

COLLEGE, CAREER,
AND LIFE READINESS

Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2014





**DISTRICT SCHOOL BOARD
OF PASCO COUNTY**

Kurt S. Browning, Superintendent of Schools
Land O' Lakes, Florida

Comprehensive Annual Financial Report
of the
District School Board of Pasco County
Land O' Lakes, Florida
for the
Fiscal Year Ended June 30, 2014



Issued by:
Finance Services Department



District School Board of Pasco County Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

Table of Contents

	<u>Exhibit, Schedule or Table</u>	<u>Page No(s).</u>
Introductory Section:		
Letter of Transmittal		i-vi
Certificate of Achievement for Excellence in Financial Reporting		vii
Certificate of Excellence in Financial Reporting		viii
List of Principal Officials		ix
Organizational Chart		x
Financial Section:		
Independent Auditor's Report		1-4
Management's Discussion and Analysis		5-20
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	A	21
Statement of Activities	B	22-23
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	25
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	E	26-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	F	28
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual-General Fund	G	29-32
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- Special Revenue-Other Federal Programs Fund	H	33-35
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- Special Revenue-Federal Economic Stimulus Programs Fund	I	36-37
Statement of Fund Net Position-Proprietary Funds	J	38
Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	K	39
Statement of Cash Flows-Proprietary Funds	L	40
Statement of Fiduciary Net Position-Fiduciary Funds	M	41
Statement of Changes in Fiduciary Net Position-Fiduciary Funds	N	42
Notes to Financial Statements		43-90
Other Required Supplementary Information		91-94

(Continued)

	<u>Exhibit, Schedule or Table</u>	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules:		
Combining Schedules of Nonmajor Governmental Funds		
Combining Balance Sheet-Nonmajor Governmental Funds	A	96-97
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Governmental Funds	B	98-101
Schedules of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual-Governmental Funds		
Special Revenue-Food and Nutrition Services Fund	C1	104
Debt Service-State Board of Education Bonds Fund	C2	105
Debt Service-District Revenue Bonds Fund	C3	106
Debt Service-Certificates of Participation Fund	C4	107
Capital Projects-Public Education Capital Outlay Fund	C5	108
Capital Projects-Other Fund	C6	109
Capital Projects-State Board of Education Bonds Fund	C7	110
Capital Projects-Capital Outlay and Debt Service Fund	C8	111
Capital Projects-Local Optional Millage Levy Fund	C9	112
Combining Statements of Internal Service Funds		
Combining Statement of Fund Net Position-Internal Service Funds	D	114-115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position-Internal Service Funds	E	116-117
Combining Statement of Cash Flows-Internal Service Funds	F	118-119
Combining Statements of Agency Funds		
Combining Statement of Assets and Liabilities-Agency Funds	G	122
Combining Statement of Changes in Assets and Liabilities-Agency Funds	H	123
Combining Statements of Component Units		
Combining Statement of Net Position-Component Units	I	126-127
Combining Statement of Activities-Component Units	J	128-132
Statistical Section:		
Introduction		134-135
Net Position by Component-Government-Wide	1	136-137
Changes in Net Position-Primary Government	2	138-139
Fund Balances-Governmental Funds	3	140-141
Changes in Fund Balances-Governmental Funds and Debt Service Ratios	4	142-143
Assessed and Estimated Actual Value of Taxable Property	5	144
General Governmental Tax Revenues by Source	6	145
Property Tax Levies and Collections	7	146

(Continued)

	Exhibit, Schedule or Table	Page No.
Statistical Section (continued):		
Direct and Overlapping Property Tax Rates	8	147
Principal Property Taxpayers	9	148
Ratios of Outstanding Debt by Type	10	149
Ratio of Net General Bonded Debt Outstanding	11	150
Direct and Overlapping Governmental Activities Debt	12	151
Legal Debt Margin Information	13	152-153
Demographic and Economic Statistics	14	154
Principal Employers	15	155
Number of Personnel	16	156
Teacher Base Salaries	17	157
Operating Statistics	18	158
School Building Information	19	160-165
 Single Audit Report:		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		167-168
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		169-171
Schedule of Expenditures of Federal Awards		172-173
Schedule of Findings and Questioned Costs		174-175
Summary Schedule of Prior Audit Findings – Federal Awards		176



INTRODUCTORY SECTION



DISTRICT SCHOOL BOARD OF PASCO COUNTY

Kurt S. Browning, Superintendent of Schools

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

December 19, 2014

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, 2014.

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, 2014, 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, 2014, 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 2013-2014 fiscal year, the District operated 77 schools, including 44 elementary schools, 15 middle schools, 13 high schools, Pasco eSchool and 4 specialized schools; sponsored 7 charter schools; and the average age of the permanent structures for the District is 21 years. Two elementary schools were closed this year for renovations. The District reported serving 67,029 un-weighted full-time equivalent students for the 2013-2014 fiscal year and projects it will enroll 67,955 students for the 2014-2015 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 (67 percent). Other ethnicities include: Hispanic (20 percent), Black (6 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"), seven (7) 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 2005, the population of Pasco County increased 16.86 percent to an estimated 475,502 in calendar year 2014. For the calendar year 2013, the Florida Price Level Index for School Personnel, which is prepared by the Bureau of Economic and Business Research at the University of Florida under the direction of the Florida Department of Education, ranked Pasco County 19th of 67 counties in the State with a value of 98.83.

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 98.83 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (100.75) and Pinellas (100.87), 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 9,362 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, 2014, in the general fund is \$44,435,386 or 9.46 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.

On March 9, 2004, a referendum election "Sales Tax Referendum" was held to determine whether the County could levy a one cent infrastructure sales surtax within the County. A majority of the voters of the county voting in the Sales Tax Referendum approved the levy of the sales surtax. The sales surtax proceeds are distributed to the District, the County and the municipalities, with the District receiving 45 percent. Imposition of the surtax commenced January 1, 2005, and will expire December 31, 2014. Its purpose is to build new schools and to renovate existing facilities. The District established the Penny for Pasco Oversight Committee to help monitor the needs and allocation of funding. On November 6, 2012, voters signaled their approval for the continuation of the tax for another 10 years, beginning in January 2015.

Major Initiatives

Class Size Reduction Amendment

In November 2002, the voters of the State of Florida amended the State Constitution to limit class size. By the beginning of the 2010-2011 fiscal year, the amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students.

For the 2013-2014 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at classroom level. Based on the annual review by the Department of Education, the District complied with the constitutional maximums at all schools.

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. Our Educational Choice program allows parents to choose a school other than the one they are zoned for through our open choice program. In 2015, we will re-open 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.

This year, we expanded choices to include a regional Embry-Riddle Aeronautical Academy at Sunlake High School, the rigorous Cambridge education program at Pasco Middle and Pasco High schools, and a gaming technology academy at Gulf High School. We also expanded the Infinity Program that started in 2013-2014 at Paul R. Smith Middle School to 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. Pasco eSchool offers students a challenging and engaging curriculum with the support of highly qualified teachers. Eligible students can attend eSchool full or part time from kindergarten through twelfth grade. Home education, private school, and charter school students can choose either full- or part-time participation in grades six through twelve.

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 75.9 percent graduation rate, compared to the state average 75.6 percent. Our drop-out rate fell below 1 percent for the first time, compared to the state average of 2 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 2013-2014, nearly 35.9 percent of teachers in Pasco had earned a Master's Degree or higher and we expect that trend to continue in 2014-2015. Notably, 192 teachers have earned prestigious designation as a National Board Certified Teacher for 2013-2014. 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, 2013. This was the thirteenth 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

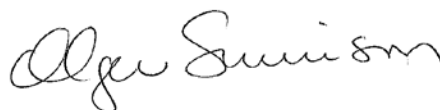
The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Finance Services Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

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 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, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

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, 2013*

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

List of Principal Officials As of June 30, 2014

Principal Officials – Elected

Mr. Kurt Browning , Superintendent of Schools Present Term Expires	November 2016
Ms. Alison Crumbley , Chairman, Member from District 4 Present Term Expires	November 2016
Mr. Steve Luikart , Vice-Chairman, Member from District 5 Present Term Expires	November 2014
Mr. Allen Altman , Member from District 1 Present Term Expires	November 2014
Ms. Joanne Hurley , Member from District 2 Present Term Expires	November 2016
Ms. Cynthia Armstrong , Member from District 3 Present Term Expires	November 2014

Principal Officials – Appointed

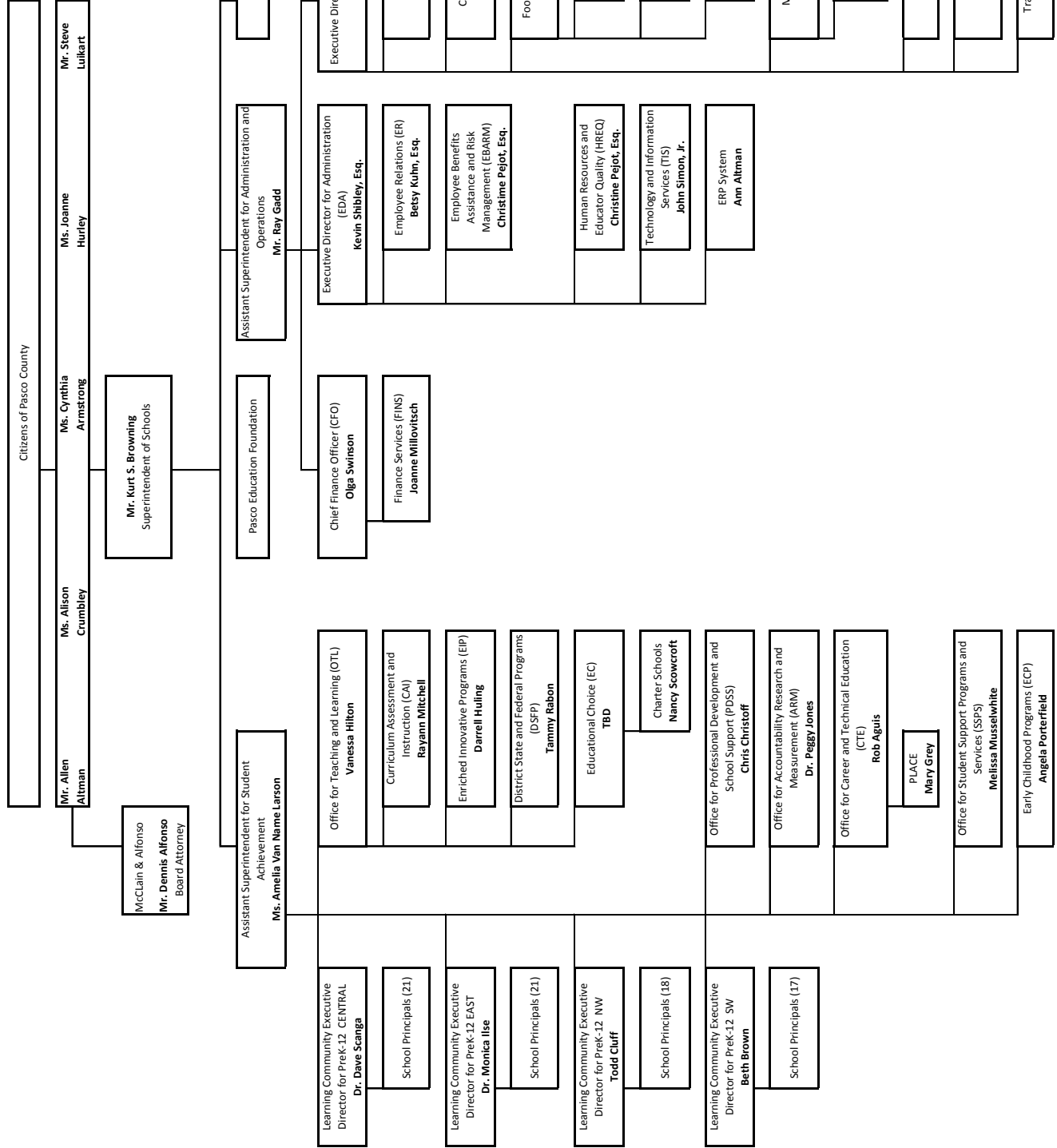
ADMINISTRATORS

Olga Swinson, CPA, CGFM, Chief Finance Officer

Ray Gadd, Assistant Superintendent for Support Services

Amelia Van Name Larson, Assistant Superintendent for Student Achievement

Kevin Shibley, Esq., Executive Director for Administration
Ray Bonti, Executive Director for Support Services
Beth Brown, Learning Community Executive Director-Southwest
Dr. Dave Scanga, Learning Community Executive Director-Central
Todd Cluff, Learning Community Executive Director-Northwest
Dr. Monica Ilse, Learning Community Executive Director-East



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, 2014, 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 aggregate discretely presented component units. 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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Other Required Supplementary Information, 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. 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.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, 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.

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

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 19, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2014**

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.

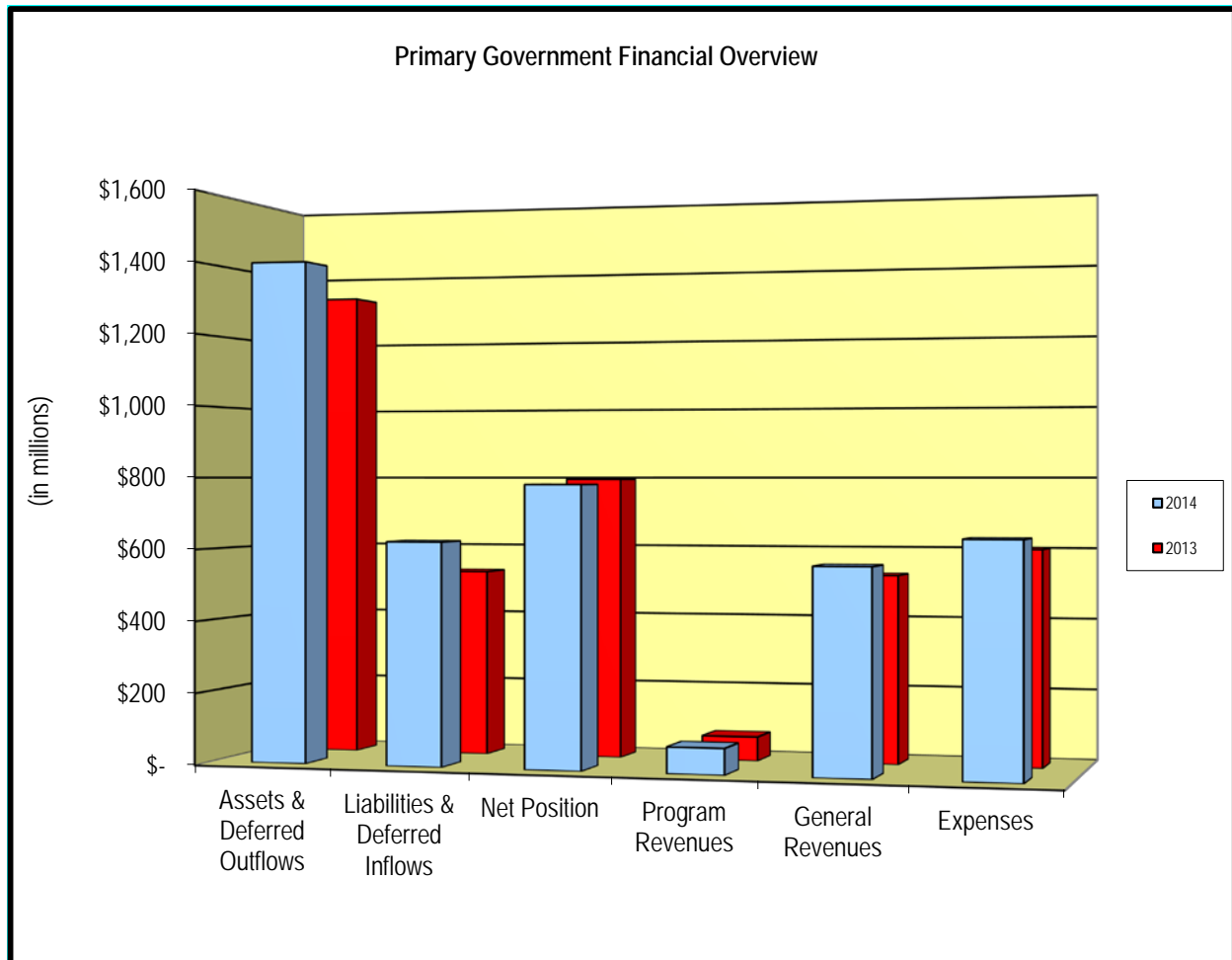
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2013-2014 fiscal year is as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2014, by \$780,979,361. Of this amount, \$17,523,440 may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position decreased by \$500,107.
- The beginning net position was decreased by \$13,068,784 which represents the restatement of unamortized bond issuance costs due to the implementation of GASB 65.
- Total revenues of \$637,467,112 were comprised of general revenues in the amount of \$564,132,162 or 88.50 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$73,334,950 or 11.50 percent.
- For the year ended June 30, 2014, the District had \$637,967,219 in expenses related to governmental and business-type activities; \$73,334,950 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$564,132,162 were sufficient to provide the District's programs.
- The Business-type activities had total operating revenues of \$9,361,324 which exceeded total operating expenses by \$205,465.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$320,616,148, an increase of \$100,644,720 in comparison with the prior fiscal year. Approximately 13.86 percent of this total amount, or \$44,435,386, 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 2013-2014 fiscal year, unassigned fund balance for the General Fund was \$32,983,587, or 7.02 percent of total General Fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation) increased by \$90,514,638 or 23.30 percent, as a result of a Sales Tax Revenue Bond Issue.

The primary government financial overview for the 2012-2013 and 2013-2014 fiscal years is shown below:

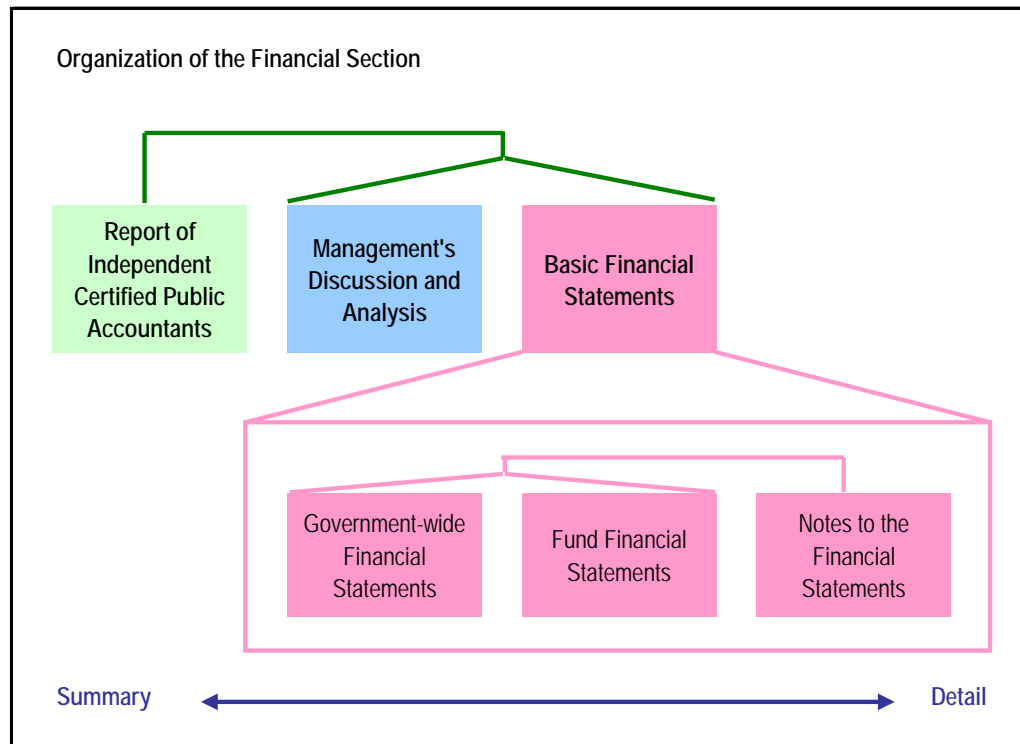


Overview of the Financial Statements

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.
- **Component Units** – The District presents seven charter schools (Academy at the Farm, Inc.; Athenian Academy of Pasco County, Inc.; Countryside Montessori Charter School, Inc.; Dayspring Academy for Education and the Arts; Florida Autism Center of Excellence; Florida Virtual Academy at Pasco; and Imagine School at Land O'Lakes LLC.) 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, Special Revenue – Other Federal Programs Fund, 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 program.
 - 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 employee's life, property/casualty and athletics insurance programs; individual self-insurance programs for 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

Required Supplementary Information is included to provide schedules of funding progress for the Early Retirement Program and the Other Post-Employment Benefits.

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 by \$780,979,361 at June 30, 2014.

Net Position, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013	
Current and Other Assets	\$ 408,694,792	\$ 319,122,672	\$ 3,612,820	\$ 4,343,253	\$ 412,307,612	\$ 323,465,925	
Capital Assets	974,318,447	979,360,802	176,128	166,337	974,494,575	979,527,139	
Deferred Outflows	15,764,484	19,996,415	-	-	15,764,484	19,996,415	
Total Assets and Deferred Outflows	1,398,777,723	1,318,479,889	3,788,948	4,509,590	1,402,566,671	1,322,989,479	6.01%
Long-Term Liabilities	554,129,257	460,228,988	797,404	682,107	554,926,661	460,911,095	
Other Liabilities	66,054,811	66,882,890	605,838	647,242	66,660,649	67,530,132	
Total Liabilities	620,184,068	527,111,878	1,403,242	1,329,349	621,587,310	528,441,227	17.63%
Net Position:							
Net Investment in							
Capital Assets	599,058,815	590,932,554	176,128	166,337	599,234,943	591,098,891	
Restricted	164,220,978	172,069,772	-	-	164,220,978	172,069,772	
Unrestricted	15,313,862	28,365,685	2,209,578	3,013,904	17,523,440	31,379,589	
Total Net Position	\$ 778,593,655	\$ 791,368,011	\$ 2,385,706	\$ 3,180,241	\$ 780,979,361	\$ 794,548,252	-1.71%

The largest portion of the District's net position (76.73 percent) 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.

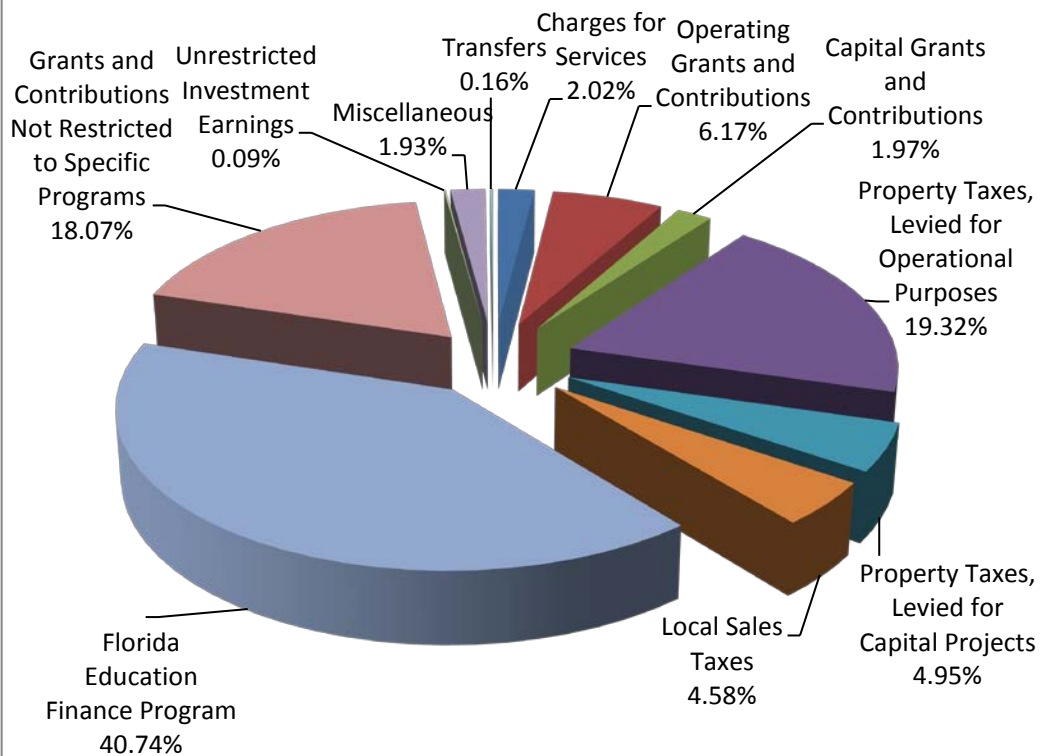
The restricted portion of the District's net position (21.03 percent) represents resources which are subject to external restrictions on how they may be used. The unrestricted net position (2.24 percent) may be used to meet the government's ongoing obligations to students, employees and creditors. At the end of the current fiscal year, the District reported positive balances in all categories of net position, both for the District as a whole, as well as for its separate governmental and business-type activities.

The key elements of the changes in the District's net position for the fiscal year ended June 30, 2014, and June 30, 2013 are as follows:

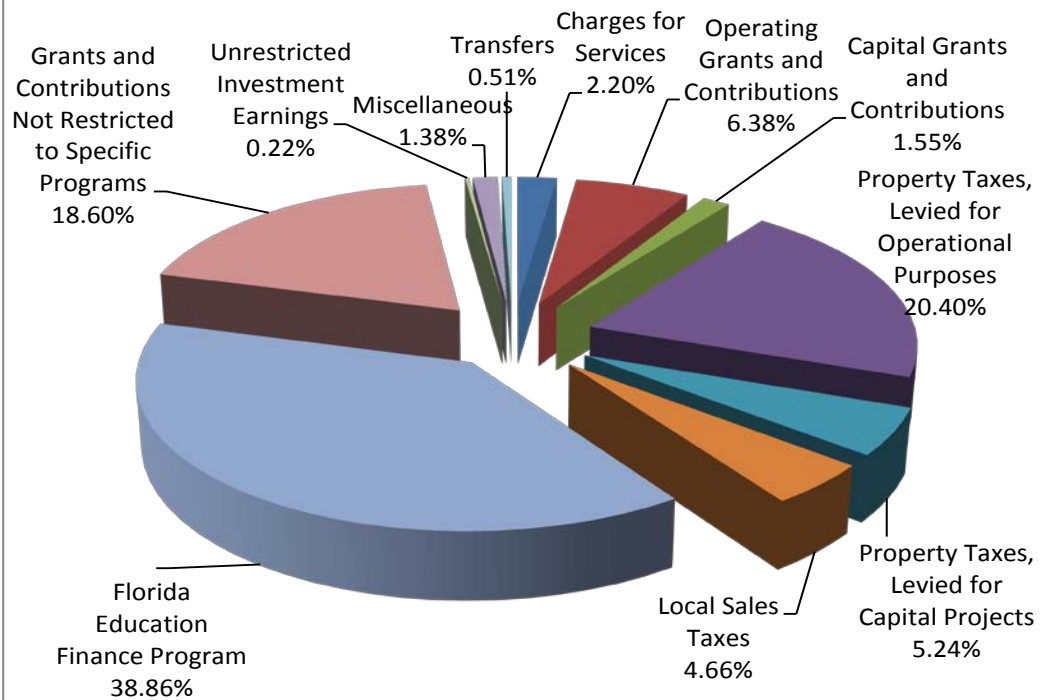
Operating Results for the Year							
	Governmental Activities		Business-type Activity		Total School District		% Change
	2014	2013	2014	2013	2014	2013	
Revenues:							
Program Revenues:							
Charges for Services	\$ 12,733,749	\$ 12,956,232	\$ 9,360,814	\$ 8,562,722	\$ 22,094,563	\$ 21,518,954	2.67%
Operating Grants and Contributions	38,821,862	37,633,087	-	-	38,821,862	37,633,087	3.16%
Capital Grants and Contributions	12,418,525	9,128,908	-	-	12,418,525	9,128,908	36.04%
General Revenues:							
Property Taxes, Levied for Operational Purposes	121,552,684	120,318,952	-	-	121,552,684	120,318,952	1.03%
Property Taxes, Levied for Capital Projects	31,131,186	30,896,444	-	-	31,131,186	30,896,444	0.76%
Local Sales Taxes	28,784,359	27,490,903	-	-	28,784,359	27,490,903	4.71%
Florida Education Finance Program	256,270,767	229,215,516	-	-	256,270,767	229,215,516	11.80%
Grants and Contributions not Restricted to Specific Programs	113,686,857	109,694,821	-	-	113,686,857	109,694,821	3.64%
Unrestricted Investment Earnings	580,012	1,326,648	121	33,677	580,133	1,360,325	-57.35%
Miscellaneous	12,125,787	8,129,246	389	-	12,126,176	8,129,246	49.17%
Transfers	1,000,000	3,000,000	(1,000,000)	(3,000,000)	-	-	0.00%
Total Revenues and Transfers	629,105,788	589,790,757	8,361,324	5,596,399	637,467,112	595,387,156	7.07%
Program Expenses:							
Instruction	358,768,503	343,554,241	-	-	358,768,503	343,554,241	4.43%
Pupil Personnel Services	25,618,232	25,331,587	-	-	25,618,232	25,331,587	1.13%
Instructional Media Services Inst. and Curriculum Development Services	1,906,905	6,917,067	-	-	1,906,905	6,917,067	-72.43%
Instructional Staff Training	14,558,446	11,764,667	-	-	14,558,446	11,764,667	23.75%
Instructional Related Technology	9,426,682	11,073,276	-	-	9,426,682	11,073,276	-14.87%
Board of Education	8,425,406	4,892,506	-	-	8,425,406	4,892,506	72.21%
General Administration	620,416	610,730	-	-	620,416	610,730	1.59%
School Administration	2,556,141	1,632,018	-	-	2,556,141	1,632,018	56.62%
Facilities Acquisition and Construction	36,456,573	34,289,049	-	-	36,456,573	34,289,049	6.32%
Fiscal Services	14,491,329	14,195,220	-	-	14,491,329	14,195,220	2.09%
Food Services	2,708,890	2,281,430	-	-	2,708,890	2,281,430	18.74%
Central Services	32,787,091	31,884,356	-	-	32,787,091	31,884,356	2.83%
Pupil Transportation Services	6,030,792	4,024,807	-	-	6,030,792	4,024,807	49.84%
Operation of Plant	29,162,574	27,623,111	-	-	29,162,574	27,623,111	5.57%
Maintenance of Plant	45,192,330	42,208,748	-	-	45,192,330	42,208,748	7.07%
Administrative Technology Services	11,583,005	10,903,885	-	-	11,583,005	10,903,885	6.23%
Community Services	3,692,101	3,146,509	-	-	3,692,101	3,146,509	17.34%
Interest on Long-term Liabilities	510,674	688,852	9,155,859	7,941,510	9,666,533	8,630,362	12.01%
Total Expenses	24,315,270	16,680,024	-	-	24,315,270	16,680,024	45.77%
Change in Net Position	294,428	(3,911,326)	(794,535)	(2,345,111)	(500,107)	(6,256,437)	-92.01%
Net Position, Beginning	791,368,011	795,279,337	3,180,241	5,525,352	794,548,252	800,804,689	-0.78%
Adjustment to Beginning Net Position	(13,068,784)				(13,068,784)		
Net Position, Ending	\$ 778,593,655	\$ 791,368,011	\$ 2,385,706	\$ 3,180,241	\$ 780,979,361	\$ 794,548,252	-1.71%

Revenue by Source – Statement of Activities

2014

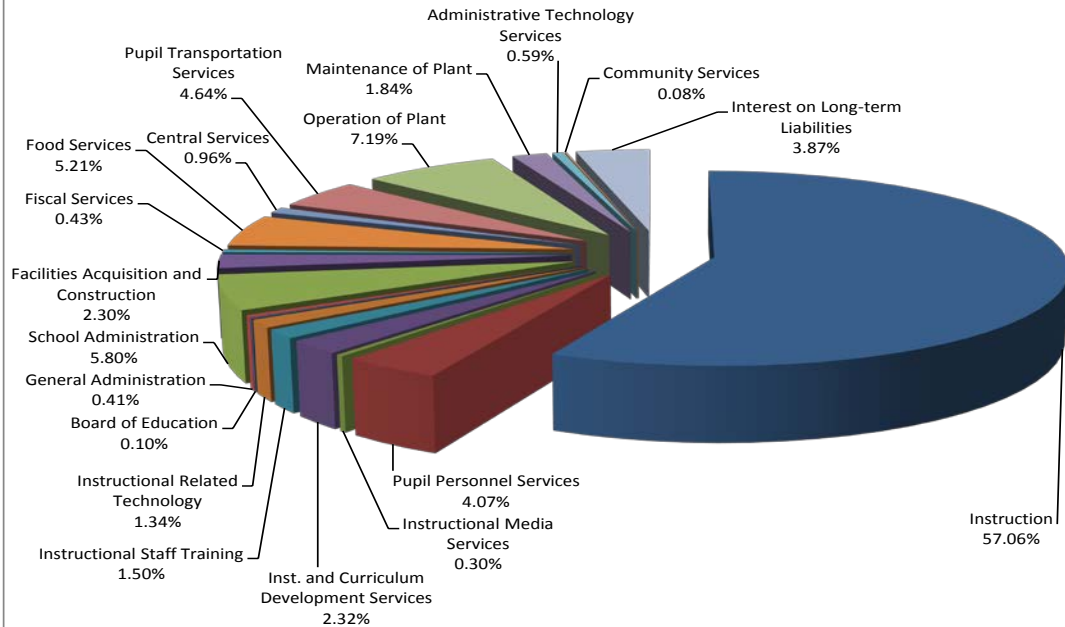


2013

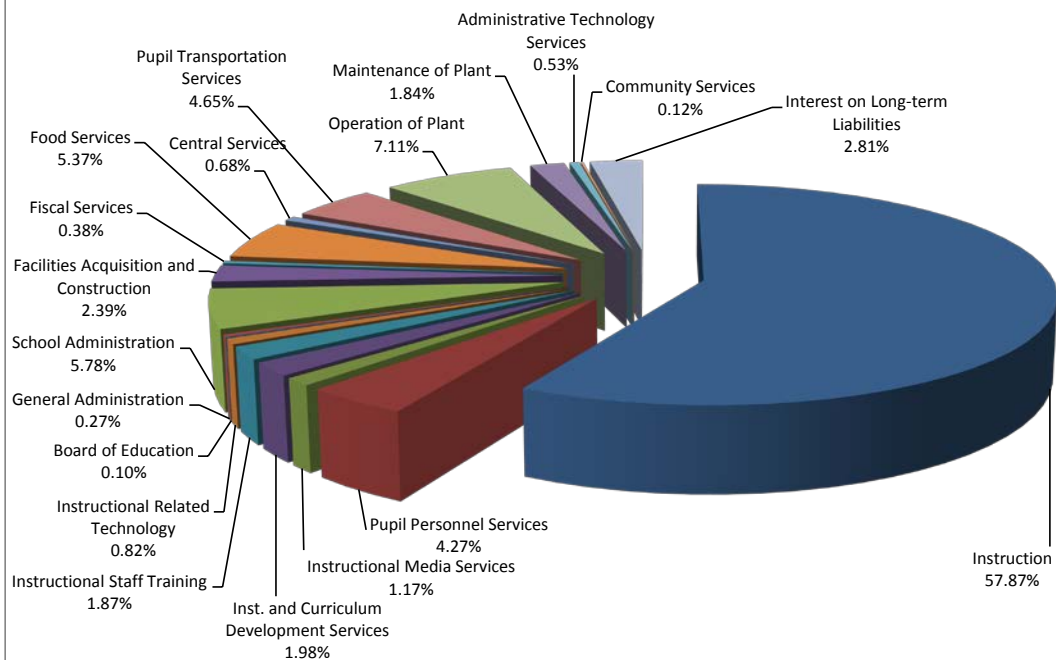


Expenses by Function – Statement of Activities

2014



2013



Total revenues increased by \$42,079,956, primarily due to an increase in Florida Education Finance Program revenues received during the fiscal year. This \$27,055,251 increase was related to an increase in State funding per student and an increase in student FTE. Other increases include: the Federal Economic Stimulus program revenues by \$3,613,744, Impact Fees by \$2,699,888, Property Tax and Sales Tax revenues by \$2,761,930, and Charter Schools revenues by \$2,550,760.

Total expenses increased by \$36,323,626, primarily due to a rise in instructional costs during the fiscal year. The portion of this overall increase related to salary adjustments was \$10,640,139. Related benefit costs increased by \$12,924,557, including an FRS rate change from 5.18% to 6.95%, as well as insurance cost increases. Interest on Long Term Liabilities rose by \$7,635,246 due primarily to the swap termination. Charter Schools expenses increased \$2,550,760.

The Business-type activities had total operating revenues of \$9,361,324 which exceeded total operating expenses by \$205,465.

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 2013-2014 fiscal year, the District's governmental funds reported combined ending fund balances of \$320,616,148, an increase of \$100,644,720 in comparison with the prior fiscal year. Approximately 13.86 percent of this total amount, or \$44,435,386, 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, 2014 and June 30, 2013.

Fund Balance	2014	2013	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 54,783,642	\$ 47,644,623	\$ 7,139,019	14.98%
Debt Service - Other Funds (1)	12,754,743	16,570,924	(3,816,181)	-23.03%
Capital Projects - Other Funds	211,703,448	112,498,302	99,205,146	88.18%
Special Revenue - Other Funds	-	-	-	0.00%
Special Revenue - Economic Stimulus Funds	-	-	-	0.00%
Other Governmental Funds (nonmajor)	41,374,315	43,257,579	(1,883,264)	-4.35%
Total Fund Balances	<u>\$ 320,616,148</u>	<u>\$ 219,971,428</u>	<u>\$ 100,644,720</u>	<u>45.75%</u>

(1) Debt Service - Other became a major fund balance in 2014

The General Fund is the chief operating fund of the District. At the end of the 2013-2014 fiscal year, the unassigned fund balance of the General Fund was \$32,983,587, while total fund balance reached \$54,783,642. 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 7.02 percent of total General Fund expenditures, while total fund balance represents 11.66 percent. Fund balance of the District's General Fund increased by \$7,139,019 during the 2013-2014 fiscal year.

The following schedule shows the changes in General Fund revenues and other financing sources for the fiscal years ended June 30, 2014 and June 30, 2013:

<u>General Fund Revenues and Other Financing Sources</u>	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 460,154	\$ 536,626	\$ (76,472)	-14.25%
Federal Through State Sources:				
Other Federal Through State Sources	633,391	2,261,737	(1,628,346)	-72.00%
State Sources				
Florida Education Finance Program (FEFP)	256,270,767	229,215,516	27,055,251	11.80%
Other Restricted State Sources	82,403,009	81,765,238	637,771	0.78%
Local Sources:				
Ad Valorem Taxes	121,552,684	120,318,952	1,233,732	1.03%
Interest Income	569,547	196,071	373,476	190.48%
Other Local Sources	12,932,046	9,396,088	3,535,958	37.63%
Other Financing Sources	2,193,867	5,320,722	(3,126,855)	-58.77%
Total General Fund Revenues and Other Financing Sources	\$ 477,015,465	\$ 449,010,950	\$ 28,004,515	6.24%

During the 2013-2014 fiscal year, Revenues and Other Financing Sources increased by \$28,004,515, or 6.24 percent. The major impacts to funding were the State Legislature increase in Base Student Allocation, the increase in the number of unweighted full-time equivalent students on the fourth calculation and the allocation for Teacher Salary Increases.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2014 and June 30, 2013:

<u>General Fund - Expenditures by Object</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Salaries	\$ 297,378,293	\$ 291,608,061	\$ 5,770,232	1.98%
Employee Benefits	96,844,047	85,450,682	11,393,365	13.33%
Purchased Services	44,620,746	39,728,576	4,892,170	12.31%
Energy Services	14,733,909	14,477,268	256,641	1.77%
Materials and Supplies	9,393,487	11,965,545	(2,572,058)	-21.50%
Capital Outlay	1,676,584	1,964,124	(287,540)	-14.64%
Other Expenditures	5,229,380	4,454,932	774,448	17.38%
Total General Fund Expenditures	\$ 469,876,446	\$ 449,649,188	\$ 20,227,258	4.50%

General Fund expenditures increased by \$20,227,258 or 4.50 percent. The following are some of the highlights:

- Salaries increased by \$5,770,232 which reflects wage adjustments
- Employee Benefits increased by \$11,393,365 related to increased insurance and retirement costs
- Purchased Services increased by \$4,892,170 primarily due to an increase in Charter School enrollment and normal increases in property and liability insurance costs
- Materials and Supplies costs decreased \$2,572,058 to reserve funds for new textbook adoptions

The following schedule shows the changes in General Fund expenditures by function for the fiscal years ended June 30, 2014 and June 30, 2013:

<u>General Fund Expenditures by Function</u>	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 289,873,605	\$ 275,441,887	\$ 14,431,718	5.24%
Pupil Personnel Services	22,076,115	21,523,167	552,948	2.57%
Instructional Media Services	2,293,270	6,707,914	(4,414,644)	-65.81%
Inst. and Curriculum Development Services	10,132,007	8,452,383	1,679,624	19.87%
Instructional Staff Training Services	2,330,109	6,324,236	(3,994,127)	-63.16%
Instructional Related Technology	7,386,667	4,433,650	2,953,017	66.60%
Board of Education	469,656	468,772	884	0.19%
General Administration	896,354	553,975	342,379	61.80%
School Administration	35,097,821	33,518,619	1,579,202	4.71%
Facilities Acquisition and Construction	2,431,548	1,796,938	634,610	35.32%
Fiscal Services	2,510,642	2,110,767	399,875	18.94%
Food Services	184,557	171,905	12,652	7.36%
Central Services	6,358,880	5,465,160	893,720	16.35%
Pupil Transportation Services	28,062,010	26,745,109	1,316,901	4.92%
Operation of Plant	44,245,731	41,713,297	2,532,434	6.07%
Maintenance of Plant	11,210,553	10,471,775	738,778	7.05%
Administrative Technology Services	3,395,851	2,907,655	488,196	16.79%
Community Services	501,587	566,606	(65,019)	-11.48%
Capital Outlay	419,483	275,373	144,110	52.33%
Total General Fund Expenditures	\$ 469,876,446	\$ 449,649,188	\$ 20,227,258	4.50%

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 \$211,703,448, all of which is restricted for specific capital projects. The net increase in fund balance during the current year in the Capital Projects Fund Other was \$99,205,146 and resulted primarily from a Sales Tax Revenue bond issue. It should also be noted that \$9,380,830 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 \$12,754,743, 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 \$3,816,181 and resulted primarily from payments and refunding activities.

The *Special Revenue – Other Federal Programs Fund* - These Federal grant funds do not report fund balances because revenues are reported to the extent of expenditures. Revenues and expenditures increased by \$1,728,578 from the previous fiscal year due to an increase in the grant awards.

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 increased by \$3,613,744 from the previous fiscal year due to an increase 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 2014</u>	<u>Final -Original Budget Inc (Dec)</u>	<u>Actual - Final Budget Inc (Dec)</u>
Federal Direct Sources:					
Reserve Officers Training Corps (ROTC)	\$ 676,772	\$ 781,020	\$ 460,154	\$ 104,248	\$ (320,866)
Federal Through State Sources:					
Other Federal Through State Sources	2,266,000	2,266,000	633,391	-	(1,632,609)
State Sources					
Florida Education Finance Program (FEFP)	243,797,792	260,347,497	256,270,767	16,549,705	(4,076,730)
Other Restricted State Sources	92,544,703	83,153,053	82,403,009	(9,391,650)	(750,044)
Local Sources:					
Ad Valorem Taxes	120,706,060	120,706,060	121,552,684	-	846,624
Interest Income	200,000	200,000	569,548	-	369,548
Other Local Sources	8,348,656	8,845,037	12,932,046	496,381	4,087,009
Other Financing Sources	2,662,000	2,202,216	2,193,867	(459,784)	(8,349)
Total General Fund Revenues and Other Financing Sources	\$ 471,201,983	\$ 478,500,883	\$ 477,015,466	\$ 7,298,900	\$ (1,485,417)

The General Fund actual revenues were less than the final budgeted revenues, excluding Other Financing Sources, by \$1,477,068. 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 \$7,758,684 over the original budget because student enrollment was higher than originally anticipated.

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 2014</u>	<u>Final -Original Budget Inc (Dec)</u>	<u>Actual - Final Budget Inc (Dec)</u>
Instruction	\$ 292,706,000	\$ 297,256,174	\$ 289,873,605	\$ 4,550,174	\$ (7,382,569)
Pupil Personnel Services	20,892,946	23,183,574	22,076,115	2,290,628	(1,107,459)
Instructional Media Services	2,816,682	2,888,602	2,293,270	71,920	(595,332)
Inst. and Curriculum Development Services	9,369,789	10,862,439	10,132,007	1,492,650	(730,432)
Instructional Staff Training Services	2,657,611	3,529,861	2,330,109	872,250	(1,199,752)
Instructional Related Technology	5,393,584	7,719,436	7,386,667	2,325,852	(332,769)
Board of Education	3,081,663	2,974,770	469,656	(106,893)	(2,505,114)
General Administration	891,280	1,094,672	896,354	203,392	(198,318)
School Administration	33,931,072	35,485,437	35,097,821	1,554,365	(387,616)
Facilities Acquisition and Construction	2,872,048	2,993,686	2,431,548	121,638	(562,138)
Fiscal Services	2,524,245	2,649,384	2,510,642	125,139	(138,742)
Food Services		318,177	184,557	318,177	(133,620)
Central Services	6,494,821	6,616,806	6,358,880	121,985	(257,926)
Pupil Transportation Services	28,257,029	30,807,792	28,062,010	2,550,763	(2,745,782)
Operation of Plant	43,594,445	44,120,752	44,245,731	526,307	124,979
Maintenance of Plant	11,954,133	11,464,126	11,210,553	(490,007)	(253,573)
Administrative Technology Services	3,384,143	3,596,019	3,395,851	211,876	(200,168)
Community Services	474,908	584,508	501,587	109,600	(82,921)
Capital Outlay			419,483	-	419,483
Total General Fund Expenditures	\$ 471,296,399	\$ 488,146,215	\$ 469,876,446	\$ 16,849,816	\$ (18,269,769)

The General Fund actual expenditures were less than the final budgeted appropriations by \$18,269,769. There were many approved but unfilled teaching and transportation positions. Diesel fuel was \$1.4 million below budget. The General Fund final budget appropriations increased \$16,849,816 over the original budget because student enrollment was higher than originally anticipated.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2014, amounts to \$974,494,575. 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, 2014, included continuing progress in the renovation of several elementary schools and planning for the District Office Complex, 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, 2014:

<u>Capital Assets (net of depreciation)</u>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Land	\$ 79,516,810	\$ 77,260,741	\$ -	\$ -	\$ 79,516,810	\$ 77,260,741	2.92%
Construction in Progress	47,209,419	32,729,213	-	-	47,209,419	32,729,213	44.24%
Improvements Other Than Buildings	20,608,588	19,742,643	11,075	12,069	20,619,663	19,754,712	4.38%
Buildings and Fixed Equipment	781,012,456	807,661,853	17,936	19,493	781,030,392	807,681,346	-3.30%
Furniture, Fixtures and Equipment	29,142,893	26,329,643	142,888	130,188	29,285,781	26,459,831	10.68%
Motor Vehicles	9,729,025	10,396,039	-	-	9,729,025	10,396,039	-6.42%
Audio Visual Materials	36,272	39,556	-	-	36,272	39,556	-8.30%
Computer Software	7,062,984	5,201,114	4,229	4,587	7,067,213	5,205,701	35.76%
Total	<u>\$ 974,318,447</u>	<u>\$ 979,360,802</u>	<u>\$ 176,128</u>	<u>\$ 166,337</u>	<u>\$ 974,494,575</u>	<u>\$ 979,527,139</u>	-0.51%

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 60 and 61.

Long-term Debt

As of June 30, 2014, the District has total long-term debt outstanding of \$478,942,886. This amount is comprised of \$138,806,564 of bonds payable and \$340,136,322 of certificates of participation.

The following is a summary of the District's long-term debt as of June 30, 2014:

<u>Outstanding Long-Term Debt</u>				
	Total School District		Increase	Percentage
	<u>2014</u>	<u>2013</u>	<u>(Decrease)</u>	<u>Change</u>
SBE Bonds	\$ 13,770,270	\$ 15,498,519	\$ (1,728,249)	-11.15%
District Revenue Bonds	2,736,785	2,829,773	(92,988)	-3.29%
Sales Tax Revenue Bonds	122,299,509	27,254,033	95,045,476	348.74%
Certificates of Participation	340,136,322	342,845,923	(2,709,601)	-0.79%
Total	<u>\$ 478,942,886</u>	<u>\$ 388,428,248</u>	<u>\$ 90,514,638</u>	23.30%

The District received ratings of A1 from Moody's on its Certificates of Participation. The underlying rating for the Sales Tax Revenue Bonds, Series 2007 and Series 2013, is A1 from Moody's.

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 73.

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



District School Board of Pasco County
Statement of Net Position
June 30, 2014

Exhibit A

	Primary Government			
	Governmental Activities	Business-type Activity	Total	Component Units
ASSETS:				
Cash	\$ 38,946,034	\$ 349,697	\$ 39,295,731	\$ 2,100,514
Cash with Fiscal Agent	1,138,741	-	1,138,741	-
Investments	343,429,746	3,091,171	346,520,917	2,119,036
Accounts Receivable	2,188,054	168,561	2,356,615	63,823
Accrued Interest Receivable	221,354	3,391	224,745	-
Deposits Receivable	-	-	-	10,000
Due From Other Agencies	13,855,346	-	13,855,346	218,689
Inventories	4,476,862	-	4,476,862	-
Prepaid Items	121,168	-	121,168	1,818,900
Capital Credits Receivable	4,317,487	-	4,317,487	-
Capital Assets (net of accumulated depreciation):				
Land	79,516,810	-	79,516,810	1,038,662
Construction in Progress	47,209,419	-	47,209,419	-
Improvements Other Than Buildings	20,608,588	11,075	20,619,663	231,216
Leasehold Property and Improvements	-	-	-	558,607
Buildings and Fixed Equipment	781,012,456	17,936	781,030,392	2,099,404
Furniture, Fixture:	29,142,893	142,888	29,285,781	252,201
Motor Vehicles	9,729,025	-	9,729,025	78,028
Audio Visual Materials	36,272	-	36,272	-
Computer Software	7,062,984	4,229	7,067,213	51,068
Total Assets	1,383,013,239	3,788,948	1,386,802,187	10,640,148
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of				
Hedging Derivatives	12,305,711	-	12,305,711	-
Deferred Amount - Refunding	3,458,773	-	3,458,773	-
Total Deferred Outflows of Resources	15,764,484	-	15,764,484	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,398,777,723	\$ 3,788,948	\$ 1,402,566,671	\$ 10,640,148
LIABILITIES:				
Salaries and Benefits Payable	\$ 10,099,121	\$ 444	\$ 10,099,565	\$ 570,552
Payroll Deductions and Withholdings Payable	961,604	15,987	977,591	-
Accounts Payable	22,795,020	86,790	22,881,810	559,113
Construction Contracts Payable	261,734	-	261,734	-
Construction Contracts Payable-Retainage	579,702	-	579,702	-
Arbitrage Rebate Payable	75,953	-	75,953	-
Due to Other Agencies	20,008	-	20,008	-
Sales Tax Payable	4,328	-	4,328	-
Deposits Payable	52,244	-	52,244	-
Accrued Interest Payable	3,916,721	-	3,916,721	-
Unearned Revenue	929,449	53,035	982,484	17,382
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	253,216
Bonds Payable	16,587,124	-	16,587,124	-
Certificates of Participation Payable	6,395,812	-	6,395,812	-
Obligations Under Capital Leases	-	-	-	60,866
Estimated Insurance Claims Payable	2,450,520	-	2,450,520	-
Compensated Absences Payable	925,471	449,582	1,375,053	100,213
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	1,668,082
Bonds Payable	122,219,440	-	122,219,440	-
Certificates of Participation Payable	333,740,510	-	333,740,510	-
Estimated Insurance Claims Payable	5,036,793	-	5,036,793	-
Obligations Under Capital Leases	-	-	-	172,032
Compensated Absences Payable	33,760,559	-	33,760,559	-
Other Postemployment Benefits Obligation	47,066,244	797,404	47,863,648	-
Derivatives Swap Liability	12,305,711	-	12,305,711	-
TOTAL LIABILITIES	620,184,068	1,403,242	621,587,310	3,401,456
NET POSITION:				
Net Investment in Capital Assets	599,058,815	176,128	599,234,943	2,154,990
Restricted for:				
State Categorical Programs	6,903,768	-	6,903,768	-
Debt Service	9,194,025	-	9,194,025	-
Capital Projects	138,195,315	-	138,195,315	-
Special Revenue-Food Service	9,927,870	-	9,927,870	-
Other Purposes	-	-	-	1,770,106
Non-expendable-Permanent Endowment	-	-	-	1,967,076
Unrestricted	15,313,862	2,209,578	17,523,440	1,346,520
Total Net Position	778,593,655	2,385,706	780,979,361	7,238,692
TOTAL LIABILITIES AND NET POSITION	\$ 1,398,777,723	\$ 3,788,948	\$ 1,402,566,671	\$ 10,640,148

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	358,768,503	\$ 586,263	\$ -	\$ -
Pupil Personnel Services	25,618,232	-	-	-
Instructional Media Services	1,906,905	-	-	-
Instruction and Curriculum Development Services	14,558,446	-	-	-
Instructional Staff Training Services	9,426,682	-	-	-
Instruction Related Technology	8,425,406	-	-	-
Board of Education	620,416	-	-	-
General Administration	2,556,141	-	-	-
School Administration	36,456,573	-	-	-
Facilities Acquisition and Construction	14,491,329	-	-	9,713,333
Fiscal Services	2,708,890	-	-	-
Food Services	32,787,091	11,086,807	23,744,216	-
Central Services	6,030,792	-	-	-
Pupil Transportation Services	29,162,574	1,060,679	15,077,646	-
Operation of Plant	45,192,330	-	-	-
Maintenance of Plant	11,583,005	-	-	-
Administrative Technology Services	3,692,101	-	-	-
Community Services	510,674	-	-	-
Interest on Long-term Liabilities	24,315,270	-	-	2,705,192
Total Governmental Activities	628,811,360	12,733,749	38,821,862	12,418,525
Business-Type Activities:				
PLACE Program	9,155,859	9,360,814	-	-
Total Business-Type Activities	9,155,859	9,360,814	-	-
Total Primary Government	\$ 637,967,219	\$ 22,094,563	\$ 38,821,862	\$ 12,418,525
Component Units:				
Educational Foundation/Charter Schools	\$ 18,330,491	\$ 232,690	\$ 28,483	\$ 1,150,758

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
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position, July 1, 2013
* Adjustment to Beginning Net Position
Net Position, June 30, 2014

*Adjustment to Governmental Activities Beginning Fund Balance is to reclassify the Deferred Charges for Debt Issuance Costs as expense at the beginning of the 2013-14 year, see Note 3. Adjustment to Component Units Beginning Fund Balance is to reclassify the Deferred Charges for Dayspring Academy (decrease of \$18,950) for Debt Issuance Costs as expense and to reclassify the correction of revenue recognition for Pasco Education Foundation (increase of \$10,425) at the beginning of the 2013-14 year for a total decrease of \$8,525.

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (358,182,240)	\$ -	\$ (358,182,240)	\$ -
(25,618,232)	-	(25,618,232)	-
(1,906,905)	-	(1,906,905)	-
(14,558,446)	-	(14,558,446)	-
(9,426,682)	-	(9,426,682)	-
(8,425,406)	-	(8,425,406)	-
(620,416)	-	(620,416)	-
(2,556,141)	-	(2,556,141)	-
(36,456,573)	-	(36,456,573)	-
(4,777,996)	-	(4,777,996)	-
(2,708,890)	-	(2,708,890)	-
2,043,932	-	2,043,932	-
(6,030,792)	-	(6,030,792)	-
(13,024,249)	-	(13,024,249)	-
(45,192,330)	-	(45,192,330)	-
(11,583,005)	-	(11,583,005)	-
(3,692,101)	-	(3,692,101)	-
(510,674)	-	(510,674)	-
(21,610,078)	-	(21,610,078)	-
(564,837,224)	-	(564,837,224)	-
-	204,955	204,955	-
-	204,955	204,955	-
(564,837,224)	204,955	(564,632,269)	-
-	-	-	(16,918,560)
121,552,684	-	121,552,684	-
31,131,186	-	31,131,186	-
28,784,359	-	28,784,359	-
369,957,624	-	369,957,624	17,812,512
580,012	121	580,133	-
12,125,787	389	12,126,176	-
1,000,000	(1,000,000)	-	-
565,131,652	(999,490)	564,132,162	17,812,512
294,428	(794,535)	(500,107)	893,952
791,368,011	3,180,241	794,548,252	6,353,265
(13,068,784)	-	(13,068,784)	(8,525)
\$ 778,593,655	\$ 2,385,706	\$ 780,979,361	\$ 7,238,692

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds						
	General	Capital Projects	Debt Service	Special Revenue	Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
	Primary Operating Fund	Other Funds	Other Funds	Other Federal Programs Fund	Federal Economic Stimulus Programs Fund		
ASSETS:							
Cash	\$ 13,686,338	\$ 2,191,059	\$ 3,739,589	\$ 15,177	\$ -	\$ 10,830,270	\$ 30,462,433
Cash with Fiscal Agent	-	-	1,138,741	-	-	931,571	2,070,312
Investments	42,519,796	204,540,568	11,731,725	-	-	30,174,891	288,966,980
Accounts Receivable	1,592,226	24,140	-	14,873	-	20,247	1,651,486
Accrued Interest Receivable	27,454	133,700	7,193	-	-	22,666	191,013
Due from Other Funds	7,510,671	-	-	-	-	-	7,510,671
Due from Other Agencies	1,232,087	7,168,875	-	4,177,656	863,716	413,012	13,855,346
Inventories	3,323,320	-	-	-	-	1,153,542	4,476,862
Prepaid Items	121,168	-	-	-	-	-	121,168
TOTAL ASSETS	\$ 70,013,060	\$ 214,058,342	\$ 16,617,248	\$ 4,207,706	\$ 863,716	\$ 43,546,199	\$ 349,306,271
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Salaries and Benefits Payable	\$ 9,954,905	\$ -	\$ -	\$ 40,532	\$ 56,067	\$ 45,628	\$ 10,097,132
Payroll Deductions and Withholdings Payable	770,932	-	-	139,494	15,209	25,311	950,946
Accounts Payable	4,385,149	1,535,378	382,112	652,847	40,261	1,229,531	8,225,278
Construction Contracts Payable	-	248,237	-	-	-	13,497	261,734
Construction Contracts Payable-Retainage	-	571,279	-	-	-	8,423	579,702
Arbitrage Rebate Payable	-	-	75,953	-	-	-	75,953
Due to Other Funds	-	-	3,404,440	3,354,052	752,179	-	7,510,671
Due to Other Agencies	-	-	-	20,008	-	-	20,008
Sales Tax Payable	4,328	-	-	-	-	-	4,328
Deposits Payable	52,244	-	-	-	-	-	52,244
Accrued Interest Payable	-	-	-	-	-	16,250	16,250
Unearned Revenue	61,860	-	-	773	-	833,244	895,877
Total Liabilities	15,229,418	2,354,894	3,862,505	4,207,706	863,716	2,171,884	28,690,123
Fund Balances:							
Nonspendable:							
Inventories:							
General Fund	3,323,320	-	-	-	-	-	3,323,320
Special Revenues-Food Service	-	-	-	-	-	1,153,542	1,153,542
Prepaid Items:							
General Fund	121,168	-	-	-	-	-	121,168
Restricted:							
Categorical Programs	6,903,768	-	-	-	-	-	6,903,768
Special Revenues-Food Service	-	-	-	-	-	8,774,328	8,774,328
Debt Service	-	-	12,754,743	-	-	1,271,324	14,026,067
Capital Projects	-	211,703,448	-	-	-	30,175,121	241,878,569
Assigned:							
School Operations:							
School and Local Programs	11,451,799	-	-	-	-	-	11,451,799
Unassigned Fund Balance	32,983,587	-	-	-	-	-	32,983,587
Total Fund Balances	54,783,642	211,703,448	12,754,743	-	-	41,374,315	320,616,148
TOTAL LIABILITIES AND FUND BALANCES	\$ 70,013,060	\$ 214,058,342	\$ 16,617,248	\$ 4,207,706	\$ 863,716	\$ 43,546,199	\$ 349,306,271

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, 2014

Total fund balances for total governmental funds (page 24).	\$	320,616,148
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Amounts reported for governmental activities in the statement of net position (page 21)
are different because:

Deferred inflows of resources are reported as a result of changes in fair value		12,305,711
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Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		974,318,447
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Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide statements.		4,317,487
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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	\$	(138,806,564)	
Certificates of Participation Payable		(340,136,322)	
Compensated Absences Payable		(34,686,030)	
Other Post-employment Benefits Obligation		(47,066,244)	
Derivative Swap Liability		(12,305,711)	(573,000,871)

Cash with Fiscal Agent to be used for advanced refunding of SBE Bonds defeased at year end.		(931,571)
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Deferred Outflows of resources are reported as a result of bond refundings		3,458,773
--	--	-----------

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.		(3,900,471)
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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		41,410,002
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Total Net Position - Governmental Activities	\$	778,593,655
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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
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service	Special Revenue	Special Revenue		
	Primary Operating Fund	Other Funds	Other Funds	Other Federal Programs Fund	Federal Economic Stimulus Programs Fund		
Revenues:							
Federal Sources:							
Federal Direct	\$ 460,154	\$ -	\$ -	\$ 6,683,921	\$ -	\$ -	\$ 7,144,075
Federal Through State	633,391	-	-	32,901,272	5,499,889	23,319,438	62,353,990
State Sources:							
Florida Education Finance Program	256,270,767	-	-	-	-	-	256,270,767
Public Education Capital Outlay	-	-	-	-	-	1,002,216	1,002,216
Food Services	-	-	-	-	-	424,778	424,778
SBE/COBI Bond Interest	-	-	-	-	-	103	103
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,368,615	2,368,615
CO & DS Interest	-	-	-	-	-	12,901	12,901
CO & DS Distributed	-	-	-	-	-	283,190	283,190
Racing Commission Funds	-	-	-	-	-	223,250	223,250
State Grants and Other	82,403,009	-	-	-	-	-	82,403,009
Local Sources:							
Property Taxes	121,552,684	-	-	-	-	31,131,186	152,683,870
Local Sales Taxes	-	28,784,359	-	-	-	-	28,784,359
Impact Fees	-	8,711,117	-	-	-	-	8,711,117
Food Services	-	-	-	-	-	11,028,315	11,028,315
Investment Earnings	569,547	241,888	(342,263)	-	-	110,840	580,012
Local Grants and Other	12,932,046	2,000	-	510	-	58,492	12,993,048
Total Revenues	474,821,598	37,739,364	(342,263)	39,585,703	5,499,889	69,963,324	627,267,615
Expenditures:							
Current-Education:							
Instruction	289,873,605	-	-	23,734,019	1,285,025	-	314,892,649
Pupil Personnel Services	22,076,115	-	-	3,155,418	-	-	25,231,533
Instructional Media Services	2,293,270	-	-	20,857	-	-	2,314,127
Inst. and Curriculum Development Services	10,132,007	-	-	3,879,639	262,922	-	14,274,568
Instructional Staff Training Services	2,330,109	-	-	4,769,381	2,667,997	-	9,767,487
Instruction Related Technology	7,386,667	-	-	139,407	772,873	-	8,298,947
Board of Education	469,656	-	-	-	-	-	469,656
General Administration	896,354	-	-	1,425,070	214,371	-	2,535,795

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service	Special Revenue	Special Revenue		
	Primary Operating Fund	Other Funds	Other Funds	Other Federal Programs Fund	Federal Economic Stimulus Programs Fund		
Expenditures (continued):							
School Administration	35,097,821	-	-	65,912	228,232	-	35,391,965
Facilities Acquisition and Construction	2,431,548	545,780	-	-	-	1,573,671	4,550,999
Fiscal Services	2,510,642	-	-	52,741	-	-	2,563,383
Food Services	184,557	-	-	46,350	-	32,238,579	32,469,486
Central Services	6,358,880	-	-	118,672	12,813	-	6,490,365
Pupil Transportation Services	28,062,010	-	-	334,281	47	-	28,396,338
Operation of Plant	44,245,731	-	-	91,279	-	-	44,337,010
Maintenance of Plant	11,210,553	-	-	131,475	-	-	11,342,028
Administrative Technology Services	3,395,851	-	-	206,082	-	-	3,601,933
Community Services	501,587	-	-	31,430	-	-	533,017
Capital Outlay:							
Facilities Acquisition and Construction	129,478	29,100,063	-	37,194	-	13,404,299	42,671,034
Other Capital Outlay	290,005	-	-	1,346,496	55,609	-	1,692,110
Debt Service:							
Principal	-	-	22,812,001	-	-	1,795,000	24,607,001
Interest	-	-	24,590,414	-	-	835,656	25,426,070
Fiscal Charges	-	-	2,202,052	-	-	49,597	2,251,649
Total Expenditures	469,876,446	29,645,843	49,604,467	39,585,703	5,499,889	49,896,802	644,109,150
Excess (Deficiency) of Revenues Over Expenditures	4,945,152	8,093,521	(49,946,730)	-	-	20,066,522	(16,841,535)
Other Financing Sources (Uses):							
Bond Issued	-	96,715,000	-	-	-	-	96,715,000
Face Value of Refunding Bonds	-	-	-	-	-	1,724,000	1,724,000
Premium on Refunding Bonds	-	-	-	-	-	272,637	272,637
Premiums on Bonds Issued	-	12,503,356	3,956,622	-	-	-	16,459,978
Proceeds on Refunding Lease Purchase Agreements	-	-	151,696,458	-	-	-	151,696,458
Proceeds from the Sale of Capital Assets	6,651	-	-	-	-	-	6,651
Discounts on Refunding Bonds	-	-	(186,756)	-	-	-	(186,756)
Payments to Refunded Bond Escrow	-	-	(149,117,294)	-	-	(1,069,419)	(150,186,713)
Transfers In	2,187,216	-	47,977,472	-	-	987,938	51,152,626
Transfers Out	-	(18,106,731)	(8,195,953)	-	-	(23,864,942)	(50,167,626)
Total Other Financing Sources (Uses)	2,193,867	91,111,625	46,130,549	-	-	(21,949,786)	117,486,255
Net Change in Fund Balances	7,139,019	99,205,146	(3,816,181)	-	-	(1,883,264)	100,644,720
Fund Balances, July 1, 2013	47,644,623	112,498,302	16,570,924	-	-	43,257,579	219,971,428
Fund Balances, June 30, 2014	\$ 54,783,642	\$ 211,703,448	\$ 12,754,743	\$ -	\$ -	\$ 41,374,315	\$ 320,616,148

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, 2014

Net Change in Fund Balances - Governmental Funds (page 27). \$ 100,644,720

Amounts reported for governmental activities on the statement of activities (pages 22 & 23) 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	\$ 44,363,144	
Less current year depreciation	<u>(49,258,795)</u>	(4,895,651)

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

However, they do not provide current financial resources and are not reported as revenues in the governmental funds.	508,818
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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 position differs from the change in fund balance by the undepreciated cost of the assets disposed of.

(651,203)

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	24,607,001	
Changes in fair value of investment derivatives	(18,888)	
New Sales Tax Bonds Issued	(113,174,978)	
Bonds Refunded	(151,134,054)	
Refunding Bonds	150,186,713	
Net decrease in deferred amount	(131,053)	
Net decrease in premiums and discounts	<u>1,658,935</u>	(88,006,324)

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.

197,866

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.

(1,275,289)

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.

(518,830)

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

(6,473,129)

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.

763,450

Change in Net Position - Governmental Activities (pages 22 & 23).

\$ 294,428

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 676,772	\$ 781,020	\$ 460,154	\$ (320,866)
Federal Through State	2,266,000	2,266,000	633,391	(1,632,609)
State Sources:				
Florida Education Finance Program	243,797,792	260,347,497	256,270,767	(4,076,730)
State Grants and Other	92,544,703	83,153,053	82,403,009	(750,044)
Local Sources:				
Property Taxes	120,706,060	120,706,060	121,552,684	846,624
Investment Earnings	200,000	200,000	569,547	369,547
Local Grants and Other	8,348,656	8,845,037	12,932,046	4,087,009
Total Revenues	468,539,983	476,298,667	474,821,598	(1,477,069)
Expenditures:				
Current-Education:				
Instruction				
Salaries	\$ 194,472,520	\$ 201,036,661	\$ 198,120,270	\$ 2,916,391
Employee Benefits	57,047,669	57,501,579	60,211,827	(2,710,248)
Purchased Services	24,302,119	23,652,425	22,016,522	1,635,903
Materials and Supplies	13,567,919	10,730,957	5,421,648	5,309,309
Capital Outlay	87,580	725,925	410,926	314,999
Other Expenses	3,228,193	3,608,627	3,692,412	(83,785)
Pupil Personnel Services				
Salaries	13,962,096	15,870,955	15,105,393	765,562
Employee Benefits	4,518,547	4,710,261	4,849,402	(139,141)
Purchased Services	2,018,043	2,148,631	1,976,918	171,713
Materials and Supplies	180,797	259,997	107,700	152,297
Capital Outlay	11,733	93,151	11,414	81,737
Other Expenses	201,730	100,579	25,288	75,291
Instructional Media Services				
Salaries	892,330	888,074	853,622	34,452
Employee Benefits	462,379	405,157	347,523	57,634
Purchased Services	153,478	196,112	183,944	12,168
Materials and Supplies	318,869	296,139	276,023	20,116
Capital Outlay	985,198	1,101,666	630,945	470,721
Other Expenses	4,428	1,454	1,213	241
Instruction and Curriculum Development Services				
Salaries	6,516,811	7,804,530	7,393,552	410,978
Employee Benefits	1,840,815	2,426,091	2,405,191	20,900
Purchased Services	316,261	357,962	253,907	104,055
Materials and Supplies	628,503	210,303	47,338	162,965
Capital Outlay	8,895	4,968	4,534	434
Other Expenses	58,504	58,585	27,485	31,100

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	1,731,387	1,803,705	1,163,314	640,391
Employee Benefits	461,894	490,486	300,529	189,957
Purchased Services	139,134	376,492	209,870	166,622
Materials and Supplies	311,289	718,000	589,468	128,532
Capital Outlay	3,082	48,542	1,716	46,826
Other Expenses	10,825	92,636	65,212	27,424
Instruction Related Technology				
Salaries	4,148,615	4,965,899	4,744,825	221,074
Employee Benefits	1,244,869	2,735,772	2,624,078	111,694
Materials and Supplies	100	17,765	17,764	1
School Board				
Salaries	209,317	229,317	226,311	3,006
Employee Benefits	2,660,255	2,590,255	124,531	2,465,724
Purchased Services	175,020	98,781	76,245	22,536
Materials and Supplies	3,255	2,820	460	2,360
Capital Outlay	935	1,990	-	1,990
Other Expenses	32,881	51,607	42,109	9,498
General Administration				
Salaries	575,987	659,924	552,863	107,061
Employee Benefits	129,307	215,139	202,849	12,290
Purchased Services	142,730	174,349	110,550	63,799
Materials and Supplies	7,250	7,708	5,540	2,168
Capital Outlay	4,300	4,097	277	3,820
Other Expenses	31,706	33,455	24,275	9,180
School Administration				
Salaries	24,052,994	24,642,634	24,326,329	316,305
Employee Benefits	7,523,223	8,251,691	8,376,905	(125,214)
Purchased Services	1,151,821	1,210,985	1,173,802	37,183
Materials and Supplies	526,681	572,981	500,467	72,514
Capital Outlay	83,111	183,327	128,089	55,238
Other Expenses	593,242	623,819	592,229	31,590
Facilities Services				
Salaries	1,128,848	978,848	914,741	64,107
Employee Benefits	237,707	257,707	257,421	286
Purchased Services	1,339,061	1,454,455	1,250,798	203,657
Materials and Supplies	10,575	11,275	6,855	4,420
Capital Outlay	148,700	284,244	1,688	282,556
Other Expenses	7,157	7,157	45	7,112

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Fiscal Services				
Salaries	1,487,013	1,705,186	1,681,773	23,413
Employee Benefits	613,264	513,939	515,686	(1,747)
Purchased Services	217,764	294,198	216,788	77,410
Materials and Supplies	27,722	21,971	16,347	5,624
Capital Outlay	2,375	4,690	3,103	1,587
Other Expenses	176,107	109,400	76,945	32,455
Food Services				
Salaries	-	293,106	171,106	122,000
Employee Benefits	-	25,071	13,412	11,659
Other Expenses	-	-	39	(39)
Central Services				
Salaries	3,698,815	3,678,927	3,842,691	(163,764)
Employee Benefits	1,209,111	1,210,037	1,288,183	(78,146)
Purchased Services	1,079,478	1,202,481	762,918	439,563
Materials and Supplies	69,023	76,309	58,417	17,892
Capital Outlay	17,687	28,116	8,830	19,286
Other Expenses	420,707	420,936	397,841	23,095
Pupil Transportation Services				
Salaries	13,318,112	15,335,136	14,878,599	456,537
Employee Benefits	6,542,311	6,347,203	6,394,863	(47,660)
Purchased Services	961,619	1,094,264	862,117	232,147
Energy Services	6,110,000	6,610,000	4,537,051	2,072,949
Materials and Supplies	1,311,800	1,305,959	1,280,844	25,115
Capital Outlay	3,700	13,718	9,492	4,226
Other Expenses	9,487	101,512	99,044	2,468
Operation of Plant				
Salaries	15,252,776	15,349,282	15,342,581	6,701
Employee Benefits	6,362,271	6,050,221	6,207,799	(157,578)
Purchased Services	10,129,324	11,577,704	11,573,793	3,911
Energy Services	11,012,005	10,202,005	10,196,858	5,147
Materials and Supplies	815,977	834,690	827,664	7,026
Capital Outlay	19,192	35,061	29,567	5,494
Other Expenses	2,900	71,789	67,469	4,320
Maintenance of Plant				
Salaries	6,761,704	6,361,704	5,689,728	671,976
Employee Benefits	2,005,615	1,885,615	1,956,477	(70,862)
Purchased Services	2,816,340	2,831,459	3,342,614	(511,155)
Materials and Supplies	342,270	353,934	206,195	147,739
Capital Outlay	10,795	14,005	9,392	4,613
Other Expenses	17,409	17,409	6,147	11,262

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	2,125,523	2,255,523	2,205,839	49,684
Employee Benefits	610,163	675,163	710,317	(35,154)
Purchased Services	602,050	615,926	455,490	160,436
Materials and Supplies	32,350	34,523	16,055	18,468
Capital Outlay	3,500	4,327	3,493	834
Other Expenses	10,557	10,557	4,657	5,900
Community Services				
Salaries	117,440	177,560	164,756	12,804
Employee Benefits	45,671	60,461	57,054	3,407
Purchased Services	187,850	191,795	154,470	37,325
Materials and Supplies	15,625	19,872	14,702	5,170
Capital Outlay	21,772	25,449	3,635	21,814
Other Expenses	86,550	109,371	106,970	2,401
Capital Outlay:				
Facilities Acquisition and Construction	-	-	129,478	(129,478)
Other Capital Outlay	-	-	290,005	(290,005)
Total Expenditures	471,296,399	488,146,215	469,876,446	18,269,769
Excess (Deficiency) of Revenues Over Expenditures	(2,756,416)	(11,847,548)	4,945,152	16,792,700
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	-	15,000	6,651	(8,349)
Transfers In	2,662,000	2,187,216	2,187,216	-
Total Other Financing Sources (Uses)	2,662,000	2,202,216	2,193,867	(8,349)
Net Change in Fund Balance	(94,416)	(9,645,332)	7,139,019	16,784,351
Fund Balance, Beginning	47,644,623	47,644,623	47,644,623	-
Fund Balance, Ending	\$ 47,550,207	\$ 37,999,291	\$ 54,783,642	\$ 16,784,351

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
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 6,164,355	\$ 7,822,802	\$ 6,683,921	\$ (1,138,881)
Federal Through State	31,399,324	43,281,790	32,901,272	(10,380,518)
Local Revenue:				
Other Miscellaneous	-	-	510	510
Total Revenues	37,563,679	51,104,592	39,585,703	(11,518,889)
Expenditures:				
Current-Education:				
Instruction				
Salaries	10,405,626	14,797,189	12,969,717	1,827,472
Employee Benefits	5,426,957	5,401,661	4,832,401	569,260
Purchased Services	1,957,467	2,848,476	1,720,100	1,128,376
Materials and Supplies	1,454,465	3,014,416	1,323,837	1,690,579
Capital Outlay	678,193	3,255,490	1,965,866	1,289,624
Other Expenses	1,660,445	1,254,524	922,098	332,426
Pupil Personnel Services				
Salaries	2,352,016	2,337,615	2,201,936	135,679
Employee Benefits	778,881	772,007	706,457	65,550
Purchased Services	175,391	258,082	143,933	114,149
Materials and Supplies	115,572	131,897	94,008	37,889
Capital Outlay	3,600	8,021	3,832	4,189
Other Expenses	9,500	9,052	5,252	3,800
Instructional Media Services				
Salaries	800	14,618	14,387	231
Employee Benefits	125	7,329	6,310	1,019
Capital Outlay	5,000	160	160	-
Instruction and Curriculum Development Services				
Salaries	2,424,016	3,539,011	2,752,713	786,298
Employee Benefits	669,142	899,744	723,040	176,704
Purchased Services	552,400	659,334	239,616	419,718
Materials and Supplies	1,594,381	196,766	75,464	121,302
Capital Outlay	57,200	242,900	51,037	191,863
Other Expenses	15,751	71,549	37,769	33,780
Instructional Staff Training Services				
Salaries	2,086,990	3,701,066	2,753,753	947,313
Employee Benefits	548,410	835,491	638,964	196,527
Purchased Services	721,753	1,844,114	1,251,017	593,097
Materials and Supplies	152,859	261,554	62,095	199,459
Capital Outlay	5,100	66,690	309	66,381
Other Expenses	26,502	241,640	63,243	178,397
Instruction Related Technology				
Salaries	45,194	121,080	105,989	15,091
Employee Benefits	13,223	37,841	30,785	7,056
Purchased Services	76,995	77,575	580	76,995
Materials and Supplies	2,500	41	41	-
Capital Outlay	-	3,012	2,012	1,000

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Board				
Other Expenses	915,467	114,005	-	114,005
General Administration				
Other Expenses	1,334,829	1,726,331	1,425,070	301,261
School Administration				
Salaries	46,562	50,350	50,350	-
Employee Benefits	13,438	15,144	15,126	18
Purchased Services	-	436	436	-
Capital Outlay				
Other Capital Outlay	100,000	101,451	-	101,451
Fiscal Services				
Salaries	114,417	90,685	38,045	52,640
Employee Benefits	34,132	30,156	12,396	17,760
Materials and Supplies	4,600	4,158	1,754	2,404
Capital Outlay	1,500	1,500	546	954
Food Services				
Purchased Services	45,000	45,000	45,000	-
Materials and Supplies	2,000	2,596	-	2,596
Capital Outlay	-	1,350	1,350	-
Central Services				
Salaries	113,801	126,892	87,419	39,473
Employee Benefits	28,021	29,603	19,463	10,140
Other Expenses	-	11,854	11,790	64
Pupil Transportation Services				
Salaries	62,900	73,490	69,719	3,771
Employee Benefits	19,684	21,262	19,793	1,469
Purchased Services	258,450	686,123	242,676	443,447
Other Expenses	-	2,305	2,093	212
Operation of Plant				
Purchased Services	39,500	54,072	17,286	36,786
Energy Services	153,145	166,622	69,143	97,479
Materials and Supplies	8,150	10,542	4,850	5,692
Capital Outlay	7,563	17,341	-	17,341
Maintenance of Plant				
Purchased Services	46,116	162,076	131,475	30,601
Capital Outlay	26,022	326,976	-	326,976
Administrative Technology Services				
Salaries	137,852	169,953	159,411	10,542
Employee Benefits	33,876	49,902	46,522	3,380
Purchased Services	200	450	149	301

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Community Services				
Salaries	-	49,165	13,269	35,896
Employee Benefits	-	13,055	3,974	9,081
Purchased Services	-	18,918	8,153	10,765
Materials and Supplies	-	15,284	98	15,186
Other Expenses	-	5,600	5,936	(336)
Capital Outlay:				
Facilities Acquisition and Construction	-	-	37,194	(37,194)
Other Capital Outlay	-	-	1,346,496	(1,346,496)
Total Expenditures	<u>37,563,679</u>	<u>51,104,592</u>	<u>39,585,703</u>	<u>11,518,889</u>
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Through State	\$ 4,160,391	\$ 5,606,772	\$ 5,499,889	\$ (106,883)
Total Revenues	4,160,391	5,606,772	5,499,889	(106,883)
Expenditures:				
Current-Education:				
Instruction				
Salaries	2,046,125	1,706,967	942,915	764,052
Employee Benefits	407,606	300,134	160,422	139,712
Purchased Services	6,770	750	750	-
Materials and Supplies	7,895	13,298	11,324	1,974
Capital Outlay	16,101	186,907	123,953	62,954
Other Expenses	28,080	72,742	45,661	27,081
Instructional and Curriculum Development Services				
Salaries	292,250	185,122	197,604	(12,482)
Employee Benefits	190,692	58,934	47,303	11,631
Purchased Services	80,000	143,077	18,015	125,062
Capital Outlay	1	1	-	1
Instructional Staff Training Services				
Salaries	103,750	1,170,503	2,062,853	(892,350)
Employee Benefits	15,247	186,574	318,553	(131,979)
Purchased Services	64,800	309,699	265,988	43,711
Materials and Supplies	6,000	6,050	-	6,050
Capital Outlay	-	1,000	1,000	-
Other Expenses	20,800	21,506	19,603	1,903
Instruction Related Technology				
Salaries	197,116	419,539	491,634	(72,095)
Employee Benefits	62,107	156,140	145,737	10,403
Purchased Services	-	144,142	135,502	8,640
General Administration				
Other Expenses	157,497	188,430	214,371	(25,941)
School Administration				
Salaries	292,916	214,253	176,367	37,886
Employee Benefits	54,012	59,863	47,696	12,167
Purchased Services	5,000	7,216	4,169	3,047
Other Expenses	-	10,650	-	10,650
Central Services				
Salaries	62,350	-	-	-
Employee Benefits	17,650	-	-	-
Purchased Services	25,626	12,813	12,813	-
Capital Outlay	-	1	-	1

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Student Transportation				
Purchased Services	-	47	47	-
Administrative Technology Services				
Salaries	-	23,566	-	23,566
Employee Benefits	-	6,848	-	6,848
Capital Outlay:				
Other Capital Outlay	-	-	55,609	(55,609)
Total Expenditures	4,160,391	5,606,772	5,499,889	106,883
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, 2014

Exhibit J

	Business-Type Activity Nonmajor Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS:		
Current Assets:		
Cash	\$ 349,697	\$ 8,483,601
Investments	3,091,171	54,462,766
Accounts Receivable	168,561	536,568
Accrued Interest Receivable	3,391	30,341
Total Current Assets	<u>3,612,820</u>	<u>63,513,276</u>
Noncurrent Assets:		
Improvements Other Than Buildings, Net	11,075	-
Buildings and Fixed Equipment, Net	17,936	-
Furniture, Fixtures, and Equipment, Net	142,888	15,581
Computer Software, Net	4,229	-
Total Noncurrent Assets	<u>176,128</u>	<u>15,581</u>
TOTAL ASSETS	<u><u>\$ 3,788,948</u></u>	<u><u>\$ 63,528,857</u></u>
LIABILITIES:		
Current Liabilities:		
Salaries and Benefits Payable	\$ 444	\$ 1,989
Payroll Deductions and Withholdings Payable	15,987	10,658
Accounts Payable	86,790	14,569,742
Unearned Revenues	53,035	33,572
Current portion of long-term liabilities:		
Compensated Absences Payable	-	81,473
Estimated Insurance Claims Payable	-	2,450,520
Total Current Liabilities	<u>156,256</u>	<u>17,147,954</u>
Noncurrent Liabilities:		
Compensated Absences Payable	449,582	251,528
Estimated Insurance Claims Payable	-	5,036,793
Other Postemployment Benefits Obligation	797,404	-
Total Noncurrent Liabilities	<u>1,246,986</u>	<u>5,288,321</u>
Total Liabilities	<u>1,403,242</u>	<u>22,436,275</u>
NET POSITION:		
Net Investment in Capital Assets	176,128	15,581
Unrestricted	2,209,578	41,077,001
Total Net Position	<u>2,385,706</u>	<u>41,092,582</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,788,948</u></u>	<u><u>\$ 63,528,857</u></u>

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, 2014

Exhibit K

	Business-Type Activity <u>Nonmajor Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
Operating Revenues:		
Charges for Services Provided	\$ 9,360,814	\$ 13,228,606
Insurance Premiums:		
Board Contributions	-	66,514,683
Employees	-	6,858,798
Retirees	-	4,634,832
Other Operating Revenues	389	492,231
Total Operating Revenues	<u>9,361,203</u>	<u>91,729,150</u>
Operating Expenses:		
Salaries	\$ 5,246,759	\$ 872,296
Employee Benefits	2,043,566	313,401
Purchased Services	495,059	16,938,212
Insurance Premiums	-	6,749,334
Energy Services	380,078	10,363,054
Materials and Supplies	366,138	31,543
Capital Outlay	120,118	2,043
Insurance Claims	-	55,769,122
Other	463,669	71,467
Depreciation	37,504	1,717
Total Operating Expenses	<u>9,152,891</u>	<u>91,112,189</u>
Operating Income	<u>208,312</u>	<u>616,961</u>
Nonoperating Revenues (Expenses):		
Investment Earnings	121	10,230
Gifts, Grants, and Bequests	-	110,342
Insurance Loss Recoveries	-	13,519
Loss on Disposition of Assets	(2,968)	(2,602)
Total Nonoperating Revenues (Expenses)	<u>(2,847)</u>	<u>131,489</u>
Income Before Transfers	205,465	748,450
Transfers In	-	200,000
Transfers Out	(1,000,000)	(185,000)
Change in Net Position	(794,535)	763,450
Total Net Position, July 1, 2013	<u>3,180,241</u>	<u>40,329,132</u>
Total Net Position, June 30, 2014	<u><u>\$ 2,385,706</u></u>	<u><u>\$ 41,092,582</u></u>

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, 2014

Exhibit L

	Business-Type Activity Nonmajor Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Services	\$ 9,274,199	\$ 13,227,987
Cash Received from Premiums	-	78,737,781
Cash Received from Other Operating Revenues	389	492,231
Cash Payments to Suppliers for Goods and Services	(1,876,457)	(29,280,287)
Cash Payments to Employees for Services	(7,143,903)	(1,141,021)
Cash Payments for Insurance Claims	-	(54,794,809)
Net Cash Provided (Used) by Operating Activities	<u>254,228</u>	<u>7,241,882</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Insurance Loss Recoveries	-	13,519
Gifts, Grants and Bequests	-	110,342
Transfers In	-	200,000
Transfers Out	(1,000,000)	(185,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,000,000)</u>	<u>138,861</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(50,263)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(50,263)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Earnings	4,763	20,783
Proceeds from Sales and Maturity of Investments	1,127,576	(16,332,519)
Net Cash Provided (Used) by Investing Activities	<u>1,132,339</u>	<u>(16,311,736)</u>
Net Increase (Decrease) in Cash	336,304	(8,930,993)
Cash, Beginning	13,393	17,414,594
Cash, Ending	<u><u>\$ 349,697</u></u>	<u><u>\$ 8,483,601</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 208,312	\$ 616,961
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	37,504	1,717
Change in Assets and Liabilities:		
Increase (Decrease) in Accounts Receivable	(65,481)	703,573
Increase (Decrease) in Accounts Payable	(51,395)	4,875,366
Decrease Salaries and Benefits Payable	(9,022)	(17,183)
Decrease in Payroll Deductions and Withholdings Payable	6,345	5,585
Increase (Decrease) in Unearned Revenues	(21,134)	25,276
Increase in Compensated Absences Payable	33,802	56,274
Increase in Other Postemployment Benefits Obligation	115,297	-
Increase in Estimated Insurance Claims Payable	-	974,313
Total Adjustments	<u>45,916</u>	<u>6,624,921</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 254,228</u></u>	<u><u>\$ 7,241,882</u></u>

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, 2014

Exhibit M

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 1,097,573	\$ 8,618	\$ 8,011,621
Collateralized Mortgage Obligations	1,734,544	-	-
Corporate Bonds	463,089	-	-
Government and Municipal Bonds	9,376,843	-	-
Mutual Fund - Government Securities	-	-	-
Government Sponsored Enterprise Securities	4,565,622	44,209	69,003
Accounts Receivable	-	-	7,201
Interest Receivable	176,010	44	51
Inventories	-	-	9,592
TOTAL ASSETS	\$ 17,413,681	\$ 52,871	\$ 8,097,468
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ 786,408
Payroll Payable	-	-	-
Internal Accounts Payable	-	-	7,238,482
ABC Program Payable	-	-	72,578
Total Liabilities	-	-	\$ 8,097,468
NET POSITION:			
Net Position Restricted for Pension Benefits	17,413,681	-	
Net Position Restricted for Medical Benefits	-	26,267	
Net Position Restricted for Educational Support	-	26,604	
Total Net Position	17,413,681	52,871	
TOTAL LIABILITIES AND NET POSITION	\$ 17,413,681	\$ 52,871	

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, 2014

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Contributions:		
Employer	\$ 1,591,288	\$ -
Gifts, Grants and Bequests	-	105,000
Total Contributions	1,591,288	105,000
Investment Earnings:		
Interest, Dividends and Other	929,672	10
Net Investment Income	929,672	10
Total Additions	2,520,960	105,010
DEDUCTIONS:		
Benefits Paid to Participants	960,021	-
Purchased Services	-	45,784
Other	620	62,078
Total Deductions	960,641	107,862
Change in Net Position	1,560,319	(2,852)
Net Position, July 1, 2013	15,853,362	55,723
Net Position, June 30, 2014	\$ 17,413,681	\$ 52,871

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, 2014

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, seven 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, 2014

- ◇ 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.
- ◇ Countryside Montessori Charter School programs focus on providing an alternative elementary education program.
- ◇ Dayspring Academy for Education and the Arts emphasizes the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Florida Autism Center of Excellence is a Pre-K through 5th grade school providing an alternative education program for students on the Autism spectrum.
- ◇ 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.

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, 2014. Due to the closure of Florida Autism Center of Excellence on June 30, 2014, a compilation financial statement was provided.

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, 2014.

Audits of the charter schools and foundation for the fiscal year ended June 30, 2014, 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, 2014

➤ **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. 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, 2014

- 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 – Other Federal Programs Fund – to account for and report on activities of various programs of different sources according to the specifications and requirements of each funding source.
- 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 proprietary and fiduciary fund types:

- 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.
- Internal Service Funds – to account for the District's fully-insured programs for employees' life insurance, and property/casualty/athletics; individual self-insurance programs for 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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

➤ **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 postemployment healthcare benefits and compensated absences, 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, 2014

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 65, *Items Previously Reported as Assets and Liabilities* and Statement 67, *Financial Reporting for Pension Plans*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources and deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies and recognizes certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. GASB 67 replaces the requirements of Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50, *Pension Disclosures*. Statement 67 established standards of financial reporting and determines what information is required to be presented for pension plans. The requirements of GASB 65 and 67 were effective for the fiscal year 2014.

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by 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 moneys with SBA for participation in the Florida PRIME, and Fund B Surplus Trust Fund (Fund B) investment pools 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, 2014, are similar to money market funds in which shares are owned in the fund rather

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

than the underlying investments. These amounts are reported at fair value, which is amortized cost.

The District's investments in Fund B are accounted for as a fluctuating net asset value pool, with a Fair Value factor of 1.84438408 at June 30, 2014. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

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, and transportation items are based on a weighted average. Telecommunications inventory items are stated at last invoice price, which approximates the first-in, first-out basis. The United States Department of Agriculture surplus donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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 more than \$750. 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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	10 - 40 years
Furniture, Fixtures, and Equipment	6 years
Motor Vehicles	5 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, 2014

➤ 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 two items that qualify for reporting in this category. They are the accumulated decrease in the fair value of hedging derivatives and the deferred amount on refunding reported in the government-wide statement of net position. 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.

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 no items reported in this category.

Deferred outflows/ inflows for the current year are further described in Note 12.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

➤ **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 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 unencumbered 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 2013 tax levy on September 17, 2013. 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 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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

➤ **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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

3. PRIOR PERIOD ADJUSTMENTS

The implementation of GASB Statement 65 resulted in the reclassification of the beginning net position of the governmental activities in the government-wide financial statements. The deferred amount for debt issuance costs were reclassified as expense of prior periods and resulted in the adjustment below:

	Governmental Activities Net Position June 30, 2013
Net Position June 30, 2013 - As previously stated	\$ 791,368,011
Change in reporting for deferred amount for debt issuance costs	(13,068,784)
Net Position June 30, 2013 - As Restated	\$ 778,299,227

4. INVESTMENTS

Investments at June 30, 2014, are shown below:

<u>Investments (1)</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration Local Government		
Florida PRIME	40 Days Average	\$ 7,165,809
Fund B Surplus Funds Trust Fund (Fund B)	2.86 Years Average	1,560,792
Debt Service Account	180 Days Average	323,787
Money Market Funds		
PFM Funds - Prime Series	48 Days Average	586,184
Fidelity Institutional Prime	37 Days Average	5,510,520
Wells Fargo Advantage Funds - Short Duration Government Bond Fund	2.57 Years Average	5,494,943
Florida Education Investment Trust Fund	51 Days Average	5,002,292
Wertz York - Florida Fixed Income Trust - 90	141 Days Average	25,190,373
Wertz York - Florida Fixed Income Trust - 1-3 Year	2.51 Years Average	83,180,575
Commercial Paper	92 Days Average	65,760,432
United States Treasury Securities	1.71 Years Average	121,965,703
Government Sponsored Enterprises (2)	2.12 Years Average	10,664,936
State and/or Local Governments	2.33 Years Average	1,060,868
Corporate Notes	2.25 Years Average	13,166,915
Total Investments, Reporting Entity		<u>346,634,129</u>

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

(2) Amount includes \$113,212 held in Fiduciary Funds.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.
- Due to the nature of the securities in Fund B, the interest rate risk information required by Governmental Accounting Standards Board Statement No. 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available. An estimate of the weighted life (WAL) is available. In the calculation of the WAL, the time at which an expected principal amount is to be received, measured in years, is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL based on expected future cash flows, of Fund B at June 30, 2014, is estimated at 2.86 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary.
- Florida PRIME had weighted average days to maturity (WAM) of 40 days at June 30, 2014. 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 AAm 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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(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 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 "AAm" 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, 2014, the District's investment in Florida PRIME was rated AAAm by Standard & Poor's. Fund B is unrated.
- The State Board of Administration Fund B Surplus Funds Trust Fund (Fund B) was unrated.
- The Florida Education Investment Trust Fund is rated AAAm by Standard & Poor's.
- The District's investments in Commercial Paper included commercial paper from nine companies which were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

- The District's investments 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 PFM Funds – Prime Series was rated AAAm by Standard & Poor's.
- 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 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.
- Less than five (5) percent of the District's investments are in Government Sponsored Enterprise Securities.

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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

5. RECEIVABLES AND UNEARNED 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 is accrued.

Governmental funds report unearned 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, 2014, the various components of unearned revenue reported in the governmental funds were as follows:

General Operating - Unearned Revenue	\$ 61,860
Special Revenue Other Federal Programs - Unearned Revenue	773
Food & Nutrition - Unearned Revenue	<u>833,244</u>
Total Unearned Revenue for Government Funds	<u><u>\$ 895,877</u></u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2014, are presented in the table below:

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 77,260,741	\$ 2,256,069	\$ -	\$ 79,516,810
Construction in Progress	32,729,213	27,213,115	12,732,909	47,209,419
Total Capital Assets Not Being Depreciated	109,989,954	29,469,184	12,732,909	126,726,229
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	48,394,791	2,479,247	-	50,874,038
Buildings and Fixed Equipment	1,211,206,616	10,446,961	-	1,221,653,577
Furniture, Fixtures, and Equipment (1)	85,999,675	9,944,260	5,324,962	90,618,973
Motor Vehicles	37,058,379	1,411,126	1,950	38,467,555
Audio Visual Materials	302,224	-	1,232	300,992
Computer Software	13,214,746	3,854,093	22,783	17,046,056
Total Capital Assets Being Depreciated	1,396,176,431	28,135,687	5,350,927	1,418,961,191
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	28,652,148	1,613,302	-	30,265,450
Buildings and Fixed Equipment	403,544,763	37,096,358	-	440,641,121
Furniture, Fixtures, and Equipment (1)	59,670,032	6,500,961	4,694,913	61,476,080
Motor Vehicles	26,662,340	2,077,711	1,521	28,738,530
Audio Visual Materials	262,668	3,161	1,109	264,720
Computer Software	8,013,632	1,989,338	19,898	9,983,072
Total Accumulated Depreciation	526,805,583	49,280,831	4,717,441	571,368,973
Total Capital Assets Being Depreciated, Net	869,370,848	(21,145,144)	633,486	847,592,218
Governmental Activities Capital Assets, Net	\$ 979,360,802	\$ 8,324,040	\$ 13,366,395	\$ 974,318,447
Note (1) Includes Internal Service Fund assets of \$155,796 and \$140,215 of accumulated depreciation.				
BUSINESS-TYPE ACTIVITIES				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 16,579	\$ -	\$ -	\$ 16,579
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	433,586	50,263	29,678	454,171
Computer Software	39,899	-	-	39,899
Total Capital Assets Being Depreciated	524,639	50,263	29,678	545,224
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	4,510	994	\$ -	5,504
Buildings and Fixed Equipment	15,082	1,557	-	16,639
Furniture, Fixtures, and Equipment	303,398	34,595	26,710	311,283
Computer Software	35,312	358	-	35,670
Total Accumulated Depreciation	358,302	37,504	26,710	369,096
Business Type Activities Capital Assets, Net	\$ 166,337	\$ 12,759	\$ 2,968	\$ 176,128

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 38,713,765
Pupil Personnel Services	32,387
Instructional Media Services	89,193
Instruction and Curriculum Dev Services	24,012
Instructional Staff Training Services	17,775
Instructional Related Technology	4,406
School Administration	17,824
Facilities Services	9,875,129
Food Services	16,735
Central Services	8,803
Pupil Transportation Services	315,356
Operation of Plant	7,852
Maintenance of Plant	152,550
Community Services	5,044
Total Depreciation Expense - Governmental Activities	<u>\$ 49,280,831</u>
 BUSINESS - TYPE ACTIVITIES	
PLACE Program	<u>\$ 37,504</u>

7. CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2014, are shown below:

Salary and Benefits Payable	\$ 10,099,121
Payroll and Deductions and Withholdings Payable	961,604
Accounts Payable	22,795,020
Construction Contracts Payable	261,734
Construction Contracts Payable-Retainage	579,702
Arbitrage Rebate Payable	75,953
Due to Other Agencies	20,008
Sales Tax Payable	4,328
Deposits Payable	52,244
Accrued Interest Payable	3,916,721
Unearned Revenue	929,449
	<u>\$ 39,695,884</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 December 1, 1996, March 1, 2004, September 15, 2004, July 1, 2005, December 23, 2005, July 1, 2007, May 1, 2008, June 1, 2008, September 23, 2008, December 16, 2009, July 2, 2013, June 12, 2014, and June 30, 2014, with the Pasco County School Board Leasing Corporation (Leasing Corporation), whereby the District secured financing of various educational facilities in the total amounts of \$106,770,000, \$63,970,000, \$4,546,000, \$66,415,000, \$785,612, \$76,045,000, \$88,515,000 and \$74,115,000, \$1,170,010, \$11,000,000, \$45,385,000, \$30,655,000, and \$75,656,458, 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, 2014, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004	\$ 63,970,000	\$ 2,050,000	3.000 - 5.000	2014
Series 2004 - QZAB	4,546,000	4,546,000	1.100	2018
Series 2005A	35,915,000	1,540,000	3.500 - 5.000	2030
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	60,070,000	4.000 - 5.000	2027
Series 2008C (2)	74,115,000	73,050,000	Weekly	2033
Series 2008 - QZAB	1,170,010	585,005	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
Total Certificates of Participation	<u>\$ 449,743,080</u>	<u>\$ 335,823,075</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, 2014, was 0.90 percent.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

- (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. The Certificates of Participation, Series 2008C pay interest at a Weekly Rate determined by the Remarketing Agent. The interest rate for June 30, 2014 was 0.59 percent.

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 re-negotiated in 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 in 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, with an average interest rate of 2.98 percent.
- (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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014:

	Date	Run Through
<u>Certificates of Participation</u>		
Series 2004	March 1, 2004	August 1, 2029
Series 2004 - QZAB	September 15, 2004	September 15, 2018
Series 2005A	July 1, 2005	August 1, 2030
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2007A	July 1, 2007	August 1, 2032
Series 2008A	December 1, 1996	August 1, 2026
Series 2008C	July 1, 2007	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018
Series 2009 - QSCB	December 16, 2009	December 15, 2025

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

Certificates of Participation, Series 1992-A

Cotee 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 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 2004

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

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 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 2005-A and B

Gulf Highlands Elementary School
Trinity Oaks Elementary School
Dr. John Long Middle School
Odessa 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 2008-QZAB

Renovations for Pasco High School

Certificates of Participation, Series 2009 QSCB

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

The lease payments for the Series 2004-A, Series 2005-A, Series 2007-A and Series 2013-A Certificates are payable by the District, semiannually, on August 1st and February 1st at interest rates ranging from 3.00 to 5.00 percent, 3.50 to 5.00 percent, and 4.00 to 5.00 percent respectively for the others. Interest payments for the Series 2005-B Certificates are payable weekly at auction interest rates set weekly until the final maturity date. Interest payments for the Series 2008-A and 2008-C Certificates are payable monthly at a rate determined by the Remarketing Agent. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15th and March 15th at an interest rate of 1.10 percent. 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 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 2014:

	Total	Principal	Interest
Fiscal Year Ending June 30:			
2015	\$ 17,918,568	\$ 6,087,001	\$ 11,831,567
2016	24,243,912	11,981,524	12,262,388
2017	35,395,476	23,465,069	11,930,407
2018	25,337,816	13,872,551	11,465,265
2019	28,965,292	17,994,822	10,970,470
2020-2024	123,703,046	77,083,588	46,619,458
2025-2029	122,671,778	93,318,520	29,353,258
2030-2034	99,071,072	92,020,000	7,051,072
Sub-Total	477,306,960	335,823,075	141,483,885
Add: Unamortized Premium on Debt	4,313,247	4,313,247	-
Total Minimum Lease Payments	<u>\$ 481,620,207</u>	<u>\$ 340,136,322</u>	<u>\$ 141,483,885</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 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 re-negotiated in 3 years.

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, 2014.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2014 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, 2014		Notional
Classification	Amount	Classification	Amount		
Governmental activities					
Fair value hedges:					
Pay-fixed interest rate swaps	Deferred outflow	\$ 8,438,917	Debt	\$ -	\$ -
Pay-fixed interest rate swaps	Deferred outflow	\$ 749,211	Debt	\$ (12,305,711)	\$ 73,050,000
Investment Derivatives:					
Pay-fixed interest rate swaps	Interest Revenue	\$ 18,888	Debt	\$ -	\$ -

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Terms – The Certificates of Participation, Series 2008A and related swap agreement were refunded and terminated, respectively, with the proceeds of Certificates of Participation Series 2014B.

The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$73,050,000 matches the \$73,050,000 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 3.91 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.

Fair Value – Because interest rates have declined since inception of the swap, it has resulted in a fair value of negative \$12,305,711 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

10. BONDS PAYABLE

Bonds payable at June 30, 2014, are as follows:

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2005-A	\$ 70,000	\$ 8,910,000	4.00 - 5.00	2014
Series 2005-B	930,000	1,740,000	5.00	2014-2020
Series 2005-B, Refunding	2,655,000	8,910,000	4.00 - 5.00	2014-2017
Series 2008-A	4,400,000	5,295,000	4.25 - 5.00	2014-2028
Series 2009-A, Refunding	720,000	1,300,000	4.00 - 5.00	2014-2029
Series 2010A	1,320,000	1,450,000	3.50 - 5.00	2014-2030
Series 2011A	1,220,000	1,710,000	3.00 - 5.00	2014-2023
Series 2014A, Refunding	1,724,000	1,724,000	2.00-3.00	2015-2025
District Revenue Bonds:				
Series 2003, Refunding	2,775,000	3,660,000	3.50 - 4.00	2014-2033
Series 2007, Sales Tax	13,525,000	88,590,000	5.00	2014
Series 2013, Sales Tax	96,715,000	96,715,000	2.125 - 5.00	2014-2025
Subtotal	<u>126,054,000</u>			
Unamortized Premium on Debt	12,790,779			
Unamortized Discount on Debt	<u>(38,215)</u>			
Total Bonds Payable	<u><u>\$ 138,806,564</u></u>			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 \$4,199,830, which represents the total amount of principal and interest still due, and the remaining period of the pledge is 19 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 2013-2014 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$221,875 of principal and interest.

Sales Tax Revenue Bonds, Series 2007 - 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 pursuant to an Interlocal Agreement from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. The approximate amount of local infrastructure sales surtax pledged is \$13,863,125, which represents the total amount of principal and interest still due, and the remaining period of the pledge is one year. The District pledged approximately 90 percent of the total sales tax revenue until the bonds were repaid. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the acquisition and construction of elementary, middle, and high schools within the District. For the 2013-2014 fiscal year, the District recognized \$28,784,359 in pledged revenue and paid \$13,883,375 principal and interest.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 2013-2014 fiscal year, the District recognized no pledged revenue and paid \$1,142,523 principal and interest.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2014, are as follows:

	Total	Principal	Interest
State School Bonds:			
2015	\$ 2,224,725	\$ 1,617,000	\$ 607,725
2016	2,251,430	1,708,000	543,430
2017	2,203,690	1,743,000	460,690
2018	1,290,920	916,000	374,920
2019	1,147,120	818,000	329,120
2020-2024	4,779,650	3,688,000	1,091,650
2025-2029	2,743,545	2,429,000	314,545
2030-2034	124,800	120,000	4,800
Total State School Bonds	16,765,880	13,039,000	3,726,880
District Revenue Bonds:			
2015	16,269,484	13,620,000	2,649,484
2016	12,620,725	8,125,000	4,495,725
2017	12,626,100	8,375,000	4,251,100
2018	12,623,800	8,625,000	3,998,800
2019	12,623,800	8,970,000	3,653,800
2020-2024	63,125,200	51,885,000	11,240,200
2025-2029	13,511,806	12,625,000	886,806
2030-2034	883,194	790,000	93,194
Total District Revenue Bonds	144,284,109	113,015,000	31,269,109
Subtotal	161,049,989	126,054,000	34,995,989
Unamortized Discount on Debt	(38,215)	(38,215)	-
Unamortized Premium on Debt	12,790,779	12,790,779	-
Total	\$ 173,802,553	\$ 138,806,564	\$ 34,995,989

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

11. ESTIMATED ARBITRAGE REBATE

The District had an interim cumulative arbitrage rebate liability of \$75,953 for the \$30,500,000 Certificates of Participation, Series 2005B as of June 30, 2014. Ninety percent (90 percent) of the cumulative rebate liability is required to be rebated to the United States no later than 60 days after July 19, 2015 (the end of the tenth Bond Year).

12. DEFEASED DEBT

SBE Series 2014A

On May 22, 2014, the Board entered in an agreement to refund a portion of the District's callable portion of the SBE Series 2004-A and 2005-A. This refunding was accomplished through the issuance of \$1,724,000 of SBE Series 2014A, with an interest rate of 2.00 – 5.00 percent. The Series 2014A, refunding certificates, were issued with a premium of \$272,637. The principal and premium were used to refund the \$1,930,000 principal amount of the Series 2004 A, that mature after June 30, 2015 and the Series 2005 A, that mature after June 30, 2016. The net proceeds of \$2,000,990 (after payment of \$11,897 in underwriting fees, and other issuance costs) were placed in an irrevocable trust to provide for the principal and interest payments on the Series 2004A and 2005A maturing after June 30, 2015 and June 30, 2016. As a result, \$1,930,000 of the Series 2004A and 2005A 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 2004A and 2005A certificates were refunded to reduce its total debt service payments over the next 10 years by approximately \$2,295 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,707.

Certificates of Participation, Series 2013

On July 2, 2013, the Board entered in an arrangement to refund a portion of the District's Certificates of Participation, Series 2004. This refunding was accomplished through the issuance of \$45,385,000 of Certificates of Participation, Series 2013, with an average interest rate of 3.96 percent. The Series 2013, Refunding Certificates, were issued with a premium of \$3,956,622. The principal and premium were used to advance refund the \$45,725,000 principal amount of the District's Certificates of Participation, Series 2004, that mature after August 1, 2015. The net proceeds of \$48,840,805 (after payment of \$186,756 in underwriting fees, and other issuance costs) were placed in an irrevocable trust to provide for the principal and interest payments on the Series 2004 certificates maturing after August 1, 2015. As a result, \$45,725,000 of the Series 2004 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 2004 certificates were refunded to reduce its total debt service payments over the next 15 years by approximately \$4,305,945 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$705,894.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Certificates of Participation, Series 2014A

On June 12, 2014, the Board entered in 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, with an average interest rate of 2.98 percent. The principal along with a cash deposit of \$484,264 was used to advance refund the \$29,070,000 principal amount of the District's Certificates of Participation, Series 2005A, that mature after August 1, 2016. The net proceeds of \$31,035,530 (after payment of issuance costs) were placed in an irrevocable trust to provide for the principal and interest payments on the Series 2005A certificates maturing after August 1, 2016. As a result, \$29,070,000 of the Series 2005A 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 certificates were refunded to reduce its total debt service payments over the next 15 years by approximately \$4,037,015 and to obtain an economic gain (difference between the present value of the debt of the debt service payments on the old and new debt) of \$838,018.

Certificates of Participation, Series 2014B

On June 30, 2014, the Board entered in an arrangement to refund a portion of the District's Certificates of Participation, Series 2008A. This refunding was accomplished through the issuance of \$75,656,458 of Certificates of Participation, Series 2014B, with an average interest rate of 2.585 percent. The principal along with a cash deposit of \$4,488,439 were used to refund the outstanding principal amount of \$72,038,439 (after payment of issuance costs) and to pay \$7,931,360 to terminate the pay-fixed, receive-variable interest rate swap agreement for Series 2008A. As a result, the \$72,038,439 of Series 2008A certificates are considered in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2008A certificates were refunded to reduce the District's exposure to variable and synthetically fixed-rate debt and will increase the total debt service over the next 12 years by \$604,442, thereby leading to an economic loss of \$406,407.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

13. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 340,648,618	\$ 151,696,458	\$ 156,522,001	\$ 335,823,075	\$ 6,087,001
Add: Unamortized Premium on Debt	2,197,305	3,956,622	1,840,680	4,313,247	308,811
Total Certificates of Participation Payable	<u>342,845,923</u>	<u>155,653,080</u>	<u>158,362,681</u>	<u>340,136,322</u>	<u>6,395,812</u>
Bonds Payable	44,225,000	98,439,000	16,610,000	126,054,000	15,237,000
Add: Unamortized Premium (Discount) on Debt	1,357,325	12,775,994	1,380,755	12,752,564	1,350,124
Total Bonds Payable	<u>45,582,325</u>	<u>111,214,994</u>	<u>17,990,755</u>	<u>138,806,564</u>	<u>16,587,124</u>
Estimated Insurance Claims Payable	6,513,000	4,126,397	3,152,084	7,487,313	2,450,520
Other Postemployment Benefits	40,593,115	10,720,591	4,247,462	47,066,244	-
Compensated Absences Payable (1)	33,354,467	12,704,948	11,373,385	34,686,030	925,471
Derivatives Swap Liability	<u>19,977,527</u>	<u>768,101</u>	<u>8,439,917</u>	<u>12,305,711</u>	<u>-</u>
Total Governmental Activities	<u>\$ 488,866,357</u>	<u>\$ 295,188,111</u>	<u>\$ 203,566,284</u>	<u>\$ 580,488,184</u>	<u>\$ 26,358,927</u>
BUSINESS - TYPE ACTIVITY					
Other Postemployment Benefits	\$ 682,107	\$ 190,952	\$ 75,655	\$ 797,404	\$ -
Compensated Absences Payable	<u>415,780</u>	<u>387,028</u>	<u>353,226</u>	<u>449,582</u>	<u>449,582</u>
Total Business - Type Activity	<u>\$ 1,097,887</u>	<u>\$ 577,980</u>	<u>\$ 428,881</u>	<u>\$ 1,246,986</u>	<u>\$ 449,582</u>

Note (1) includes balances at June 30 2014, of the Internal Service Funds of \$333,001 with \$81,473 due in one year, and additions and deductions of \$239,991 and \$183,718, respectively.

For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 23.

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 \$4,476,862 and prepaid assets totaling \$121,168 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*, *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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 the 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 \$271,582,732 and represents \$6,903,768 in State Categorical programs primarily for Instructional Materials, \$8,774,328 in Food Service, \$14,026,067 in Debt Service, and \$241,878,569 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 neither is 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 Superintendent assigned fund balances were \$11,451,799 for local instructional programs.
- 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 unassigned fund balance for the General Fund is \$32,983,587 or 7.02 percent of general fund expenditures. This indicates a positive financial condition for the District.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

The following table represents fund balances at June 30, 2014:

Description	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Funds	Capital Projects Other Funds	Debt Service		
Fund Balances:					
Nonspendable:					
Inventories:					
General Fund	\$ 3,323,320	\$ -	\$ -	\$ -	\$ 3,323,320
Special Revenues - Food Service	-	-	-	1,153,542	1,153,542
Prepaid Items:					
General Fund	121,168	-	-	-	121,168
Restricted:					
Categorical Programs	6,903,768	-	-	-	6,903,768
Special Revenues - Food Service	-	-	-	8,774,328	8,774,328
Debt Service	-	-	12,754,743	1,271,324	14,026,067
Capital Projects	-	211,703,448	-	30,175,121	241,878,569
Assigned:					
School Operations					
State and Local Programs	11,451,799	-	-	-	11,451,799
Unassigned:	32,983,587	-	-	-	32,983,587
	<u>\$ 54,783,642</u>	<u>\$ 211,703,448</u>	<u>\$ 12,754,743</u>	<u>\$ 41,374,315</u>	<u>\$ 320,616,148</u>

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 \$32,983,587 or 7.02 percent of General Fund total expenditures.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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	\$ 7,510,671	\$ -
Debt Service	-	3,404,440
Special Revenue - Federal Economic Stimulus	-	3,354,052
Special Revenue - Other	-	752,179
Total	<u>\$ 7,510,671</u>	<u>\$ 7,510,671</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 2014-2015 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	\$ 2,187,216	\$ -
Capital Project:		
Other	-	18,106,731
Debt Service:		
Other	47,977,472	8,195,953
Nonmajor Governmental Funds	987,938	23,864,942
Internal Service Funds	200,000	185,000
Enterprise Fund	-	1,000,000
Total	<u>\$ 51,352,626</u>	<u>\$ 51,352,626</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 to the Internal Service Fund are to provide funding for environmental regulation compliance and the transfers from the Internal Service Fund and Enterprise Fund to the General Fund to cover budget deficits.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

16. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2013-14 fiscal year:

Florida Education Finance Program	\$ 256,270,767
Class Size Reduction	74,085,876
School Recognition	3,381,717
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,705,192
Workforce Development Program	2,502,228
Voluntary Pre K	1,290,820
Charter School Capital Outlay Funding	1,002,216
Food Service Supplement	424,778
Mobile Home License Tax	386,417
Full Service Schools	135,225
Fuel Tax Refund	161,427
School Health Supplement	113,413
Miscellaneous	<u>528,753</u>
 Total	 <u><u>\$ 342,988,829</u></u>

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

17. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2013 tax roll for the 2013-14 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	5.109	\$ 109,268,862
Basic Discretionary Local Effort	0.748	\$ 15,997,868
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	\$ 32,081,286
Total	<u>7.357</u>	<u>\$ 157,348,016</u>

18. STATE RETIREMENT PROGRAM

Florida Retirement System – Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (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. These include a defined-benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan.

Defined Benefit Plan – 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. 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 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 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. There were 7,278 District participants in the Pension Plan

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

during the 2013 -14 fiscal year. Required employer contributions made to the program totaled \$19,423,195 and employee contributions totaled \$8,101,758.

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.

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 FRS as an option to the defined benefit plan, and is self-directed by the employee. 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. There were 1,517 District participants in the Investment Plan during the 2013 -14 fiscal year. Required employer contributions made to the program totaled \$3,500,286 and employee contributions totaled \$1,501,580.

Funding Policy – The contribution rates for Plan members are established and may be amended by the State of Florida. During the 2013-14 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Elected County Officers	3.00	33.03
Florida Retirement System, Senior Management Service	3.00	18.31
Deferred Retirement Option Program, Applicable to		
Members from All of the Above Classes	0.00	12.84
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note: (A) Employer rates include 1.20 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.
(B) Contribution rates are dependent upon the retirement class in which reemployed.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions, including employee contributions, for the fiscal years ending June 30, 2012, June 30, 2013, and June 30, 2014, totaled \$23,775,784, \$22,155,090 and \$34,721,612 respectively, which were equal to the required contributions for each fiscal year.

Pension Reporting – The financial statements and other supplemental information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on the FRS, which includes its financial statements, required supplemental information, actuarial report and other relevant information, may be obtained from the Florida Department of Management Services, Division of Retirement.

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 of 62.

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><u>4,727</u></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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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.

Summary of Significant Accounting Policies

The Plan is accounted for as 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 2011-2012, 2012-2013 and the 2013-2014 fiscal years, amounted to \$1,509,443, \$1,578,667 and \$1,591,288 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 total annual pension cost for the 2011-2012, 2012-2013 and the 2013-2014 fiscal years were \$1,031,552, \$1,040,354 and \$975,271 respectively. The percentage of pension cost contributed by the Board was 100 percent for all three fiscal years.

As of July 1, 2013, the actuarial accrued liability for benefits was \$25,577,441 of which \$9,724,079 was unfunded. The computation of the annual required contribution for the 2013-2014 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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).

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.

Concentrations

The Plan's cash and investments at June 30, 2014, consisted of the following:

	Maturity Range	Balance June 30, 2014	Percentage of Plan Net Assets
Cash and Cash Equivalents		\$ 1,097,573	6.37%
Collateralized Mortgage Obligations	5.99 Years - 21.82 Years	1,734,544	10.06%
Corporate Bonds	8.83 Years - 19.21 Years	463,089	2.69%
Government and Municipal Bonds	31 Days - 31.71 Years	9,376,843	54.40%
Government Sponsored Enterprise Securities	129 Days - 1.89 Years	4,565,622	26.49%
Total		<u>\$ 17,237,671</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 years with the average duration of all of these funds as a whole not to exceed three years as means of managing its exposure to fair value losses arising from increasing interest rates.

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.
- More than 5 percent of the District's investments are in Government Sponsored Enterprise Securities. These securities are made up of investments in Federal National Mortgage Assn. and Federal Home Loan Banks and total 16.77 and 9.72 percent of total plan investments, respectively.

Rate of Return

- For the year ended June 30, 2014, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 5.75 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%

Net Pension Liability

The components of the net pension liability of the District at June 30, 2014, the measurement date, were as follows:

Total Pension Liability	\$ 26,603,135
Plan Fiduciary Net Position	<u>(17,413,681)</u>
Net Pension Liability	<u><u>\$ 9,189,454</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.46%

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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 July 1, 2013 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Long-Term Real Rate of Return</u>
Fixed Income	100%	2.75% per annum
Total or Weighted Arithmetic Average	100%	2.75% per annum

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

The following presents the net pension liability of the school districts calculated using the discount rate of 5.5 percent, as well as what the school districts' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current rate:

	<u>1% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Total Pension Liability	\$ 30,454,381	\$ 26,603,135	\$ 23,432,567
Less Fiduciary Net Position	(17,413,681)	(17,413,681)	(17,413,681)
Net Pension Liability	<u>\$ 13,040,700</u>	<u>\$ 9,189,454</u>	<u>\$ 6,018,886</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

20. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Postemployment Benefits Plan is a single-employer defined benefit plan (Plan) administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former 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.

Funding Policy

The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefits (OPEB) costs or the net OPEB obligation, and the plan is financed on a pay-as-you-go basis. For the 2013-14 fiscal year, 1,774 retirees and eligible dependents received postemployment benefits. The District provided required contributions of \$4,323,117 toward the annual OPEB cost, comprised of medical and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$1,615,157 or 0.50 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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 Postemployment Benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (Service cost for one year)	\$ 5,158,731
Amortization of Unfunded Actuarial Accrued Liability	<u>6,681,503</u>
Annual Required Contribution	11,840,234
Interest on Net OPEB Obligation	1,651,009
Adjustment to Annual Required Contribution	<u>(2,579,702)</u>
Annual OPEB Cost (Expense)	10,911,541
Contribution Toward the OPEB Cost	<u>(4,323,117)</u>
Increase in Net OPEB Obligation	6,588,424
Net OPEB Obligation, Beginning of Year	<u>41,275,224</u>
Net OPEB Obligation, End of Year	<u><u>\$ 47,863,648</u></u>

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, 2014, and the two preceding fiscal years are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011-12	\$ 11,291,130	\$ 5,124,412	45.38%	\$ 35,066,271
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

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014. 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 2013, 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 increases for fiscal year 2013-2014.

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period is 16 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, 2014, the accumulated credits to the District's account are \$4,317,487. During the 2013-2014 fiscal year, the District earned capital credits of \$351,561 and received a cash payment of \$153,695, for a net increase of \$197,866.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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>
Administrative Complex			
Remodeling - Buildings 2 & 4	\$ 947,292	\$ 431,991	\$ 515,301
Quail Hollow Elementary			
Campus Redevelopment	831,969	176,848	655,121
R B Stewart Middle School			
Remodeling - Gym	3,258,815	2,353,156	905,659
Sanders Elementary			
Campus Redevelopment	7,267,187	401,400	6,865,787
Shady Hills Elementary			
Campus Redevelopment	653,867	235,763	418,104
Schrader Elementary			
Campus Redevelopment	9,994,109	6,799,758	3,194,351
Total	<u><u>\$ 22,953,239</u></u>	<u><u>\$ 10,398,916</u></u>	<u><u>\$ 12,554,323</u></u>

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 likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2014, the District has recorded \$17,573,402 in encumbrances as follows: \$3,556,380 for the General Fund; \$9,380,830 for the Capital Projects-Other Fund; \$121,649 for the Special Revenue Other Federal Programs; \$1,610 for the Special Revenue Federal Economic Stimulus Programs; and \$4,512,933 for the Nonmajor Governmental Funds.

23. 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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 \$7,487,313 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2014.

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
2012-2013	\$ 7,482,880	\$ 48,567,552	\$ 49,537,432	\$ 6,513,000
2013-2014	6,513,000	55,769,122	54,794,809	7,487,313

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

24. 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.

25. SUBSEQUENT EVENTS

On November 4, 2014, the School Board approved the issuance of \$13,655,000 in Qualified School Construction Bonds (QSCBs) as Certificates of Participation. The bonds will be sold in a public offering. The School Board expects to receive a Federal subsidy for the majority of the interest on the bonds. The proceeds will be used to fund major HVAC projects at six (6) 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**

	2013-2014 fiscal year *
Total Pension Liability	
Service Cost	\$ 610,538
Interest	1,413,259
Benefit payments, including refunds of member contributions	(998,103)
Net change in total pension liability	<u>1,025,694</u>
Total Pension Liability - Beginning	<u>25,577,441</u>
Total Pension Liability - Ending	<u><u>\$ 26,603,135</u></u>
 Plan Fiduciary Net Position	
Contributions- employer	\$ 1,591,288
Net investment income	929,052
Benefit payments, including refunds of member contributions	(960,021)
Net Change in Plan Fiduciary Net Position	<u>1,560,319</u>
Plan Fiduciary Net Position - Beginning	<u>15,853,362</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 17,413,681</u></u>
 Net Pension Liability - Ending	<u><u>\$ 9,189,454</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 65.46%
 Covered-employee payroll	 \$ 167,496,619
District's Net Pension Liability as a Percentage of Covered - Employee Payroll	 5.49%

* Rolled forward based on the 2013-2014 financial data

Note: Only one year information is available, future years will be reported as available.

DISTRICT SCHOOL BOARD OF PASCO COUNTY REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 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	\$ 926,422
Contributions in relation to the actuarially determined contribution	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	926,422
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 167,496,619	\$ 167,496,619		\$ 173,775,663		\$ 171,655,074		\$ 152,703,567		\$ 130,477,299
Contributions as a percentage of covered-employee payroll	0.95%	0.94%		0.79%		0.84%		0.83%		0.71%

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	5.50% per annum (2.75% 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 8% 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 expenses.
Future contributions	Contributions from the employer are assumed to be made as legally required; employer contributions are assumed to equal \$1,591,288 for the 2013/14 fiscal year

SCHEDULE OF INVESTMENT RETURNS – EARLY RETIREMENT PLAN

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money - weighted rate of return, net of investment expense	5.75%	1.82%	4.33%	5.66%	10.50%	1.90%	6.16%	6.38%	1.88%	4.57%

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

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT 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 POSTEMPLOYMENT BENEFITS

Year	Contributed	Contribution
2011-2012	\$5,124,413	45.38%
2012-2013	5,600,580	47.42%
2013-2014	4,323,117	39.62%

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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.

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, 2014

Schedule A

	Special Revenue		Debt Service		
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Assets:					
Cash	\$ 9,367,341	\$ 9,367,341	\$ -	\$ 32,216	\$ 32,216
Cash with Fiscal Agent	-	-	931,571	-	931,571
Investments	-	-	323,787	-	323,787
Accounts Receivable	20,247	20,247	-	-	-
Accrued Interest Receivable	-	-	-	-	-
Due from Other Agencies	413,012	413,012	-	-	-
Inventories	1,153,542	1,153,542	-	-	-
Total Assets	\$ 10,954,142	\$ 10,954,142	\$ 1,255,358	\$ 32,216	\$ 1,287,574
Liabilities and Fund Balances:					
Liabilities:					
Salaries and Benefits Payable	\$ 45,628	\$ 45,628	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings Payable	25,311	25,311	-	-	-
Accounts Payable	122,089	122,089	-	-	-
Construction Contracts Payable	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-
Accrued Interest Payable	-	-	16,250	-	16,250
Unearned Revenue	833,244	833,244	-	-	-
Total Liabilities	1,026,272	1,026,272	16,250	-	16,250
Fund Balances:					
Nonspendable:					
Inventory	1,153,542	1,153,542	-	-	-
Restricted:					
Special Revenue	8,774,328	8,774,328	-	-	-
Debt Service	-	-	1,239,108	32,216	1,271,324
Capital Projects	-	-	-	-	-
Total Fund Balance	9,927,870	9,927,870	1,239,108	32,216	1,271,324
Total Liabilities and Fund Balances	\$ 10,954,142	\$ 10,954,142	\$ 1,255,358	\$ 32,216	\$ 1,287,574

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
\$ -	\$ -	\$ 221,031	\$ 1,209,682	\$ 1,430,713	\$ 10,830,270
-	-	-	-	-	931,571
-	-	12,621,034	17,230,070	29,851,104	30,174,891
-	-	-	-	-	20,247
-	-	6,929	15,737	22,666	22,666
-	-	-	-	-	413,012
-	-	-	-	-	1,153,542
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,848,994</u>	<u>\$ 18,455,489</u>	<u>\$ 31,304,483</u>	<u>\$ 43,546,199</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,628
-	-	-	-	-	25,311
-	-	33,688	1,073,754	1,107,442	1,229,531
-	-	-	13,497	13,497	13,497
-	-	-	8,423	8,423	8,423
-	-	-	-	-	16,250
-	-	-	-	-	833,244
<u>-</u>	<u>-</u>	<u>33,688</u>	<u>1,095,674</u>	<u>1,129,362</u>	<u>2,171,884</u>
-	-	-	-	-	1,153,542
-	-	-	-	-	8,774,328
-	-	-	-	-	1,271,324
-	-	12,815,306	17,359,815	30,175,121	30,175,121
<u>-</u>	<u>-</u>	<u>12,815,306</u>	<u>17,359,815</u>	<u>30,175,121</u>	<u>41,374,315</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,848,994</u>	<u>\$ 18,455,489</u>	<u>\$ 31,304,483</u>	<u>\$ 43,546,199</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, 2014

96

	Special Revenue		Debt Service		
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Revenues:					
Federal Sources:					
Food Services	\$ 23,319,438	\$ 23,319,438	\$ -	\$ -	\$ -
State Sources:					
Public Education Capital Outlay	-	-	-	-	-
Food Services	424,778	424,778	-	-	-
SBE/COBI Bond Interest	-	-	103	-	103
CO & DS Withheld for State Education Bonds	-	-	2,368,615	-	2,368,615
CO & DS Interest	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-
Racing Commission Funds	-	-	-	223,250	223,250
Local Sources:					
Property Taxes	-	-	-	-	-
Food Services	11,028,315	11,028,315	-	-	-
Investment Earnings	-	-	-	-	-
Local Grants and Other	58,492	58,492	-	-	-
Total Revenues	34,831,023	34,831,023	2,368,718	223,250	2,591,968
Expenditures:					
Current-Education:					
Facilities Services	-	-	-	-	-
Food Services	32,238,579	32,238,579	-	-	-
Capital Outlay:					
Facilities Acquisition and Construction	-	-	-	-	-
Debt Service:					
Principal	-	-	1,700,000	95,000	1,795,000
Interest	-	-	708,781	126,875	835,656
Fiscal Charges	-	-	47,745	345	48,090
Total Expenditures	32,238,579	32,238,579	2,456,526	222,220	2,678,746

Schedule B

	Special Revenue		Debt Service		
	Food and Nutrition Services Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Total Nonmajor Debt Service Funds
Excess (Deficiency) of Revenues Over Expenditures	2,592,444	2,592,444	(87,808)	1,030	(86,778)
Other Financing Sources (Uses):					
Face Value of Refunding Bonds	-	-	1,724,000	-	1,724,000
Premium on Refunding Bonds	-	-	272,637	-	272,637
Payments to Refunding Escrow Agent	-	-	(1,069,419)	-	(1,069,419)
Transfers In	-	-	-	-	-
Transfers Out	(987,938)	(987,938)	-	-	-
Total Other Financing Sources (Uses)	(987,938)	(987,938)	927,218	-	927,218
Net Change in Fund Balances	1,604,506	1,604,506	839,410	1,030	840,440
Fund Balances, Beginning	8,323,364	8,323,364	399,698	31,186	430,884
Fund Balances, Ending	<u>\$ 9,927,870</u>	<u>\$ 9,927,870</u>	<u>\$ 1,239,108</u>	<u>\$ 32,216</u>	<u>\$ 1,271,324</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, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,319,438
State Sources:						
Public Education Capital Outlay	-	1,002,216	-	-	1,002,216	1,002,216
Food Services	-	-	-	-	-	424,778
SBE/COBI Bond Interest	-	-	-	-	-	103
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,368,615
CO & DS Interest	-	-	12,901	-	12,901	12,901
CO & DS Distributed	-	-	283,190	-	283,190	283,190
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	31,131,186	31,131,186	31,131,186
Food Services	-	-	-	-	-	11,028,315
Investment Earnings	575	-	105,518	4,747	110,840	110,840
Local Grants and Other	-	-	-	-	-	58,492
Total Revenues	575	1,002,216	401,609	31,135,933	32,540,333	69,963,324
Expenditures:						
Current-Education:						
Facilities Services	1,691	-	12,755	1,559,225	1,573,671	1,573,671
Food Services	-	-	-	-	-	32,238,579
Facilities Acquisition and Construction	1,946,379	-	747,695	10,710,225	13,404,299	13,404,299
Debt Service:						
Principal	-	-	-	-	-	1,795,000
Interest	-	-	-	-	-	835,656
Fiscal Charges	-	-	1,507	-	1,507	49,597
Total Expenditures	1,948,070	-	761,957	12,269,450	14,979,477	49,896,802

	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
Excess (Deficiency) of Revenues Over Expenditures	(1,947,495)	1,002,216	(360,348)	18,866,483	17,560,856	20,066,522
Other Financing Sources (Uses):						
Face Value of Refunding Bonds	-	-	-	-	-	1,724,000
Premium on Refunding Bonds	-	-	-	-	-	272,637
Payments to Refunding Escrow Agent	-	-	-	-	-	(1,069,419)
Transfers In	-	-	-	987,938	987,938	987,938
Transfers Out	-	(1,002,216)	-	(21,874,788)	(22,877,004)	(23,864,942)
Total Other Financing Sources (Uses)	-	(1,002,216)	-	(20,886,850)	(21,889,066)	(21,949,786)
Net Change in Fund Balances	(1,947,495)	-	(360,348)	(2,020,367)	(4,328,210)	(1,883,264)
Fund Balances, Beginning	1,947,495	-	13,175,654	19,380,182	34,503,331	43,257,579
Fund Balances, Ending	\$ -	\$ -	\$ 12,815,306	\$ 17,359,815	\$ 30,175,121	\$ 41,374,315

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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 23,207,420	\$ 23,207,420	\$ 23,319,438	\$ 112,018
State Sources:				
Food Service	428,255	428,255	424,778	(3,477)
Local Sources:				
Food Service Sales	12,040,201	12,040,201	11,028,315	(1,011,886)
Local Grants and Other	39,970	39,970	58,492	18,522
Total Revenues	35,715,846	35,715,846	34,831,023	(884,823)
Expenditures:				
Current-Education:				
Food Services				
Salaries	12,178,518	11,613,518	10,486,681	1,126,837
Employee Benefits	4,796,779	4,646,779	4,080,487	566,292
Purchased Services	704,095	816,156	644,853	171,303
Energy Services	500,000	500,000	380,078	119,922
Materials and Supplies	16,025,116	16,631,506	15,860,795	770,711
Capital Outlay	350,000	386,445	42,705	343,740
Other Expenses	1,250,979	1,250,979	742,980	507,999
Total Expenditures	35,805,487	35,845,383	32,238,579	3,606,804
Excess (Deficiency) of Revenues Over Expenditures	(89,641)	(129,537)	2,592,444	2,721,981
Other Financing Sources (Uses):				
Transfers Out	(300,000)	(987,938)	(987,938)	-
Net Change in Fund Balance	(389,641)	(1,117,475)	1,604,506	2,721,981
Fund Balance, Beginning	8,323,364	8,323,364	8,323,364	-
Fund Balance, Ending	\$ 7,933,723	\$ 7,205,889	\$ 9,927,870	\$ 2,721,981

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources				
CO & DS Withheld for State Education Bonds	\$ 2,443,969	\$ 2,443,969	\$ 2,368,718	\$ (75,251)
Expenditures:				
Debt Service:				
Principal	1,700,000	1,700,000	1,700,000	-
Interest	708,782	708,782	708,781	1
Fiscal Charges	-	-	47,745	(47,745)
Total Expenditures	2,408,782	2,408,782	2,456,526	(47,744)
Excess (Deficiency) of Revenues Over Expenditures	35,187	35,187	(87,808)	(122,995)
Other Financing Sources (Uses):				
Proceeds fo Refunding Bonds	-	1,724,000	1,724,000	-
Premium on Refunding Bonds	-	272,637	272,637	-
Payments to Refunded Bond	-	(1,069,419)	(1,069,419)	-
Total Other Financing Sources	-	927,218	927,218	-
Net Change in Fund Balance	35,187	962,405	839,410	(122,995)
Fund Balances, Beginning	399,698	399,698	399,698	-
Fund Balances, Ending	\$ 434,885	\$ 1,362,103	\$ 1,239,108	\$ (122,995)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	31	31	-	(31)
Total Revenues	223,281	223,281	223,250	(31)
Expenditures:				
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest	126,875	126,875	126,875	-
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	222,875	222,875	222,220	655
Excess (Deficiency) of Revenues Over Expenditures	406	406	1,030	624
Net Change in Fund Balance	406	406	1,030	624
Fund Balance, Beginning	31,186	31,186	31,186	-
Fund Balance, Ending	\$ 31,592	\$ 31,592	\$ 32,216	\$ 624

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Certificates of Participation Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ 16,569	\$ 102,569	\$ (342,263)	\$ (444,832)
Expenditures:				
Debt Service:				
Principal	22,812,001	22,812,001	22,812,001	-
Interest	14,512,957	18,521,304	24,590,414	(6,069,110)
Fiscal Charges	607,369	1,357,295	2,202,052	(844,757)
Total Expenditures	37,932,327	42,690,600	49,604,467	(6,913,867)
Excess (Deficiency) of Revenues Over Expenditures	(37,915,758)	(42,588,031)	(49,946,730)	(7,358,699)
Other Financing Sources (Uses):				
Proceeds of Lease-Purchase Agreements	-	151,696,458	151,696,458	-
Premium on Lease-Purchase Agreements	-	4,000,000	3,956,622	(43,378)
Discounts on Lease-Purchase Agreements	-	(187,000)	(186,756)	244
Payments to Refunding Escrow Agent	-	(149,117,295)	(149,117,294)	1
Transfers In	31,705,162	47,977,472	47,977,472	-
Transfer Out	(1,102,000)	(8,195,953)	(8,195,953)	-
Total Other Financing Sources	30,603,162	46,173,682	46,130,549	(43,133)
Net Change in Fund Balance	(7,312,596)	3,585,651	(3,816,181)	(7,401,832)
Fund Balances, Beginning	16,570,924	16,570,924	16,570,924	-
Fund Balances, Ending	\$ 9,258,328	\$ 20,156,575	\$ 12,754,743	\$ (7,401,832)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 650,000	\$ 1,012,803	\$ 1,002,216	\$ (10,587)
Other Financing Uses:				
Transfer Out	(650,000)	(1,012,803)	(1,002,216)	10,587
Total Other Financing Uses	(650,000)	(1,012,803)	(1,002,216)	10,587
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Local Sales Tax	\$ 27,166,012	\$ 27,166,012	\$ 28,784,359	\$ 1,618,347
Impact Fees	6,000,000	6,000,000	8,711,117	2,711,117
Other Local	-	-	2,000	2,000
Investment Earnings	97,630	277,630	241,888	(35,742)
Total Revenues	33,263,642	33,443,642	37,739,364	4,295,722
Expenditures:				
Current-Education:				
Facilities Services	-	545,780	545,780	-
Capital Outlay:				
Facilities Acquisition and Construction	93,810,557	204,527,903	29,100,063	175,427,840
Total Expenditures	93,810,557	205,073,683	29,645,843	175,427,840
Excess (Deficiency) of Revenues Over Expenditures	(60,546,915)	(171,630,041)	8,093,521	179,723,562
Other Financing Sources (Uses):				
Issuance of Bonds	-	96,715,000	96,715,000	-
Premium on Sale of Bonds	-	12,503,357	12,503,356	(1)
Proceeds of Lease-Purchase Agreements	32,277,535	-	-	-
Transfer In	-	-	-	-
Transfer Out	(13,888,375)	(18,106,732)	(18,106,731)	(1)
Total Other Financing Sources (Uses)	18,389,160	91,111,625	91,111,625	(2)
Net Change in Fund Balance	(42,157,755)	(80,518,416)	99,205,146	179,723,560
Fund Balances, Beginning	112,498,302	112,498,302	112,498,302	-
Fund Balances, Ending	\$ 70,340,547	\$ 31,979,886	\$ 211,703,448	\$ 179,723,560

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ 1,206	\$ 1,206	\$ 575	\$ (631)
Expenditures:				
Current-Education:				
Facilities Services	-	1,691	1,691	-
Capital Outlay:				
Facilities Acquisition and Construction	1,162,978	1,918,743	1,946,379	(27,636)
Total Expenditures	1,162,978	1,920,434	1,948,070	(27,636)
Excess (Deficiency) of Revenues Over Expenditures	(1,161,772)	(1,919,228)	(1,947,495)	(28,267)
Net Change in Fund Balance	(1,161,772)	(1,919,228)	(1,947,495)	(28,267)
Fund Balances, Beginning	1,947,495	1,947,495	1,947,495	-
Fund Balances, Ending	\$ 785,723	\$ 28,267	\$ -	\$ (28,267)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
CO & DS Distributed	\$ 300,524	\$ 298,524	\$ 283,190	\$ (15,334)
Interest on Undistributed CO & DS	-	2,000	12,901	10,901
Local Sources:				
Investment Earnings	10,730	10,730	105,518	94,788
Total Revenues	311,254	311,254	401,609	90,355
Expenditures:				
Current-Education:				
Facilities Services	-	12,755	12,755	-
Capital Outlay:				
Facilities Acquisition and Construction	4,323,789	5,001,503	747,695	(4,253,808)
Debt Service:				
Dues, Fees and Issuance Costs	-	1,507	1,507	-
Total Expenditures	4,323,789	5,015,765	761,957	(4,253,808)
Excess (Deficiency) of Revenues Over Expenditures	(4,012,535)	(4,704,511)	(360,348)	4,344,163
Net Change in Fund Balance	(4,012,535)	(1,119,665)	(360,348)	7,929,009
Fund Balances, Beginning	13,175,654	13,175,654	13,175,654	-
Fund Balances, Ending	\$ 9,163,119	\$ 12,055,989	\$ 12,815,306	\$ 7,929,009

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Property Taxes	\$ 30,798,035	\$ 30,798,035	\$ 31,131,186	\$ 333,151
Investment Earnings	8,504	8,504	4,747	(3,757)
Total Revenues	30,806,539	30,806,539	31,135,933	329,394
Expenditures:				
Current-Education:				
Facilities Services	-	1,559,225	1,559,225	-
Capital Outlay:				
Facilities Acquisition and Construction	13,614,225	18,605,609	10,710,225	7,895,384
Total Expenditures	13,614,225	20,164,834	12,269,450	7,895,384
Excess of Revenues Over Expenditures	17,192,314	10,641,705	18,866,483	8,224,778
Other Financing Sources (Uses):				
Transfers In	300,000	987,938	987,938	-
Transfers Out	(17,741,787)	(21,874,788)	(21,874,788)	-
Total Other Financing Sources (Uses)	(17,441,787)	(20,886,850)	(20,886,850)	-
Net Change in Fund Balance	(249,473)	(10,245,145)	(2,020,367)	8,224,778
Fund Balances, Beginning	19,380,182	19,380,182	19,380,182	-
Fund Balances, Ending	\$ 19,130,709	\$ 9,135,037	\$ 17,359,815	\$ 8,224,778

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.

Flexible Benefits Plan – To account for the financing of the District's optional flexible fringe benefits program, for employees', as provided by Internal Revenue Code Section 125.

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, 2014

Schedule D

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Assets			
Current Assets:			
Cash	\$ 156,117	\$ -	\$ 3,360,664
Investments	638,937	-	29,204,191
Accounts Receivable	8,140	-	126,214
Accrued Interest Receivable	391	-	11,856
Total Current Assets	<u>803,585</u>	<u>-</u>	<u>32,702,925</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><u>\$ 803,585</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,702,925</u></u>
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	\$ 1,582	\$ -	\$ 241
Payroll Deductions and Withholdings Payable	2,021	-	4,797
Accounts Payable	218,451	-	207,818
Unearned Revenue	-	-	23,419
Current portion of long-term liabilities:			
Compensated Absences Payable	3,083	-	67,004
Estimated Insurance Claims Payable	<u>-</u>	<u>-</u>	<u>2,450,520</u>
Total Current Liabilities	<u>225,137</u>	<u>-</u>	<u>2,753,799</u>
Noncurrent Liabilities:			
Compensated Absences Payable	26,520	-	67,249
Estimated Insurance Claims Payable	<u>-</u>	<u>-</u>	<u>5,036,793</u>
Total Noncurrent Liabilities	<u>26,520</u>	<u>-</u>	<u>5,104,042</u>
Total Liabilities	<u>251,657</u>	<u>-</u>	<u>7,857,841</u>
Net Position			
Investment in Capital Assets	-	-	-
Unrestricted	<u>551,928</u>	<u>-</u>	<u>24,845,084</u>
Total Net Position	<u>551,928</u>	<u>-</u>	<u>24,845,084</u>
Total Liabilities and Net Position	<u><u>\$ 803,585</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,702,925</u></u>

Self-Insured Benefit Plans	Employee Assistance Program	Energy Management Programs	Exclusive Agreement	Totals
\$ 4,300,619	\$ 150,737	\$ 515,464	\$ -	\$ 8,483,601
20,003,194	29,328	3,357,474	1,229,642	54,462,766
399,899	1,696	-	619	536,568
15,388	110	1,754	842	30,341
24,719,100	181,871	3,874,692	1,231,103	63,513,276
-	-	-	155,796	155,796
-	-	-	(140,215)	(140,215)
-	-	-	15,581	15,581
\$ 24,719,100	\$ 181,871	\$ 3,874,692	\$ 1,246,684	\$ 63,528,857
\$ -	\$ 31	\$ 135	\$ -	\$ 1,989
-	1,267	2,573	-	10,658
13,180,992	2,730	959,194	557	14,569,742
10,153	-	-	-	33,572
-	10,004	1,382	-	81,473
-	-	-	-	2,450,520
13,191,145	14,032	963,284	557	17,147,954
-	36,974	120,785	-	251,528
-	-	-	-	5,036,793
-	36,974	120,785	-	5,288,321
13,191,145	51,006	1,084,069	557	22,436,275
-	-	-	15,581	15,581
11,527,955	130,865	2,790,623	1,230,546	41,077,001
11,527,955	130,865	2,790,623	1,246,127	41,092,582
\$ 24,719,100	\$ 181,871	\$ 3,874,692	\$ 1,246,684	\$ 63,528,857

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
June 30, 2014

Schedule E

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ 878,977	\$ 549,048	\$ 11,197,799
Employees	-	-	-
Retirees	-	-	-
Charges for Services Provided	-	-	-
Other Operating Revenues	-	-	405,612
Total Operating Revenues	878,977	549,048	11,603,411
Operating Expense			
Salaries	128,848	-	408,417
Employee Benefits	53,530	-	133,967
Purchased Services	1,413,192	-	1,642,430
Insurance Premiums	-	549,048	3,881,242
Energy Services	-	-	-
Materials and Supplies	1,963	-	1,734
Insurance Claims	-	-	4,126,397
Capital Outlay	238	-	737
Other	4,156	-	47,903
Depreciation	-	-	-
Total Operating Expenses	1,601,927	549,048	10,242,827
Operating Income (Loss)	(722,950)	-	1,360,584
Nonoperating Revenues			
Investment Earnings	(87)	-	(2,197)
Gifts, Grants and Bequests	110,342	-	-
Loss Recoveries	-	-	13,519
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	110,255	-	11,322
Income (Loss) Before Transfers	(612,695)	-	1,371,906
Transfers In	-	-	200,000
Transfers Out	-	-	(185,000)
Change in Net Position	(612,695)	-	1,386,906
Total Net Position, July 1, 2013	1,164,623	-	23,458,178
Total Net Position, June 20, 2014	\$ 551,928	\$ -	\$ 24,845,084

Self-Insured Benefit Plans	Employee Assistance Program	Energy Management Program	Exclusive Agreement	Totals
\$ 53,573,847	\$ 315,012	\$ -	\$ -	\$ 66,514,683
6,857,560	1,238	-	-	6,858,798
4,614,441	20,391	-	-	4,634,832
-	-	13,228,606	-	13,228,606
1,939	-	11,238	73,442	492,231
65,047,787	336,641	13,239,844	73,442	91,729,150
-	86,027	249,004	-	872,296
-	43,203	82,701	-	313,401
11,599,290	37,400	2,132,330	113,570	16,938,212
2,319,044	-	-	-	6,749,334
-	-	10,363,054	-	10,363,054
3,081	230	4,693	19,842	31,543
51,536,450	106,275	-	-	55,769,122
950	118	-	-	2,043
19,258	-	150	-	71,467
-	-	-	1,717	1,717
65,478,073	273,253	12,831,932	135,129	91,112,189
(430,286)	63,388	407,912	(61,687)	616,961
12,698	69	(128)	(125)	10,230
-	-	-	-	110,342
-	-	-	-	13,519
-	-	-	(2,602)	(2,602)
12,698	69	(128)	(2,727)	131,489
(417,588)	63,457	407,784	(64,414)	748,450
-	-	-	-	200,000
-	-	-	-	(185,000)
(417,588)	63,457	407,784	(64,414)	763,450
11,945,543	67,408	2,382,839	1,310,541	40,329,132
\$ 11,527,955	\$ 130,865	\$ 2,790,623	\$ 1,246,127	\$ 41,092,582

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty and Liability Self-Insurance Plan
Cash Flows from Operating Activities:			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	1,133,868	549,048	11,283,681
Cash Received from Other Operating Revenues	-	-	405,612
Cash Payments to Suppliers for Goods and Services	(1,215,206)	(549,048)	(5,660,189)
Cash Payments to Employees for Services	(238,040)	-	(509,426)
Cash Payments to Insurance Claims	-	-	(3,152,084)
Net Cash Provided (Used) by Operating Activities	(319,378)	-	2,367,594
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	-	13,519
Gifts, Grants and Bequests	110,342	-	-
Transfers From Other Funds	-	-	200,000
Transfers To Other Funds	-	-	(185,000)
Net Cash Provided (Used) by Noncapital Financing Activities	110,342	-	28,519
Cash Flows from Investing Activities:			
Investment Income	(478)	-	552
Purchase and Sale of Investments	(141,473)	-	(14,287,147)
Net Cash Provided (Used) by Investing Activities	(141,951)	-	(14,286,595)
Net Change in Cash and Cash Equivalents	(350,987)	-	(11,890,482)
Cash and Cash Equivalents, Beginning	507,104	-	15,251,146
Cash and Cash Equivalents, Ending	\$ 156,117	\$ -	\$ 3,360,664
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (722,950)	\$ -	\$ 1,360,584
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	-	-	-
Change in Assets and Liabilities:			
Accounts Receivable	254,891	-	62,463
Accounts Payable	204,343	-	(86,143)
Salaries and Benefits Payable	(2,466)	-	(531)
Payroll Deductions and Withholdings Payable	117	-	3,183
Unearned Revenues	-	-	23,419
Compensated Absences Payable	(53,313)	-	30,306
Estimated Insurance Claims Payable	-	-	974,313
Total Adjustments	403,572	-	1,007,010
Net Cash Provided (Used) by Operating Activities	\$ (319,378)	\$ -	\$ 2,367,594

Self-Insured Benefit Plans	Employee Assistance Program	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 13,228,606	\$ (619)	\$ 13,227,987
65,432,461	338,723	-	-	78,737,781
1,939	-	11,238	73,442	492,231
(8,973,323)	(54,642)	(12,695,024)	(132,855)	(29,280,287)
-	(147,779)	(245,776)	-	(1,141,021)
(51,536,450)	(106,275)	-	-	(54,794,809)
<u>4,924,627</u>	<u>30,027</u>	<u>299,044</u>	<u>(60,032)</u>	<u>7,241,882</u>
-	-	-	-	13,519
-	-	-	-	110,342
-	-	-	-	200,000
-	-	-	-	(185,000)
-	-	-	-	138,861
19,218	(41)	1,404	128	20,783
(679,753)	110,537	(1,163,091)	(171,592)	(16,332,519)
<u>(660,535)</u>	<u>110,496</u>	<u>(1,161,687)</u>	<u>(171,464)</u>	<u>(16,311,736)</u>
4,264,092	140,523	(862,643)	(231,496)	(8,930,993)
36,527	10,214	1,378,107	231,496	17,414,594
<u>\$ 4,300,619</u>	<u>\$ 150,737</u>	<u>\$ 515,464</u>	<u>\$ -</u>	<u>\$ 8,483,601</u>
\$ (430,286)	\$ 63,388	\$ 407,912	\$ (61,687)	\$ 616,961
-	-	-	1,717	1,717
384,756	2,082	-	(619)	703,573
4,968,300	(16,894)	(194,797)	557	4,875,366
-	(13,840)	(346)	-	(17,183)
-	752	1,533	-	5,585
1,857	-	-	-	25,276
-	(5,461)	84,742	-	56,274
-	-	-	-	974,313
<u>5,354,913</u>	<u>(33,361)</u>	<u>(108,868)</u>	<u>1,655</u>	<u>6,624,921</u>
<u>\$ 4,924,627</u>	<u>\$ 30,027</u>	<u>\$ 299,044</u>	<u>\$ (60,032)</u>	<u>\$ 7,241,882</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 assets.

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, 2014

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 8,008,097	\$ 3,524	\$ 8,011,621
Investments	-	69,003	69,003
Accounts Receivable	7,201	-	7,201
Interest Receivable on Investments	-	51	51
Inventories	9,592	-	9,592
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,024,890</u>	<u>\$ 72,578</u>	<u>\$ 8,097,468</u>
Liabilities:			
Accounts Payable	\$ 786,408	\$ -	\$ 786,408
Internal Accounts Payable	7,238,482	-	7,238,482
ABC Program Payable	-	72,578	72,578
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 8,024,890</u>	<u>\$ 72,578</u>	<u>\$ 8,097,468</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2014

School Internal Accounts				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 7,163,373	\$ 13,373,029	\$ 12,528,305	\$ 8,008,097
Accounts Receivable	5,331	10,718	8,848	7,201
Inventories	33,791	12,898	37,097	9,592
Total Assets	<u>\$ 7,202,495</u>	<u>\$ 13,396,645</u>	<u>\$ 12,574,250</u>	<u>\$ 8,024,890</u>
Liabilities:				
Accounts Payable	\$ 387,198	\$ 4,394,876	\$ 3,995,666	\$ 786,408
Internal Accounts Payable	6,815,297	18,711,635	18,288,450	7,238,482
Total Liabilities	<u>\$ 7,202,495</u>	<u>\$ 23,106,511</u>	<u>\$ 22,284,116</u>	<u>\$ 8,024,890</u>
ABC Program				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ -	\$ 72,662	\$ 69,138	\$ 3,524
Investments	64,582	33,647	29,226	69,003
Interest Receivable on Investments	-	140	89	51
Total Assets	<u>\$ 64,582</u>	<u>\$ 106,449</u>	<u>\$ 98,453</u>	<u>\$ 72,578</u>
Liabilities:				
ABC Program Payable	<u>\$ 64,582</u>	<u>\$ 58,706</u>	<u>\$ 50,710</u>	<u>\$ 72,578</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 7,163,373	\$ 13,445,691	\$ 12,597,443	\$ 8,011,621
Investments	64,582	33,647	29,226	69,003
Accounts Receivable	5,331	10,718	8,848	7,201
Interest Receivable on Investments	-	140	89	51
Inventories	33,791	12,898	37,097	9,592
Total Assets	<u>\$ 7,267,077</u>	<u>\$ 13,503,094</u>	<u>\$ 12,672,703</u>	<u>\$ 8,097,468</u>
Liabilities:				
Accounts Payable	\$ 387,198	\$ 4,394,876	\$ 3,995,666	\$ 786,408
Internal Accounts Payable	6,815,297	18,711,635	18,288,450	7,238,482
ABC Program Payable	64,582	58,706	50,710	72,578
Total Liabilities	<u>\$ 7,267,077</u>	<u>\$ 23,165,217</u>	<u>\$ 22,334,826</u>	<u>\$ 8,097,468</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.

Countryside Montessori Charter School, Inc. – Centers programs on providing an alternative elementary education program.

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

Florida Autism Center of Excellence - A Pre-K through 5th grade school providing an alternative education program for students on the Autism spectrum.

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, LLC – A kindergarten through 7th grade school providing an alternative education program.

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, 2014

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Countryside Montessori Charter School, Inc.
Assets:			
Cash	\$ 287,947	\$ 234,364	\$ 242,142
Investments	-	-	-
Accounts Receivable	2,628	18,172	361
Deposits Receivable	-	-	10,000
Due From Other Agencies	15,583	24,107	11,543
Prepaid Expenses	1,912	53,966	-
Capital Assets (net of accumulated depreciation)			
Land	593,979	-	-
Leasehold Property and Improvements	214,134	-	141,274
Buildings and Fixed Equipment	404,099	326,357	110,119
Furniture, Fixtures and Equipment	16,190	101,459	25,142
Motor Vehicles	-	-	-
Computer Equipment	51,068	-	-
Improvements Other Than Buildings	-	-	-
Total Assets	<u>\$ 1,587,540</u>	<u>\$ 758,425</u>	<u>\$ 540,581</u>
Liabilities:			
Current Liabilities:			
Salaries and Benefits Payable	-	185,536	-
Accounts Payable	3,568	31,212	1,736
Unearned Revenue	-	2,427	-
Total Current Liabilities	<u>3,568</u>	<u>219,175</u>	<u>1,736</u>
Long-term Liabilities:			
Due within one year:			
Note Payable	49,208	20,591	12,437
Obligations Under Capital Leases	-	8,859	-
Compensated Absences Payable	-	-	-
Total Due within one year	<u>49,208</u>	<u>29,450</u>	<u>12,437</u>
Due in more than one year:			
Note Payable	487,649	-	138,734
Obligations Under Capital Leases	-	23,405	-
Total Due in more than one year	<u>487,649</u>	<u>23,405</u>	<u>138,734</u>
Total Liabilities	<u>540,425</u>	<u>272,030</u>	<u>152,907</u>
Net Position:			
Net Investment in Capital Assets	742,613	374,961	125,364
Restricted for Other Purposes	-	-	-
Nonexpendable-Permanently Restricted	-	-	-
Unrestricted	<u>304,502</u>	<u>111,434</u>	<u>262,310</u>
Total Net Position	<u><u>\$ 1,047,115</u></u>	<u><u>\$ 486,395</u></u>	<u><u>\$ 387,674</u></u>

Schedule I

Dayspring Academy for Education and the Arts	Florida Autism Center of Excellence Inc.	Florida Virtual Academy of Pasco	Imagine School at Land O'Lakes, LLC	Pasco Education Foundation, Inc.	Total Component Units
\$ 258,502	\$ -	\$ 79,767	\$ 809,669	\$ 188,123	\$ 2,100,514
-	-	-	-	2,119,036	2,119,036
575	645	-	41,442	-	63,823
-	-	-	-	-	10,000
41,408	-	87,784	38,264	-	218,689
46,034	-	-	9,764	1,707,224	1,818,900
444,683	-	-	-	-	1,038,662
203,199	-	-	-	-	558,607
1,258,829	-	-	-	-	2,099,404
21,658	-	-	87,752	-	252,201
2,280	-	-	75,748	-	78,028
-	-	-	-	-	51,068
231,216	-	-	-	-	231,216
<u>\$ 2,508,384</u>	<u>\$ 645</u>	<u>\$ 167,551</u>	<u>\$ 1,062,639</u>	<u>\$ 4,014,383</u>	<u>\$ 10,640,148</u>
119,237	-	-	265,779	-	570,552
30,956	141,017	167,551	173,914	9,159	559,113
-	-	-	14,955	-	17,382
<u>150,193</u>	<u>141,017</u>	<u>167,551</u>	<u>454,648</u>	<u>9,159</u>	<u>1,147,047</u>
141,997	-	-	28,983	-	253,216
52,007	-	-	-	-	60,866
100,213	-	-	-	-	100,213
<u>294,217</u>	<u>-</u>	<u>-</u>	<u>28,983</u>	<u>-</u>	<u>414,295</u>
1,036,650	-	-	5,049	-	1,668,082
148,627	-	-	-	-	172,032
<u>1,185,277</u>	<u>-</u>	<u>-</u>	<u>5,049</u>	<u>-</u>	<u>1,840,114</u>
<u>1,629,687</u>	<u>141,017</u>	<u>167,551</u>	<u>488,680</u>	<u>9,159</u>	<u>3,401,456</u>
782,584	-	-	129,468	-	2,154,990
-	-	-	-	1,770,106	1,770,106
-	-	-	-	1,967,076	1,967,076
96,113	(140,372)	-	444,491	268,042	1,346,520
<u>\$ 878,697</u>	<u>\$ (140,372)</u>	<u>\$ -</u>	<u>\$ 573,959</u>	<u>\$ 4,005,224</u>	<u>\$ 7,238,692</u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2014

	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	\$ 2,003,948	\$ 232,690	\$ -	\$ -	\$ (1,771,258)
Pupil Personnel Services	19,078	-	-	-	(19,078)
Instruction Media	291	-	-	-	(291)
Instructional Staff Training	3,095	-	-	-	(3,095)
Instruction Related Technology	168,553	-	-	-	(168,553)
Board of Education	7,000	-	-	-	(7,000)
General Administration	46,669	-	-	-	(46,669)
School Administration	435,389	-	-	-	(435,389)
Facilities Acquisition and Construction	54,345	-	-	54,345	-
Operation of Plant	176,021	-	-	38,541	(137,480)
Maintenance of Plant	66,101	-	-	34,860	(31,241)
Community Service	141,478	-	-	-	(141,478)
Debt Service - Interest	29,204	-	-	29,204	-
Depreciation-Unallocated	101,935	-	-	-	(101,935)
Total Academy at the Farm, Inc., Activities	<u>\$ 3,253,107</u>	<u>\$ 232,690</u>	<u>\$ -</u>	<u>\$ 156,950</u>	<u>(2,863,467)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	2,931,720
Total General Revenues	<u>2,931,720</u>

Change in Net Position 68,253

Net Position, Beginning 978,862Net Position, Ending \$ 1,047,115

	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	\$ 1,468,658	\$ -	\$ 11,532	\$ -	\$ (1,457,126)
Pupil Personnel Services	57,639	-	-	-	(57,639)
Board of Education	17,975	-	-	-	(17,975)
General Administration	212,818	-	-	-	(212,818)
School Administration	288,908	-	-	-	(288,908)
Facilities Acquisition & Construction	-	-	-	-	-
Fiscal Services	86,404	-	-	-	(86,404)
Food Services	14,426	-	-	-	(14,426)
Central Services	-	-	-	-	-
Pupil Transportation Services	62,028	-	-	-	(62,028)
Operation of Plant	371,178	-	4,138	163,619	(203,421)
Maintenance of Plant	2,513	-	-	-	(2,513)
Administrative Technology	38,354	-	-	-	(38,354)
Community Services	38,004	-	-	-	(38,004)
Debt Service-Interest	4,417	-	-	-	(4,417)
Depreciation-Unallocated	66,045	-	-	-	(66,045)
Total Athenian Academy of Pasco County, Inc., Activities	<u>\$ 2,729,367</u>	<u>\$ -</u>	<u>\$ 15,670</u>	<u>\$ 163,619</u>	<u>(2,550,078)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	2,604,880
Total General Revenues	<u>2,604,880</u>

Change in Net Position 54,802

Net Position, Beginning 431,593Net Position, Ending \$ 486,395

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Countryside Montessori Charter School, Inc., Activities:</u>	<u>Expenses</u>				
Instruction	\$ 1,148,347	\$ -	\$ -	\$ -	\$ (1,148,347)
Instructional Staff Training	6,063	-	-	-	(6,063)
School Administration	191,656	-	-	-	(191,656)
Facilities Acquisition and Construction	168,000	-	-	105,537	(62,463)
Fiscal Services	30,746	-	-	-	(30,746)
Food Services	11,584	-	-	-	(11,584)
Operation of Plant	74,824	-	-	-	(74,824)
Maintenance of Plant	6,931	-	-	-	(6,931)
Community Service	104,675	-	-	-	(104,675)
Debt Service-Interest	12,176	-	-	-	(12,176)
Depreciation-Unallocated	27,218	-	-	-	(27,218)
Total Countryside Montessori Charter School, Inc., Activities	<u>\$ 1,782,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,537</u>	<u>(1,676,683)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	1,878,630
Total General Revenues	<u>1,878,630</u>

Change in Net Position	201,947
Net Position, Beginning	<u>185,727</u>
Net Position, Ending	<u>\$ 387,674</u>

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Dayspring Academy for Education and the Arts, Activities:</u>	<u>Expenses</u>				
Instruction	\$ 2,110,299	\$ -	\$ 12,813	\$ -	\$ (2,097,486)
Pupil Personnel Service	5,040	-	-	-	(5,040)
Instructional Staff Training	900	-	-	-	(900)
School Administration	932,870	-	-	-	(932,870)
Facilities Acquisition & Construction	139,477	-	-	139,477	-
Fiscal Services	80,831	-	-	-	(80,831)
Pupil Transportation Services	75,891	-	-	-	(75,891)
Operation of Plant	417,435	-	-	155,972	(261,463)
Maintenance of Plant	62,908	-	-	-	(62,908)
Community Service	336,834	-	-	-	(336,834)
Debt Service-Interest	87,003	-	-	-	(87,003)
Depreciation-Unallocated	98,024	-	-	-	(98,024)
Total Dayspring Academy for Education and the Arts, Activities	<u>\$ 4,347,512</u>	<u>\$ -</u>	<u>\$ 12,813</u>	<u>\$ 295,449</u>	<u>(4,039,250)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	4,067,745
Total General Revenues	<u>4,067,745</u>

Change in Net Position	28,495
Net Position, Beginning	869,152
* Adjustment to Beginning Net Position	<u>(18,950)</u>
Net Position, Ending	<u>\$ 878,697</u>

*Adjustment to Dayspring Academy Beginning Fund Balance is to reclassify the Deferred Charges for Debt Issuance Costs as expense at the beginning of the 2013-14 year.

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Florida Autism Center of Excellence Inc., Activities:</u>					
Instruction	\$ 194,963	\$ -	\$ -	\$ -	\$ (194,963)
Pupil Personnel Service	66,554	-	-	-	(66,554)
General Administration	50,752	-	-	-	(50,752)
School Administration	107,260	-	-	-	(107,260)
Facilities Acquisition and construction	58,998	-	-	-	(58,998)
Operation of Plant	33,219	-	-	-	(33,219)
Maintenance of Plant	2,555	-	-	-	(2,555)
Total Florida Autism Center of Excellence Inc., Activities	<u>\$ 514,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(514,301)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	373,929
Total General Revenues	<u>373,929</u>
Change in Net Position	(140,372)
Net Position, Beginning	-
Net Position, Ending	<u>\$ (140,372)</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Florida Virtual Academy at Pasco, Activities:</u>					
Instruction	\$ 69,778	\$ -	\$ -	\$ -	\$ (69,778)
Pupil Personnel Service	10,281	-	-	-	(10,281)
Instructional and Curriculum Development	189,985	-	-	-	(189,985)
Instructional Staff Training Services	12,492	-	-	-	(12,492)
Board of Education	156	-	-	-	(156)
General Administration	15,660	-	-	-	(15,660)
School Administration	1,110	-	-	-	(1,110)
Fiscal Services	82	-	-	-	(82)
Operation of Plant	14,902	-	-	-	(14,902)
Total Florida Virtual Academy at Pasco, Activities	<u>\$ 314,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(314,446)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	314,446
Total General Revenues	<u>314,446</u>
Change in Net Position	-
Net Position, Beginning	-
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, LLC, Activities:</u>					
Instruction	\$ 2,123,189	\$ -	\$ -	\$ -	\$ (2,123,189)
Pupil Personnel Services	729	-	-	-	(729)
Instructional Media	10,207	-	-	-	(10,207)
Instructional and Curriculum Development	46,384	-	-	-	(46,384)
Instructional Staff Training Services	4,284	-	-	-	(4,284)
Instruction Related Technology	11,439	-	-	-	(11,439)
General Administration	555,094	-	-	-	(555,094)
School Administration	362,487	-	-	-	(362,487)
Fiscal Services	137,896	-	-	-	(137,896)
Food Services	13,734	-	-	-	(13,734)
Central Services	597	-	-	-	(597)
Pupil Transportation Services	125,284	-	-	-	(125,284)
Operation of Plant	957,681	-	-	429,203	(528,478)
Maintenance of Plant	76,790	-	-	-	(76,790)
Community Service	3,499	-	-	-	(3,499)
Debt Service - Interest	3,738	-	-	-	(3,738)
Depreciation-Unallocated	68,014	-	-	-	(68,014)
Total Imagine School at Land O'Lakes Charter School, Activities	<u>\$ 4,501,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,203</u>	<u>(4,071,843)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	4,452,877
Total General Revenues	<u>4,452,877</u>

Change in Net Position 381,034

Net Position, Beginning 192,925Net Position, Ending \$ 573,959

	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	\$ 888,492	\$ -	\$ -	\$ -	(888,492)

General Revenues:

Grants and Contributions not restricted to

Specific Programs	1,188,285
Total General Revenues	<u>1,188,285</u>

Change in Net Position 299,793

Net Position, Beginning 3,695,006

* Adjustment to Beginning Net Position 10,425Net Position, Ending \$ 4,005,224

*Adjustment to Pasco Education Foundation Beginning Fund Balance is to reclassify the correction of revenue recognition at the beginning of the 2013-14 year.

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Total Component Units Activities:					
Instruction	\$ 9,119,182	\$ 232,690	\$ 24,345	\$ -	\$ (8,862,147)
Pupil Personnel Services	159,321	-	-	-	(159,321)
Instructional Media	10,498	-	-	-	(10,498)
Instructional and Curriculum Development	236,369	-	-	-	(236,369)
Instructional Staff Training Services	26,834	-	-	-	(26,834)
Instruction Related Technology	179,992	-	-	-	(179,992)
Board of Education	25,131	-	-	-	(25,131)
General Administration	880,993	-	-	-	(880,993)
School Administration	2,319,680	-	-	-	(2,319,680)
Facilities Acquisition and Construction	420,820	-	-	299,359	(121,461)
Fiscal Services	335,959	-	-	-	(335,959)
Food Services	39,744	-	-	-	(39,744)
Central Services	597	-	-	-	(597)
Pupil Transportation Services	263,203	-	-	-	(263,203)
Operation of Plant	2,045,260	-	4,138	787,335	(1,253,787)
Maintenance of Plant	217,798	-	-	34,860	(182,938)
Admin. Technology Services	38,354	-	-	-	(38,354)
Community Service	1,512,982	-	-	-	(1,512,982)
Debt Service - Interest	136,538	-	-	29,204	(107,334)
Depreciation-Unallocated	361,236	-	-	-	(361,236)
Total Component Units Activities	<u>\$ 18,330,491</u>	<u>\$ 232,690</u>	<u>\$ 28,483</u>	<u>\$ 1,150,758</u>	<u>(16,918,560)</u>
General Revenues:					
Grants and Contributions not restricted to					
Specific Programs					17,812,512
Total General Revenues					<u>17,812,512</u>
Change in Net Position					893,952
Net Position, Beginning					6,353,265
* Adjustment to Beginning Net Position					<u>(8,525)</u>
Net Position, Ending					<u>\$ 7,238,692</u>

*Adjustment to Component Units Beginning Fund Balance is to re-classify the Deferred Charges for Dayspring Academy (decrease of \$18,950) for Debt Issuance Costs as expense and to re-classify the correction of revenue recognition for Pasco Education Foundation (increase of \$10,425) at the beginning of the 2013-14 year for a total decrease of \$8,525.

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Governmental Activities:				
Net Investment in Capital Assets	\$ 284,226,371	\$ 378,990,397	\$ 464,698,097	\$ 477,656,475
Restricted	132,104,422	111,094,082	150,139,097	239,259,651
Unrestricted	26,058,611	31,819,974	36,251,972	30,656,802
Total Governmental Activities Net Position	442,389,404	521,904,453	651,089,166	747,572,928
Business-Type Activities:				
Net Investment in Capital Assets	87,929	301,788	282,704	228,564
Unrestricted	3,175,388	3,257,051	2,677,980	2,484,446
Total Business-Type Activities Net Position	3,263,317	3,558,839	2,960,684	2,713,010
Primary Government:				
Net Investment in Capital Assets	284,314,300	379,292,185	464,980,801	477,885,039
Restricted	132,104,422	111,094,082	150,139,097	239,259,651
Unrestricted	29,233,999	35,077,025	38,929,952	33,141,248
Total Primary Government Net Position	\$ 445,652,721	\$ 525,463,292	\$ 654,049,850	\$ 750,285,938

Source: District records
CAFR - Exhibit A

Table 1

For the Fiscal Year Ending					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 532,146,394	\$ 609,215,910	\$ 610,511,400	\$ 587,895,355	\$ 590,932,554	\$ 495,375,561
199,546,968	150,219,796	156,915,364	177,850,787	172,069,772	267,904,232
35,460,415	29,950,233	42,414,994	29,533,195	28,365,685	15,313,862
767,153,777	789,385,939	809,841,758	795,279,337	791,368,011	778,593,655
184,707	146,867	155,131	137,748	166,337	176,128
2,766,947	3,678,225	4,609,491	5,387,604	3,013,904	2,209,578
2,951,654	3,825,092	4,764,622	5,525,352	3,180,241	2,385,706
532,331,101	609,362,777	610,666,531	588,033,103	591,098,891	495,551,689
199,546,968	150,219,796	156,915,364	177,850,787	172,069,772	267,904,232
38,227,362	33,628,458	47,024,485	34,920,799	31,379,589	17,523,440
\$ 770,105,431	\$ 793,211,031	\$ 814,606,380	\$ 800,804,689	\$ 794,548,252	\$ 780,979,361

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

For the Fiscal Year Ending

	June 30, 2005	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
Expenses										
Governmental Activities										
Instruction	\$ 249,481,508	\$ 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
Pupil Personnel Services	21,156,345	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
Instructional Media Services	8,899,097	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
Instruction and Curriculum Development Services	8,024,881	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
Instructional Staff Training	11,448,750	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
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
Board of Education	1,399,327	1,643,566	2,198,040	2,438,957	2,717,695	3,230,392	3,121,338	668,918	610,730	620,416
General Administration	1,174,386	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
School Administration	24,847,257	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
Facilities Services	7,226,608	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
Fiscal Services	2,104,263	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
Food Services	23,244,513	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
Central Services	7,654,273	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
Pupil Transportation Services	20,260,829	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
Operation of Plant	30,108,432	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
Maintenance of Plant	10,598,270	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
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
Community Services	874,940	690,445	826,818	833,011	816,613	711,668	582,837	618,337	688,852	510,674
Interest on Long-term Liabilities	9,274,923	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
Depreciation-Unallocated	-	-	-	-	-	-	-	-	-	-
Total Government Activities Expenses	437,778,602	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
Business-Type Activities:										
PLACE Program	5,596,822	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
Total Business-Type Activities Expenses	5,596,822	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
Total Primary Government Expenses	\$ 443,375,424	\$ 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
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	\$ 498,499	\$ 184,065	\$ 151,873	\$ 3,424,682	\$ 1,645,400	\$ 3,486,329	\$ 254,868	\$ 1,511,101	\$ 522,095	\$ 586,263
Food Services	10,080,135	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
Pupil Transportation	844,600	654,925	877,040	1,054,361	859,519	820,661	1,031,745	1,148,279	992,215	1,060,679
Operating grants and contributions	26,955,586	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
Capital grants and contributions	25,399,494	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
Total Government Activities Program Revenue	63,778,314	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

For the Fiscal Year Ending

	June 30, 2005	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
Business-Type Activities:										
Charge for Services	6,131,730	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
Total Business-Type Activities Revenues	6,131,730	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
Total Primary Government Program Revenues	<u>\$ 69,910,044</u>	<u>\$ 85,503,226</u>	<u>\$ 137,853,116</u>	<u>\$ 127,461,525</u>	<u>\$ 84,986,160</u>	<u>\$ 71,678,011</u>	<u>\$ 65,457,998</u>	<u>\$ 52,468,259</u>	<u>\$ 68,280,949</u>	<u>\$ 73,334,950</u>
Net (Expense) Revenues										
Government Activities	\$ (374,000,288)	\$ (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)
Business-Type Activities	534,908	125,814	(795,701)	(197,497)	200,189	871,175	935,789	741,600	621,212	204,955
Total Primary Government Net (Expenses)Revenues	<u>\$ (373,465,380)</u>	<u>\$ (416,053,447)</u>	<u>\$ (434,911,271)</u>	<u>\$ (503,760,927)</u>	<u>\$ (545,211,079)</u>	<u>\$ (565,259,383)</u>	<u>\$ (581,792,400)</u>	<u>\$ (541,964,416)</u>	<u>\$ (533,362,644)</u>	<u>\$ (564,632,269)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes:										
Levied for general purposes	\$ 96,731,933	\$ 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
Levied for debt services	5,827,079	5,506,507	5,799,859	5,361,489	-	484	-	-	-	-
Levied for capital purposes	23,941,847	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
Sales taxes	7,009,724	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
Grants and contributions not restricted to Specific Programs	268,260,814	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
Transfers	-	-	-	154,071	-	-	-	-	3,000,000	1,000,000
Miscellaneous	13,968,454	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
Unrestricted investment earnings	5,084,613	12,144,845	11,720,442	10,595,698	379,403	5,176,446	2,385,946	547,374	1,326,648	580,012
Total Governmental Activities	<u>420,824,464</u>	<u>495,694,310</u>	<u>563,300,283</u>	<u>600,047,192</u>	<u>564,992,117</u>	<u>588,362,720</u>	<u>603,184,008</u>	<u>528,143,595</u>	<u>530,072,530</u>	<u>565,131,652</u>
Business-Type Activities										
Interest	76,146	169,708	197,546	103,894	37,709	2,263	3,741	13,223	33,677	121
Gain on sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	746	-	-	5,907	-	389
Transfers	-	-	-	(154,071)	-	-	-	-	(3,000,000)	(1,000,000)
Total Business-Type Activities	<u>76,146</u>	<u>169,708</u>	<u>197,546</u>	<u>(50,177)</u>	<u>38,455</u>	<u>2,263</u>	<u>3,741</u>	<u>19,130</u>	<u>(2,966,323)</u>	<u>(999,490)</u>
Total Primary Government	<u>\$ 420,900,610</u>	<u>\$ 495,864,018</u>	<u>\$ 563,497,829</u>	<u>\$ 599,997,015</u>	<u>\$ 565,030,572</u>	<u>\$ 588,364,983</u>	<u>\$ 603,187,749</u>	<u>\$ 528,162,725</u>	<u>\$ 527,106,207</u>	<u>\$ 564,132,162</u>
Changes in Net Position										
Governmental activities	\$ 46,824,176	\$ 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
Business-type activities	611,054	295,522	(598,155)	(247,674)	238,644	873,438	939,530	760,730	(2,345,111)	(794,535)
Total Primary Government	<u>\$ 47,435,230</u>	<u>\$ 79,810,571</u>	<u>\$ 128,586,558</u>	<u>\$ 96,236,088</u>	<u>\$ 19,819,493</u>	<u>\$ 23,105,600</u>	<u>\$ 21,395,349</u>	<u>\$ (13,801,691)</u>	<u>\$ (6,256,437)</u>	<u>\$ (500,107)</u>

Source: District records

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

Table 3

	For the Fiscal Year Ending		
	June 30, 2005	June 30, 2006	June 30, 2007
General Fund:			
Fund Balance:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	29,826,188	30,718,655	25,400,645
Unreserved	22,854,329	22,662,970	33,724,599
Total General Fund	\$ 52,680,517	\$ 53,381,625	\$ 59,125,244
All Other Governmental Funds			
Fund Balance:			
Nonspendable			
Special Revenue-Food Service	\$ -	\$ -	\$ -
Restricted			
Special Revenue	-	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Assigned			
Capital Projects	-	-	-
Reserved	52,272,443	84,322,255	67,080,440
Unreserved, reported in:			
Capital Projects funds	117,450,717	66,991,443	122,514,782
Debt Service funds	-	-	-
Special Revenue funds	414,307	1,112,459	1,390,340
Total all other government funds	\$ 170,137,467	\$ 152,426,157	\$ 190,985,562

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

Table 3

For the Fiscal Year Ending						
June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ -	\$ -	\$ -	\$ 3,893,982	\$ 4,568,706	\$ 3,612,982	\$ 3,444,488
-	-	-	7,563,258	5,326,016	3,124,608	6,903,768
-	-	-	26,466,857	15,673,843	17,407,505	11,451,799
-	-	-	22,964,288	22,714,296	23,499,528	32,983,587
24,833,534	14,467,726	12,185,376	-	-	-	-
36,087,039	32,803,154	37,788,339	-	-	-	-
<u>\$ 60,920,573</u>	<u>\$ 47,270,880</u>	<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>
\$ -	\$ -	\$ -	\$ 1,695,810	\$ 1,380,195	\$ 1,223,200	\$ 1,153,542
-	-	-	4,383,403	7,183,864	7,100,164	8,774,328
-	-	-	18,525,444	21,389,660	17,001,808	14,026,067
-	-	-	135,332,919	110,020,160	147,001,633	241,878,569
-	-	-	27,091,944	31,775,584	-	-
111,256,904	87,804,190	32,442,711	-	-	-	-
191,033,956	159,097,171	144,692,524	-	-	-	-
-	-	13,921,942	-	-	-	-
1,127,901	1,700,634	3,665,452	-	-	-	-
<u>\$ 303,418,761</u>	<u>\$ 248,601,995</u>	<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>

Table 4

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

	For the Fiscal Year Ending		
	June 30, 2005	June 30, 2006	June 30, 2007
Revenues:			
Federal Sources:			
Federal Grants	\$ 32,356,248	\$ 39,534,258	\$ 35,062,439
Food Services	12,809,355	13,241,412	14,638,784
Total Federal Sources	45,165,603	52,775,670	49,701,223
State Sources:			
Florida Education Finance Program	193,043,959	200,638,043	210,168,920
Public Education Capital Outlay	8,532,339	6,276,697	16,678,822
Food Services	355,324	450,066	461,379
State Grants and Other	63,561,130	74,807,937	141,270,054
Total State Sources	265,492,752	282,172,743	368,579,175
Local Sources:			
Property Taxes	126,476,401	150,581,718	187,410,636
Voter Approved Sales Tax	7,009,724	17,137,576	26,642,211
Food Service sales	10,080,135	11,218,023	12,631,122
Interest Income and other	4,732,004	12,119,203	11,720,442
Local grants and other	25,701,558	44,272,755	31,862,340
Total local sources	173,999,822	235,329,275	270,266,751
Total Revenues	484,658,177	570,277,688	688,547,149
Expenditures:			
Current-Education:			
Instruction	233,509,362	267,722,522	298,891,425
Pupil Personnel Services	21,062,301	23,602,641	26,420,325
Instructional Media Services	8,668,730	9,174,479	9,299,160
Instruction and Curriculum Development Services	8,218,853	9,055,144	9,242,792
Instructional Staff Training	11,271,261	8,514,846	9,487,305
Instruction Related Technology	-	3,601,604	5,740,027
Board of Education	1,419,980	1,694,729	2,196,541
General Administration	1,192,890	1,695,006	2,616,659
School Administration	24,595,874	27,011,757	31,362,443
Facilities Services	5,143,051	5,813,105	8,342,020
Fiscal Services	2,018,434	2,230,050	2,300,185
Food Services	23,103,185	25,057,154	27,918,172
Central Services	7,444,562	7,097,572	7,191,057
Pupil Transportation Services	19,003,325	21,827,807	25,471,695
Operation of Plant	31,827,115	35,057,234	39,315,801
Maintenance of Plant	10,192,985	11,191,370	12,349,335
Administrative Technology Services	-	1,704,019	2,815,871
Community Services	836,651	714,491	764,654
Capital Outlay:			
Facilities Acquisition and Construction	49,969,607	152,246,322	202,581,398
Other Capital Outlay	2,593,958	3,421,282	3,084,807
Debt Service:			
Principal	8,010,000	10,060,000	11,115,000
Interest	6,132,698	8,850,650	10,418,172
Fiscal Charges	3,022,013	3,206,317	2,536,961
Total Expenditures	479,236,835	640,550,101	751,461,805
Excess (Deficiency) of Revenues Over Expenditures	5,421,342	(70,272,413)	(62,914,656)
Other Financing Sources (Uses):			
Bonds Issued	2,880,000	-	88,590,000
Certificates of Participation Issued	4,018,097	67,833,454	-
Proceeds of Certificates of Participation Issued	-	-	-
Premiums on Bonds Issued	55,692	-	4,051,356
Proceeds from the Sale of Capital Assets	119,895	236,031	169,048
Payments to Refunded Bond Escrow Agent	-	-	-
Transfers In	9,604,411	41,977,480	16,507,160
Transfers Out	(9,804,411)	(42,177,480)	(16,707,160)
Total Other Financing Sources (Uses)	6,873,684	67,869,485	92,610,404
Net Change in Fund Balances	\$ 12,295,026	\$ (2,402,928)	\$ 29,695,748
Debt service as a percentage of noncapital expenditures	3.31%	3.90%	3.95%

Table 4

For the Fiscal Year Ending						
June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 41,047,707	\$ 39,525,911	\$ 79,516,781	\$ 96,950,923	\$ 42,340,203	\$ 42,541,633	\$ 46,178,627
15,555,805	17,236,057	19,688,152	20,815,526	20,980,131	22,141,725	23,319,438
56,603,512	56,761,968	99,204,933	117,766,449	63,320,334	64,683,358	69,498,065
212,672,606	195,130,222	213,428,570	222,031,695	204,656,075	229,215,516	256,270,767
20,051,633	19,148,129	1,622,195	3,524,056	703,197	666,291	1,002,216
488,356	382,031	493,454	426,031	437,597	419,874	424,778
145,324,059	105,937,551	84,614,338	85,811,367	82,611,163	84,676,064	85,291,068
378,536,654	320,597,933	300,158,557	311,793,149	288,408,032	314,977,745	342,988,829
216,116,400	211,284,811	180,142,788	170,492,726	165,642,379	151,215,396	152,683,870
27,157,517	26,452,520	25,671,147	25,406,921	25,321,574	27,490,903	28,784,359
12,995,845	12,998,964	12,249,850	11,778,792	11,650,985	11,441,922	11,028,315
10,595,698	379,403	5,176,446	2,388,287	590,385	1,267,749	9,291,129
14,407,476	11,409,494	20,931,370	19,274,584	16,094,030	15,445,937	12,993,048
281,272,936	262,525,192	244,171,601	229,341,310	219,299,353	206,861,907	214,780,721
716,413,102	639,885,093	643,535,091	658,900,908	571,027,719	586,523,010	627,267,615
322,304,412	324,672,253	313,051,706	325,557,314	296,241,293	299,761,436	\$314,892,649
29,726,490	29,528,612	28,028,160	27,470,406	24,952,342	25,031,281	25,231,533
9,859,723	9,889,155	9,787,927	9,468,350	7,142,745	6,763,983	2,314,127
10,507,790	10,715,100	15,211,665	15,299,116	13,293,905	11,701,933	14,274,568
9,612,129	8,283,841	14,045,255	13,976,906	10,844,460	10,981,833	9,767,487
6,232,514	6,535,854	6,270,107	6,126,500	4,799,806	4,864,701	8,298,947
2,324,216	2,630,591	3,085,096	2,980,400	487,161	468,772	469,656
2,767,340	2,325,305	3,355,050	3,317,673	1,226,250	1,512,137	2,535,795
34,253,024	34,093,343	36,185,408	36,404,238	33,210,176	33,759,267	35,391,965
7,826,662	6,192,119	6,532,646	6,424,831	4,028,151	4,833,626	4,550,999
2,211,103	2,422,560	2,316,906	2,404,739	2,114,358	2,228,720	2,563,383
29,541,716	29,274,591	31,001,571	30,565,745	30,189,633	31,598,711	32,469,486
7,317,591	6,900,844	6,326,380	6,675,392	5,903,365	5,643,763	6,490,365
29,248,215	26,931,416	26,787,809	27,697,245	27,217,617	27,052,856	28,396,338
45,123,394	43,075,688	45,838,612	46,183,311	46,025,891	41,856,266	44,337,010
12,800,678	12,846,399	13,167,442	12,518,437	10,877,222	10,586,881	11,342,028
3,029,555	3,118,180	3,178,804	3,196,306	3,030,764	3,118,929	3,601,933
816,942	805,803	698,604	648,347	622,397	667,873	533,017
143,463,842	106,068,134	97,667,371	37,632,689	35,571,766	28,043,055	42,671,034
3,614,880	2,176,402	2,212,318	1,930,515	907,144	1,334,131	1,692,110
17,470,000	20,115,000	20,987,001	21,812,001	22,527,001	23,557,001	24,607,001
20,787,539	19,679,686	18,099,076	17,440,390	17,133,664	16,110,854	25,426,070
15,951,113	1,174,013	1,751,549	1,361,160	721,224	660,328	2,251,649
766,790,868	709,454,889	705,586,463	657,092,011	599,068,335	592,138,337	644,109,150
(50,377,766)	(69,569,796)	(62,051,372)	1,808,897	(28,040,616)	(5,615,327)	(16,841,535)
5,295,000	-	1,300,000	1,450,000	1,710,000	-	96,715,000
143,605,000	1,170,010	11,000,000	-	-	-	1,809,881
162,630,000	-	-	-	-	-	151,696,458
859,010	-	130,248	117,416	226,415	-	16,459,978
193,213	133,327	63,037	45,248	154,466	8,346	6,651
(147,930,000)	-	(1,418,444)	-	(1,931,399)	-	(150,186,713)
114,192,061	42,595,724	36,990,185	45,089,857	58,144,210	42,070,126	51,152,626
(114,237,990)	(42,795,724)	(37,190,185)	(45,289,857)	(58,148,657)	(36,524,041)	(50,167,626)
164,606,294	1,103,337	10,874,841	1,412,664	155,035	5,554,431	117,486,255
\$ 114,228,528	\$ (68,466,459)	\$ (51,176,531)	\$ 3,221,561	\$ (27,885,581)	\$ (60,896)	\$ 100,644,720
6.17%	6.62%	6.45%	6.36%	7.05%	7.05%	8.34%

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		
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
2005	22,176,530	2,514,555	7,692,987	754,442	14,483,543	1,760,113	20,075	16,263,731	65.82%	8.90

(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 sec. 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 (2)	Total
	General Purposes	Debt Service (1)	Capital Projects		
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
2005	96,731,933	5,827,079	23,941,847	7,009,724	133,510,583

(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.

(2) Fiscal year ending June 30, 2005, was the first year that sales tax was collected.

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
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%
2005	129,207,056	124,863,501	96.6%	1,612,900	126,476,401	97.9%

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

Source: District records

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

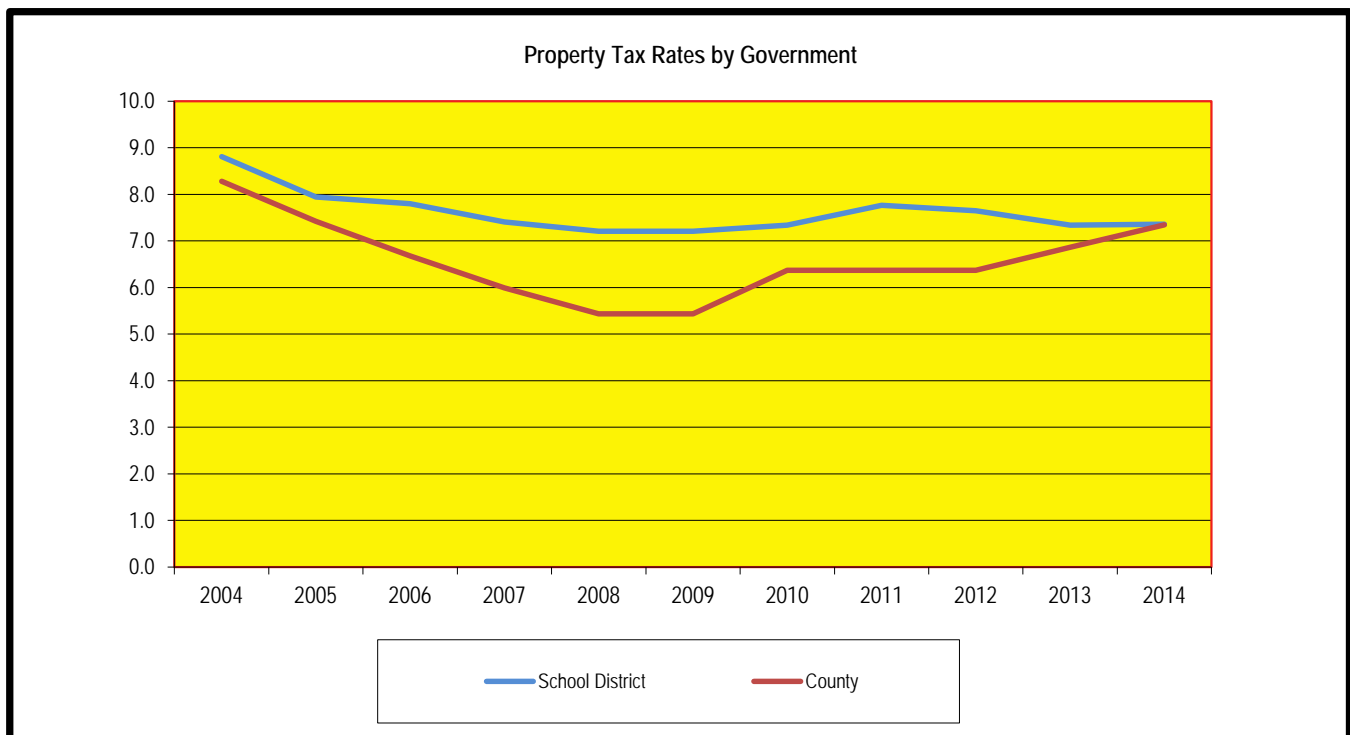
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2014	5.109	0.748	0.000	1.500	0.000	7.357	7.344
2013	5.093	0.748	0.000	1.500	0.000	7.341	6.862
2012	5.396	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
2005	5.378	0.510	0.192	1.500	0.364	7.944	7.423

(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>2014</u>		<u>Rank</u>	<u>2005</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	\$ 387,467,830	27.91%	1	\$ 283,895,164	0.92%
Withlacoochee River Electric Cooperative	2	222,195,313	16.01%	4	144,869,304	0.47%
HCA Health Services of Florida	3	180,288,621	12.99%	8	59,964,114	0.19%
Verizon Communications Inc. (1)	4	138,488,354	9.98%	2	240,798,873	0.78%
Shady Hills Power Company LLC	5	93,073,748	6.71%	3	148,621,820	0.48%
Goodforest LLC	6	83,994,198	6.05%			
Wal-Mart Stores	7	75,066,011	5.41%	6	67,711,624	0.22%
Bright House Networks	8	77,562,709	5.59%	5	88,179,858	0.28%
FL Gas Transmission Company	9	77,225,742	5.56%			
Zephyrhills Bottled Water	10	52,708,289	3.80%	7	59,592,489	0.19%
Gulf View Associates				9	44,400,515	0.14%
Walgreen Co.				10	38,692,039	0.12%
Total		<u>\$ 1,388,070,815</u>	<u>100.00%</u>		<u>\$ 1,176,725,800</u>	<u>3.79%</u>

(1) Formerly General Telephone Company of Florida

Source: District School Board of Pasco County - 2005 CAFR
Pasco County Property Appraiser - 2013 Data

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

Governmental Activities												Personal	Ratio of
Fiscal	State Board	District	General	Sales	Certificates	Note	Capital	Total	Estimated	Per		Income	Outstanding Debt
Year	of Education	Revenue	Obligation	Tax Revenue	of	Payable	Leases	Primary	Population	Capita		(thousands of	To Personal
	Bonds	Bonds	Bonds	Bonds	Participation			Government				dollars)	Income (1)
2014	\$ 13,039,000	\$ 2,775,000	\$ -	\$ 110,240,000	\$ 335,823,075	\$ -	\$ -	\$ 461,877,075	475,502	\$ 971		N/A	N/A
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
2005	19,755,035	3,470,188	15,250,000	-	161,661,000	-	-	200,136,223	406,898	492		11,442,000	17

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
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
2005	406,898	16,263,731	15,250,000	8,900,003	6,349,997	0.04%	16

(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, 2014
(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	\$ 68,964,000	0%	\$ -
District School Board of Pasco County Direct Debt	478,942,886	100%	478,942,886
Totals	<u>\$ 547,906,886</u>		<u>\$ 478,942,886</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, 2013

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

Table 13

	For the Fiscal Year Ending		
	June 30, 2005	June 30, 2006	June 30, 2007
Assessed Valuation	\$ 16,263,731,000	\$ 19,949,524,000	\$ 25,892,656,671
Debt Limit	\$ 1,626,373,100	\$ 1,994,952,400	\$ 2,589,265,667
Less: Net Debt applicable to the limit	200,136,223	257,301,612	333,361,612
Legal debt margin	<u>\$ 1,426,236,877</u>	<u>\$ 1,737,650,788</u>	<u>\$ 2,255,904,055</u>
Total net debt applicable to the limit as a percentage of debt	12.31%	12.90%	12.87%

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, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 29,694,362,126	\$ 29,432,260,894	\$ 25,445,098,119	\$ 22,963,002,249	\$ 22,466,159,275	\$ 21,276,683,168	\$ 21,459,191,534
\$ 2,969,436,213	\$ 2,943,226,089	\$ 2,544,509,812	\$ 2,296,300,225	\$ 2,246,615,928	\$ 2,127,668,317	\$ 2,145,919,153
480,491,612	461,546,622	451,489,621	431,127,620	409,865,619	388,428,248	461,877,075
<u>\$ 2,488,944,601</u>	<u>\$ 2,481,679,467</u>	<u>\$ 2,093,020,191</u>	<u>\$ 1,865,172,605</u>	<u>\$ 1,836,750,309</u>	<u>\$ 1,739,240,069</u>	<u>\$ 1,684,042,078</u>
16.18%	15.68%	17.74%	18.77%	18.24%	18.26%	21.52%

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

Fiscal Year	Estimated Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (4)	Unemployment Rate (2)	Student Membership (3)
2014	475,502	N/A	N/A	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 (4)	12,750,465 (4)	27,628	12.5%	66,190
2008	438,668 (4)	12,750,465 (4)	29,066	8.1%	66,313
2007	434,425 (4)	13,304,700 (4)	30,626	3.4%	64,688
2006	424,355 (4)	12,569,000 (4)	29,619	4.4%	62,085
2005	406,898 (4)	11,442,000 (4)	28,120	4.8%	59,722

N/A = Data not currently available

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

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

Table 15

<u>Employer</u>	2014			2005		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
District School Board of Pasco County	1	9,362	9.01%	1	7,200	7.48%
HCA Healthcare	2	2,646	2.55%			
Pasco County Government	3	2,000	1.92%	2	1,907	1.98%
Pasco County Sheriff	4	1,319	1.27%	4	1,081	1.12%
State of Florida Government	5	1,228	1.18%	3	1,266	1.32%
Florida Medical Clinic	6	1,193	1.15%			
Florida Hospital Zephyrhills	7	950	0.91%			
Morton Plan North Bay Hosp./Recovery Cntr	8	873	0.84%			
Wal-Mart Supercenters	9	766	0.74%	9	600	0.62%
Federal Government	10	729	0.70%			
Community Hospital of New Port Richey				5	1,000	1.04%
Regional Medical Center Bayonet Point				6	1,000	1.04%
Saddlebrook Resort				7	720	0.75%
East Pasco Medical Center				8	708	0.74%
Pall Aeropower Corp				10	560	0.58%
Total		<u>21,066</u>	<u>20.27%</u>		<u>16,042</u>	<u>12.52%</u>

Source: Pasco Economic Development Council

District School Board of Pasco County employment obtained
from State of Florida Data for Budget Advertisement

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
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
2005	5,049	266	2,566	7,881	11.24

Source: DSBPC Fact Sheet
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>
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
2005		31,550		56,750		39,600		40,598

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>
2014	67,230	\$ 469,876,448	\$ 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%
2005	59,722	355,917,943	5,960	3.79%	5,049	11.83	46.08%

(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		
					2004-2005	2005-2006	2006-2007
Elementary Schools							
Anclote	1973	64,909	4	481	612.26	582.82	574.48
Calusa	1979	75,551	4	657	737.85	743.61	686.86
Centennial	1986	87,837	4	687	697.83	695.92	713.95
Chasco	2000	104,734	7	624	982.98	1,041.04	655.34
Chester W. Taylor	1996	96,454	12	536	789.74	814.96	842.44
Connerton	2010	118,741	-	762	-	-	-
Cotee River	1993	122,295	1	751	761.40	779.67	787.20
Cypress	1973	70,663	12	708	728.41	782.17	879.17
Deer Park	1988	78,637	7	615	1,014.77	688.00	650.38
Denham Oaks	1994	130,212	4	870	901.90	915.07	881.93
Double Branch	2008	105,122	6	762	-	-	-
Fox Hollow	1990	113,120	4	774	994.31	1,006.68	704.13
Gulf Highlands	2006	124,261	-	762	-	-	609.92
Gulf Trace	2008	96,625	-	762	-	-	-
Gulfside	1977	75,658	3	649	640.07	627.65	642.37
Hudson	1966	77,623	15	561	805.78	830.99	836.59
James M. Marlowe	1999	102,826	1	616	697.10	653.67	638.86
Lacoochee	1971	82,667	3	579	401.57	428.06	406.20
Lake Myrtle	1984	98,634	9	754	854.22	830.00	828.13
Longleaf	2005	104,502	15	674	-	712.44	809.65
Dr. Mary Giella	1989	89,354	3	634	642.07	674.13	614.11
Mitty P. Locke	1966	85,466	6	746	863.67	880.13	882.26
Moon Lake	1982	74,370	11	602	595.17	565.92	624.79
New River	2008	109,787	-	762	-	-	-
Northwest	1973	82,160	6	720	743.88	713.73	698.45
Oakstead	2006	126,143	24	762	-	-	730.76
Odessa	2010	97,687	-	762	-	-	-
Pasco	1954	92,802	4	715	674.70	724.82	684.04
Pine View	2003	99,191	9	624	718.68	693.13	725.37
Quail Hollow	1975	66,565	2	494	782.13	823.35	834.19
Richey	1958	77,103	10	558	643.73	642.65	654.02
Rodney B. Cox	1925	67,685	8	510	436.80	445.86	468.17
San Antonio	1981	89,860	2	776	638.63	689.07	694.46
Sand Pine	1998	82,033	16	517	980.23	987.61	1,043.65
Sanders Memorial	1944	33,670	1	280	834.43	1,052.44	733.34
Schrader	1972	90,253	1	749	709.43	756.70	562.53
Seven Oaks	2005	101,322	22	674	-	913.38	1,057.30
Seven Springs	1987	92,004	-	636	691.02	735.03	704.47
Shady Hills	1973	74,506	2	437	594.60	611.95	589.66
Sunray	2000	98,044	-	629	790.60	863.56	865.61
Trinity	2001	101,287	9	621	1,219.49	1,103.08	653.81
Trinity Oaks	2006	116,975	-	762	-	-	559.64
Veterans	2008	95,730	-	762	-	-	-
Watergrass	2009	97,974	-	762	-	-	-
Wesley Chapel	2002	99,856	18	618	1,339.56	1,030.74	1,377.56
West Zephyrhills	1958	83,003	9	758	914.31	934.72	895.33
Woodland	1977	78,211	25	670	918.36	938.28	938.12
Total Elementary Schools					27,351.68	28,913.03	29,739.24

Table 19

Full-Time Equivalent Enrollment Data						
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
585.62	568.08	574.60	539.34	512.51	531.84	597.97
682.42	632.04	581.83	597.29	591.85	552.24	614.90
689.60	697.81	653.01	670.28	644.00	581.24	641.11
704.37	652.34	662.78	653.15	663.37	694.27	790.01
827.22	599.12	611.35	532.22	577.48	541.19	567.85
-	-	-	809.50	847.35	870.13	1,044.52
721.32	657.12	619.73	603.90	540.11	586.82	732.95
904.72	889.03	831.56	810.75	797.54	766.01	826.41
632.70	648.37	677.73	671.86	642.78	604.63	581.30
868.77	872.12	846.44	803.96	744.33	699.39	792.01
723.47	763.21	798.68	808.39	810.32	837.35	965.60
684.15	615.47	609.34	560.06	524.90	537.03	610.18
634.96	589.40	592.77	552.29	532.72	541.09	620.71
231.98	563.17	588.38	590.27	592.26	626.18	677.12
624.43	548.29	554.88	541.33	542.97	527.87	591.28
759.20	675.36	699.77	711.44	717.82	674.55	698.64
542.67	530.62	508.46	498.20	501.41	443.23	453.08
396.10	399.06	410.84	420.72	384.53	375.27	382.82
825.13	782.83	832.77	782.25	730.81	669.57	750.06
893.19	943.09	990.02	651.78	674.12	647.99	721.05
656.98	631.46	649.01	647.39	621.79	614.45	711.56
856.74	585.38	589.00	555.85	526.58	523.80	603.91
674.65	611.51	665.65	726.45	656.84	671.33	726.69
256.91	449.63	510.51	582.75	571.90	594.40	762.82
670.47	707.31	656.62	642.88	624.11	625.89	776.65
1,000.33	1,096.17	1,064.34	974.99	1,017.56	1,076.36	1,260.66
-	-	-	637.67	691.79	710.82	812.15
661.28	650.22	631.16	638.28	621.12	666.33	716.92
716.19	721.16	737.84	733.38	704.31	735.28	764.97
794.95	390.03	380.95	399.04	370.77	345.23	-
623.48	600.02	620.77	581.41	580.95	591.52	666.87
447.42	460.75	413.01	378.46	360.75	369.23	411.66
689.54	724.58	646.69	660.75	682.60	636.18	709.08
749.86	707.03	701.02	672.20	661.58	633.56	663.64
854.25	745.26	725.74	-	-	-	-
569.85	625.07	587.90	552.92	543.04	536.14	587.85
1,153.35	887.82	928.79	932.35	933.80	950.81	1,088.11
620.09	579.26	571.16	549.23	530.81	529.89	547.25
563.38	536.06	505.15	459.60	424.80	415.72	-
577.86	533.01	523.23	541.80	539.64	524.65	538.71
649.54	663.27	699.92	531.68	497.99	524.47	623.14
650.32	685.86	729.63	721.54	707.72	690.95	755.83
-	726.44	765.82	815.70	805.46	802.90	884.72
-	-	472.38	487.05	504.21	563.65	804.81
1,095.98	1,071.34	589.01	579.82	591.37	621.56	868.26
818.70	813.51	750.10	767.94	764.74	789.28	864.26
945.82	917.58	924.14	866.69	853.97	850.97	958.35
30,229.96	29,746.26	29,684.48	29,446.80	28,963.38	28,903.26	31,768.44

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		
					2004-2005	2005-2006	2006-2007
Middle Schools							
Bayonet Point	1973	133,360	5	1,000	1,053.98	996.28	985.50
Centennial	2001	115,614	6	686	675.80	622.14	652.80
Charles S. Rushe	2007	192,785	11	1,494	-	-	-
Chasco	2001	134,642	4	944	957.01	898.17	888.52
Crews Lake	2008	192,206	-	1,493	-	-	-
Dr. John Long	2006	187,602	23	1,475	-	-	1,263.58
Gulf	1964	167,643	3	1,546	1,107.17	1,143.62	949.17
Hudson	1984	148,691	5	1,168	1,198.00	1,214.83	1,195.56
Pasco	1946	136,864	10	1,124	823.66	768.59	756.11
Paul R. Smith	2006	187,602	-	1,430	-	-	915.92
Pine View	1977	138,136	6	1,280	1,756.39	1,821.72	1,871.85
Raymond B. Stewart	1926	186,071	5	1,195	998.66	977.82	1,003.34
River Ridge (c)	1990	-	12	1,380	-	-	1,467.56
Seven Springs	1995	224,939	5	1,500	1,960.16	1,942.20	1,307.65
Thomas E. Weightman	1990	162,472	10	1,083	1,823.40	1,914.89	1,074.60
Total Middle Schools					12,354.23	12,300.26	14,332.16
Education Centers							
Energy & Marine	1964	13,287	-	75	80.81	80.82	74.72
F. K. Marchman Tech	1984	177,967	5	749	472.43	475.19	450.10
Harry Schwettman	1923	28,351	4	155	96.25	120.52	109.54
James Irvin	1995	22,214	20	500	114.23	138.52	107.25
Moore Mickens	1952	73,442	4	513	213.44	180.58	198.50
Other Programs	n/a	n/a	-	n/a	708.96	824.16	829.14
Total Education Centers					1,686.12	1,819.79	1,769.25
High Schools							
Anclote	2009	222,463	-	1,766	-	-	-
Fivay	2010	278,342	-	1,922	-	-	-
Gulf	1971	240,232	7	1,617	1,538.04	1,676.18	1,681.49
Hudson	1973	185,238	5	1,694	1,547.86	1,602.24	1,604.57
J. W. Mitchell	2000	220,930	26	1,951	2,278.11	2,363.38	2,423.92
Land O' Lakes	1973	207,212	16	1,596	2,043.68	2,289.43	2,499.67
Pasco	1964	241,858	18	1,554	1,255.87	1,327.94	1,280.16
Ridgewood	1977	195,139	12	1,542	1,826.36	1,850.34	1,846.46
River Ridge (c)	1990	446,228	7	1,970	3,497.02	3,420.93	1,935.79
Sunlake	2007	218,643	-	1,787	-	-	-
Wesley Chapel	1999	217,180	3	1,547	2,045.29	2,275.14	1,789.58
Wiregrass Ranch	2006	218,690	18	1,764	-	-	715.01
Zephyrhills	1973	217,998	15	1,444	1,434.37	1,505.77	1,597.89
Total High Schools					17,466.60	18,311.35	17,374.54

Table 19

Full-Time Equivalent Enrollment Data						
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
975.00	1,005.52	947.24	822.68	781.17	769.27	736.24
660.36	659.14	664.91	668.89	675.20	643.13	629.92
1,223.93	1,279.33	1,317.04	1,329.22	1,283.69	1,302.23	1,284.12
855.84	869.92	791.23	764.44	740.46	741.89	730.59
-	666.70	683.16	819.51	792.16	755.10	1,226.87
1,534.60	1,653.75	1,705.56	1,778.26	1,538.44	1,609.63	1,617.68
935.59	919.45	878.77	874.74	845.93	823.45	827.18
1,186.12	892.03	864.90	869.61	850.69	802.90	783.49
707.82	720.33	717.11	725.71	866.67	851.18	922.49
899.50	917.81	937.36	1,017.48	1,050.05	1,054.24	1,080.12
898.10	885.29	877.43	823.42	847.56	903.37	925.71
1,017.92	1,014.75	970.64	950.57	1,027.45	1,063.36	992.98
1,421.79	1,149.35	1,131.99	1,060.62	1,064.96	1,056.95	1,168.70
1,329.30	1,381.79	1,358.92	1,288.22	1,302.63	1,362.97	1,383.08
1,057.25	1,073.09	1,048.49	1,075.54	1,137.23	1,211.74	1,249.98
14,703.12	15,088.25	14,894.75	14,868.91	14,804.29	14,951.41	15,559.15
66.47	82.27	-	-	-	-	-
454.04	397.77	392.28	335.39	275.55	224.17	258.55
128.12	158.17	86.28	106.80	128.08	126.03	125.15
107.76	110.00	71.09	107.02	103.04	99.24	121.85
207.55	200.73	184.90	163.51	148.80	143.78	150.56
858.02	893.76	813.09	1,082.05	1,381.08	1,541.93	2,241.33
1,821.96	1,842.70	1,547.64	1,794.77	2,036.55	2,135.15	2,897.44
-	-	913.35	1,155.12	1,140.05	1,202.70	1,290.68
-	-	-	1,206.52	1,496.63	1,479.13	1,454.15
1,676.71	1,654.55	1,382.12	1,286.34	1,224.47	1,188.19	1,226.20
1,601.01	1,542.26	1,505.06	1,126.44	1,086.02	1,088.98	1,278.34
2,458.87	2,388.46	1,832.02	1,660.55	1,657.86	1,631.13	1,677.98
1,687.95	1,465.35	1,486.85	1,518.99	1,558.24	1,551.39	1,604.11
1,244.55	1,230.23	1,233.96	1,228.31	1,293.52	1,348.07	1,349.65
1,824.09	1,752.22	1,765.37	1,188.49	1,037.44	1,038.30	1,079.88
1,933.85	1,881.95	1,823.88	1,508.65	1,452.96	1,422.63	1,415.17
1,115.57	1,433.25	1,507.19	1,529.25	1,485.55	1,507.45	1,708.11
1,569.29	1,290.21	1,305.37	1,277.51	1,325.06	1,414.52	1,524.22
1,316.77	1,813.07	1,960.21	2,035.56	1,952.62	1,922.33	2,078.44
1,624.66	1,524.86	1,509.82	1,457.96	1,466.19	1,433.50	1,531.69
18,053.32	17,976.41	18,225.20	18,179.69	18,176.61	18,228.32	19,218.62

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		
					2004-2005	2005-2006	2006-2007
Charter Schools							
Academy at the Farm	n/a	n/a	n/a	n/a	223.29	253.31	255.79
Athenian Academy	n/a	n/a	n/a	n/a	-	-	106.50
Countryside Monetssori	n/a	n/a	n/a	n/a	99.50	126.50	153.50
Dayspring Academy	n/a	n/a	n/a	n/a	359.81	391.68	403.92
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	124.50	117.00	87.00
Richard Milburn Academy	n/a	n/a	n/a	n/a	128.26	170.84	154.01
Total Charter Schools					935.36	1,059.33	1,160.72
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					59,793.99	62,403.76	64,375.91

(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						
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
289.00	284.00	378.00	379.34	381.50	389.84	501.16
215.00	258.50	276.64	318.00	328.99	391.46	439.89
151.00	180.02	203.50	209.00	213.50	232.00	286.78
404.00	416.06	458.03	490.00	524.33	552.28	695.23
-	-	-	-	-	-	-
-	397.50	538.50	475.56	546.92	633.60	772.19
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,059.00	1,536.08	1,854.67	1,871.90	1,995.24	2,199.18	2,695.25
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
65,867.36	66,189.70	66,206.74	66,162.07	65,976.07	66,417.32	72,138.90

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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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2014. 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*.

We noted certain other matters that we reported to management in a separate letter dated December 19, 2014.

Purpose of this Report

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

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

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 19, 2014

**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, 2014. 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, 2014.

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2014, 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'd)

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.

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

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 19, 2014

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

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	\$ 5,330,621	\$ -
National School Lunch Program	10.555 (2)	300	17,370,809	-
Summer Food Service Program for Children	10.559	323	540,985	-
Total Child Nutrition Cluster			<u>23,242,415</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582	330	77,023	-
Team Nutrition Grants	10.574	None	<u>-</u>	<u>-</u>
Total United States Department of Agriculture			<u>23,319,438</u>	<u>-</u>
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	<u>145,731</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>498,560</u>	<u>275,148</u>
Total Direct			<u>498,560</u>	<u>275,148</u>
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	13,574,969	-
Special Education - Preschool Grants	84.173	266, 267	<u>347,760</u>	<u>-</u>
Total Special Education Cluster			13,922,729	-
School Improvement Grants Cluster:				
School Improvement Grants	84.377	126	-	-
ARRA-School Improvement Grants, Recovery Act	84.388	126	<u>373,233</u>	<u>-</u>
Total School Improvement Grants Cluster			373,233	-
Adult Education - State Grant Program	84.002	191, 193	821,080	-
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	14,527,233	-
Migrant Education - State Grant Program	84.011	217	147,714	-
Career and Technical Education - Basic Grants to States	84.048	161	518,271	-
Education for Homeless Children and Youth	84.196	127	114,000	-
English Language Acquisition Grants	84.365	102	579,617	-
Improving Teacher Quality State Grants	84.367	224	2,117,522	-
ARRA-Education Technology State Grants, Recovery Act	84.386	121	2,298	-
ARRA-State Fiscal Stabilization Fund (SFSF) -Race-to-the Top Incentive Grants, Recovery Act	84.395 (4)	RL111	4,939,701	12,813
University of South Florida:				
ARRA-State Fiscal Stabilization Fund (SFSF) -Race-to-the Top Incentive Grants, Recovery Act	84.395 (4)	None	<u>186,955</u>	<u>-</u>
Total Indirect			<u>38,250,353</u>	<u>12,813</u>
Total United States Department of Education			<u>38,748,913</u>	<u>287,961</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

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	\$ 6,153,931	\$ -
Corporation for National and Community Service:				
Direct:				
Retired and Senior Volunteer Program	94.002	N/A	31,430	-
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	185,602	-
Army Junior Reserve Officers Training Corps	None	N/A	502,643	-
Navy Junior Reserve Officers Training Corps	None	N/A	578,072	-
Total United States Department of Defense			1,266,317	-
Total Expenditures of Federal Awards			\$ 69,665,760	\$ 287,961

- 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 \$2,023,506 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 \$678,990 for grant number/program year 04CH3070/45 and \$5,474,941 for grant number/program year 04CH3070/46.
 - (4) ARRA-State Fiscal Stabilization Fund (SFSF)-Race-to-the Top Incentive Grants, Recovery Act. Expenditures total \$5,126,656 for CFDA No. 84.395.

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

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	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster (IDEA)
84.388	ARRA – School Improvement Grant
84.367	Improving Teacher Quality
84.395	ARRA – Race-to-the-Top
93.600	Head Start

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

\$2,089,973

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, 2014

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, 2014

2013 FEDERAL AUDIT FINDINGS

Prior Year Reference Number	Corrective Action Not Yet Complete	Comment Has Been Addressed Or Is No Longer Relevant
Federal Awards Finding No. 1		x
Federal Awards Finding No. 2		x
Federal Awards Finding No. 3		x