.

On January 20, 2015, the Board ratified a new contract with the Union stating that, effective June 30, 2018, no instructional employee or retiree will be permitted to begin receiving an early retirement benefit. Any instructional employee or retiree already receiving a benefit will continue to receive any benefit to which he/she is entitled.

Based on an actuarial report as of July 1, 2013, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	221
Active Plan Participants	<u>4,506</u>
Total	<u>4,727</u>

A summary of eligibility and benefits follow:

➤ Eligibility

The participant must have elected early retirement under the FRS; attained the age of 50 but not have attained the age of 62 upon early retirement; been credited with at least 25 years (and who have reached the final step on the appropriate salary schedule) of service under the FRS upon early retirement; and (for nonunion contract employees) completed at least 12 years of service in the District.

➤ Benefits

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit amount determined by the FRS prior to any cost-of-living adjustments and will remain unchanged, once established, unless a specific increase is authorized by the Board. Effective July 1, 1997, the amount of early retirement benefits for new participants ages 50 through 54 has been reduced to a flat 35 percent of the FRS benefit, with this reduction phased-in over a period of four (4) years. In addition, the plan was amended effective June 2011 to provide a one-time early retirement incentive payment for certain individuals who retired during the month. The payment was equal to 10 percent of annual salary to a maximum benefit of \$5,000.

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Summary of Significant Accounting Policies

The Plan is accounted for as a Pension Trust Fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a capital maintenance measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate statements are not issued for the plan.

Contributions and Reserves

The District's Early Retirement Plan was established by the Board on July 1, 1983, and amended as of January 1, 1997. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the unfunded actuarial accrued liability within 30 years based on an actuary study. There are no long-term contracts to the Plan. Periodic employer contributions to the Plan are determined on an actuarial basis using the Entry Age Normal Cost Method. Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the unfunded actuarial accrued liability is funded over a 30-year period for participants prior to July 1, 1997, and funded over a 40-year period for the revised plan. Periodic contributions for both normal cost and the amortization of the unfunded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in the 2012-2013, 2013-2014, and 2014-2015 fiscal years, amounted to \$1,578,667, \$1,591,288, and \$1,662,560 respectively. The contributions were paid by the Board and were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2013. The percentage of pension cost contributed by the Board was 100 percent for all three (3) fiscal years.

As of June 30, 2015, the actuarial accrued liability for benefits was \$14,323,118. The computation of the annual required contribution for the 2014-2015 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous fiscal years.

Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the Plan are financed through the Plan's resources (employer contributions and investment earnings).

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Investments

The Board of the Early Retirement Program includes the same members as the District School Board of Pasco County which established and has the authority to amend the investment policy for the plan. An Investment Oversight Committee monitors the investment performance and reports to the Board. On January 20, 2015, the Board approved an updated investment policy that allows the plan to invest in equities and fixed income securities.

The following was the Board adopted asset allocation as of June 30, 2015:

Asset Class	Asset Allocation	
	Range	Target
Domestic Equity	19% - 59%	39%
International Equity	3% - 43%	21%
Other / Alternatives	0% - 15%	0%
Domestic Fixed Income	20% - 60%	40%
Cash Equivalent	0% -20%	0%

The Plan's cash and investments at June 30, 2015, consisted of the following:

	Maturity Range	Balance June 30, 2015	Percentage of Plan Net Position
Cash and Cash Equivalents	-	\$ 1,972,552	10.81%
Domestic Equity Mutual Funds	-	2,426,970	13.29%
International Equity Mutual Funds	-	1,311,469	7.18%
Domestic Fixed Income Mutual Funds	-	2,052,605	11.24%
Collateralized Mortgage Obligations	17.99 Years - 20.32 Years	896,690	4.91%
Corporate Bonds	7.83 Years - 18.21 Years	460,585	2.52%
Government Sponsored Enterprises	4.99 years - 18.15 Years	249,805	1.37%
Government and Municipal Bonds	225 Days - 30.71 Years	8,884,656	48.67%
Total		<u>\$ 18,255,332</u>	<u>100.00%</u>

Interest Rate Risk

- The District's investment policy limits investments of reserves, project funds, debt proceeds and other non-operating funds to a maximum of five (5) years with the average duration of all of these funds as a whole not to exceed three (3) years as means of managing its exposure to fair value losses arising from increasing interest rates.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Credit Risk

- The District's investment policy authorizes the District to participate in the State Board of Administration Florida PRIME. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, money market funds with the Securities and Exchange Commission, and United States government funds registered under the Investment Act of 1940. The policy further provides that the securities shall only be purchased from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida, Florida-based regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1, or from primary security dealers as designated by the Federal Reserve of New York. Additionally, funds of the District's Early Retirement Fund can be invested in any fixed income security that is rated in the highest category of either Moody's or Standard & Poor's and in collateralized mortgage obligations once the District personnel have been prudently advised and understand the risk characteristics of the investment product.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.
- Less than five (5) percent of the Early Retirement Plan's investments are in Government Sponsored Enterprise Securities.

Rate of Return

- For the year ended June 30, 2015, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 2.46 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Funded Status and Funding Progress

The required schedule of funding progress, immediately 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. Information about the funded status of the Plan as of the most recent actuarial valuation date is as follows:

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Ratio of Unfunded Actuarial Accrued Liability Covered Payroll
7/1/2013	\$ 15,853,362	\$ 25,577,441	\$ 9,724,079	62.0%	\$ 167,496,619	5.8%

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Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Due to the plan change on January 20, 2015 described under Plan Description above, the Total Pension Liability decrease from the prior measurement date resulted primarily due to the elimination of benefits for those employees who retire after June 30, 2018. The components of the net pension asset of the District at June 30, 2015, the measurement date, were as follows:

Total Pension Liability	\$ 14,323,118
Plan Fiduciary Net Position	(18,418,036)
Net Pension Liability	<u>\$ (4,094,918)</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	128.59%
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For the fiscal year ended June 30, 2015, the District recognized pension income of \$7,918,747 for the SERP Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 4,119,420
Net difference between projected and actual earnings on pension plan investments	399,722	49,898
Total	<u>\$ 399,722</u>	<u>\$ 4,169,318</u>

These amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the SERP Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount Recognized
2016	\$ (339,208)
2017	(339,208)
2018	(339,207)
2019	(322,573)
2020	(422,505)
Thereafter	(2,006,895)

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return *	5.50%
Projected Salary Increases *	4.00%
*Includes Inflation at:	2.75%
Cost-of-Living Adjustments	None

The actuarial assumptions that determined the total pension liability as of June 30, 2013, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

Long Term Expected Rate of Return

Best estimates of arithmetic real rate of return on the major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Rate of Return
Domestic Equity	39%	5.20% per annum
International Equity	21%	5.34% per annum
Domestic Fixed Income	40%	3.25% per annum
Total or Weighted Arithmetic Average	100%	4.45% per annum

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's net pension liability calculated using the discount rate of 6.95 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Total Pension Liability	\$ 15,637,785	\$ 14,323,118	\$ 13,194,255
Less Fiduciary Net Position	(18,418,036)	(18,418,036)	(18,418,036)
Net Pension Liability	<u>\$ (2,780,251)</u>	<u>\$ (4,094,918)</u>	<u>\$ (5,223,781)</u>

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2014	\$ 26,603,135	\$ 17,413,681	\$ 9,189,454
Changes for the year:			
Service Cost	610,538		610,538
Interest	1,468,046		1,468,046
Benefit payments, including refunds of member contributions	(1,058,026)	(1,074,335)	16,309
Changes in benefit terms	(8,758,650)		(8,758,650)
Assumption changes	(4,541,925)		(4,541,925)
Contributions- employer		1,662,560	(1,662,560)
Net investment income		428,679	(428,679)
Administrative Expenses		(12,549)	12,549
Net change in total pension liability	(12,280,017)	2,078,690	(13,284,372)
Balances at 6/30/2015	\$ 14,323,118	\$ 19,492,371	\$ (4,094,918)

20. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Post-Employment Benefits Plan is a single-employer defined benefit plan (Plan) administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and their eligible dependents, may continue to participate in the District's health plan for medical, prescription drug, mental health/substance abuse, employee assistance program and life insurance. 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, for certain retirees, the District pays a portion of the cost of health and pharmacy insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits. 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.

In addition, the District contributed \$20 per month toward health insurance premiums for eligible former employees. This contribution will continue as long as the eligible retiree maintains health benefits through the District. New retirees are not eligible for this program.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Funding Policy

The District has not advance-funded or established a funding methodology for the annual Other Post-Employment Benefits (OPEB) costs or the net OPEB obligation, and the plan is financed on a pay-as-you-go basis. For the 2014-2015 fiscal year, 2,120 retirees or their eligible dependents received post-employment benefits. The District provided required contributions of \$3,534,573 toward the annual OPEB cost, comprised of medical and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$2,051,078 or 0.64 percent of covered payroll.

Annual OPEB cost and Net OPEB Obligation

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

The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for Post-Employment Benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (Service cost for one year)	\$ 5,498,177
Amortization of Unfunded Actuarial Accrued Liability	<u>6,948,763</u>
Annual Required Contribution	12,446,940
Interest on Net OPEB Obligation	1,914,546
Adjustment to Annual Required Contribution	<u>(2,991,478)</u>
Annual OPEB Cost (Expense)	11,370,008
Contribution Toward the OPEB Cost	<u>(3,534,573)</u>
Increase in Net OPEB Obligation	7,835,435
Net OPEB Obligation, Beginning of Year	<u>47,863,646</u>
Net OPEB Obligation, End of Year	<u><u>\$ 55,699,081</u></u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012-13	\$ 11,809,533	\$ 5,600,582	47.42%	\$ 41,275,222
2013-14	10,911,541	4,323,117	39.62%	47,863,648
2014-15	11,370,008	3,534,573	31.09%	55,699,081

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$104,828,064, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$104,828,064. The covered payroll (annual payroll of active participating employees) was \$318,422,974, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 32.92 percent. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year 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 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 revisions as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by 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 as of January 1, 2014, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2015. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.0 percent discount rate. The actuarial assumptions also included an annual healthcare cost trend of 8 percent for the calendar year 2015, reduced by 0.5 percent per year, to an ultimate rate of 5.56 percent in 2024. The actuarial assumptions also included an inflation rate of 3.0 percent and 4.0 percent for salary

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

increases for fiscal year 2014-2015.

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period is 15 years.

21. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2015, the accumulated credits to the District's account are \$4,600,463. During the 2014-2015 fiscal year, the District earned capital credits of \$437,786 and received a cash payment of \$154,810, for a net increase of \$282,976.

22. CONSTRUCTION CONTRACT AND OTHER COMMITMENTS

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Marchman Technical College			
Campus Redevelopment	\$ 6,639,729	\$ 1,305,281	\$ 5,334,448
Quail Hollow Elementary			
Campus Redevelopment	9,500,986	7,228,209	2,272,777
R B Cox Elementary			
Cafeteria Building Replacement	6,584,779	359,088	6,225,691
Sanders Memorial Elementary			
Campus Redevelopment	17,448,816	14,168,330	3,280,486
Schrader Elementary			
Campus Redevelopment	9,137,135	9,058,894	78,241
Shady Hills Elementary			
Campus Redevelopment	7,022,201	6,103,627	918,574
Total	<u><u>\$ 56,333,646</u></u>	<u><u>\$ 38,223,429</u></u>	<u><u>\$ 18,110,217</u></u>

23. ENCUMBRANCES

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2015, the District has recorded \$31,311,722 in encumbrances as follows: \$9,409,261 for the General Fund; \$16,930,803 for the Capital Projects-Other Fund; \$4,955,972 for the Nonmajor Governmental Funds; and \$15,686 for the Enterprise Funds.

24. RISK MANAGEMENT PROGRAMS

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

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

A liability in the amount of \$6,874,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2015.

The following schedule represents the changes in claims liability for the current and prior fiscal year for the District's self-insurance program:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013-2014	\$ 6,513,000	\$ 55,769,122	\$ 54,794,809	\$ 7,487,313
2014-2015	7,487,313	53,329,647	53,942,960	6,874,000

Life insurance coverage is being provided through purchased commercial insurance with a minimum deductible.

25. LITIGATION

The Board is involved in several pending and threatened legal actions, the range of potential loss from which, as estimated by the Board's attorney, should not materially affect the financial condition of the District. However, one case has completed the initial trial and a verdict of \$1,670,364 has been rendered in favor of the plaintiff. The District intends to defend itself vigorously through the appeals and Claims Bill process with the State Legislature and has not recorded an obligation in relation to this case. Final determination of liability, if any, is unlikely for a number of years.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

26. SUBSEQUENT EVENTS

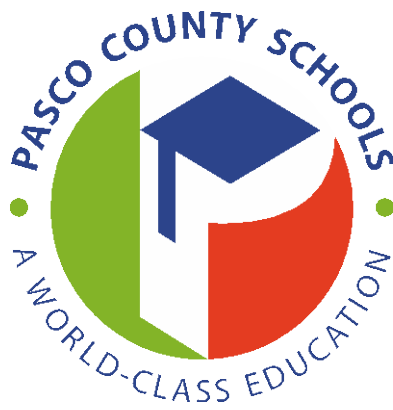
On June 16, 2015, the School Board approved a resolution to enter in a Master Lease Agreement with Apple Finance Services to finance the purchase of Apple and Dell laptops totaling \$6,373,512 and iPads totaling \$1,191,799. The laptops will be paid with four (4) annual payments of \$1,638,666 and the iPads with three (3) annual payments of \$404,771. These annual payments include interest. The lease commenced with the first payment occurring on August 3, 2015.

On July 21, 2015, the School Board approved a resolution to borrow up to \$25 million under a new master lease over the next five (5) years to purchase 35 busses per year for the next five (5) years. The debt service will be approximately to equal to current annual expenditures for new busses.

During Fiscal Year 2015-2016, the School Board plans to issue Certificates of Participation, Series 2016A in the amount not to exceed \$30 million to partially fund the construction of High School "GGG", as well as, Sales Tax Bonds, Series 2016 in the amount not to exceed \$30 million to partially fund the major remodeling of Marchman Technical College, to initiate the design and renovation of Woodland Elementary School and Land O Lakes High School, and technology infrastructure upgrades at various schools.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION



**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT SCHOOL BOARD'S
NET PENSION LIABILITY AND RELATED RATIOS – EARLY RETIREMENT PLAN**

	2014-2015 fiscal year *	2013-2014 fiscal year *
Total Pension Liability		
Service Cost	\$ 610,538	\$ 610,538
Interest	1,468,046	1,413,259
Benefit payments, including refunds of member contributions	(1,058,026)	(998,103)
Changes in benefit terms	(8,758,650)	-
Assumption changes	(4,541,925)	-
Net change in total pension liability	(12,280,017)	1,025,694
Total Pension Liability - Beginning	26,603,135	25,577,441
Total Pension Liability - Ending	<u>\$ 14,323,118</u>	<u>\$ 26,603,135</u>
Plan Fiduciary Net Position		
Contributions- employer	\$ 1,662,560	\$ 1,591,288
Net investment income	428,679	929,052
Benefit payments, including refunds of member contributions	(1,074,335)	(960,021)
Administrative Expenses	(12,549)	-
Net Change in Plan Fiduciary Net Position	1,004,355	1,560,319
Plan Fiduciary Net Position - Beginning	17,413,681	15,853,362
Plan Fiduciary Net Position - Ending	<u>\$ 18,418,036</u>	<u>\$ 17,413,681</u>
Net Pension Liability - Ending	<u>\$ (4,094,918)</u>	<u>\$ 9,189,454</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	128.59%	65.46%
Covered-employee Payroll	\$ 167,496,619	\$ 167,496,619
District's Net Pension Liability as a Percentage of Covered-employee Payroll	N/A	5.49%

* Rolled forward based on financial data as of June 30, 2015 and June 30, 2014 measurement dates

Note: The District implemented GASB Statement No. 67 for the fiscal year ended June 30, 2014.

Information for prior years is not available.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 1,662,560	\$ 1,591,288	\$ 1,578,667	\$ 1,509,443	\$ 1,380,553	\$ 1,314,812	\$ 1,437,237	\$ 1,368,154	\$ 1,264,056	\$ 1,202,825
Contributions in relation to the actuarially determined contribution	1,662,560	1,591,288	1,578,667	1,509,443	1,380,553	1,314,812	1,437,237	1,368,154	1,264,056	1,202,825
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 167,496,619	\$ 167,496,619	\$ 167,496,619		\$ 173,775,663		\$ 171,655,074		\$ 152,703,567	
Contributions as a percentage of covered-employee payroll	0.99%	0.95%	0.94%		0.79%		0.84%		0.83%	

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Discount rate	6.95% per annum (2.50% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments
Salary increases	4% per annum
Retirement age	Eligible employees are assumed to retire at the rate of 2% at each of ages 50 through 52, 3% at each of ages 53 and 54, and 10% at each of ages 55 through 61
Mortality	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2013 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected
Other decrements	Assumed employment termination is based on age, ranging from 12% at age 30 to 7% at age 60; assumed disability is based on age and gender, ranging from 0.0600% for males at age 20 or 0.0240% for females at age 20 to 1.3620% for males at age 60 or 0.7504% for females at age 60
Non-investment expenses	All liabilities were loaded by 0.25% to account for non-investment
Future contributions	Contributions from the employer are assumed to be made as legally required
Changes	Since the prior measurement date, the discount rate was increased from 5.50% per annum to 6.95% per annum and the assumed incidence of retirement was changes from 8% at each of ages 55 through 61 to 10% at each of these ages.

SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money - weighted rate of return, net of investment expense	2.46%	5.75%	1.82%	4.33%	5.66%	10.50%	1.90%	6.16%	6.38%	1.88%

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Unfunded Actuarial Accrued Liability as Percent of Covered Payroll
January 1, 2009	\$ -	\$ 100,408,119	\$ 100,408,119	0.0%	\$ 354,120,347	28.35%
January 1, 2012	-	109,496,146	109,496,146	0.0%	318,668,211	34.36%
January 1, 2014	-	104,828,064	104,828,064	0.0%	318,422,974	32.92%

Notes:

- (1) The actuarial method used is the Entry Age Normal Cost Method.
- (2) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
- (3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POST-EMPLOYMENT BENEFITS

Year	Contributed	Contribution
2011-2012	\$5,124,413	45.38%
2012-2013	5,600,582	47.42%
2013-2014	4,323,117	39.62%
2014-2015	3,534,573	31.09%

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.8829%	0.8076%
District's proportionate share of the net pension liability	\$ 53,867,811	\$ 139,021,758
District's covered-employee payroll	294,102,035	278,165,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	18.32%	49.98%
Plan fiduciary net position as a percentage of the total pension liability	96.09%	88.54%
Plan Sponsor Measurement Date	June 30, 2014	June 30, 2013

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

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,229,772	\$ 19,338,513
Contributions in relation to the contractually required contribution	21,229,772	19,338,513
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 291,200,791	\$ 294,102,035
Contributions as a percentage of covered-employee payroll	7.29%	6.58%

* The amounts presented for each fiscal year were determined as of June 30.

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY (HIS) DEFINED BENEFIT PENSION PLAN**

	2015	2014
District's proportion of the net pension liability	1.1613%	1.0739%
District's proportionate share of the net pension liability	\$ 108,582,475	\$ 93,494,824
District's covered-employee payroll	346,174,340	324,046,048
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31.37%	28.85%
Plan fiduciary net position as a percentage of the total pension liability	0.99%	1.78%
Plan Sponsor Measurement Date	June 30, 2014	June 30, 2013

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

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY (HIS) DEFINED BENEFIT PENSION PLAN**

	2015	2014
Contractually required contribution	\$ 4,333,408	\$ 3,978,153
Contributions in relation to the contractually required contribution	4,333,408	3,978,153
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 343,998,370	\$ 346,174,340
Contributions as a percentage of covered-employee payroll	1.26%	1.15%

* The amounts presented for each fiscal year were determined as of June 30.

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

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Schedules of Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to pay for specified activities.

Food and Nutrition Services Fund – To account for food and nutrition services activities, including the serving of breakfast and lunch at the schools.

Other Federal Programs Fund – To account for the receipt and use of Federal grant proceeds.

Nonmajor Debt Service Funds

Nonmajor Debt Service Funds are used to account for resources accumulated, primarily from tax proceeds and earnings on temporary investments, for the payment of principal and interest of long-term liabilities.

State Board of Education Bonds Fund – To account for payment of principal and interest on various bond issues serviced by the State of Florida on the District's behalf.

District Revenue Bonds Fund – To account for payment of principal and interest on Motor Vehicle License Tax Revenue Bonds, which are secured by racetrack funds and jai alai fronton funds received annually by Pasco County pursuant to Chapter 79-548, Special Acts of 1979, Laws of Florida.

Nonmajor Capital Projects Funds

Nonmajor Capital Projects Funds are used to account for resources to be used for the acquisition and construction of major capital assets; such as: land, new school buildings, additions to existing buildings, major renovation projects, school buses, and equipment and furniture.

State Board of Education Bonds Fund – To account for proceeds of bonds, issued on the District's behalf, by the State Board of Education, to be used for the construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for Gross Receipts Tax to be used for construction, remodeling, renovation, and site improvement of educational facilities.

Capital Outlay and Debt Service Fund – To account for the excess dollars from the debt service funds used for construction and maintenance of schools.

Local Optional Millage Levy Fund – To account for funds received from the assessment of property taxes for construction and maintenance of schools.

District School Board of Pasco County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

Schedule A

	Special Revenue			Debt Service		
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Assets:						
Cash	\$ 6,981,327	\$ 20,009	\$ 7,001,336	\$ -	\$ 36,571	\$ 36,571
Investments	-	-	-	279,760	-	279,760
Accounts Receivable	54,543	860	55,403	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-
Due from Other Agencies	3,088,103	4,548,957	7,637,060	-	-	-
Inventories	1,238,056	-	1,238,056	-	-	-
Total Assets	\$ 11,362,029	\$ 4,569,826	\$ 15,931,855	\$ 279,760	\$ 36,571	\$ 316,331
Liabilities and Fund Balances:						
Liabilities:						
Payroll Deductions and Withholdings Payable	\$ 141	\$ 3,811	\$ 3,952	\$ -	\$ -	\$ -
Accounts Payable	137,156	146,438	283,594	-	-	-
Construction Contracts Payable	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Due to Other Agencies	-	1,031	1,031	-	-	-
Due to Other Funds	-	4,399,569	4,399,569	-	-	-
Unearned Revenue	985,774	18,977	1,004,751	-	-	-
Total Liabilities	1,123,071	4,569,826	5,692,897	-	-	-
Fund Balances:						
Nonspendable:						
Inventory	1,238,056	-	1,238,056	-	-	-
Restricted:						
Special Revenue	9,000,902	-	9,000,902	-	-	-
Debt Service	-	-	-	279,760	36,571	316,331
Capital Projects	-	-	-	-	-	-
Total Fund Balance	10,238,958	-	10,238,958	279,760	36,571	316,331
Total Liabilities and Fund Balances	\$ 11,362,029	\$ 4,569,826	\$ 15,931,855	\$ 279,760	\$ 36,571	\$ 316,331

Capital Projects					
State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 297,323	\$ 1,243,219	\$ 1,540,542	\$ 8,578,449
-	-	8,994,734	18,270,701	27,265,435	27,545,195
-	-	-	-	-	55,403
-	-	9,208	20,102	29,310	29,310
-	-	588,240	-	588,240	8,225,300
-	-	-	-	-	1,238,056
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,889,505</u>	<u>\$ 19,534,022</u>	<u>\$ 29,423,527</u>	<u>\$ 45,671,713</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,952
-	-	262,770	313,796	576,566	860,160
-	-	-	13,497	13,497	13,497
-	-	9,679	22,478	32,157	32,157
-	-	-	-	-	1,031
-	-	-	-	-	4,399,569
-	-	80,219	-	80,219	1,084,970
-	-	352,668	349,771	702,439	6,395,336
-	-	-	-	-	1,238,056
-	-	-	-	-	9,000,902
-	-	-	-	-	316,331
-	-	9,536,837	19,184,251	28,721,088	28,721,088
-	-	9,536,837	19,184,251	28,721,088	39,276,377
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,889,505</u>	<u>\$ 19,534,022</u>	<u>\$ 29,423,527</u>	<u>\$ 45,671,713</u>

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

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	Special Revenue			Debt Service		
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Revenues:						
Federal Sources:						
Federal Direct	\$ -	\$ 6,994,339	\$ 6,994,339	\$ -	\$ -	\$ -
Federal Through State	-	34,936,690	34,936,690	-	-	-
Food Services	24,565,522	-	24,565,522	-	-	-
Federal Through Local	-	44,811	44,811	-	-	-
State Sources:						
Public Education Capital Outlay	-	-	-	-	-	-
Food Services	414,356	-	414,356	-	-	-
SBE/COBI Bond Interest	-	-	-	1,873	-	1,873
CO & DS Withheld for State Education Bonds	-	-	-	2,169,268	-	2,169,268
CO & DS Interest	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-
Racing Commission Funds	-	-	-	-	223,250	223,250
Local Sources:						
Property Taxes	-	-	-	-	-	-
Food Services	10,532,753	-	10,532,753	-	-	-
Investment Earnings	-	-	-	-	-	-
Local Grants and Other	500,879	-	500,879	-	-	-
Total Revenues	36,013,510	41,975,840	77,989,350	2,171,141	223,250	2,394,391
Expenditures:						
Current-Education:						
Instruction	-	24,257,852	24,257,852	-	-	-
Student Support Services	-	3,294,969	3,294,969	-	-	-
Instructional Media Services	-	8,954	8,954	-	-	-
Instruction and Curriculum Development Services	-	4,719,511	4,719,511	-	-	-
Instructional Staff Training Services	-	4,858,730	4,858,730	-	-	-
Instruction-Related Technology	-	355,164	355,164	-	-	-
Board of Education	-	10,058	10,058	-	-	-

Schedule B

	Special Revenue			Debt Service		
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Expenditures (continued):						
General Administration	-	1,461,144	1,461,144	-	-	-
School Administration	-	77,407	77,407	-	-	-
Facilities Services	-	-	-	-	-	-
Fiscal Services	-	94,878	94,878	-	-	-
Food Services	34,957,104	49,984	35,007,088	-	-	-
Central Services	-	343,485	343,485	-	-	-
Student Transportation Services	-	329,183	329,183	-	-	-
Operation of Plant	-	114,209	114,209	-	-	-
Maintenance of Plant	-	61,443	61,443	-	-	-
Administrative Technology Services	-	180,454	180,454	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay:	-	-	-	-	-	-
Facilities Acquisition and Construction	-	39,283	39,283	-	-	-
Other Capital Outlay	89,000	1,719,132	1,808,132	-	-	-
Debt Service:						
Principal	-	-	-	1,617,000	95,000	1,712,000
Interest	-	-	-	527,850	123,550	651,400
Fiscal Charges	-	-	-	5,185	345	5,530
Total Expenditures	<u>35,046,104</u>	<u>41,975,840</u>	<u>77,021,944</u>	<u>2,150,035</u>	<u>218,895</u>	<u>2,368,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>967,406</u>	<u>-</u>	<u>967,406</u>	<u>21,106</u>	<u>4,355</u>	<u>25,461</u>
Other Financing Sources (Uses):						
Face Value of Refunding Bonds	-	-	-	2,411,000	-	2,411,000
Premium on Refunding Bonds	-	-	-	174,776	-	174,776
Payments to Refunding Escrow Agent	-	-	-	(3,566,230)	-	(3,566,230)
Transfers In	-	-	-	-	-	-
Transfers Out	<u>(656,318)</u>	<u>-</u>	<u>(656,318)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(656,318)</u>	<u>-</u>	<u>(656,318)</u>	<u>(980,454)</u>	<u>-</u>	<u>(980,454)</u>
Net Change in Fund Balances	311,088	-	311,088	(959,348)	4,355	(954,993)
Fund Balances, Beginning	<u>9,927,870</u>	<u>-</u>	<u>9,927,870</u>	<u>1,239,108</u>	<u>32,216</u>	<u>1,271,324</u>
Fund Balances, Ending	<u>\$ 10,238,958</u>	<u>\$ -</u>	<u>\$ 10,238,958</u>	<u>\$ 279,760</u>	<u>\$ 36,571</u>	<u>\$ 316,331</u>

(Continued)

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Capital Projects					
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:						
Federal Sources:						
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,994,339
Federal Through State	-	-	-	-	-	34,936,690
Food Services	-	-	-	-	-	24,565,522
Federal Through Local	-	-	-	-	-	44,811
State Sources:						
Public Education Capital Outlay	-	796,597	-	-	796,597	796,597
Food Services	-	-	-	-	-	414,356
SBE/COBI Bond Interest	-	-	-	-	-	1,873
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,169,268
CO & DS Interest	-	-	17,891	-	17,891	17,891
CO & DS Distributed	-	-	491,638	-	491,638	491,638
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	32,660,786	32,660,786	32,660,786
Food Services	-	-	-	-	-	10,532,753
Investment Earnings	-	-	(214,869)	131,069	(83,800)	(83,800)
Local Grants and Other	-	-	-	-	-	500,879
Total Revenues	-	796,597	294,660	32,791,855	33,883,112	114,266,853
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	24,257,852
Student Support Services	-	-	-	-	-	3,294,969
Instructional Media Services	-	-	-	-	-	8,954
Instruction and Curriculum Development Services	-	-	-	-	-	4,719,511
Instructional Staff Training Services	-	-	-	-	-	4,858,730
Instruction-Related Technology	-	-	-	-	-	355,164
Board of Education	-	-	-	-	-	10,058

	Capital Projects					Total Nonmajor Governmental Funds
	State Board of Education Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	
Expenditures (continued):						
General Administration	-	-	-	-	-	1,461,144
School Administration	-	-	-	-	-	77,407
Facilities Services	-	-	-	1,591,815	1,591,815	1,591,815
Fiscal Services	-	-	-	-	-	94,878
Food Services	-	-	-	-	-	35,007,088
Central Services	-	-	-	-	-	343,485
Student Transportation Services	-	-	-	-	-	329,183
Operation of Plant	-	-	-	-	-	114,209
Maintenance of Plant	-	-	-	-	-	61,443
Administrative Technology Services	-	-	-	-	-	180,454
Community Services	-	-	-	-	-	-
Capital Outlay:	-	-	-	-	-	-
Facilities Acquisition and Construction	-	-	3,571,622	11,768,417	15,340,039	15,379,322
Other Capital Outlay	-	-	-	-	-	1,808,132
Debt Service:						
Principal	-	-	-	-	-	1,712,000
Interest	-	-	-	-	-	651,400
Fiscal Charges	-	-	1,507	-	1,507	7,037
Total Expenditures	-	-	3,573,129	13,360,232	16,933,361	96,324,235
Excess (Deficiency) of Revenues Over Expenditures	-	796,597	(3,278,469)	19,431,623	16,949,751	17,942,618
Other Financing Sources (Uses):						
Face Value of Refunding Bonds	-	-	-	-	-	2,411,000
Premium on Refunding Bonds	-	-	-	-	-	174,776
Payments to Refunding Escrow Agent	-	-	-	-	-	(3,566,230)
Transfers In	-	-	-	656,318	656,318	656,318
Transfers Out	-	(796,597)	-	(18,263,505)	(19,060,102)	(19,716,420)
Total Other Financing Sources (Uses)	-	(796,597)	-	(17,607,187)	(18,403,784)	(20,040,556)
Net Change in Fund Balances	-	-	(3,278,469)	1,824,436	(1,454,033)	(2,097,938)
Fund Balances, Beginning	-	-	12,815,306	17,359,815	30,175,121	41,374,315
Fund Balances, Ending	\$ -	\$ -	\$ 9,536,837	\$ 19,184,251	\$ 28,721,088	\$ 39,276,377

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Schedules
of
Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Governmental Funds

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Food and Nutrition Services Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 23,875,316	\$ 23,875,316	\$ 24,565,522	\$ 690,206
State Sources:				
Food Service	433,241	433,241	414,356	(18,885)
Local Sources:				
Food Service Sales	11,812,769	11,812,769	10,532,753	(1,280,016)
Local Grants and Other	31,604	31,604	500,879	469,275
Total Revenues	<u>36,152,930</u>	<u>36,152,930</u>	<u>36,013,510</u>	<u>(139,420)</u>
Expenditures:				
Current-Education:				
Food Services				
Salaries	12,064,398	12,064,398	11,369,701	694,697
Employee Benefits	4,501,130	4,396,130	4,752,333	(356,203)
Purchased Services	831,800	960,448	724,870	235,578
Energy Services	500,000	500,000	446,347	53,653
Materials and Supplies	17,750,089	17,749,014	16,678,460	1,070,554
Capital Outlay	350,000	247,311	109,116	138,195
Other Expenses	606,000	606,000	876,277	(270,277)
Capital Outlay:				
Other Capital Outlay	-	150,390	89,000	61,390
Total Expenditures	<u>36,603,417</u>	<u>36,673,691</u>	<u>35,046,104</u>	<u>1,627,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(450,487)</u>	<u>(520,761)</u>	<u>967,406</u>	<u>1,488,167</u>
Other Financing Sources (Uses):				
Transfers Out	-	(300,000)	(656,318)	(356,318)
Net Change in Fund Balance	(450,487)	(820,761)	311,088	1,131,849
Fund Balance, Beginning	<u>9,927,870</u>	<u>9,927,870</u>	<u>9,927,870</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 9,477,383</u>	<u>\$ 9,107,109</u>	<u>\$ 10,238,958</u>	<u>\$ 1,131,849</u>

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Federal Sources:				
Federal Direct	\$ 6,584,569	\$ 7,706,712	\$ 6,994,339	\$ (712,373)
Federal Through State	31,332,471	44,071,811	34,936,690	(9,135,121)
Federal Through Local	45,423	58,772	44,811	(13,961)
Total Revenues	37,962,463	51,837,295	41,975,840	(9,861,455)
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,159,585	15,431,728	12,918,078	2,513,650
Employee Benefits	5,249,381	6,244,986	5,110,036	1,134,950
Purchased Services	1,243,406	2,594,661	2,032,291	562,370
Materials and Supplies	1,045,210	2,722,741	2,150,739	572,002
Capital Outlay	1,117,794	3,122,382	984,949	2,137,433
Other Expenses	666,204	1,244,881	1,061,759	183,122
Pupil Personnel Services				
Salaries	2,225,723	2,575,593	2,216,795	358,798
Employee Benefits	734,182	817,071	732,113	84,958
Purchased Services	179,893	234,731	165,145	69,586
Materials and Supplies	128,548	249,270	165,308	83,962
Capital Outlay	3,600	70,882	13,793	57,089
Other Expenses	6,450	3,899	1,815	2,084
Instructional Media Services				
Salaries	-	4,167	4,167	-
Employee Benefits	-	668	667	1
Materials and Supplies	3,641	1,658	1,657	1
Capital Outlay	2,064	2,633	2,463	170
Instruction and Curriculum Development Services				
Salaries	2,958,858	3,670,040	3,349,650	320,390
Employee Benefits	675,642	998,065	913,006	85,059
Purchased Services	121,987	474,034	313,041	160,993
Materials and Supplies	238,237	315,657	85,243	230,414
Capital Outlay	76,600	130,599	29,892	100,707
Other Expenses	40,351	37,736	28,679	9,057
Instructional Staff Training Services				
Salaries	3,155,439	3,453,239	3,055,397	397,842
Employee Benefits	801,075	870,254	773,178	97,076
Purchased Services	767,208	2,028,360	861,784	1,166,576
Materials and Supplies	216,635	196,207	102,533	93,674
Capital Outlay	3,600	500	-	500
Other Expenses	14,711	180,257	65,838	114,419

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instruction Related Technology				
Salaries	-	290,289	272,317	17,972
Employee Benefits	-	91,080	82,228	8,852
Purchased Services	647	10,619	619	10,000
Board of Education				
Other Expenses	-	20,057	10,058	9,999
General Administration				
Other Expenses	1,538,254	1,856,158	1,461,144	395,014
School Administration				
Salaries	4,702	63,935	62,311	1,624
Employee Benefits	755	15,397	13,995	1,402
Purchased Services	280	1,102	1,101	1
Capital Outlay	-	1,012	-	1,012
Capital Outlay				
Other Capital Outlay	15,752	71,780	-	71,780
Fiscal Services				
Salaries	124,315	79,163	71,577	7,586
Employee Benefits	37,192	26,824	22,587	4,237
Materials and Supplies	4,250	3,250	714	2,536
Capital Outlay	1,500	500	-	500
Food Services				
Purchased Services	48,500	48,500	48,500	-
Materials and Supplies	1,750	1,750	9	1,741
Capital Outlay	-	10,197	1,475	8,722
Central Services				
Salaries	170,172	140,772	108,670	32,102
Employee Benefits	47,526	37,388	24,886	12,502
Purchased Services	300,000	211,667	199,167	12,500
Other Expenses	-	17,000	10,762	6,238
Pupil Transportation Services				
Salaries	68,996	61,217	61,217	-
Employee Benefits	20,398	19,637	18,947	690
Purchased Services	176,850	411,296	249,019	162,277
Capital Outlay	-	21,776	-	21,776
Other Expenses	-	71,231	-	71,231
Operation of Plant				
Purchased Services	28,000	37,002	30,733	6,269
Energy Services	127,000	76,609	70,653	5,956
Materials and Supplies	6,900	13,749	12,823	926
Capital Outlay	4,000	4,090	-	4,090

(continued)

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Maintenance of Plant				
Purchased Services	125,372	87,519	61,443	26,076
Capital Outlay	32,500	163,302	-	163,302
Administrative Technology Services				
Salaries	186,989	149,248	138,015	11,233
Employee Benefits	53,639	44,780	42,316	2,464
Purchased Services	200	500	123	377
Capital Outlay:				
Facilities Acquisition and Construction	-	-	39,283	(39,283)
Other Capital Outlay	-	-	1,719,132	(1,719,132)
Total Expenditures	<u>37,962,463</u>	<u>51,837,295</u>	<u>41,975,840</u>	<u>9,861,455</u>
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources				
SBE/COBI Bond Interest	\$ -	\$ -	\$ 1,873	\$ 1,873
CO & DS Withheld for State Education Bonds	2,400,000	2,400,000	2,169,268	(230,732)
Total Revenues	2,400,000	2,400,000	2,171,141	(228,859)
Expenditures:				
Debt Service:				
Principal	1,617,000	1,617,000	1,617,000	-
Interest	607,726	607,726	527,850	79,876
Fiscal Charges	-	-	5,185	(5,185)
Total Expenditures	2,224,726	2,224,726	2,150,035	74,691
Excess (Deficiency) of Revenues Over Expenditures	175,274	175,274	19,233	(156,041)
Other Financing Sources (Uses):				
Proceeds on Refunding Bonds	-	-	2,411,000	2,411,000
Premium on Refunding Bonds	-	-	174,776	174,776
Payments to Refunding Escrow Agent	-	-	(3,566,230)	(3,566,230)
Total Other Financing Sources	-	-	(980,454)	(980,454)
Net Change in Fund Balance	175,274	175,274	(961,221)	(1,136,495)
Fund Balances, Beginning	1,239,108	1,239,108	1,239,108	-
Fund Balances, Ending	\$ 1,414,382	\$ 1,414,382	\$ 277,887	\$ (1,136,495)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	32	32	-	(32)
Total Revenues	223,282	223,282	223,250	(32)
Expenditures:				
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest	123,551	123,551	123,550	1
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	219,551	219,551	218,895	656
Excess (Deficiency) of Revenues Over Expenditures	3,731	3,731	4,355	624
Net Change in Fund Balance	3,731	3,731	4,355	624
Fund Balance, Beginning	32,216	32,216	32,216	-
Fund Balance, Ending	\$ 35,947	\$ 35,947	\$ 36,571	\$ 624

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Other Funds
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ -	\$ -	\$ 273,839	\$ 273,839
Local Sources:				
Investment Earnings	12,530	37,685	(310,811)	(348,496)
Local Grants and Other	-	-	125,334	125,334
Total Revenues	12,530	37,685	88,362	50,677
Expenditures:				
Debt Service:				
Principal	19,612,001	19,612,001	19,612,001	-
Interest	14,357,504	16,500,313	15,329,340	1,170,973
Fiscal Charges	532,369	1,154,825	699,217	455,608
Total Expenditures	34,501,874	37,267,139	35,640,558	1,626,581
Excess (Deficiency) of Revenues Over Expenditures	(34,489,344)	(37,229,454)	(35,552,196)	1,278,085
Other Financing Sources (Uses):				
Premium on Refunding Purchase Agreements	-	7,814,270	7,814,270	-
Proceeds of Refunding Purchase Agreements	-	44,145,000	44,145,000	-
Proceeds of Certificates of Participation Issued	-	244,751	244,751	-
Payments to Refunding Escrow Agent	-	(52,018,946)	(52,018,946)	-
Transfers In	32,353,429	34,480,929	34,254,284	(226,645)
Total Other Financing Sources	32,353,429	34,666,004	34,439,359	(226,645)
Net Change in Fund Balance	(2,135,915)	(2,563,450)	(1,112,837)	1,051,440
Fund Balances, Beginning	12,754,743	12,754,743	12,754,743	-
Fund Balances, Ending	\$ 10,618,828	\$ 10,191,293	\$ 11,641,906	\$ 1,051,440

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 2,225,922	\$ 796,597	\$ 796,597	\$ -
Other Financing Uses:				
Transfer Out	(917,568)	(796,597)	(796,597)	-
Proceeds on Refunding Bonds	(917,568)	(796,597)	(796,597)	-
Net Change in Fund Balance	1,308,354	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 1,308,354	\$ -	\$ -	\$ -

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Other Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Local Sales Tax	\$ 13,955,391	\$ 26,392,155	\$ 26,680,307	\$ 288,152
Impact Fees	8,750,000	8,750,000	9,334,250	584,250
Other Local	-	-	209,190	209,190
Investment Earnings	208,388	208,388	1,004,030	795,642
Total Revenues	<u>22,913,779</u>	<u>35,350,543</u>	<u>37,227,777</u>	<u>1,877,234</u>
Expenditures:				
Current-Education:				
Facilities Services	115,845	1,175,785	1,396,945	(221,160)
Capital Outlay:				
Facilities Acquisition and Construction	<u>232,236,868</u>	<u>216,345,195</u>	<u>62,505,991</u>	<u>153,839,204</u>
Total Expenditures	<u>232,352,713</u>	<u>217,520,980</u>	<u>63,902,936</u>	<u>153,618,044</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(209,438,934)</u>	<u>(182,170,437)</u>	<u>(26,675,159)</u>	<u>155,495,278</u>
Other Financing Sources (Uses):				
Proceeds of Lease-Purchase Agreements	38,500,000	13,500,000	13,410,249	(89,751)
Transfer Out	<u>(13,868,125)</u>	<u>(15,995,625)</u>	<u>(15,990,779)</u>	<u>(4,846)</u>
Total Other Financing Sources (Uses)	<u>24,631,875</u>	<u>(2,495,625)</u>	<u>(2,580,530)</u>	<u>(94,597)</u>
Net Change in Fund Balance	<u>(184,807,059)</u>	<u>(184,666,062)</u>	<u>(29,255,689)</u>	<u>155,400,681</u>
Fund Balances, Beginning	<u>211,703,448</u>	<u>211,703,448</u>	<u>211,703,448</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 26,896,389</u>	<u>\$ 27,037,386</u>	<u>\$ 182,447,759</u>	<u>\$ 155,400,681</u>

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Capital Outlay and Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
CO & DS Distributed	\$ 298,524	\$ 298,524	\$ 491,638	\$ 193,114
Interest on Undistributed CO & DS	-	-	17,891	17,891
Local Sources:				
Investment Earnings	10,250	10,250	(214,869)	(225,119)
Total Revenues	308,774	308,774	294,660	(14,114)
Expenditures:				
Capital Outlay:				
Facilities Acquisition and Construction	7,357,367	8,067,999	3,571,622	(4,496,377)
Debt Service:				
Dues, Fees and Issuance Costs	-	-	1,507	(1,507)
Total Expenditures	7,357,367	8,067,999	3,573,129	(4,497,884)
Excess (Deficiency) of Revenues Over Expenditures	(7,048,593)	(7,759,225)	(3,278,469)	4,483,770
Net Change in Fund Balance	(7,048,593)	(7,759,225)	(3,278,469)	4,483,770
Fund Balances, Beginning	12,815,306	12,815,306	12,815,306	-
Fund Balances, Ending	\$ 5,766,713	\$ 5,056,081	\$ 9,536,837	\$ 4,483,770

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Local Optional Millage Levy Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Property Taxes	\$ 32,267,743	\$ 32,267,743	\$ 32,660,786	\$ 393,043
Investment Earnings	28,072	28,072	131,069	102,997
Total Revenues	32,295,815	32,295,815	32,791,855	496,040
Expenditures:				
Current-Education:				
Facilities Services	436,561	638,908	1,591,815	(952,907)
Capital Outlay:				
Facilities Acquisition and Construction	15,023,464	19,898,667	11,768,417	8,130,250
Total Expenditures	15,460,025	20,537,575	13,360,232	7,177,343
Excess of Revenues Over Expenditures	16,835,790	11,758,240	19,431,623	7,673,383
Proceeds on Refunding Bonds				
Transfers In	300,000	300,000	656,318	356,318
Transfers Out	(18,685,304)	(18,485,304)	(18,263,505)	221,799
Total Other Financing Sources (Uses)	(18,385,304)	(18,185,304)	(17,607,187)	578,117
Net Change in Fund Balance	(1,549,514)	(6,427,064)	1,824,436	8,251,500
Fund Balances, Beginning	17,359,815	17,359,815	17,359,815	-
Fund Balances, Ending	\$ 15,810,301	\$ 10,932,751	\$ 19,184,251	\$ 8,251,500

Combining Statements of Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to another department within the District, on a cost reimbursement basis. This practice provides a separate and complete accounting for all resources accumulated and used in rendering the services and activities listed below.

Fully-Insured Benefit Plans – To account for the financing of the District's fully-insured program for employees' dental and life insurance benefits.

Property, Casualty, and Liability Self-Insurance Plan – To account for the financing and payment of claims for the District's self-insured liability and workers' compensation program and fully insured property/casualty program.

Self-Insured Benefit Plans – To account for the financing and payment of claims for the District's self-insured medical, behavioral health and prescription plans.

Employee Assistance Program – To account for the financing of services provided by the District's Employee Assistance Program.

Energy Management Program – To account for the financing of the District's Energy Management Program.

Exclusive Agreement – To account for the receipt and use of funds received from the District's exclusive agreement with National Beverages, Inc.

District School Board of Pasco County
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2015

Schedule D

	Fully-Insured Benefit Plans	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Assets			
Current Assets:			
Cash	\$ -	\$ 1,344,979	\$ 7,903,668
Investments	283,406	30,261,017	18,013,115
Accounts Receivable	1,539	126,097	261,096
Accrued Interest Receivable	545	28,550	16,995
Total Current Assets	<u>285,490</u>	<u>31,760,643</u>	<u>26,194,874</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>285,490</u>	<u>31,760,643</u>	<u>26,194,874</u>
Deferred Outflows of Resources:			
Pension	47,680	139,547	112,191
Total Deferred Outflows of Resources	<u>47,680</u>	<u>139,547</u>	<u>112,191</u>
Total Assets and Deferred Outflows	<u>\$ 333,170</u>	<u>\$ 31,900,190</u>	<u>\$ 26,307,065</u>
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	\$ 14	\$ -	\$ -
Payroll Deductions and Withholdings Payable	-	-	114,014
Accounts Payable	-	96,146	12,992,037
Unearned Revenue	-	7,591	225,738
Current portion of long-term liabilities:			
Compensated Absences Payable	2,219	4,189	-
Estimated Insurance Claims Payable	<u>-</u>	<u>2,482,000</u>	<u>-</u>
Total Current Liabilities	<u>2,233</u>	<u>2,589,926</u>	<u>13,331,789</u>
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	-	4,392,000	-
Compensated Absences Payable	77,157	135,878	-
Other Post-Employment Benefits Obligation	46,735	76,918	55,398
Net Pension Liability - FRS / HIS	<u>146,946</u>	<u>201,596</u>	<u>-</u>
Total Noncurrent Liabilities	<u>270,838</u>	<u>4,806,392</u>	<u>55,398</u>
Total Liabilities	<u>273,071</u>	<u>7,396,318</u>	<u>13,387,187</u>
Deferred Inflows of Resources:			
Pension	182,791	115,650	-
Total Deferred Inflows of Resources	<u>182,791</u>	<u>115,650</u>	<u>-</u>
Net Position			
Investment in Capital Assets	-	-	-
Unrestricted	<u>(122,692)</u>	<u>24,388,222</u>	<u>12,919,878</u>
Total Net Position	<u>(122,692)</u>	<u>24,388,222</u>	<u>12,919,878</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 333,170</u>	<u>\$ 31,900,190</u>	<u>\$ 26,307,065</u>

Employee Assistance Program	Energy Management Programs	Exclusive Agreement	Totals
\$ 53,906	\$ 1,096,900	\$ 22,186	\$ 10,421,639
-	1,653,238	1,240,538	51,451,314
-	-	-	388,732
29	2,737	1,170	50,026
<u>53,935</u>	<u>2,752,875</u>	<u>1,263,894</u>	<u>62,311,711</u>
-	-	128,169	128,169
-	-	(115,352)	(115,352)
-	-	12,817	12,817
<u>53,935</u>	<u>2,752,875</u>	<u>1,276,711</u>	<u>62,324,528</u>
-	72,592	-	372,010
-	72,592	-	372,010
<u>\$ 53,935</u>	<u>\$ 2,825,467</u>	<u>\$ 1,276,711</u>	<u>\$ 62,696,538</u>
\$ -	\$ -	\$ -	\$ 14
-	-	-	114,014
12,355	636,443	6,955	13,743,936
-	-	22,000	255,329
10,493	8	-	16,909
-	-	-	2,482,000
<u>22,848</u>	<u>636,451</u>	<u>28,955</u>	<u>16,612,202</u>
-	-	-	4,392,000
31,087	145,829	-	389,951
-	31,239	-	210,290
-	115,353	-	463,895
<u>31,087</u>	<u>292,421</u>	<u>-</u>	<u>5,456,136</u>
<u>53,935</u>	<u>928,872</u>	<u>28,955</u>	<u>22,068,338</u>
-	66,550	-	364,991
-	66,550	-	364,991
-	-	15,581	15,581
-	1,830,045	1,232,175	40,247,628
-	1,830,045	1,247,756	40,263,209
<u>\$ 53,935</u>	<u>\$ 2,825,467</u>	<u>\$ 1,276,711</u>	<u>\$ 62,696,538</u>

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
June 30, 2015

Schedule E

	Fully-Insured Benefit Plans	Property, Casualty, Liability and Workers' Compensation Plans	Self-Insured Benefit Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ -	\$ 7,724,945	\$ 59,330,336
Employees	-	-	4,785,892
Retirees	-	-	4,784,440
Charges for Services Provided	-	-	-
Other Operating Revenues	131,061	528,474	450
Total Operating Revenues	<u>131,061</u>	<u>8,253,419</u>	<u>68,901,118</u>
Operating Expense			
Salaries	370,589	338,326	-
Employee Benefits	111,671	198,014	64,282
Purchased Services	542,049	1,650,142	12,344,682
Insurance Premiums	-	4,137,079	2,576,975
Energy Services	-	-	-
Materials and Supplies	3,991	2,292	3,134
Insurance Claims	-	2,288,873	51,040,774
Capital Outlay	1,470	664	380
Other	3,360	48,937	1,021,127
Total Operating Expenses	<u>1,033,130</u>	<u>8,664,327</u>	<u>67,051,354</u>
Operating Income (Loss)	<u>(902,069)</u>	<u>(410,908)</u>	<u>1,849,764</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	4,066	193,363	131,567
Gifts, Grants and Bequests	-	-	100,825
Other Miscellaneous Revenue	-	-	-
Insurance Loss Recoveries	-	117,200	-
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	<u>4,066</u>	<u>310,563</u>	<u>232,392</u>
Income (Loss) Before Transfers	(898,003)	(100,345)	2,082,156
Transfers In	548,461	-	-
Transfers Out	-	(185,000)	(690,233)
Change in Net Position	(349,542)	(285,345)	1,391,923
Total Net Position, July 1, 2014	551,928	24,845,084	11,527,955
Adjustment to Net Position	(325,078)	(171,517)	-
Total Net Position, June 30, 2015	<u>\$ (122,692)</u>	<u>\$ 24,388,222</u>	<u>\$ 12,919,878</u>

Employee Assistance Program	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ -	\$ 67,055,281
-	-	-	4,785,892
-	-	-	4,784,440
-	12,203,474	-	12,203,474
-	-	52,312	712,297
-	12,203,474	52,312	89,541,384
85,214	234,564	-	1,028,693
43,290	99,113	-	516,370
143,923	2,240,468	120,906	17,042,170
-	-	-	6,714,054
-	10,488,793	-	10,488,793
289	12,640	31,632	53,978
-	-	-	53,329,647
117	-	-	2,631
-	-	-	1,073,424
272,833	13,075,578	152,538	90,249,760
(272,833)	(872,104)	(100,226)	(708,376)
196	21,098	8,079	358,369
-	-	9,200	110,025
-	-	87,339	87,339
-	-	-	117,200
-	-	(2,763)	(2,763)
196	21,098	101,855	670,170
(272,637)	(851,006)	1,629	(38,206)
141,772	-	-	690,233
-	-	-	(875,233)
(130,865)	(851,006)	1,629	(223,206)
130,865	2,790,623	1,246,127	41,092,582
-	(109,572)	-	(606,167)
\$ -	\$ 1,830,045	\$ 1,247,756	\$ 40,263,209

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Fully-Insured Benefit Plans	Property, Casualty and Liability Self-Insurance Plan
Cash Flows from Operating Activities:		
Cash Received from Services	\$ -	\$ -
Cash Received from Premiums	6,601	7,709,234
Cash Received from Other Operating Revenues	131,061	528,474
Cash Payments to Suppliers for Goods and Services	(769,321)	(5,950,786)
Cash Payments to Employees for Services	(432,362)	(452,464)
Cash Payments to Insurance Claims	-	(2,902,186)
Net Cash Provided (Used) by Operating Activities	<u>(1,064,021)</u>	<u>(1,067,728)</u>
Cash Flows from Noncapital Financing Activities:		
Insurance Loss Recoveries	-	117,200
Gifts, Grants and Bequests	-	-
Other Miscellaneous Revenue	-	-
Transfers From Other Funds	548,461	-
Transfers To Other Funds	-	(185,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>548,461</u>	<u>(67,800)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds From Disposition of Capital Assets	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:		
Investment Earnings	3,912	176,669
Purchase and Sale of Investments	355,531	(1,056,826)
Net Cash Provided (Used) by Investing Activities	<u>359,443</u>	<u>(880,157)</u>
Net Change in Cash	(156,117)	(2,015,685)
Cash, Beginning	156,117	3,360,664
Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 1,344,979</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (902,069)	\$ (410,908)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Change in Assets and Liabilities:		
Accounts Receivable	6,601	117
Accounts Payable	(218,451)	(111,672)
Salaries and Benefits Payable	(1,568)	(241)
Payroll Deductions and Withholdings Payable	(2,021)	(4,797)
Unearned Revenues	-	(15,828)
Compensated Absences Payable	49,773	5,814
Other Post-Employment Benefits Obligation	46,735	76,918
Pension Amounts	(43,021)	6,182
Estimated Insurance Claims Payable	-	(613,313)
Total Adjustments	<u>(161,952)</u>	<u>(656,820)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,064,021)</u></u>	<u><u>\$ (1,067,728)</u></u>

Self-Insured Benefit Plans	Employee Assistance Program	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 12,203,474	\$ 22,619	\$ 12,226,093
69,255,056	1,696	-	-	76,972,587
450	-	-	52,312	712,297
(16,135,253)	(134,704)	(13,064,652)	(146,140)	(36,200,856)
(7,061)	(135,200)	(281,737)	-	(1,308,824)
(51,040,774)	-	-	-	(53,942,960)
<u>2,072,418</u>	<u>(268,208)</u>	<u>(1,142,915)</u>	<u>(71,209)</u>	<u>(1,541,663)</u>
-	-	-	-	117,200
100,825	-	-	9,200	110,025
-	-	-	87,339	87,339
-	141,772	-	-	690,233
<u>(690,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(875,233)</u>
<u>(589,408)</u>	<u>141,772</u>	<u>-</u>	<u>96,539</u>	<u>129,564</u>
-	-	-	1	1
-	-	-	1	1
129,960	277	20,115	7,751	338,684
1,990,079	29,328	1,704,236	(10,896)	3,011,452
<u>2,120,039</u>	<u>29,605</u>	<u>1,724,351</u>	<u>(3,145)</u>	<u>3,350,136</u>
3,603,049	(96,831)	581,436	22,186	1,938,038
4,300,619	150,737	515,464	-	8,483,601
<u>\$ 7,903,668</u>	<u>\$ 53,906</u>	<u>\$ 1,096,900</u>	<u>\$ 22,186</u>	<u>\$ 10,421,639</u>
\$ 1,849,764	\$ (272,833)	\$ (872,104)	\$ (100,226)	\$ (708,376)
138,803	1,696	-	619	147,836
(188,955)	9,625	(322,751)	6,398	(825,806)
-	(31)	(135)	-	(1,975)
114,014	(1,267)	(2,573)	-	103,356
215,585	-	-	22,000	221,757
-	(5,398)	23,670	-	73,859
55,398	-	31,239	-	210,290
(112,191)	-	(261)	-	(149,291)
-	-	-	-	(613,313)
<u>222,654</u>	<u>4,625</u>	<u>(270,811)</u>	<u>29,017</u>	<u>(833,287)</u>
<u>\$ 2,072,418</u>	<u>\$ (268,208)</u>	<u>\$ (1,142,915)</u>	<u>\$ (71,209)</u>	<u>\$ (1,541,663)</u>

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Combining Statements of Agency Funds

Agency Funds are used to account for financial resources held by the District as an agent. Assets accounted for in an agency fund belong to the party or parties for which the District acts as an agent. Therefore, agency fund assets are offset by liabilities equal in amount. Agency funds do not report net position.

School Internal Accounts - To account for financial resources collected by the schools and held by the District as an agent, which will be used for school and student athletic activities, class activities and club activities.

ABC Program - To account for employee and public donations, held by the District as an agent, to be used to assist financially disadvantaged students enrolled in Pasco County schools.

District School Board of Pasco County
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2015

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 8,365,915	\$ 3,681	\$ 8,369,596
Investments	-	72,493	72,493
Accounts Receivable	8,935	-	8,935
Interest Receivable on Investments	-	68	68
Inventories	3,943	-	3,943
	<u>3,943</u>	<u>-</u>	<u>3,943</u>
Total Assets	<u>\$ 8,378,793</u>	<u>\$ 76,242</u>	<u>\$ 8,455,035</u>
Liabilities:			
Accounts Payable	\$ 1,091,474	\$ -	\$ 1,091,474
Internal Accounts Payable	7,287,319	-	7,287,319
ABC Program Payable	-	76,242	76,242
	<u>-</u>	<u>76,242</u>	<u>76,242</u>
Total Liabilities	<u>\$ 8,378,793</u>	<u>\$ 76,242</u>	<u>\$ 8,455,035</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2015

School Internal Accounts				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 8,008,097	\$ 13,098,008	\$ 12,740,190	\$ 8,365,915
Accounts Receivable	7,201	15,292	13,558	8,935
Inventories	9,592	42,462	48,111	3,943
Total Assets	<u>\$ 8,024,890</u>	<u>\$ 13,155,762</u>	<u>\$ 12,801,859</u>	<u>\$ 8,378,793</u>
Liabilities:				
Accounts Payable	\$ 786,408	\$ 14,283,537	\$ 13,978,471	\$ 1,091,474
Internal Accounts Payable	7,238,482	12,134,443	12,085,606	7,287,319
Total Liabilities	<u>\$ 8,024,890</u>	<u>\$ 26,417,980</u>	<u>\$ 26,064,077</u>	<u>\$ 8,378,793</u>
ABC Program				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 3,524	\$ 25,294	\$ 25,137	\$ 3,681
Investments	69,003	20,421	16,931	72,493
Interest Receivable on Investments	51	171	154	68
Total Assets	<u>\$ 72,578</u>	<u>\$ 45,886</u>	<u>\$ 42,222</u>	<u>\$ 76,242</u>
Liabilities:				
ABC Program Payable	<u>\$ 72,578</u>	<u>\$ 174,018</u>	<u>\$ 170,354</u>	<u>\$ 76,242</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 8,011,621	\$ 13,123,302	\$ 12,765,327	\$ 8,369,596
Investments	69,003	20,421	16,931	72,493
Accounts Receivable	7,201	15,292	13,558	8,935
Interest Receivable on Investments	51	171	154	68
Inventories	9,592	42,462	48,111	3,943
Total Assets	<u>\$ 8,097,468</u>	<u>\$ 13,201,648</u>	<u>\$ 12,844,081</u>	<u>\$ 8,455,035</u>
Liabilities:				
Accounts Payable	\$ 786,408	\$ 14,283,537	\$ 13,978,471	\$ 1,091,474
Internal Accounts Payable	7,238,482	12,134,443	12,085,606	7,287,319
ABC Program Payable	72,578	174,018	170,354	76,242
Total Liabilities	<u>\$ 8,097,468</u>	<u>\$ 26,591,998</u>	<u>\$ 26,234,431</u>	<u>\$ 8,455,035</u>

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Combining Statements of Component Units

Component units are entities and/or organizations for which the School Board is financially accountable. Due to the nature and significance of their relationship with the School Board, exclusion of these entities and/or organizations would cause the District's basic financial statements to be misleading. The component units columns in the government-wide financial statements, Exhibits A and B, include consolidated financial data for the following component units:

Academy at the Farm, Inc. – Focuses on creatively integrating equestrian, horticultural and farm animal components into an interactive, inclusive learning environment.

Athenian Academy of Pasco County, Inc. – A kindergarten through 8th grade school offering students a program that incorporates the Greek language and culture.

Classical Preparatory Academy – A K through 8th grade school providing a classical style education.

Countryside Montessori – A 1st through 8th grade school providing an alternative education program.

Dayspring Academy for Education and the Arts – Emphasizes the fine arts, offering students specialized instruction in dance, music, and art.

Florida Virtual Academy at Pasco - A K through 8th grade school providing curriculum in an on-line educational environment.

Imagine School at Land O' Lakes – A kindergarten through 7th grade school providing an alternative education program.

Learning Lodge Academy – A K through 3rd grade school providing an alternative elementary education program.

Pepin Academies of Pasco – A 3rd through 10th grade school providing an alternative education program for special needs students.

Pasco Education Foundation, Inc. – A separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest and administer property and to make expenditures to or for the benefit of the District.

District School Board of Pasco County
Combining Statement of Net Position
Component Units
June 30, 2015

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Classical Preparatory Academy	Countryside Montessori
Assets:				
Cash	\$ 286,541	\$ 291,628	\$ 60,974	\$ 404,041
Investments	-	-	-	-
Accounts Receivable	1,121	8,371	-	-
Deposits Receivable	-	-	17,584	10,000
Due From Other Agencies	13,644	28,538	12,884	11,413
Prepaid Expenses	-	49,661	-	-
Capital Assets (net of accumulated depreciation)				
Land	788,979	-	-	-
Construction in Process	1,418,241	-	-	-
Improvements Other Than Buildings	-	-	-	-
Leasehold Property and Improvements	184,435	-	120,529	222,490
Buildings and Fixed Equipment	365,613	297,619	-	107,182
Furniture, Fixtures and Equipment	7,543	63,088	2,286	27,748
Motor Vehicles	-	-	-	-
Computer Equipment	77,216	-	-	-
Total Assets	\$ 3,143,333	\$ 738,905	\$ 214,257	\$ 782,874
Liabilities:				
Current Liabilities:				
Salaries and Benefits Payable	\$ -	\$ 147,355	\$ 47,780	\$ -
Accounts Payable	6,776	9,381	60,290	6,739
Due To Other Agencies	-	-	-	-
Accrued Interest Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Total Current Liabilities	6,776	156,736	108,070	6,739
Long-term Liabilities:				
Due within one year:				
Notes Payable	2,088,106	-	-	13,244
Obligations Under Capital Leases	-	9,785	-	39,999
Compensated Absences Payable	-	-	-	-
Total Due within one year	2,088,106	9,785	-	53,243
Due in more than one year:				
Notes Payable	-	-	-	125,490
Obligations Under Capital Leases	-	13,620	-	73,953
Total Due in more than one year	-	13,620	-	199,443
Total Liabilities	2,094,882	180,141	108,070	259,425
Net Position:				
Net Investment in Capital Assets	753,921	337,302	122,815	104,734
Restricted for Other Purposes	-	-	-	-
Nonexpendable-Permanently Restricted	-	-	-	-
Unrestricted	294,530	221,462	(16,628)	418,715
Total Net Position	\$ 1,048,451	\$ 558,764	\$ 106,187	\$ 523,449

Dayspring Academy for Education and the Arts	Florida Virtual Academy of Pasco	Learning Lodge Academy	Pepin Academies of Pasco	Imagine School at Land O' Lakes	Pasco Education Foundation, Inc.	Total Component Units
\$ 208,029	\$ 96,854	\$ 215,351	\$ 206,674	\$ 796,236	\$ 308,538	\$ 2,874,866
-	-	-	-	-	2,199,215	2,199,215
352	-	-	12,930	-	-	22,774
-	-	-	-	-	-	27,584
26,826	40,818	88,917	-	24,798	-	247,838
42,787	-	-	45,007	9,635	1,728,983	1,876,073
544,683	-	-	-	-	-	1,333,662
106,406	-	-	-	-	-	1,524,647
243,064	-	-	-	-	-	243,064
168,541	-	9,000	363,222	29,144	-	1,097,361
1,217,909	-	-	-	-	-	1,988,323
9,982	-	16,048	102,227	183,877	-	412,799
1,200	-	-	-	58,307	-	59,507
-	-	-	-	-	-	77,216
<u>\$ 2,569,779</u>	<u>\$ 137,672</u>	<u>\$ 329,316</u>	<u>\$ 730,060</u>	<u>\$ 1,101,997</u>	<u>\$ 4,236,736</u>	<u>\$ 13,984,929</u>
\$ 129,185	\$ -	\$ 91,920	\$ 148,234	\$ 387,102	\$ 699	\$ 952,275
53,174	137,672	5,347	85,870	105,450	4,874	475,573
-	-	16,384	-	-	-	16,384
-	-	-	18,118	-	-	18,118
-	-	2,160	-	8,000	-	10,160
<u>182,359</u>	<u>137,672</u>	<u>115,811</u>	<u>252,222</u>	<u>500,552</u>	<u>5,573</u>	<u>1,472,510</u>
162,998	-	-	154,000	5,233	-	2,423,581
68,630	-	-	-	-	-	118,414
91,396	-	-	-	-	-	91,396
<u>323,024</u>	<u>-</u>	<u>-</u>	<u>154,000</u>	<u>5,233</u>	<u>-</u>	<u>2,633,391</u>
1,054,428	-	-	500,000	-	-	1,679,918
85,960	-	-	-	-	-	173,533
<u>1,140,388</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>1,853,451</u>
<u>1,645,771</u>	<u>137,672</u>	<u>115,811</u>	<u>906,222</u>	<u>505,785</u>	<u>5,573</u>	<u>5,959,352</u>
919,769	-	25,048	(188,551)	266,095	-	2,341,133
-	-	-	-	-	1,886,480	1,886,480
-	-	-	-	-	1,967,076	1,967,076
4,239	-	188,457	12,389	330,117	377,607	1,830,888
<u>\$ 924,008</u>	<u>\$ -</u>	<u>\$ 213,505</u>	<u>\$ (176,162)</u>	<u>\$ 596,212</u>	<u>\$ 4,231,163</u>	<u>\$ 8,025,577</u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2015

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Academy at the Farm, Inc., Activities:</u>					
Instruction	\$ 2,201,922	\$ 53,779	\$ -	\$ -	\$ (2,148,143)
Pupil Personnel Services	15,890	-	-	-	(15,890)
Instructional Media	510	-	-	-	(510)
Instruction Related Technology	160,724	-	-	-	(160,724)
Board of Education	7,000	-	-	-	(7,000)
General Administration	50,663	-	-	-	(50,663)
School Administration	504,214	-	-	-	(504,214)
Facilities Acquisition and Construction	50,846	-	-	50,846	-
Operation of Plant	190,251	-	-	124,010	(66,241)
Maintenance of Plant	59,848	-	-	-	(59,848)
Community Service	116,554	279,943	-	-	163,389
Debt Service - Interest	73,380	-	-	-	(73,380)
Depreciation-Unallocated	100,718	-	-	-	(100,718)
Total Academy at the Farm, Inc., Activities	<u>\$ 3,532,520</u>	<u>\$ 333,722</u>	<u>\$ -</u>	<u>\$ 174,856</u>	<u>(3,023,942)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	3,025,279
Total General Revenues	<u>3,025,279</u>
Change in Net Position	1,337
Net Position, Beginning	<u>1,047,114</u>
Net Position, Ending	<u>\$ 1,048,451</u>

	Expenses	Program Revenues			Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Athenian Academy of Pasco County, Inc., Activities:</u>					
Instruction	\$ 1,348,180	\$ -	\$ 13,255	\$ -	\$ (1,334,925)
Pupil Personnel Services	57,587	-	-	-	(57,587)
Instructional Media	59	-	-	-	(59)
Instruction and Curriculum Development	57,744	-	-	-	(57,744)
Board of Education	10,302	-	-	-	(10,302)
General Administration	197,397	-	-	-	(197,397)
School Administration	229,639	-	-	-	(229,639)
Fiscal Services	82,134	-	-	-	(82,134)
Food Services	17,523	-	-	-	(17,523)
Central Services	2,933	-	-	-	(2,933)
Pupil Transportation Services	62,912	-	-	-	(62,912)
Operation of Plant	376,244	-	9,494	111,567	(255,183)
Maintenance of Plant	11	-	-	-	(11)
Administrative Technology	16,258	-	-	-	(16,258)
Community Services	63,225	73,125	-	-	9,900
Debt Service-Interest	4,908	-	-	-	(4,908)
Depreciation-Unallocated	67,109	-	-	-	(67,109)
Total Athenian Academy of Pasco County, Inc., Activities	<u>\$ 2,594,165</u>	<u>\$ 73,125</u>	<u>\$ 22,749</u>	<u>\$ 111,567</u>	<u>(2,386,724)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	2,459,093
Total General Revenues	<u>2,459,093</u>
Change in Net Position	72,369
Net Position, Beginning	<u>486,395</u>
Net Position, Ending	<u>\$ 558,764</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Classical Preparatory Academy</u>					
Instruction	\$ 1,128,391	\$ -	\$ 143,572	\$ -	\$ (984,819)
Pupil Personnel Services	2,435	-	-	-	(2,435)
Instructional Staff Training	10,075	-	-	-	(10,075)
Board of Education	55,578	-	10,219	-	(45,359)
School Administration	392,917	-	18,669	-	(374,248)
Facilities Acquisition and Construction	294,448	-	-	-	(294,448)
Fiscal Services	93,516	-	-	-	(93,516)
Food Services	10,358	-	-	-	(10,358)
Central Services	17,550	-	17,550	-	-
Operation of Plant	156,982	-	-	-	(156,982)
Community Service	53,097	-	-	-	(53,097)
Depreciation-Unallocated	6,598	-	-	-	(6,598)
Total Classical Preparatory Academy, Activities	<u>\$ 2,221,945</u>	<u>\$ -</u>	<u>\$ 190,010</u>	<u>\$ -</u>	<u>(2,031,935)</u>

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	2,138,122
Total General Revenues	<u>2,138,122</u>
Change in Net Position	106,187
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ 106,187</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Countryside Montessori, Activities:</u>					
Instruction	\$ 1,188,012	\$ -	\$ -	\$ -	\$ (1,188,012)
Instructional Media	480.00	-	-	-	(480.00)
Instructional Staff Training	4,858	-	-	-	(4,858)
School Administration	313,739	-	-	-	(313,739)
Facilities Acquisition and Construction	168,000	-	-	93,775	(74,225)
Fiscal Services	31,309	-	-	-	(31,309)
Food Services	9,162	-	-	-	(9,162)
Operation of Plant	87,521	-	-	-	(87,521)
Maintenance of Plant	672	-	-	-	(672)
Community Service	117,063	-	-	-	(117,063)
Debt Service-Interest	10,683	-	-	-	(10,683)
Depreciation-Unallocated	47,985	-	-	-	(47,985)
Total Countryside Montessori, Activities	<u>\$ 1,979,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,775</u>	<u>(1,885,709)</u>

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	2,021,484
Total General Revenues	<u>2,021,484</u>
Change in Net Position	135,775
Net Position, Beginning	<u>387,674</u>
Net Position, Ending	<u>\$ 523,449</u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2015

Schedule J

<u>Dayspring Academy for Education and the Arts, Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 2,152,904	\$ -	\$ 7,625	\$ -	\$ (2,145,279)
Pupil Personnel Service	2,250	-	-	-	(2,250)
Instructional Staff Training	251	-	-	-	(251)
School Administration	1,013,787	-	-	-	(1,013,787)
Facilities Acquisition & Construction	164,602	-	-	164,602	-
Fiscal Services	34,934	-	-	-	(34,934)
Pupil Transportation Services	98,310	-	-	-	(98,310)
Operation of Plant	458,419	-	-	102,567	(355,852)
Maintenance of Plant	34,598	-	-	-	(34,598)
Community Service	425,139	-	-	-	(425,139)
Debt Service-Interest	98,886	-	-	-	(98,886)
Depreciation-Unallocated	121,596	-	-	-	(121,596)
Total Dayspring Academy for Education and the Arts, Activities	<u>\$ 4,605,676</u>	<u>\$ -</u>	<u>\$ 7,625</u>	<u>\$ 267,169</u>	<u>(4,330,882)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	4,376,193
Total General Revenues	<u>4,376,193</u>

Change in Net Position	45,311
Net Position, Beginning	<u>878,697</u>
Net Position, Ending	<u>\$ 924,008</u>

<u>Florida Virtual Academy at Pasco, Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 96,487	\$ -	\$ -	\$ -	\$ (96,487)
Pupil Personnel Service	16,064	-	-	-	(16,064)
Instructional and Curriculum Development	206,833	-	-	-	(206,833)
Instruction Related Technology	25,550	-	-	-	(25,550)
Board of Education	7,750	-	-	-	(7,750)
General Administration	19,662	-	-	-	(19,662)
School Administration	2,664	-	-	-	(2,664)
Fiscal Services	212	-	-	-	(212)
Operation of Plant	20,796	-	-	-	(20,796)
Total Florida Virtual Academy at Pasco, Activities	<u>\$ 396,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(396,018)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	396,018
Total General Revenues	<u>396,018</u>

Change in Net Position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u>\$ -</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Imagine School at Land O'Lakes, Activities:</u>					
Instruction	\$ 2,302,756	\$ -	\$ -	\$ -	\$ (2,302,756)
Pupil Personnel Services	1,210	-	-	-	(1,210)
Instructional Media	23,472	-	-	-	(23,472)
Instructional and Curriculum Development	51,980	-	-	-	(51,980)
Instructional Staff Training Services	813	-	-	-	(813)
Instruction Related Technology	6,167	-	-	-	(6,167)
Board of Education	7,061	-	-	-	(7,061)
General Administration	581,559	-	-	-	(581,559)
School Administration	338,985	-	-	-	(338,985)
Fiscal Services	95,583	-	-	-	(95,583)
Food Services	26,087	-	-	-	(26,087)
Central Services	937	-	-	-	(937)
Pupil Transportation Services	136,718	-	-	-	(136,718)
Operation of Plant	1,146,933	-	-	271,996	(874,937)
Maintenance of Plant	45,836	-	-	-	(45,836)
Community Service	35,186	-	-	-	(35,186)
Debt Service - Interest	1,917	-	-	-	(1,917)
Depreciation-Unallocated	71,052	-	-	-	(71,052)
Total Imagine School at Land O'Lakes, Activities	\$ 4,874,252	\$ -	\$ -	\$ 271,996	(4,602,256)

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	4,624,509
Total General Revenues	4,624,509
Change in Net Position	22,253
Net Position, Beginning	573,959
Net Position, Ending	\$ 596,212

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Learning Lodge Academy</u>					
Instruction	\$ 700,970	\$ 12,809	\$ 44,698	\$ -	\$ (643,463)
Pupil Personnel Service	735	-	9,914	-	9,179
Instructional Staff Training	16,596	-	-	-	(16,596)
Board of Education	3,926	-	318	-	(3,608)
General Administration	58,241	-	-	-	(58,241)
School Administration	125,110	-	1,688	-	(123,422)
Facilities Acquisition & Construction	110,475	-	12,319	-	(98,156)
Fiscal Services	9,565	-	-	-	(9,565)
Food Services	2,040	-	-	-	(2,040)
Central Services	1,938	-	1,938	-	-
Operation of Plant	67,910	-	-	-	(67,910)
Community Service	47,471	71,780	-	-	24,309
Depreciation-Unallocated	3,089	-	-	-	(3,089)
Total Learning Lodge Academy, Activities	\$ 1,148,066	\$ 84,589	\$ 70,875	\$ -	(992,602)

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	1,206,107
Total General Revenues	1,206,107
Change in Net Position	213,505
Net Position, Beginning	-
Net Position, Ending	\$ 213,505

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2015

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pepin Academies of Pasco</u>					
Instruction	\$ 1,568,741	\$ -	\$ 153,139	\$ -	\$ (1,415,602)
Pupil Personnel Services	397,485	-	-	-	(397,485)
Instructional Staff Training Services	4,552	-	-	-	(4,552)
General Administration	51,825	-	-	-	(51,825)
School Administration	479,136	-	-	-	(479,136)
Fiscal Services	6,508	-	-	-	(6,508)
Food Services	115,908	13,166	17,524	-	(85,218)
Pupil Transportation Services	167	-	-	-	(167)
Operation of Plant	415,570	-	-	-	(415,570)
Maintenance of Plant	6,719	-	-	-	(6,719)
Community Service	11,392	11,392	-	-	-
Debt Service - Interest	18,118	-	-	-	(18,118)
Total Pepin Academies of Pasco, Activities	\$ 3,076,121	\$ 24,558	\$ 170,663	\$ -	(2,880,900)

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	2,744,246
Total General Revenues	2,744,246
Change in Net Position	(136,654)
Net Position, Beginning	(39,508)
Net Position, Ending	\$ (176,162)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pasco Education Foundation, Inc., Activities:</u>					
Community Service	\$ 853,304	\$ -	\$ -	\$ -	(853,304)

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	990,481
Unrestricted Investment Earnings	88,762
Total General Revenues	1,079,243
Change in Net Position	225,939
Net Position, Beginning	4,005,224
Net Position, Ending	\$ 4,231,163

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Total Component Units Activities:</u>	<u>Expenses</u>				
Instruction	\$ 12,688,363	\$ 66,588	\$ 362,289	\$ -	\$ (12,259,486)
Pupil Personnel Services	493,656	-	-	-	(493,656)
Instructional Media	24,521	-	-	-	(24,521)
Instructional and Curriculum Development	316,557	-	-	-	(316,557)
Instructional Staff Training Services	37,145	-	9,914	-	(27,231)
Instruction Related Technology	192,441	-	-	-	(192,441)
Board of Education	91,617	-	10,537	-	(81,080)
General Administration	959,347	-	-	-	(959,347)
School Administration	3,400,191	-	20,357	-	(3,379,834)
Facilities Acquisition and Construction	788,371	-	12,319	309,223	(466,829)
Fiscal Services	353,761	-	-	-	(353,761)
Food Services	181,078	13,166	17,524	-	(150,388)
Central Services	23,358	-	19,488	-	(3,870)
Pupil Transportation Services	298,107	-	-	-	(298,107)
Operation of Plant	2,920,626	-	9,494	610,140	(2,300,992)
Maintenance of Plant	147,684	-	-	-	(147,684)
Admin. Technology Services	16,258	-	-	-	(16,258)
Community Service	1,722,431	436,240	-	-	(1,286,191)
Debt Service - Interest	207,892	-	-	-	(207,892)
Depreciation-Unallocated	418,147	-	-	-	(418,147)
Total Component Units Activities	\$ 25,281,551	\$ 515,994	\$ 461,922	\$ 919,363	(23,384,272)

General Revenues:

Grants and Contributions not restricted to	
Specific Programs	23,981,532
Unrestricted Investment Earnings	88,762
Total General Revenues	24,070,294
Change in Net Position	686,022
Net Position, Beginning	7,339,555
Net Position, Ending	\$ 8,025,577

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STATISTICAL SECTION

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Statistical Section

Introduction

This section of the District's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

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

Table 1	Net Position by Component – Government-Wide
Table 2	Changes in Net Position – Primary Government
Table 3	Fund Balances – Governmental Funds
Table 4	Changes in Fund Balances – Governmental Funds and Debt Service Ratios

Revenue Capacity

These tables contain information to help the reader assess the District's significant local revenue sources, the property tax, as well as other revenue sources.

Table 5	Assessed and Estimated Actual Value of Taxable Property
Table 6	General Governmental Tax Revenues by Source
Table 7	Property Tax Levies and Collections
Table 8	Direct and Overlapping Property Tax Rates
Table 9	Principal Property Taxpayers

Debt Capacity

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

Table 10	Ratios of Outstanding Debt by Type
Table 11	Ratio of Net General Bonded Debt Outstanding
Table 12	Direct and Overlapping Governmental Activities Debt
Table 13	Legal Debt Margin Information

Economic and Demographic Information

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

Table 14	Demographic and Economic Statistics
Table 15	Principal Employers in Pasco County

Operating Information

These tables contain service and infrastructure 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.

Table 16	Number of Personnel
Table 17	Teacher Base Salaries
Table 18	Operating Statistics
Table 19	School Building Information

Sources: Unless otherwise noted, the information in this section is derived from the District's comprehensive annual reports for the relevant year.

District School Board of Pasco County
Net Position by Component - Government-Wide
Last Ten Fiscal Years
(Unaudited)

Table 1

	For the Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Governmental Activities:				
Net Investment in Capital Assets	\$ 378,990,397	\$ 464,698,097	\$ 477,656,475	\$ 532,146,394
Restricted	111,094,082	150,139,097	239,259,651	199,546,968
Unrestricted	31,819,974	36,251,972	30,656,802	35,460,415
Total Governmental Activities Net Position	521,904,453	651,089,166	747,572,928	767,153,777
Business-Type Activities:				
Net Investment in Capital Assets	301,788	282,704	228,564	184,707
Unrestricted	3,257,051	2,677,980	2,484,446	2,766,947
Total Business-Type Activities Net Position	3,558,839	2,960,684	2,713,010	2,951,654
Primary Government:				
Net Investment in Capital Assets	379,292,185	464,980,801	477,885,039	532,331,101
Restricted	111,094,082	150,139,097	239,259,651	199,546,968
Unrestricted	35,077,025	38,929,952	33,141,248	38,227,362
Total Primary Government Net Position	\$ 525,463,292	\$ 654,049,850	\$ 750,285,938	\$ 770,105,431

Note (A) The District implemented GASB 68 for fiscal year ended June 30, 2015.

Fiscal years prior to 2015 have not been restated for implementation of GASB 68.

Source: District records
CAFR - Exhibit A

Table 1

For the Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 609,215,910	\$ 610,511,400	\$ 587,895,355	\$ 590,932,554	\$ 599,058,815	\$ 623,953,695
150,219,796	156,915,364	177,850,787	172,069,772	164,220,978	141,051,030
29,950,233	42,414,994	29,533,195	28,365,685	15,313,862	(183,605,569)
789,385,939	809,841,758	795,279,337	791,368,011	778,593,655	581,399,156
146,867	155,131	137,748	166,337	176,128	206,739
3,678,225	4,609,491	5,387,604	3,013,904	2,209,578	(751,298)
3,825,092	4,764,622	5,525,352	3,180,241	2,385,706	(544,559)
609,362,777	610,666,531	588,033,103	591,098,891	599,234,943	624,160,434
150,219,796	156,915,364	177,850,787	172,069,772	164,220,978	141,051,030
33,628,458	47,024,485	34,920,799	31,379,589	17,523,440	(184,356,867)
\$ 793,211,031	\$ 814,606,380	\$ 800,804,689	\$ 794,548,252	\$ 780,979,361	\$ 580,854,597

District School Board of Pasco County
Changes in Net Position - Primary Government
Last Ten Fiscal Years
(Unaudited)

	For the Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses										
Governmental Activities										
Instruction	\$ 285,454,884	\$ 320,279,886	\$ 348,572,526	\$ 351,559,669	\$ 343,287,586	\$ 363,757,272	\$ 334,933,329	\$ 343,554,241	\$ 358,768,503	\$ 362,962,619
Pupil Personnel Services	23,764,750	26,571,094	30,462,893	29,943,982	28,127,494	27,818,587	25,200,500	25,331,587	25,618,232	26,801,838
Instructional Media Services	9,456,379	9,481,851	10,360,657	8,979,508	10,116,970	9,838,612	7,354,703	6,917,067	1,906,905	2,343,060
Instruction and Curriculum Development Services	9,088,378	8,999,208	10,969,233	11,411,106	15,766,876	15,384,400	13,400,395	11,764,667	14,558,446	15,800,130
Instructional Staff Training	8,052,983	9,590,108	9,810,582	8,281,128	14,462,129	13,936,346	10,971,329	11,073,276	9,426,682	7,324,613
Instruction Related Technology	4,210,967	5,817,654	6,342,050	6,531,075	6,335,019	6,147,471	4,847,994	4,892,506	8,425,406	6,888,825
Board of Education	1,643,566	2,198,040	2,438,957	2,717,695	3,230,392	3,121,338	668,918	610,730	620,416	530,109
General Administration	2,169,506	2,667,580	2,842,753	1,805,179	3,323,964	3,351,534	1,259,433	1,632,018	2,556,141	2,407,270
School Administration	27,011,932	31,744,739	35,422,367	34,476,174	36,740,305	36,616,082	34,008,721	34,289,049	36,456,573	37,661,405
Facilities Services	9,250,352	13,332,062	14,328,177	17,033,887	15,095,278	14,981,752	12,736,731	14,195,220	14,491,329	17,381,716
Fiscal Services	2,185,931	2,190,039	2,302,729	2,419,295	2,394,604	2,495,234	2,199,577	2,281,430	2,708,890	2,792,302
Food Services	25,144,171	28,045,838	29,733,446	29,605,467	31,228,131	30,842,650	30,476,104	31,884,356	32,787,091	35,477,047
Central Services	3,548,220	8,317,630	1,657,766	6,455,741	7,856,068	848,370	1,734,199	4,024,807	6,030,792	8,227,505
Pupil Transportation Services	22,880,871	27,696,272	30,352,782	28,153,490	27,870,375	28,495,921	27,912,093	27,623,111	29,162,574	29,695,863
Operation of Plant	35,355,100	40,372,538	45,807,271	43,875,230	46,244,124	46,454,690	46,432,259	42,208,748	45,192,330	42,537,525
Maintenance of Plant	11,565,861	11,512,727	13,161,025	13,258,894	13,349,962	12,712,872	11,012,852	10,903,885	11,583,005	10,565,620
Administrative Technology Services	1,704,019	2,245,453	3,066,415	3,229,763	3,299,616	3,173,777	3,084,540	3,146,509	3,692,101	6,047,282
Community Services	690,445	826,818	833,011	816,613	711,668	582,837	618,337	688,852	510,674	867,512
Interest on Long-term Liabilities	11,446,561	12,066,754	23,240,113	20,698,823	19,193,742	18,650,661	17,827,097	16,680,024	24,315,270	15,059,988
Depreciation-Unallocated	-	-	-	-	-	-	-	-	-	-
Total Government Activities Expenses	494,624,876	563,956,291	621,704,753	621,252,719	628,634,303	639,210,406	586,679,111	593,702,083	628,811,360	631,372,229
Business-Type Activities:										
PLACE Program	6,931,797	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,363,111
Vending Program	-	-	-	-	-	-	-	-	-	552,755
Total Business-Type Activities Expenses	6,931,797	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	7,753,564	7,941,510	9,155,859	9,915,866
Total Primary Government Expenses	\$ 501,556,673	\$ 572,764,387	\$ 631,222,452	\$ 630,197,239	\$ 636,937,394	\$ 647,250,398	\$ 594,432,675	\$ 601,643,593	\$ 637,967,219	\$ 641,288,095
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	\$ 184,065	\$ 151,873	\$ 3,424,682	\$ 1,645,400	\$ 3,486,329	\$ 254,868	\$ 1,511,101	\$ 522,095	\$ 586,263	\$ 407,780
Food Services	11,271,276	12,582,463	12,995,845	12,998,964	12,249,850	11,824,461	11,697,038	11,441,922	11,086,807	11,033,632
Pupil Transportation	654,925	877,040	1,054,361	859,519	820,661	1,031,745	1,148,279	992,215	1,060,679	1,209,902
Operating grants and contributions	28,133,635	30,662,856	32,184,868	32,957,214	34,949,693	35,241,557	21,417,728	37,633,087	38,821,862	40,056,713
Capital grants and contributions	38,201,714	85,566,489	68,481,567	27,380,354	10,997,212	8,129,586	8,198,949	9,128,908	12,418,525	12,852,412
Total Government Activities Program Revenue	78,445,615	129,840,721	118,141,323	75,841,451	62,503,745	56,482,217	43,973,095	59,718,227	63,974,136	65,560,439

	For the Fiscal Year Ending									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Business-Type Activities:										
Charge for Services Provided	7,057,611	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,435,575
Charge for Sales	-	-	-	-	-	-	-	-	-	554,602
Total Business-Type Activities Revenues	7,057,611	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	8,495,164	8,562,722	9,360,814	9,990,177
Total Primary Government Program Revenues	\$ 85,503,226	\$ 137,853,116	\$ 127,461,525	\$ 84,986,160	\$ 71,678,011	\$ 65,457,998	\$ 52,468,259	\$ 68,280,949	\$ 73,334,950	\$ 75,550,616
Net (Expense) Revenues										
Government Activities	\$ (416,179,261)	\$ (434,115,570)	\$ (503,563,430)	\$ (545,411,268)	\$ (566,130,558)	\$ (582,728,189)	\$ (542,706,016)	\$ (533,983,856)	\$ (564,837,224)	\$ (565,811,790)
Business-Type Activities	7,057,611	8,012,395	9,320,202	200,189	871,175	935,789	741,600	621,212	204,955	74,311
Total Primary Government Net (Expenses)Revenues	\$ (409,121,650)	\$ (426,103,175)	\$ (494,243,228)	\$ (545,211,079)	\$ (565,259,383)	\$ (581,792,400)	\$ (541,964,416)	\$ (533,362,644)	\$ (564,632,269)	\$ (565,737,479)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes:										
Levied for general purposes	\$ 116,114,859	\$ 143,633,620	\$ 159,132,655	\$ 163,132,311	\$ 143,328,208	\$ 137,589,229	\$ 133,136,587	\$ 120,318,952	\$ 121,552,684	\$ 123,010,141
Levied for debt services	5,506,507	5,799,859	5,361,489	-	484	-	-	-	-	-
Levied for capital purposes	28,960,352	37,977,156	43,207,373	42,857,117	36,814,096	32,903,497	32,505,792	30,896,444	31,131,186	32,660,786
Sales taxes	17,137,576	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307
Grants and contributions not restricted to Specific Programs	293,780,194	318,247,859	342,888,614	322,280,550	359,835,520	390,434,709	326,929,740	338,910,337	369,957,624	386,425,843
Transfers	-	-	154,071	-	-	-	-	3,000,000	1,000,000	-
Miscellaneous	22,049,977	19,279,136	11,549,775	9,890,216	17,536,819	14,463,706	9,702,528	8,129,246	12,125,787	14,454,399
Unrestricted investment earnings	12,144,845	11,720,442	10,595,698	379,403	5,176,446	2,385,946	547,374	1,326,648	580,012	816,253
Total Governmental Activities	495,694,310	563,300,283	600,047,192	564,992,117	588,362,720	603,184,008	528,143,595	530,072,530	565,131,652	584,047,729
Business-Type Activities										
Interest	169,708	197,546	103,894	37,709	2,263	3,741	13,223	33,677	121	20,578
Miscellaneous	-	-	-	746	-	-	5,907	-	389	309
Transfers	-	-	(154,071)	-	-	-	-	(3,000,000)	(1,000,000)	-
Total Business-Type Activities	169,708	197,546	(50,177)	38,455	2,263	3,741	19,130	(2,966,323)	(999,490)	20,887
Total Primary Government	\$ 495,864,018	\$ 563,497,829	\$ 599,997,015	\$ 565,030,572	\$ 588,364,983	\$ 603,187,749	\$ 528,162,725	\$ 527,106,207	\$ 564,132,162	\$ 584,068,616
Changes in Net Position										
Governmental activities	\$ 79,515,049	\$ 129,184,713	\$ 96,483,762	\$ 19,580,849	\$ 22,232,162	\$ 20,455,819	\$ (14,562,421)	\$ (3,911,326)	\$ 294,428	\$ 18,235,939
Business-Type activities	7,227,319	(598,155)	(247,674)	238,644	873,438	939,530	760,730	(2,345,111)	(794,535)	95,198
Total Primary Government	\$ 86,742,368	\$ 128,586,558	\$ 96,236,088	\$ 19,819,493	\$ 23,105,600	\$ 21,395,349	\$ (13,801,691)	\$ (6,256,437)	\$ (500,107)	\$ 18,331,137

Source: District records - CAFR Exhibit B

District School Board of Pasco County
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Table 3

	For the Fiscal Year Ending			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
General Fund:				
Fund Balance:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	30,718,655	25,400,645	24,833,534	14,467,726
Unreserved	22,662,970	33,724,599	36,087,039	32,803,154
Total General Fund	\$ 53,381,625	\$ 59,125,244	\$ 60,920,573	\$ 47,270,880
All Other Governmental Funds				
Fund Balance:				
Nonspendable				
Special Revenue-Food Service	\$ -	\$ -	\$ -	\$ -
Restricted				
Special Revenue	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Assigned				
Capital Projects	-	-	-	-
Reserved	84,322,255	67,080,440	111,256,904	87,804,190
Unreserved, reported in:				
Capital Projects funds	66,991,443	122,514,782	191,033,956	159,097,171
Debt Service funds	-	-	-	-
Special Revenue funds	1,112,459	1,390,340	1,127,901	1,700,634
Total all other government funds	\$ 152,426,157	\$ 190,985,562	\$ 303,418,761	\$ 248,601,995

Note: (A) The District implemented GASB 54 for the fiscal year ended June 30, 2011. Fiscal years prior to 2011 have not been restated for implementation of GASB 54.

Source: District records - CAFR Exhibit C

Table 3

June 30, 2010	June 30, 2011	For the Fiscal Year Ending		June 30, 2014	June 30, 2015
		June 30, 2012	June 30, 2013		
\$ -	\$ 3,893,982	\$ 4,568,706	\$ 3,612,982	\$ 3,444,488	\$ 3,706,116
-	7,563,258	5,326,016	3,124,608	6,903,768	4,793,446
-	26,466,857	15,673,843	17,407,505	11,451,799	21,418,729
-	22,964,288	22,714,296	23,499,528	32,983,587	26,101,381
12,185,376	-	-	-	-	-
37,788,339	-	-	-	-	-
<u>\$ 49,973,715</u>	<u>\$ 60,888,385</u>	<u>\$ 48,282,861</u>	<u>\$ 47,644,623</u>	<u>\$ 54,783,642</u>	<u>\$ 56,019,672</u>
\$ -	\$ 1,695,810	\$ 1,380,195	\$ 1,223,200	\$ 1,153,542	\$ 1,238,056
-	4,383,403	7,183,864	7,100,164	8,774,328	9,000,902
-	18,525,444	21,389,660	17,001,808	14,026,067	11,958,237
-	135,332,919	110,020,160	147,001,633	241,878,569	211,168,847
-	27,091,944	31,775,584	-	-	-
32,442,711	-	-	-	-	-
144,692,524	-	-	-	-	-
13,921,942	-	-	-	-	-
3,665,452	-	-	-	-	-
<u>\$ 194,722,629</u>	<u>\$ 187,029,520</u>	<u>\$ 171,749,463</u>	<u>\$ 172,326,805</u>	<u>\$ 265,832,506</u>	<u>\$ 233,366,042</u>

Table 4

District School Board of Pasco County
Changes in Fund Balances - Governmental Funds
And Debt Service Ratios
Last Ten Fiscal Years
(Unaudited)

	June 30, 2006	For the Fiscal Year Ending June 30, 2007	June 30, 2008	June 30, 2009
Revenues:				
Federal Sources:				
Federal Grants	\$ 39,534,258	\$ 35,062,439	\$ 41,047,707	\$ 39,525,911
Food Services	13,241,412	14,638,784	15,555,805	17,236,057
Total Federal Sources	<u>52,775,670</u>	<u>49,701,223</u>	<u>56,603,512</u>	<u>56,761,968</u>
State Sources:				
Florida Education Finance Program	200,638,043	210,168,920	212,672,606	195,130,222
Public Education Capital Outlay	6,276,697	16,678,822	20,051,633	19,148,129
Food Services	450,066	461,379	488,356	382,031
State Grants and Other	74,807,937	141,270,054	145,324,059	105,937,551
Total State Sources	<u>282,172,743</u>	<u>368,579,175</u>	<u>378,536,654</u>	<u>320,597,933</u>
Local Sources:				
Property Taxes	150,581,718	187,410,636	216,116,400	211,284,811
Voter Approved Sales Tax	17,137,576	26,642,211	27,157,517	26,452,520
Food Service sales	11,218,023	12,631,122	12,995,845	12,998,964
Interest Income and other	12,119,203	11,720,442	10,595,698	379,403
Local grants and other	44,272,755	31,862,340	14,407,476	11,409,494
Total local sources	<u>235,329,275</u>	<u>270,266,751</u>	<u>281,272,936</u>	<u>262,525,192</u>
Total Revenues	<u>570,277,688</u>	<u>688,547,149</u>	<u>716,413,102</u>	<u>639,885,093</u>
Expenditures:				
Current-Education:				
Instruction	267,722,522	298,891,425	322,304,412	324,672,253
Pupil Personnel Services	23,602,641	26,420,325	29,726,490	29,528,612
Instructional Media Services	9,174,479	9,299,160	9,859,723	9,889,155
Instruction and Curriculum Development Services	9,055,144	9,242,792	10,507,790	10,715,100
Instructional Staff Training	8,514,846	9,487,305	9,612,129	8,283,841
Instruction Related Technology	3,601,604	5,740,027	6,232,514	6,535,854
Board of Education	1,694,729	2,196,541	2,324,216	2,630,591
General Administration	1,695,006	2,616,659	2,767,340	2,325,305
School Administration	27,011,757	31,362,443	34,253,024	34,093,343
Facilities Services	5,813,105	8,342,020	7,826,662	6,192,119
Fiscal Services	2,230,050	2,300,185	2,211,103	2,422,560
Food Services	25,057,154	27,918,172	29,541,716	29,274,591
Central Services	7,097,572	7,191,057	7,317,591	6,900,844
Pupil Transportation Services	21,827,807	25,471,695	29,248,215	26,931,416
Operation of Plant	35,057,234	39,315,801	45,123,394	43,075,688
Maintenance of Plant	11,191,370	12,349,335	12,800,678	12,846,399
Administrative Technology Services	1,704,019	2,815,871	3,029,555	3,118,180
Community Services	714,491	764,654	816,942	805,803
Capital Outlay:				
Facilities Acquisition and Construction	152,246,322	202,581,398	143,463,842	106,068,134
Other Capital Outlay	3,421,282	3,084,807	3,614,880	2,176,402
Debt Service:				
Principal	10,060,000	11,115,000	17,470,000	20,115,000
Interest	8,850,650	10,418,172	20,787,539	19,679,686
Fiscal Charges	3,206,317	2,536,961	15,951,113	1,174,013
Total Expenditures	<u>640,550,101</u>	<u>751,461,805</u>	<u>766,790,868</u>	<u>709,454,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(70,272,413)</u>	<u>(62,914,656)</u>	<u>(50,377,766)</u>	<u>(69,569,796)</u>
Other Financing Sources (Uses):				
Bonds Issued	-	88,590,000	5,295,000	-
Issuance of Refunding Bonds	-	-	-	-
Premiums on Refunding Bonds	-	-	-	-
Premiums on Bonds Issued	-	4,051,356	859,010	-
Proceeds of Certificates of Participation Issued	-	-	162,630,000	-
Proceeds Of Refunding Certificates of Participation	-	-	-	-
Certificates of Participation Issued	67,833,454	-	143,605,000	1,170,010
Proceeds from the Sale of Capital Assets	236,031	169,048	193,213	133,327
Discounts on Refunding Bonds	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	(147,930,000)	-
Transfers In	41,977,480	16,507,160	114,192,061	42,595,724
Transfers Out	(42,177,480)	(16,707,160)	(114,237,990)	(42,795,724)
Total Other Financing Sources (Uses)	<u>67,869,485</u>	<u>92,610,404</u>	<u>164,606,294</u>	<u>1,103,337</u>
Net Change in Fund Balances	<u>\$ (2,402,928)</u>	<u>\$ 29,695,748</u>	<u>\$ 114,228,528</u>	<u>\$ (68,466,459)</u>
Debt service as a percentage of noncapital expenditures	3.90%	3.95%	6.17%	6.62%

Table 4

June 30, 2010	June 30, 2011	For the Fiscal Year Ending		June 30, 2014	June 30, 2015
		June 30, 2012	June 30, 2013		
\$ 79,516,781	\$ 96,950,923	\$ 42,340,203	\$ 42,541,633	\$ 46,178,627	\$ 48,913,244
19,688,152	20,815,526	20,980,131	22,141,725	23,319,438	24,565,522
99,204,933	117,766,449	63,320,334	64,683,358	69,498,065	73,478,766
213,428,570	222,031,695	204,656,075	229,215,516	256,270,767	268,469,393
1,622,195	3,524,056	703,197	666,291	1,002,216	796,597
493,454	426,031	437,597	419,874	424,778	414,356
84,614,338	85,811,367	82,611,163	84,676,064	85,291,068	86,841,606
300,158,557	311,793,149	288,408,032	314,977,745	342,988,829	356,521,952
180,142,788	170,492,726	165,642,379	151,215,396	152,683,870	155,670,927
25,671,147	25,406,921	25,321,574	27,490,903	28,784,359	26,680,307
12,249,850	11,778,792	11,650,985	11,441,922	11,028,315	10,532,753
5,176,446	2,388,287	590,385	1,267,749	580,012	816,254
20,931,370	19,274,584	16,094,030	15,445,937	21,704,165	24,544,524
244,171,601	229,341,310	219,299,353	206,861,907	214,780,721	218,244,765
643,535,091	658,900,908	571,027,719	586,523,010	627,267,615	648,245,483
313,051,706	325,557,314	296,241,293	299,761,436	\$314,892,649	\$333,028,297
28,028,160	27,470,406	24,952,342	25,031,281	25,231,533	26,612,973
9,787,927	9,468,350	7,142,745	6,763,983	2,314,127	2,621,203
15,211,665	15,299,116	13,293,905	11,701,933	14,274,568	15,640,068
14,045,255	13,976,906	10,844,460	10,981,833	9,767,487	7,396,496
6,270,107	6,126,500	4,799,806	4,864,701	8,298,947	6,742,355
3,085,096	2,980,400	487,161	468,772	469,656	500,228
3,355,050	3,317,673	1,226,250	1,512,137	2,535,795	2,357,187
36,185,408	36,404,238	33,210,176	33,759,267	35,391,965	36,925,142
6,532,646	6,424,831	4,028,151	4,833,626	4,550,999	5,708,614
2,316,906	2,404,739	2,114,358	2,228,720	2,563,383	2,774,726
31,001,571	30,565,745	30,189,633	31,598,711	32,469,486	35,249,881
6,326,380	6,675,392	5,903,365	5,643,763	6,490,365	7,760,284
26,787,809	27,697,245	27,217,617	27,052,856	28,396,338	29,405,350
45,838,612	46,183,311	46,025,891	41,856,266	44,337,010	42,452,205
13,167,442	12,518,437	10,877,222	10,586,881	11,342,028	10,536,743
3,178,804	3,196,306	3,030,764	3,118,929	3,601,933	5,988,463
698,604	648,347	622,397	667,873	533,017	856,821
97,667,371	37,632,689	35,571,766	28,043,055	42,671,034	78,196,590
2,212,318	1,930,515	907,144	1,334,131	1,692,110	3,611,166
20,987,001	21,812,001	22,527,001	23,557,001	24,607,001	21,324,001
18,099,076	17,440,390	17,133,664	16,110,854	25,426,070	15,980,740
1,751,549	1,361,160	721,224	660,328	2,251,649	706,254
705,586,463	657,092,011	599,068,335	592,138,337	644,109,150	692,375,787
(62,051,372)	1,808,897	(28,040,616)	(5,615,327)	(16,841,535)	(44,130,304)
1,300,000	1,450,000	1,710,000	-	96,715,000	-
-	-	-	-	1,724,000	2,411,000
-	-	-	-	272,637	174,776
130,248	117,416	226,415	-	16,459,978	7,814,270
-	-	-	-	-	13,655,000
-	-	-	-	151,696,458	44,145,000
11,000,000	-	-	-	-	-
63,037	45,248	154,466	8,346	6,651	100,000
-	-	-	-	(186,756)	-
(1,418,444)	-	(1,931,399)	-	(150,186,713)	(55,585,176)
36,990,185	45,089,857	58,144,210	42,070,126	51,152,626	38,549,554
(37,190,185)	(45,289,857)	(58,148,657)	(36,524,041)	(50,167,626)	(38,364,554)
10,874,841	1,412,664	155,035	5,554,431	117,486,255	12,899,870
\$ (51,176,531)	\$ 3,221,561	\$ (27,885,581)	\$ (60,896)	\$ 100,644,720	\$ (31,230,434)
6.45%	6.36%	7.05%	7.05%	8.34%	6.11%

Table 5

District School Board of Pasco County
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2015	\$ 26,247,234	\$ 2,846,669	\$ 5,377,106	\$ 1,209,922	\$ 20,870,128	\$ 1,636,747	\$ 15,296	\$ 22,522,171	77.37%	7.34
2014	25,234,228	2,819,116	5,392,933	1,215,988	19,841,295	1,603,128	14,769	21,459,192	76.45%	7.34
2013	24,978,580	2,876,461	5,389,039	1,203,332	19,589,541	1,673,129	14,013	21,276,683	76.35%	6.86
2012	28,013,760	3,039,322	7,278,503	1,322,493	20,735,257	1,716,829	14,073	22,466,159	72.31%	6.37
2011	29,126,608	3,111,656	7,962,504	1,342,488	21,164,104	1,769,168	12,413	22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.37
2009	39,790,826	3,474,265	12,525,774	1,324,268	27,265,052	2,149,997	12,816	29,427,865	68.00%	5.43
2008	42,731,681	3,026,634	15,219,773	847,859	27,511,908	2,178,775	3,678	29,694,361	64.89%	5.43
2007	37,956,299	2,912,306	14,134,555	843,243	23,821,744	2,069,063	3,186	25,893,993	63.35%	5.99
2006	27,816,171	2,703,034	9,780,678	801,281	18,035,493	1,901,753	12,278	19,949,524	65.34%	7.01

(1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property. . . ." Consequently, estimated actual value, above, is assessed value before exemptions. Pasco County Property Appraiser's Office.

(2) Chapter 196, Florida Statutes, grants various exemptions for qualifying historic, economic development, governmental, and institutional property, the latter including charitable, religious, scientific, literary and educational property. Exemptions are also granted for residential property for widows/widowers, disabled/blind, homestead exemption (\$25,000), additional homestead exemption (age 65 or older, \$25,000), and homestead differential (just value minus a capped value)

(3) Property, such as railroad property, for which valuation is provided to the Property Appraiser by the Florida Department of Revenue [see Section 193.085(4), Florida Statutes].

(4) Centrally Assessed Property has been added to the total estimated actual value of Real and Personal Property when computing this percentage.

(5) Total Tax Levy (Pasco County CAFR) to Total Taxable Assessed Value (above). Tax rates are per \$1,000 of assessed value.

Source: Pasco County Property Appraiser

District School Board of Pasco County
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Table 6

Fiscal Year	Property Tax			Sales Tax	Total
	General Purposes	Debt Service (1)	Capital Projects		
2015	\$ 123,010,141	\$ -	\$ 32,660,786	\$ 26,680,307	\$ 182,351,234
2014	121,552,684	-	31,131,186	28,784,359	181,468,229
2013	120,318,952	-	30,896,444	27,490,903	178,706,299
2012	133,136,587	-	32,505,792	25,321,574	190,963,953
2011	137,589,229	-	32,903,497	25,406,921	195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935
2009	163,132,311	-	42,857,117	26,452,520	232,441,948
2008	159,132,655	5,361,489	43,207,373	27,157,517	234,859,034
2007	143,633,620	5,799,859	37,977,156	26,642,211	214,052,846
2006	116,114,859	5,506,507	28,960,352	17,137,576	167,719,294

(1) The voter approved property tax for debt service has ended; any debt service revenues collected after the 2007-2008 fiscal year represent delinquent collections. The final debt service payment was made in the 2007-2008 fiscal year.

Source: District Records

**District School Board of Pasco County
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Table 7

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2015	\$ 160,986,519	\$ 155,605,008	96.7%	\$ 65,919	\$ 155,670,927	96.7%
2014	157,875,272	152,490,829	96.6%	156,393	152,647,222	96.7%
2013	156,192,206	151,072,442	96.7%	142,954	151,215,396	96.8%
2012	171,750,509	165,642,379	96.4%	554,161	166,196,540	96.8%
2011	178,353,964	170,468,487	95.6%	24,239	170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%
2009	212,147,737	205,271,904	96.8%	717,524	205,989,428	97.1%
2008	214,038,792	207,240,160	96.8%	461,357	207,701,517	97.0%
2007	191,838,693	180,711,833	94.2%	6,675,656	187,387,489	97.7%
2006	154,434,507	150,217,909	97.3%	319,664	150,537,573	97.5%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter. Accordingly, taxes collected usually will not be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

(A) Net of allowable discounts

Sources: District records

**District School Board of Pasco County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(per \$1,000 assessed valuation)
(Unaudited)**

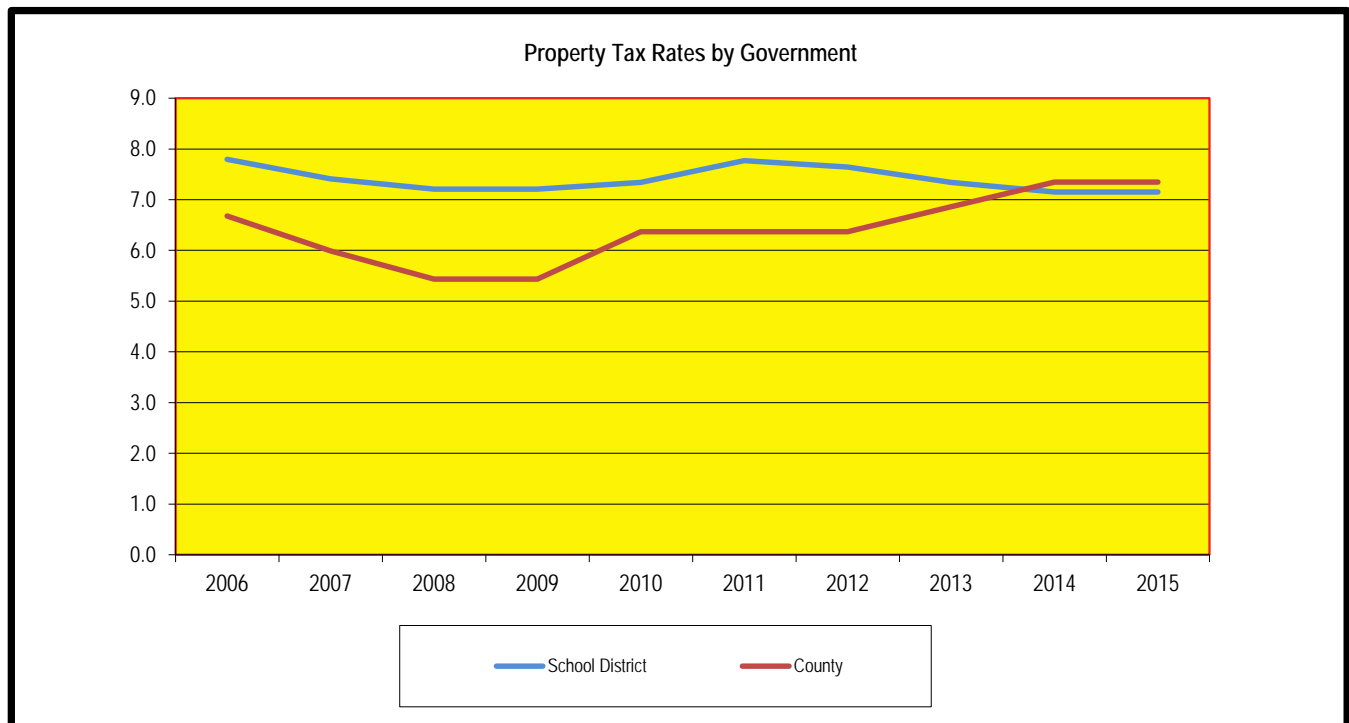
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2015	4.901	0.748	0.000	1.500	0.000	7.149	7.344
2014	4.901	0.748	0.000	1.500	0.000	7.149	7.344
2013	5.093	0.748	0.000	1.500	0.000	7.341	6.862
2012	5.396	0.748	0.000	1.500	0.000	7.644	6.367
2011	5.519	0.748	0.000	1.500	0.000	7.767	6.367
2010	5.092	0.748	0.000	1.500	0.000	7.340	6.367
2009	4.969	0.498	0.241	1.500	0.000	7.208	5.433
2008	4.781	0.510	0.231	1.500	0.186	7.208	5.433
2007	4.921	0.510	0.250	1.500	0.228	7.409	5.988
2006	5.253	0.510	0.250	1.500	0.285	7.798	6.681

(1) For the 2009-2010 fiscal year and thereafter, the State of Florida combined the Supplemental Discretionary and Discretionary Local Millage into one Millage rate.

(2) The voter approved Debt Service Millage expired with the 2007-2008 fiscal year.

(3) Local Required Effort Millage for the 2010-2011 fiscal year includes the millage of .250 for Critical Need.

Source: Pasco County website - www.pascocountyfl.net/menu/oindex.htm



District School Board of Pasco County
Principal Property Taxpayers
Current and Nine Years Ago
(Unaudited)

Table 9

<u>Taxpayer</u>	<u>Rank</u>	<u>2015</u>		<u>Rank</u>	<u>2006</u>	
		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Duke Energy Center (Florida Power Corporation)	1	\$ 439,867,548	2.05%			
Withlacoochee River Electric Cooperative	2	230,570,077	1.07%	3	\$ 164,742,630	0.46%
HCA Health Services of Florida	3	176,732,044	0.82%	8	84,162,694	0.23%
Verizon Communications Inc. (1)	4	118,557,813	0.55%	1	299,096,256	0.83%
Wal-Mart Stores	5	85,949,523	0.40%	6	76,126,527	0.21%
Shady Hills Power Company LLC	6	82,692,603	0.38%	4	148,317,234	0.41%
FL Gas Transmission Company	7	78,079,804	0.36%			
Goodforest LLC	8	77,605,602	0.36%			
Bright House Networks	9	72,687,871	0.33%	5	94,674,038	0.26%
Tampa Electric Company	10	69,322,044	0.32%			
Florida Power Corp				2	274,999,374	0.76%
Zephyrhills Bottle Water America, Inc.				7	63,813,817	0.17%
Gulf View Associates				9	49,046,777	0.13%
Walgreen Co				10	40,973,794	0.11%
Total		<u>\$ 1,432,064,929</u>	<u>6.64%</u>		<u>\$ 1,295,953,141</u>	<u>3.57%</u>

(1) Formerly General Telephone Company of Florida

Source: Pasco County Property Appraiser

District School Board of Pasco County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities										Personal Income (thousands of dollars)	Ratio of Outstanding Debt To Personal Income (1)
	State Board of Education Bonds	District Revenue Bonds	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Note Payable	Capital Leases	Total Primary Government	Estimated Population	Per Capita		
2015	\$ 11,288,000	\$ 2,680,000	\$ -	\$ 96,715,000	\$ 340,336,074	\$ -	\$ -	\$ 451,019,074	485,331	\$ 929	N/A	N/A
2014	13,039,000	2,775,000	-	110,240,000	335,823,075	-	-	461,877,075	475,502	971	15,679,803	29
2013	15,498,519	2,829,774	-	27,254,032	342,845,923	-	-	388,428,248	470,391	826	15,735,511	25
2012	18,015,000	2,960,000	-	38,680,000	350,210,619	-	-	409,865,619	466,457	879	14,974,427	27
2011	18,315,000	3,050,000	-	50,365,000	359,397,620	-	-	431,127,620	464,697	928	13,790,695	31
2010	18,335,000	3,135,000	-	61,495,000	368,524,621	-	-	451,489,621	471,709	957	13,635,875	33
2009	19,795,000	3,220,000	-	72,195,000	366,336,622	-	-	461,546,622	439,702	1,050	12,750,465	36
2008	21,080,000	3,300,000	-	82,485,000	373,626,612	-	-	480,491,612	438,668	1,095	12,750,465	38
2007	15,875,000	3,380,000	5,320,000	88,590,000	220,196,612	-	-	333,361,612	434,425	767	13,304,700	25
2006	18,545,000	3,455,000	10,400,000	-	224,901,612	-	-	257,301,612	424,355	606	12,569,000	20

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements
N/A = Data not currently available
(1) Ratio per thousand dollars of personal income

Source: District records
Pasco County Government
US Census Bureau: <http://quickfacts.census.gov/qfd/states/12/12101.html>

District School Board of Pasco County
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Estimated Population (1)	Net Taxable Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (4)	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2015	485,331	\$ 22,522,171	\$ -	\$ -	\$ -	0.00%	-
2014	475,502	21,459,192	-	-	-	0.00%	-
2013	470,391	21,276,683	-	-	-	0.00%	-
2012	466,457	22,466,159	-	-	-	0.00%	-
2011	464,697	22,963,002	-	-	-	0.00%	-
2010	471,709	25,445,098	-	-	-	0.00%	-
2009	439,702	29,432,261	-	-	-	0.00%	-
2008	438,668	29,694,616	-	-	-	0.00%	-
2007	434,425	25,892,657	5,320,000	-	5,320,000	0.02%	12
2006	424,355	19,949,524	10,400,000	5,320,000	5,080,000	0.03%	12

(1) 2010 Population estimate was obtained from the United States Census Bureau.

(2) Net Taxable Assessed Values are expressed in thousands.

(3) Includes General Obligation Bonds only.

(4) Reserved for Debt Service - General Obligation Bonds only.

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements.

Source: District records

District School Board of Pasco County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(Unaudited)

Table 12

Jurisdiction	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	\$ 68,515,000	0%	\$ -
District School Board of Pasco County Direct Debt	473,190,336	100%	473,190,336
Totals	<u>\$ 541,705,336</u>		<u>\$ 473,190,336</u>

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

Source : District records
Pasco County CAFR, September 30, 2014

**District School Board of Pasco County
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Table 13

	June 30, 2006	For the Fiscal Year Ending		June 30, 2009
		June 30, 2007	June 30, 2008	
Assessed Valuation	\$ 19,949,524,000	\$ 25,892,656,671	\$ 29,694,362,126	\$ 29,432,260,894
Debt Limit	\$ 1,994,952,400	\$ 2,589,265,667	\$ 2,969,436,213	\$ 2,943,226,089
Less: Net Debt applicable to the limit	257,301,612	333,361,612	480,491,612	461,546,622
Legal debt margin	<u>\$ 1,737,650,788</u>	<u>\$ 2,255,904,055</u>	<u>\$ 2,488,944,601</u>	<u>\$ 2,481,679,467</u>
Total net debt applicable to the limit as a percentage of debt	12.90%	12.87%	16.18%	15.68%

Note:

This schedule was previously presented as a requirement of Rule 6A-1.037(2) State Board of Education, Florida Administration Code, which established a legal debt limit of 10 percent of the assessed valuation of the District. Rule 6A-1.037 was repealed in March 2006; however, Management believes this information may still be of value to users.

Source: District Records
Pasco Property Appraisers Office

Table 13

For the Fiscal Year Ending					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 25,445,098,119	\$ 22,963,002,249	\$ 22,466,159,275	\$ 21,276,683,168	\$ 21,459,191,534	\$ 22,522,171,880
\$ 2,544,509,812	\$ 2,296,300,225	\$ 2,246,615,928	\$ 2,127,668,317	\$ 2,145,919,153	\$ 2,252,217,188
451,489,621	431,127,620	409,865,619	388,428,248	461,877,075	451,019,074
\$ 2,093,020,191	\$ 1,865,172,605	\$ 1,836,750,309	\$ 1,739,240,069	\$ 1,684,042,078	\$ 1,801,198,114
17.74%	18.77%	18.24%	18.26%	21.52%	20.03%

District School Board of Pasco County
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Table 14

Fiscal Year	Estimated Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (4)	Unemployment Rate (2)	Student Membership (3)
2015	485,331	N/A	N/A	6.1%	69,302
2014	475,502	\$ 15,679,803	\$ 32,975	8.1%	67,230
2013	470,391	15,735,511	33,452	9.9%	66,417
2012	466,457	14,974,427	32,102	9.0%	65,976
2011	464,697	13,790,695	29,236	11.7%	66,162
2010	437,500	13,635,875	29,113	13.2%	66,207
2009	439,702	12,750,465	27,628	12.5%	66,190
2008	438,668	12,750,465	29,066	8.1%	66,313
2007	434,425	13,304,700	30,626	3.4%	64,688
2006	424,355	12,569,000	29,619	4.4%	62,085

N/A = Data not currently available

Source: (1) US Census Bureau
(2) US Bureau of Labor Statistics
(3) District records
(4) Pasco County Government
(5) FL DOE

District School Board of Pasco County
Principal Employers in Pasco County
Current and Nine Years Ago
(Unaudited)

Table 15

<u>Employer</u>	2015			2006		
	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
District School Board of Pasco County	1	9,713	9.34%	1	8,675	4.60%
HCA Healthcare	2	2,597	2.50%	5	1,000	0.53%
Pasco County Government	3	2,200	2.12%	2	2,566	1.36%
Pasco County Sheriff	4	1,261	1.21%	4	1,121	0.60%
State of Florida Government	5	1,211	1.16%	3	1,281	0.68%
Morton Plan North Bay Hosp./Recovery Cntr	6	873	0.84%			
Florida Hospital Zephyrhills	7	847	0.81%	9	708	0.38%
Florida Medical Clinic	8	750	0.72%			
Wal-Mart Supercenters	9	736	0.71%			
Federal Government	10	724	0.70%			
Regional Medical Center Bayonet Point				6	1,000	0.53%
Community Hospital of New Port Richey				7	1,000	0.53%
Saddlebrook Resort				8	720	0.38%
Pasco-Hernando State College				10	609	0.32%
Total		<u>20,912</u>	<u>20.11%</u>		<u>18,680</u>	<u>9.91%</u>

Source: Pasco Economic Development Council
District School Board of Pasco County 06-07 CAFR

District School Board of Pasco County
Number of Personnel
Last Ten Fiscal Years
(Unaudited)

Table 16

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Pupils
2015	5,205	307	4,201	9,713	12.57
2014	5,094	297	3,971	9,362	12.47
2013	5,179	294	3,597	9,070	12.14
2012	5,268	287	3,841	9,396	11.88
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,783	12.10
2009	6,261	329	4,310	9,210	10.04
2008	6,045	324	2,620	8,675	10.41
2007	5,746	321	2,306	8,373	10.66
2006	5,469	290	2,422	8,181	10.78

Source: FL DOE EIAS Publications
District records

District School Board of Pasco County
Teacher Base Salaries
Last Ten Fiscal Years
(Unaudited)

Table 17

<u>Fiscal Year</u>		<u>Minimum Salary (1)</u>		<u>Maximum Salary (1)</u>		<u>County Average Salary (2)</u>		<u>Statewide Average Salary (2)</u>
2015	\$	37,560	\$	62,000	\$	43,555	\$	47,950
2014		37,000		64,440		41,824		46,583
2013		36,420		63,870		42,595		46,479
2012		36,420		63,870		42,710		45,723
2011		36,420		63,870		42,710		46,089
2010		36,420		63,870		42,850		46,938
2009		36,420		63,870		43,901		46,655
2008		36,420		63,870		45,211		45,296
2007		35,300		61,750		43,472		42,702
2006		33,100		59,300		41,600		41,578

Source: (1) District Records
(2) Florida Department of Education

District School Board of Pasco County
Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Table 18

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures (1)</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Instructional Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2015	69,302	\$ 495,701,633	\$ 7,153	2.34%	5,205	13.31	56.36%
2014	67,230	469,876,446	6,989	3.23%	5,094	13.20	55.53%
2013	66,417	449,649,188	6,770	-1.03%	5,179	12.82	55.00%
2012	65,976	451,316,247	6,841	0.43%	5,268	12.52	57.28%
2011	66,162	450,668,927	6,812	-0.93%	5,412	12.23	52.14%
2010	66,207	455,202,664	6,875	-7.53%	5,133	12.90	48.78%
2009	66,190	492,124,221	7,435	-0.34%	6,261	10.57	44.85%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.36%
2007	64,688	456,679,581	7,060	9.53%	5,746	11.26	44.18%
2006	62,085	400,178,410	6,446	8.16%	5,469	11.35	46.28%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

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District School Board of Pasco County
School Building Information
Last Ten Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2005-2006	2006-2007	2007-2008
					Elementary Schools		
Anclote	1973	64,909	4	481	582.82	574.48	585.62
Calusa	1979	75,551	4	657	743.61	686.86	682.42
Centennial	1986	87,837	4	687	695.92	713.95	689.60
Chasco	2000	104,734	7	624	1,041.04	655.34	704.37
Chester W. Taylor	1996	96,454	12	536	814.96	842.44	827.22
Connerton	2010	118,741	-	762	-	-	-
Cotee River	1993	122,295	1	751	779.67	787.20	721.32
Cypress	1973	70,663	12	708	782.17	879.17	904.72
Deer Park	1988	78,637	7	615	688.00	650.38	632.70
Denham Oaks	1994	130,212	4	870	915.07	881.93	868.77
Double Branch	2008	105,122	6	762	-	-	723.47
Fox Hollow	1990	113,120	4	774	1,006.68	704.13	684.15
Gulf Highlands	2006	124,261	-	762	-	609.92	634.96
Gulf Trace	2008	96,625	-	762	-	-	231.98
Gulfside	1977	75,658	3	649	627.65	642.37	624.43
Hudson	1966	77,623	15	561	830.99	836.59	759.20
James M. Marlowe	1999	102,826	1	616	653.67	638.86	542.67
Lacoochee	1971	82,667	3	579	428.06	406.20	396.10
Lake Myrtle	1984	98,634	9	754	830.00	828.13	825.13
Longleaf	2005	104,502	15	674	712.44	809.65	893.19
Dr. Mary Giella	1989	89,354	3	634	674.13	614.11	656.98
Mitty P. Locke	1966	85,466	6	746	880.13	882.26	856.74
Moon Lake	1982	74,370	11	602	565.92	624.79	674.65
New River	2008	109,787	-	762	-	-	256.91
Northwest	1973	82,160	6	720	713.73	698.45	670.47
Oakstead	2006	126,143	24	762	-	730.76	1,000.33
Odessa	2010	97,687	-	762	-	-	-
Pasco	1954	92,802	4	715	724.82	684.04	661.28
Pine View	2003	99,191	9	624	693.13	725.37	716.19
Quail Hollow	1975	66,565	2	494	823.35	834.19	794.95
Richey	1958	77,103	10	558	642.65	654.02	623.48
Rodney B. Cox	1925	67,685	8	510	445.86	468.17	447.42
San Antonio	1981	89,860	2	776	689.07	694.46	689.54
Sand Pine	1998	82,033	16	517	987.61	1,043.65	749.86
Sanders Memorial	1944	33,670	1	280	1,052.44	733.34	854.25
Schrader	1972	90,253	1	749	756.70	562.53	569.85
Seven Oaks	2005	101,322	22	674	913.38	1,057.30	1,153.35
Seven Springs	1987	92,004	-	636	735.03	704.47	620.09
Shady Hills	1973	74,506	2	437	611.95	589.66	563.38
Sunray	2000	98,044	-	629	863.56	865.61	577.86
Trinity	2001	101,287	9	621	1,103.08	653.81	649.54
Trinity Oaks	2006	116,975	-	762	-	559.64	650.32
Veterans	2008	95,730	-	762	-	-	-
Watergrass	2009	97,974	-	762	-	-	-
Wesley Chapel	2002	99,856	18	618	1,030.74	1,377.56	1,095.98
West Zephyrhills	1958	83,003	9	758	934.72	895.33	818.70
Woodland	1977	78,211	25	670	938.28	938.12	945.82
Total Elementary Schools					28,913.03	29,739.24	30,229.96

Table 19

Full-Time Equivalent Enrollment Data						
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
568.08	574.60	539.34	512.51	531.84	597.97	576.02
632.04	581.83	597.29	591.85	552.24	614.90	582.90
697.81	653.01	670.28	644.00	581.24	641.11	519.58
652.34	662.78	653.15	663.37	694.27	790.01	674.91
599.12	611.35	532.22	577.48	541.19	567.85	519.93
-	-	809.50	847.35	870.13	1,044.52	963.61
657.12	619.73	603.90	540.11	586.82	732.95	622.38
889.03	831.56	810.75	797.54	766.01	826.41	785.44
648.37	677.73	671.86	642.78	604.63	581.30	581.85
872.12	846.44	803.96	744.33	699.39	792.01	685.62
763.21	798.68	808.39	810.32	837.35	965.60	862.23
615.47	609.34	560.06	524.90	537.03	610.18	514.62
589.40	592.77	552.29	532.72	541.09	620.71	535.74
563.17	588.38	590.27	592.26	626.18	677.12	668.68
548.29	554.88	541.33	542.97	527.87	591.28	516.90
675.36	699.77	711.44	717.82	674.55	698.64	595.89
530.62	508.46	498.20	501.41	443.23	453.08	403.20
399.06	410.84	420.72	384.53	375.27	382.82	364.31
782.83	832.77	782.25	730.81	669.57	750.06	647.89
943.09	990.02	651.78	674.12	647.99	721.05	641.33
631.46	649.01	647.39	621.79	614.45	711.56	643.90
585.38	589.00	555.85	526.58	523.80	603.91	567.80
611.51	665.65	726.45	656.84	671.33	726.69	571.53
449.63	510.51	582.75	571.90	594.40	762.82	653.65
707.31	656.62	642.88	624.11	625.89	776.65	665.23
1,096.17	1,064.34	974.99	1,017.56	1,076.36	1,260.66	1,142.92
-	-	637.67	691.79	710.82	812.15	836.06
650.22	631.16	638.28	621.12	666.33	716.92	640.24
721.16	737.84	733.38	704.31	735.28	764.97	623.24
390.03	380.95	399.04	370.77	345.23	-	-
600.02	620.77	581.41	580.95	591.52	666.87	605.66
460.75	413.01	378.46	360.75	369.23	411.66	393.74
724.58	646.69	660.75	682.60	636.18	709.08	610.35
707.03	701.02	672.20	661.58	633.56	663.64	573.99
745.26	725.74	-	-	-	-	-
625.07	587.90	552.92	543.04	536.14	587.85	594.09
887.82	928.79	932.35	933.80	950.81	1,088.11	1,083.04
579.26	571.16	549.23	530.81	529.89	547.25	514.23
536.06	505.15	459.60	424.80	415.72	-	-
533.01	523.23	541.80	539.64	524.65	538.71	513.55
663.27	699.92	531.68	497.99	524.47	623.14	581.61
685.86	729.63	721.54	707.72	690.95	755.83	713.37
726.44	765.82	815.70	805.46	802.90	884.72	794.85
-	472.38	487.05	504.21	563.65	804.81	782.34
1,071.34	589.01	579.82	591.37	621.56	868.26	812.39
813.51	750.10	767.94	764.74	789.28	864.26	799.37
917.58	924.14	866.69	853.97	850.97	958.35	904.12
29,746.26	29,684.48	29,446.80	28,963.38	28,903.26	31,768.44	28,884.30

District School Board of Pasco County
School Building Information
Last Ten Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2005-2006	2006-2007	2007-2008
Middle Schools							
Bayonet Point	1973	133,360	5	1,000	996.28	985.50	975.00
Centennial	2001	115,614	6	686	622.14	652.80	660.36
Charles S. Rushe	2007	192,785	11	1,494	-	-	1,223.93
Chasco	2001	134,642	4	944	898.17	888.52	855.84
Crews Lake	2008	192,206	-	1,493	-	-	-
Dr. John Long	2006	187,602	23	1,475	-	1,263.58	1,534.60
Gulf	1964	167,643	3	1,546	1,143.62	949.17	935.59
Hudson	1984	148,691	5	1,168	1,214.83	1,195.56	1,186.12
Pasco	1946	136,864	10	1,124	768.59	756.11	707.82
Paul R. Smith	2006	187,602	-	1,430	-	915.92	899.50
Pine View	1977	138,136	6	1,280	1,821.72	1,871.85	898.10
Raymond B. Stewart	1926	186,071	5	1,195	977.82	1,003.34	1,017.92
River Ridge (c)	1990	-	12	1,380	-	1,467.56	1,421.79
Seven Springs	1995	224,939	5	1,500	1,942.20	1,307.65	1,329.30
Thomas E. Weightman	1990	162,472	10	1,083	1,914.89	1,074.60	1,057.25
Total Middle Schools					12,300.26	14,332.16	14,703.12
Education Centers							
Energy & Marine	1964	13,287	-	75	80.82	74.72	66.47
F. K. Marchman Tech	1984	177,967	5	749	475.19	450.10	454.04
Harry Schwettman	1923	28,351	4	155	120.52	109.54	128.12
James Irvin	1995	22,214	20	500	138.52	107.25	107.76
Moore Mickens	1952	73,442	4	513	180.58	198.50	207.55
Other Programs	n/a	n/a	-	n/a	824.16	829.14	858.02
Total Education Centers					1,819.79	1,769.25	1,821.96
High Schools							
Anclote	2009	222,463	-	1,766	-	-	-
Fivay	2010	278,342	-	1,922	-	-	-
Gulf	1971	240,232	7	1,617	1,676.18	1,681.49	1,676.71
Hudson	1973	185,238	5	1,694	1,602.24	1,604.57	1,601.01
J. W. Mitchell	2000	220,930	26	1,951	2,363.38	2,423.92	2,458.87
Land O' Lakes	1973	207,212	16	1,596	2,289.43	2,499.67	1,687.95
Pasco	1964	241,858	18	1,554	1,327.94	1,280.16	1,244.55
Ridgewood	1977	195,139	12	1,542	1,850.34	1,846.46	1,824.09
River Ridge (c)	1990	446,228	7	1,970	3,420.93	1,935.79	1,933.85
Sunlake	2007	218,643	-	1,787	-	-	1,115.57
Wesley Chapel	1999	217,180	3	1,547	2,275.14	1,789.58	1,569.29
Wiregrass Ranch	2006	218,690	18	1,764	-	715.01	1,316.77
Zephyrhills	1973	217,998	15	1,444	1,505.77	1,597.89	1,624.66
Total High Schools					18,311.35	17,374.54	18,053.32

Table 19

Full-Time Equivalent Enrollment Data						
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1,005.52	947.24	822.68	781.17	769.27	736.24	700.15
659.14	664.91	668.89	675.20	643.13	629.92	559.65
1,279.33	1,317.04	1,329.22	1,283.69	1,302.23	1,284.12	1,306.24
869.92	791.23	764.44	740.46	741.89	730.59	683.57
666.70	683.16	819.51	792.16	755.10	1,226.87	1,191.32
1,653.75	1,705.56	1,778.26	1,538.44	1,609.63	1,617.68	1,675.59
919.45	878.77	874.74	845.93	823.45	827.18	706.80
892.03	864.90	869.61	850.69	802.90	783.49	733.96
720.33	717.11	725.71	866.67	851.18	922.49	909.30
917.81	937.36	1,017.48	1,050.05	1,054.24	1,080.12	999.58
885.29	877.43	823.42	847.56	903.37	925.71	916.54
1,014.75	970.64	950.57	1,027.45	1,063.36	992.98	965.99
1,149.35	1,131.99	1,060.62	1,064.96	1,056.95	1,168.70	1,099.45
1,381.79	1,358.92	1,288.22	1,302.63	1,362.97	1,383.08	1,415.36
1,073.09	1,048.49	1,075.54	1,137.23	1,211.74	1,249.98	1,129.51
15,088.25	14,894.75	14,868.91	14,804.29	14,951.41	15,559.15	14,993.01
82.27	-	-	-	-	-	-
397.77	392.28	335.39	275.55	224.17	258.55	209.59
158.17	86.28	106.80	128.08	126.03	125.15	129.67
110.00	71.09	107.02	103.04	99.24	121.85	90.24
200.73	184.90	163.51	148.80	143.78	150.56	101.94
893.76	813.09	1,082.05	1,381.08	1,541.93	2,241.33	2,077.25
1,842.70	1,547.64	1,794.77	2,036.55	2,135.15	2,897.44	2,608.69
-	913.35	1,155.12	1,140.05	1,202.70	1,290.68	1,284.84
-	-	1,206.52	1,496.63	1,479.13	1,454.15	1,186.25
1,654.55	1,382.12	1,286.34	1,224.47	1,188.19	1,226.20	1,108.02
1,542.26	1,505.06	1,126.44	1,086.02	1,088.98	1,278.34	1,165.70
2,388.46	1,832.02	1,660.55	1,657.86	1,631.13	1,677.98	1,698.09
1,465.35	1,486.85	1,518.99	1,558.24	1,551.39	1,604.11	1,597.88
1,230.23	1,233.96	1,228.31	1,293.52	1,348.07	1,349.65	1,486.56
1,752.22	1,765.37	1,188.49	1,037.44	1,038.30	1,079.88	1,023.36
1,881.95	1,823.88	1,508.65	1,452.96	1,422.63	1,415.17	1,386.23
1,433.25	1,507.19	1,529.25	1,485.55	1,507.45	1,708.11	1,617.98
1,290.21	1,305.37	1,277.51	1,325.06	1,414.52	1,524.22	1,451.59
1,813.07	1,960.21	2,035.56	1,952.62	1,922.33	2,078.44	2,130.73
1,524.86	1,509.82	1,457.96	1,466.19	1,433.50	1,531.69	1,420.58
17,976.41	18,225.20	18,179.69	18,176.61	18,228.32	19,218.62	18,557.81

District School Board of Pasco County
School Building Information
Last Ten Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data		
					2005-2006	2006-2007	2007-2008
Charter Schools							
Academy at the Farm	n/a	n/a	n/a	n/a	253.31	255.79	289.00
Athenian Academy	n/a	n/a	n/a	n/a	-	106.50	215.00
Classical Preparatory	n/a	n/a	n/a	n/a	-	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	126.50	153.50	151.00
Dayspring Academy	n/a	n/a	n/a	n/a	391.68	403.92	404.00
Deerwood Academy	n/a	n/a	n/a	n/a	-	-	-
Imagine School	n/a	n/a	n/a	n/a	-	-	-
Language Academy	n/a	n/a	n/a	n/a	117.00	87.00	-
Learning Lodge	n/a	n/a	n/a	n/a	-	-	-
Pepin Academies	n/a	n/a	n/a	n/a	-	-	-
Richard Milburn Academy	n/a	n/a	n/a	n/a	170.84	154.01	-
Total Charter Schools					1,059.33	1,160.72	1,059.00
East Bus Garage	1966	9,061	-	n/a	-	-	-
West Bus Garage	1960	21,292	-	n/a	-	-	-
Central Bus Garage	1980	11,484	1	n/a	-	-	-
Administration Building	1972	214,881	15	n/a	-	-	-
District Maintenance	1984	37,354	-	n/a	-	-	-
Northwest Bus Garage	1989	11,941	1	n/a	-	-	-
Southeast Bus Garage	1980	8,251	-	n/a	-	-	-
Total District					62,403.76	64,375.91	65,867.36

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

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

(c) River Ridge was built as a combination Middle School and High School.

All data was aggregate until 2006-2007 when then Middle School received its own School Identifier.

Source: District Records

Table 19

Full-Time Equivalent Enrollment Data						
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
284.00	378.00	379.34	381.50	389.84	501.16	440.63
258.50	276.64	318.00	328.99	391.46	439.89	366.75
-	-	-	-	-	-	310.37
180.02	203.50	209.00	213.50	232.00	286.78	270.58
416.06	458.03	490.00	524.33	552.28	695.23	606.57
-	-	-	-	-	-	-
397.50	538.50	475.56	546.92	633.60	772.19	704.69
-	-	-	-	-	-	-
-	-	-	-	-	-	170.03
-	-	-	-	-	-	202.68
-	-	-	-	-	-	-
1,536.08	1,854.67	1,871.90	1,995.24	2,199.18	2,695.25	3,072.30
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
66,189.70	66,206.74	66,162.07	65,976.07	66,417.32	72,138.90	68,116.11

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SINGLE AUDIT REPORT



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 Pasco 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County, Florida (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 14, 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 Pasco County, Florida

Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated January 14, 2016.

Purpose of this Report

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
January 14, 2016

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

Chairman and Members of the
District School Board of Pasco County, Florida

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 14, 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.

Chairman and Members of the
District School Board of Pasco County, Florida

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

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
January 14, 2016

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	\$ 5,290,145	\$ -
National School Lunch Program	10.555 (2)	300	17,746,585	-
Summer Food Service Program for Children	10.559	323	640,936	-
Total Child Nutrition Cluster			<u>23,677,666</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	330	42,345	-
Team Nutrition Grants	10.574	None	<u>-</u>	<u>-</u>
Florida Department of Health				
Child Care Food Program	10.558		845,511	-
Total United States Department of Agriculture			<u>24,565,522</u>	<u>-</u>
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	<u>142,869</u>	<u>-</u>
United States Department of Education:				
Direct:				
Safe and Drug-free Schools and Communities - National Programs	84.184	N/A	-	-
Federal Pell Grant Program	84.063	N/A	<u>624,888</u>	<u>236,224</u>
Total Direct			624,888	236,224
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	15,399,042	-
Special Education - Preschool Grants	84.173	266, 267	<u>335,722</u>	<u>-</u>
Total Special Education Cluster			15,734,764	-
School Improvement Grants Cluster:				
School Improvement Grants	84.377	126	-	-
ARRA-School Improvement Grants, Recovery Act	84.388	126	<u>-</u>	<u>-</u>
Total School Improvement Grants Cluster			-	-
Adult Education - State Grant Program	84.002	191, 193	588,119	-
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	15,020,665	-
Migrant Education - State Grant Program	84.011	217	141,875	-
Career and Technical Education - Basic Grants to States	84.048	161	600,432	-
Education for Homeless Children and Youth	84.196	127	119,836	-
Public Charter Schools Grant Program	84.282	298	372,000	372,000
21st Century Community Learning Centers	84.287	244	328,936	-
English Language Acquisition Grants	84.365	102	340,289	-
Improving Teacher Quality State Grants	84.367	224	1,595,176	-
ARRA-Education Technology State Grants, Recovery Act	84.386	121	2,127	-
ARRA-State Fiscal Stabilization Fund (SFSF) -Race-to-the Top Incentive Grants, Recovery Act	84.395 (4)	RL111	802,219	-
University of South Florida:				
ARRA-State Fiscal Stabilization Fund (SFSF) -Race-to-the Top Incentive Grants, Recovery Act	84.395 (4)	None	<u>4,205</u>	<u>-</u>
Total Indirect			<u>35,650,643</u>	<u>372,000</u>
Total United States Department of Education			<u>36,275,531</u>	<u>608,224</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600 (3)	N/A	\$ 6,369,451	\$ -
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	146,066	-
Army Junior Reserve Officers Training Corps	None	N/A	499,298	-
Navy Junior Reserve Officers Training Corps	None	N/A	628,900	-
Total United States Department of Defense			1,274,265	-
Total Expenditures of Federal Awards			\$ 68,627,638	\$ 608,224

- Notes:
- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.
 - (2) Noncash Assistance.
(A) National School Lunch Program - Includes \$1,398,862 of donated food received during the fiscal year.
Donated foods are valued at fair value as determined at the time of donation.
 - (3) Head Start. Expenditures include \$497,255 for grant number/program year 04CH3070/46 and \$5,872,196 for grant number/program year 04CH3070/47.
 - (4) ARRA-State Fiscal Stabilization Fund (SFSF)-Race-to-the Top Incentive Grants, Recovery Act. Expenditures total \$806,424 for CFDA No. 84.395.

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Numbers

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

84.010

Title I, Part A

84.395

ARRA – Race-to-the-Top

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

\$2,058,829

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

For the Year Ended June 30, 2015

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

No matters are reported.

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

No matters are reported.

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS
For the Year Ended June 30, 2015

FEDERAL AUDIT FINDINGS

No matters were reported in the prior year affecting federal financial assistance programs.