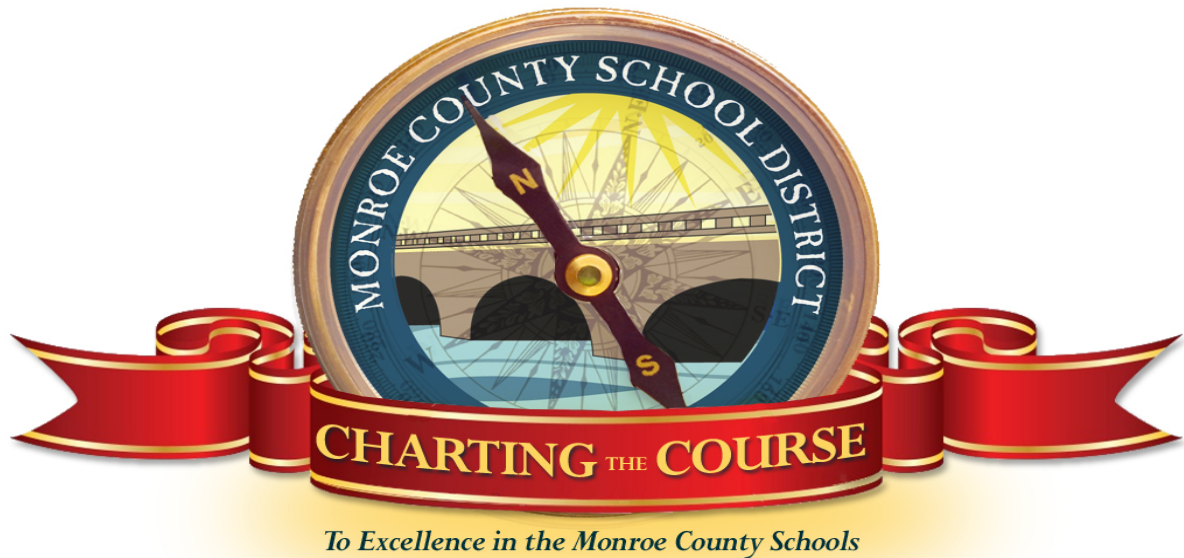
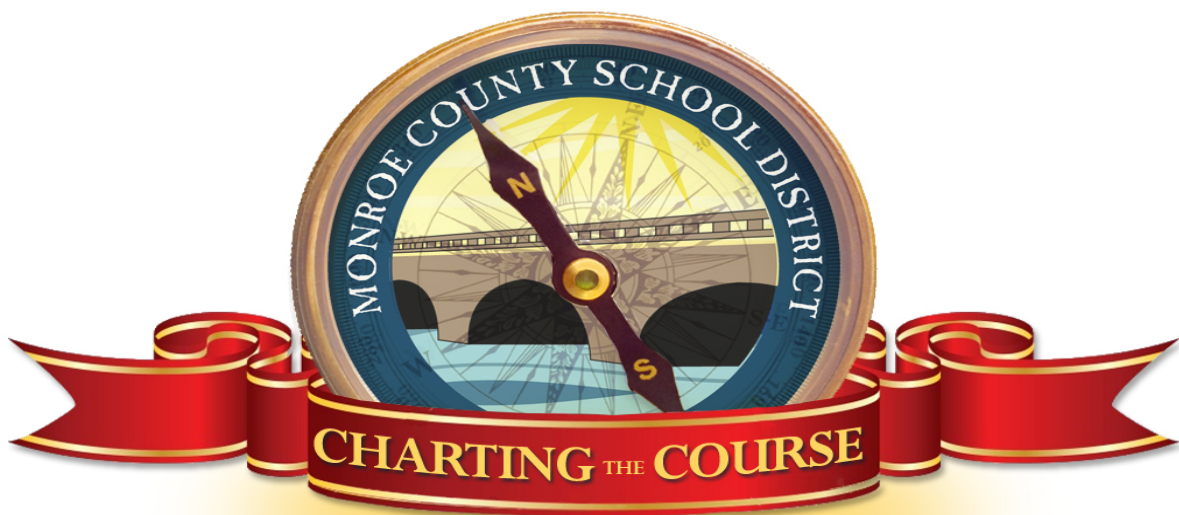


Comprehensive Annual Financial Report  
Monroe County School District, Florida  
For the Fiscal Year Ended June 30, 2015



Monroe County School District  
Key West, Florida

Comprehensive Annual Financial Report  
Monroe County School District, Florida  
For the Fiscal Year Ended June 30, 2015



*To Excellence in the Monroe County Schools*

Mark T. Porter, Superintendent

Prepared by the  
Finance Department

Monroe County School District  
241 Trumbo Road  
Key West, Florida 33040

[www.keysschools.com](http://www.keysschools.com)

# MONROE COUNTY SCHOOL DISTRICT, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2015

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**MARK T. PORTER**  
*Superintendent of Schools*



*To Excellence in the Monroe County Schools*

*Members of the Board*

*District # 1*  
BOBBY HIGHSMITH

*District # 2*  
ANDY GRIFFITHS  
*Chairman*

*District # 3*  
ED DAVIDSON

*District # 4*  
JOHN R. DICK  
*Vice-Chairman*

*District # 5*  
RONALD A. MARTIN

February 23, 2016

Dear Chairman, School Board Members, and Citizens of Monroe County:

We are pleased to submit to you the Comprehensive Annual Financial Report (the “CAFR”) of the District School Board of Monroe County (the “District”). State law requires that all school districts 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 government auditing standards generally accepted in the United States of America by a licensed certified public accountant. Responsibility for the accuracy, completeness and fairness of the information presented, including all disclosures, rests with the District’s management. This report will provide the stakeholders of the school district with comprehensive financial data in a format enabling them to gain an understanding of the financial affairs and standing of the District.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect District 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 State of Florida Auditor General has independently audited the District’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The Florida Auditor General’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, Federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies. The District is required to

**Office of the Superintendent**

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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 (the “OMB”) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic 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 Schedule of Prior Audit Findings, and the independent auditor’s reports on internal control over financial reporting and on compliance with applicable requirements, are included in the Single Audit section.

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

### **Profile of the School District**

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

The geographic boundaries of the District are those of Monroe County. The County is comprised of a string of subtropical islands that stretch more than one hundred miles into the Atlantic Ocean covering approximately 983 square miles of land mass. These islands are connected in a chain-like fashion to the mainland by a series of 42 bridges. The County seat, Key West, is approximately 150 miles southwest of Miami and 90 miles north of Cuba. The County operates under a constitution adopted in 1823 and has a current estimated population of 74,101 persons. Within its borders are five municipalities: Islamorada, Key Colony Beach, Key West, Layton, and Marathon.

This report contains the audited financial statements of all operations over which the School Board is financially accountable. Various component units were evaluated to determine whether they should be considered as part of the District’s reporting entity. Accordingly, included are all funds of the District, the Monroe School Board Leasing Corporation, and six charter schools. The Monroe School Board Leasing Corporation was formed by the School Board to be lessor in connection with financing the acquisition and/or construction of certain educational facilities. The charter schools are public schools operating under performance contracts with the District.

During the 2014-2015 fiscal year, the District operated 16 schools, including 3 elementary schools, 4 K-8 schools, 1 combination middle high school, 2 high schools and 6 charter schools that are component units of the District and reported serving approximately 8,000 unweighted full-time equivalent students. For the 2015-2016 fiscal year no significant increase of unweighted full-time equivalent students is expected.



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 on the number of reported 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 breaks down as follows: 47.7 percent White Non-Hispanic, 37.2 percent Hispanic, 10.6 percent Black Non-Hispanic and 4.5 percent are Asian/ Pacific Islander or other. In addition to the various 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; pre-kindergarten programs for three and four year-old disabled students; programs for eligible low-income and at-risk students; and voluntary pre-kindergarten services for four year-old 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 from foreign countries have the opportunity to learn communication skills through the District's English for Speakers of Other Languages (ESOL) programs, and all citizens can take fee supported courses to increase personal development in various subjects.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the object level for all funds.

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

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

## **Economic Condition and Outlook**

The population of Monroe County increased from 73,090 in 2010 to a population of 74,101 in 2014 or 1.4 percent. The Florida Price Level Index prepared for the Florida Department of Education (FDOE) now ranks Monroe County 4<sup>th</sup> out of 67 counties in the State. In the 2013-14 fiscal year, Monroe County ranked 3<sup>rd</sup> in the State.

Due to the County's unique geography, tourism is significant part of the local economy making the Florida Keys and Key West a major domestic and international tourist destination. Five of the ten top taxpayers are in the hospitality industry. Sales tax collections increased approximately 7 percent in the 2014-15 fiscal year. The assessed tax roll increased by \$1.6 billion or 7.8 percent. Unemployment in Monroe County is 3.7 percent, considerably less than the State average of 5.8 percent.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Monroe County and an excellent system of public education is a significant factor in attracting new business and industry to the county. The District is one of the county's largest employers, employing 1,054 full and part-time employees, mostly teachers.

## **Major Initiatives**

*Charting the Course to Excellence* – The School Board approved the adoption of a new strategic plan, *Charting the Course to Excellence*, in October 2013 and its implementation is ongoing. The strategic plan is the result of many hours of teamwork performed by Monroe County community leaders and District employees who took on the task of redefining the path of education for our students. During that time, the District developed a mission and vision statement, identified strategic objectives and goals necessary to carry out that mission, and established action plans to lead the District through the mission. The strategic planning team also identified six strategic objectives to accomplish the *Charting the Course to Excellence* mission. This cumulative and continuous effort resulted in the creation of the District's mission statement: *"The mission of the Monroe County School District is to empower all students to become responsible and contributing global citizens."*

Strategic objectives were identified as necessary steps to achieve our mission and vision. Those objectives were identified as: 1) Climate and Culture for Excellence; 2) Outstanding Student Achievement; 3) Effective Communication and Community Engagement; 4) High Performing Workforce; 5) Leader in Technology and Innovation; and 6) Accountable Resource Management. From these objectives several goal areas were established and action plans created to achieve those goal areas. Progress as it relates to the strategic objectives will be measured on an annual basis.

*Accomplishments* - One of the ways to judge a school district is to compare the results of its students on national and statewide testing and the accomplishments of its staff. The District believes that its students and staff have performed well based on various tests and accomplishments. Fifteen of sixteen Monroe County Schools (including charters) received an "A" or "B". Of those fifteen, ten schools earned an "A". In addition, the District received district-wide accreditation from AdvancEd Accreditation Commission. This honor was the result of a lot of hard work by the school board and staff to ensure a quality education for all students.

Community involvement is a very important part of the District's accomplishments as well as a primary strategy of our Strategic Plan. Four schools met all the criteria and applied for FDOE's *Five Star School Award*. This award is presented annually to schools that have shown outstanding involvement with business partners, families and volunteers and have active School Advisory Councils.

## **Long-Term Financial Planning**

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size, and equity. The District's school building ages, including major additions, range from 1971 to 2013. The District has a facilities plan to rebuild, remodel, and renovate schools and sites, which shall take place over a number of years.

Unassigned fund balance in the General Fund is 11.98 percent of total General Fund expenditures, and assigned and unassigned fund balance in the General Fund (12.94 percent of General Fund expenditures) exceeds the District's minimum fund balance policy of 5 percent of General Fund annual expenditures, as described below. During the initial planning of the budget each year, the District budgets the amount of

unassigned fund balance from the previous year as the budgeted beginning fund balance in the subsequent fiscal year.

### Relevant Financial Policies

The policy of the Board is to contain costs so that annual expenditures do not exceed the annual resources. Furthermore, the Board shall maintain a fund balance in its operating funds that are not classified as restricted, committed, or non-spendable at a minimum of 5 percent of the annual General Fund expenditures. However, it is the Board's intent to be in the upper quartile of Florida school districts in fund balance annually. This will be achieved through prudent fiscal management.

### Acknowledgements

The Association of School Business Officials International (ASBO) awarded *The Certificate of Excellence in Financial Reporting* to the Monroe County School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the first year that the District received this prestigious award. In order to be awarded *The Certificate of Excellence in Financial Reporting* from ASBO, the District must publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Excellence is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for award of the certificate.

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the District's Finance Department whose hard work and excellence once more prevails. 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, in an accountable and progressive manner. We also thank the citizens of Monroe County, whose cooperation, support, and assistance have contributed greatly to the successful operation of this innovative school system.

Sincerely yours,



Mark T. Porter  
Superintendent of Schools



Jim Drake, CPA  
Executive Director of Finance and Performance

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHOOL BOARD MEMBERS**



Mr. Andy Griffiths, Chairman  
District 2  
Member since November 1992  
Current term expires November 2016



Mr. John R. Dick, Vice-Chairman  
District 4  
Member since November 2006  
Current term expires November 2018



Mr. Bobby Highsmith  
District 1  
Member since November 2014  
Current term expires 2018



Mr. Ronald A. Martin  
District 5  
Member since November 2010  
Current term expires November 2018



Mr. Ed Davidson,  
District 3  
Member since November 2012  
Current term expires November 2016

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**LIST OF PRINCIPAL OFFICIALS - APPOINTED**

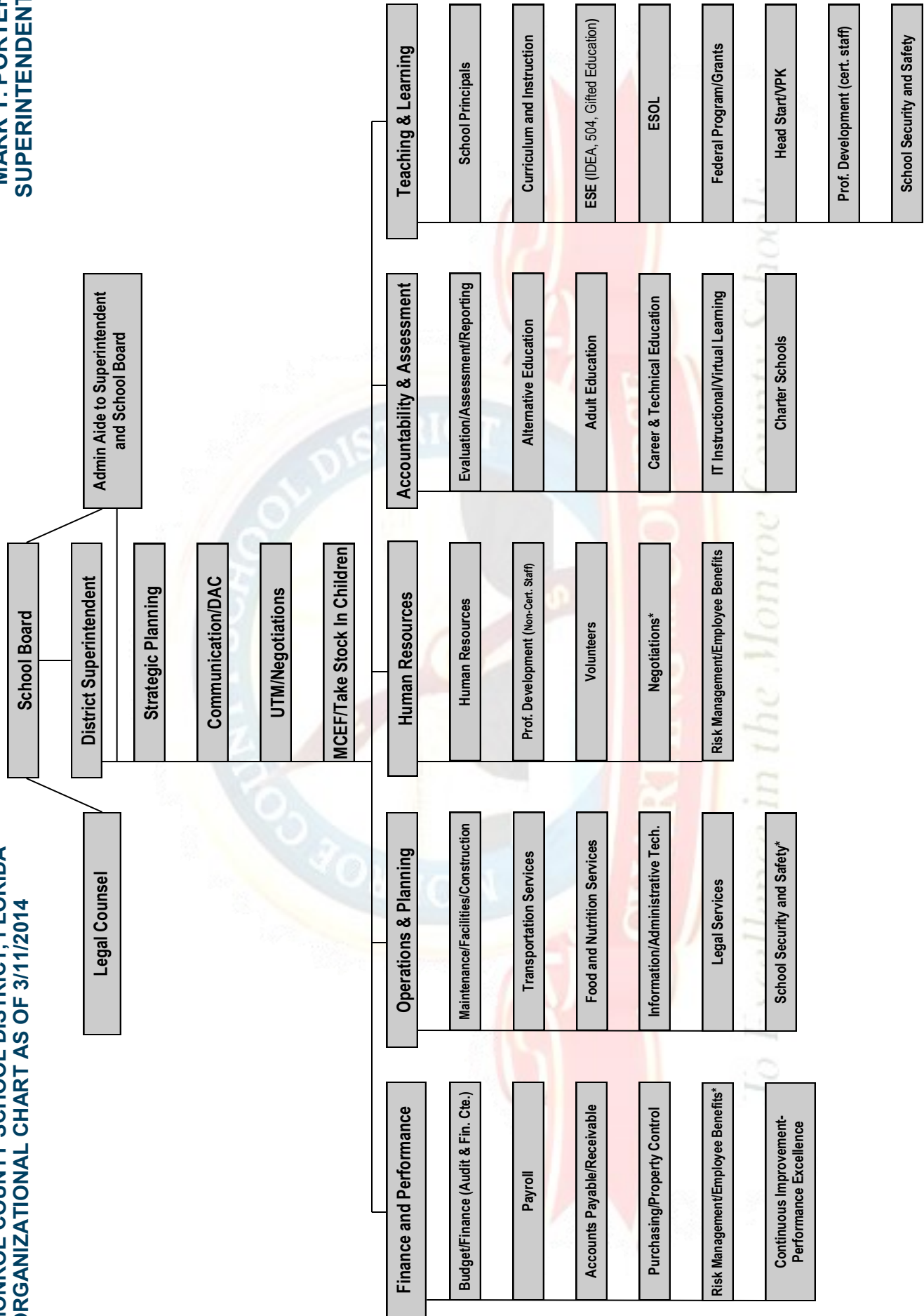
Mark T. Porter, Superintendent

Theresa Axford, Executive Director of Teaching and Learning

Patrick Lefere, Executive Director of Planning and Operations

Dr. Ramon Dawkins, Executive Director of Human Resources

Jim Drake, CPA, Executive Director of Finance and Performance



\*Lead in areas of shared authority/responsibility—must be clear definition of roles, responsibilities and personnel reporting relationships.

# Association of School Business Officials International



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

## Monroe County School District

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

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

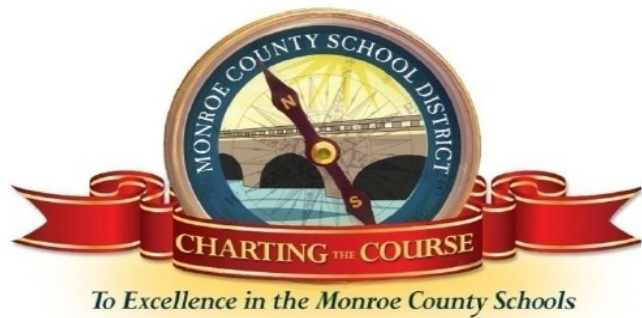


A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
Executive Director



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Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722  
Fax: (850) 488-6975

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 8 percent of the assets and 19 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and major special revenue funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note II to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is a change in accounting principle that requires an employer participating in a cost-sharing multiple-employer defined benefit pension plan to report the employer's proportionate share of the net pension liability of the defined benefit pension plan. This affects the comparability of amounts reported in the 2014-15 fiscal year with the amounts reported for the 2013-14 fiscal year. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, Schedule of Funding Progress - Other Postemployment Benefits Plan, Schedule of Changes in Net Pension Liability and Related Ratios – Early Retirement Plan, Schedule of Employer Contributions – Early Retirement Plan, Schedule of Investment Returns – Early Retirement Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, and Schedule of**

**District Contributions – Health Insurance Subsidy Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining and individual fund statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund statements and schedules, and the **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **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.** 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.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 17, 2016  
Audit Report No. 2016-093

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **FINANCIAL HIGHLIGHTS**

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

- As of June 30, 2015, the assets and deferred outflows of resources exceed the liabilities and deferred inflows by \$244.9 million.
- Net position of the District decreased by \$13.6 million in comparison to the 2013-14 fiscal year, primarily due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, which resulted in a decrease in beginning net position of \$29.6 million. For more information on this adjustment, please refer to the notes to financial statements, Note III.D.1.
- General revenues total \$118.6 million, or 96.2 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$4.7 million, or 3.8 percent of all revenues.
- Expenses total \$107.3 million. Only \$4.7 million of these expenses was offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$12.5 million, which is \$0.2 million more than the prior fiscal year balance. The General Fund total assigned and unassigned fund balances was \$11.3 million, or approximately 13.5 percent of total General Fund revenues.
- The total debt decreased by \$12.4 million, or approximately 18.8 percent, mainly due to scheduled debt service payments.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of

the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, and the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents six separate legal entities in this report. The Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Key West Montessori Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc., are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the District.
- The Monroe School Board Leasing Corporation (Leasing Corporation), although also 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 District.

### **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 the broad categories discussed below.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The District adopts an annual appropriated budget for its governmental funds. Budgetary to actual comparisons have been provided for these funds to demonstrate compliance with the budget.

**Proprietary Funds:** Proprietary funds, such as internal service funds, are established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses internal service funds to account for self-insurance programs, which are supported, in part, through user charges. Since these services predominantly benefit governmental 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. 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 pension trust fund to account for the resources used to finance the early retirement plan.

The District uses agency funds to account for resources held for student activities and groups.

**Notes to Financial Statements**

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

**Other Information**

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

<b>GOVERNMENT-WIDE FINANCIAL ANALYSIS</b>
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As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2015, compared to net position as of June 30, 2014:

**Net Position, End of Year  
 (in thousands)**

	<b>6-30-15</b>	<b>6-30-14</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 70,205	\$ 64,727	\$ 5,478
Capital Assets	275,668	280,121	(4,453)
<b>Total Assets</b>	<b>345,873</b>	<b>344,848</b>	<b>1,025</b>
Deferred Outflows of Resources	6,832		6,832
Long-Term Liabilities	89,582	79,823	9,759
Other Liabilities	5,613	6,491	(878)
<b>Total Liabilities</b>	<b>95,195</b>	<b>86,314</b>	<b>8,881</b>
Deferred Inflows of Resources	12,582		12,582
Net Position:			
Net Investment in Capital Assets	221,891	213,926	7,965
Restricted	41,272	36,210	5,062
Unrestricted (Deficit)	(18,234)	8,398	(26,632)
<b>Total Net Position</b>	<b>\$ 244,929</b>	<b>\$ 258,534</b>	<b>\$ (13,605)</b>



Monroe County School District, Florida  
For the Fiscal Year Ended June 30, 2015

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

In the 2013-14 fiscal year, prior to implementing GASB Statement No. 68, the unrestricted portion of the District's net position was \$8.4 million. Following the implementation of GASB Statement No. 68, the beginning balance of the unrestricted portion of net position was reduced by \$29.6 million, which together with the \$3 million increase due to operating results, resulted in an ending unrestricted deficit in net position of \$18.2 million for the 2014-15 fiscal year.

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

Monroe County School District, Florida  
 For the Fiscal Year Ended June 30, 2015

**Operating Results for the Fiscal Year Ended  
 (in thousands)**

	<u>6-30-15</u>	<u>6-30-14</u>	<u>Increase (Decrease)</u>
Program Revenues:			
Charges for Services	\$ 1,688	\$ 1,795	\$ (107)
Operating Grants and Contributions	2,566	2,309	257
Capital Grants and Contributions	459	324	135
General Revenues:			
Property Taxes, Levied for Operational Purposes	65,706	63,577	2,129
Property Taxes, Levied for Capital Projects	10,511	10,000	511
Local Sales Taxes	16,442	15,342	1,100
Grants and Contributions Not Restricted to Specific Programs	23,129	22,392	737
Unrestricted Investment Earnings	396	263	133
Miscellaneous	2,387	1,460	927
<b>Total Revenues</b>	<u>123,284</u>	<u>117,462</u>	<u>5,822</u>
Functions/Program Expenses:			
Instruction	58,458	54,619	3,839
Student Personnel Services	4,620	4,463	157
Instructional Media Services	612	701	(89)
Instruction and Curriculum Development Services	2,222	2,253	(31)
Instructional Staff Training Services	1,498	971	527
Instruction Related Technology	1,060	999	61
School Board	540	654	(114)
General Administration	808	637	171
School Administration	4,198	3,852	346
Facilities Services	5,666	4,035	1,631
Fiscal Services	1,071	885	186
Food Services	3,158	3,215	(57)
Central Services	1,466	1,456	10
Student Transportation Services	3,685	3,290	395
Operation of Plant	6,560	6,110	450
Maintenance of Plant	2,123	1,992	131
Administrative Technology Services	393	457	(64)
Community Services	769	642	127
Unallocated Interest on Long-Term Debt	2,801	3,250	(449)
Unallocated Depreciation Expense	5,578	5,792	(214)
Loss on Disposal of Capital Assets	6	1,520	(1,514)
<b>Total Functions/Program Expenses</b>	<u>107,292</u>	<u>101,793</u>	<u>5,499</u>
<b>Change in Net Position</b>	<u>15,992</u>	<u>15,669</u>	<u>323</u>
Net Position, Beginning of Year	258,534	242,865	15,669
Adjustments to Beginning Net Position (1)	(29,597)		(29,597)
<b>Net Position - Beginning, Restated</b>	<u>228,937</u>	<u>242,865</u>	<u>(13,928)</u>
<b>Net Position - Ending</b>	<u>\$ 244,929</u>	<u>\$ 258,534</u>	<u>\$ (13,605)</u>

Note: (1) Adjustment to beginning net position is due to the implementation of GASB Statement No. 68.

The largest revenue source is local property taxes (61.8 percent). Revenues from State and local sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Grants and contributions not restricted to specific programs revenues decreased by \$0.7 million, or 3.3 percent, primarily due to a decrease in FEFP revenues from the State. FEFP revenues decreased, in part, due to a proration caused by enrollment increases in excess of appropriations on a statewide basis.

Capital grants and contributions revenue increased by \$0.1 million, or 41.7 percent. These revenues are primarily received from the State and are for the acquisition, construction, and maintenance of educational facilities and charter school capital outlay.

Property tax revenues increased by \$2.6 million, or 3.6 percent, as a result of an increase in taxable assessed values.

Instruction expenses represent 54.9 percent of total governmental expenses in the 2014-15 fiscal year. Instruction expenses increased by \$3.8 million, or 7 percent, from the previous fiscal year due mainly from an increase in staffing levels, resulting in an increase in salaries and related benefits.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### **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. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds increased by \$5.1 million during the fiscal year to \$56.3 million at June 30, 2015. Approximately 18.7 percent of this amount is unassigned fund balance (\$10.5 million), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is: (1) not in spendable form (\$0.6 million), (2) restricted for particular purposes (\$41.2 million), or (3) assigned for particular purposes (\$4 million).

### **Major Governmental Funds**

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$10.5 million, while the total fund balance is \$12.5 million. As a

measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is approximately 13.5 percent of the total General Fund revenues, while total fund balance represents approximately 14.9 percent of total General Fund revenues.

Total fund balance of the general fund increased by \$0.2 million during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Decrease in State revenues, primarily due to a decrease in FEFP revenues.
- Increases in the local property values resulted in increased tax revenues of \$2.1 million.
- Total expenditures increased by \$4.5 million, or 5.4 percent, due mainly to increases in the number of staff and staff compensation implemented by the District.

The Special Revenue – Other Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$5.3 million each, which were mainly used for instruction, student personnel services, instruction and curriculum development services, and instructional staff training services for the 2014-15 fiscal year. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Special Revenue – Federal Economic Stimulus Fund has total revenues and expenditures of \$185 thousand each and the funding was mainly used for instruction and instructional staff training services. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – Other Fund has a total fund balance of \$10.5 million, which is restricted for debt service. The significant activity during the fiscal year was the scheduled sales tax revenue bonds and certificates of participation debt payments. Proceeds to fund these payments were transferred in from various capital projects funds.

The Debt Service – ARRA Economic Stimulus Fund had a total fund balance of \$10.4 million, which is restricted for debt service. The significant activity during the fiscal year was the qualified school construction bond (QSCB) certificates of participation sinking fund payments. Proceeds to fund these payments were transferred in from various capital projects funds and a 5.49 percent interest subsidy which is paid directly to the District by the United States Treasury.

The Capital Projects – Other Fund has a total fund balance of \$17.5 million. The restricted fund balance amount of \$14.3 million is restricted for the acquisition, construction, and maintenance of capital assets. The assigned fund balance amount of \$3.1 million was assigned by the Board for capital projects. The fund balance increased in the current fiscal year due to higher sales tax collections than expected. Of the total fund balance, \$0.9 million has been encumbered for specific projects.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2014-15 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$0.1 million, or 0.1 percent. At the same time, final appropriations are less than the original budgeted amounts by \$0.3 million. Budget revisions occurred primarily from changes in estimated State funding levels and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

Actual revenues are in line with the final budgeted amounts while actual expenditures are \$3.1 million, or 3.4 percent, less than final budget amounts. The decrease in expenditures was primarily due to salary and benefit lapse due to unfilled but budgeted positions and continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$2.4 million.

## CAPITAL ASSETS AND LONG-TERM DEBT

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2015, is \$275.7 million (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software. The total decrease in capital assets for the current fiscal year was approximately 1.6 percent. There were no major capital asset events during the fiscal year.

Additional information on the District's capital assets can be found in notes I.G.4. and III.C. to the financial statements.

### **Long-Term Debt**

At June 30, 2015, the District has total long-term debt outstanding of \$53.8 million, comprised of \$10.4 million of bonds payable and \$43.4 million of certificates of participation. During the current fiscal year, retirement of debt was \$12.4 million.

State Board of Education, State School Bonds outstanding at June 30, 2015, totaling \$29,000, are secured in a pledge of the District's portion of the State-assessed motor vehicle license tax. The remainder of the District's long-term debt is secured solely by specified revenue sources.

Fitch Ratings, in November 2014, affirmed the District's "A+" rating on its Sales Tax Revenue Bonds, Series 2005, and gave a rating outlook of stable.

Additional information on the District's long-term debt can be found in notes I.1. through I.4. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

The latest enrollment projections for the District indicate an increase of approximately 12 students during the 2015-16 fiscal year, which will increase State revenue to some extent.

Employer contributions to the Florida Retirement System decreased for regular employees from 7.37 to 7.26 percent of payroll for the 2015-16 fiscal year.

Housing prices are expected to increase the taxable assessed value for the 2015-16 fiscal year, which may result in increased tax revenues.

Contract settlements with both of the District's unions resulted in a salary increase of \$1,600 for teachers and a \$.50 per hour increase for school related personnel for the 2015-16 fiscal year.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Executive Director of Finance and Performance, Monroe County District School Board, 241 Trumbo Road, Key West, Florida, 33040.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Primary Governmental Activities</b>	<b>Component Units</b>
<b>ASSETS</b>		
Cash	\$ 23,415,408	\$ 2,373,741
Investments	27,261,448	497,595
Accounts Receivable	77,232	58,647
Due from Other Agencies	4,030,894	18,357
Prepaid Items	672,750	301,738
Other Assets		31,127
Restricted Investments	14,667,397	
Inventories	80,263	
Capital Assets:		
Non-Depreciable	6,465,175	3,055,513
Depreciable (Net)	269,202,683	6,182,138
<b>Total Assets</b>	345,873,250	12,518,856
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	6,832,429	
<b>LIABILITIES</b>		
Salaries and Benefits Payable	2,849,992	610,197
Payroll Deductions and Withholdings Payable	214,199	
Accounts Payable	2,343,027	72,905
Deposits Payable	60,483	
Due to Other Agencies	131,683	
Advanced Revenue	13,579	6,717
Compensated Absences Payable		89,476
Noncurrent Liabilities:		
Portion Due Within One Year	16,074,269	
Portion Due In More Than One Year	73,507,287	
<b>Total Liabilities</b>	95,194,519	779,295
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	12,582,047	
<b>NET POSITION</b>		
Net Investment in Capital Assets	221,890,858	9,237,651
Restricted for:		
State Required Carryover Programs	632,418	
Debt Service	20,807,479	
Capital Projects	18,856,117	
Food Service	976,034	
Unrestricted	(18,233,793)	2,501,910
<b>Total Net Position</b>	\$ 244,929,113	\$ 11,739,561

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 58,457,631	\$ 40,177		\$
Student Personnel Services	4,619,822			
Instructional Media Services	611,896			
Instruction and Curriculum Development Services	2,221,883			
Instructional Staff Training Services	1,498,488			
Instruction Related Technology	1,059,720			
School Board	540,105			
General Administration	807,927			
School Administration	4,197,990			
Facilities Services	5,665,800			86,172
Fiscal Services	1,071,178			
Food Services	3,158,300	927,114	2,566,440	
Central Services	1,465,561			
Student Transportation Services	3,684,860	154,551		
Operation of Plant	6,559,838			
Maintenance of Plant	2,123,140			147,157
Administrative Technology Services	392,591			
Community Services	769,408	566,424		
Unallocated Interest on Long-Term Debt	2,801,169			225,517
Unallocated Depreciation Expense*	5,578,519			
Loss on Disposal of Capital Assets	6,431			
<b>Total Governmental Activities</b>	<b>\$ 107,292,257</b>	<b>\$ 1,688,266</b>	<b>\$ 2,566,440</b>	<b>\$ 458,846</b>
<b>Component Units</b>				
Charter Schools	<b>\$ 11,475,833</b>	<b>\$ 270,344</b>	<b>\$ 334,074</b>	<b>\$ 317,573</b>

**General Revenues:**

Taxes:  
Property Taxes, Levied for Operational Purposes  
Property Taxes, Levied for Capital Projects  
Local Sales Taxes  
Grants and Contributions, Not Restricted to Specific Programs  
Unrestricted Investment Earnings  
Miscellaneous

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning  
Adjustment to Beginning Net Position  
Net Position - Beginning, Restated

**Net Position - Ending**

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

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



<b>Net (Expense) Revenue and Changes in Net Position</b>	
<b>Primary Government Governmental Activities</b>	<b>Component Units</b>
\$ (58,417,454)	\$
(4,619,822)	
(611,896)	
(2,221,883)	
(1,498,488)	
(1,059,720)	
(540,105)	
(807,927)	
(4,197,990)	
(5,579,628)	
(1,071,178)	
335,254	
(1,465,561)	
(3,530,309)	
(6,559,838)	
(1,975,983)	
(392,591)	
(202,984)	
(2,575,652)	
(5,578,519)	
(6,431)	
<u>(102,578,705)</u>	
	<u>(10,553,842)</u>
65,705,892	
10,511,321	
16,442,313	
23,129,180	10,476,699
395,542	6,895
<u>2,386,454</u>	<u>382,951</u>
<u>118,570,702</u>	<u>10,866,545</u>
15,991,997	312,703
258,534,489	11,426,858
<u>(29,597,373)</u>	<u>11,426,858</u>
<u>228,937,116</u>	
<u>\$ 244,929,113</u>	<u>\$ 11,739,561</u>

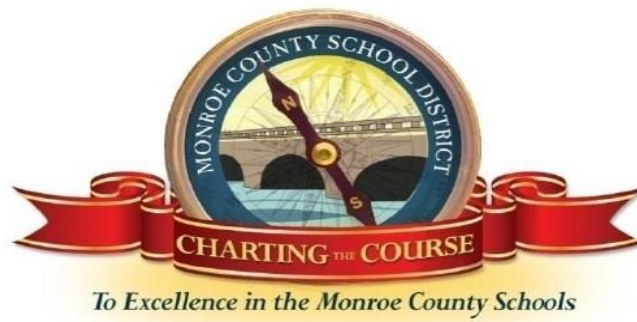
**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Economic Stimulus Fund</u>	<u>Debt Service - Other Fund</u>
<b>ASSETS</b>				
Cash	\$ 3,620,767	\$ 91,932	\$	\$ 6,134,380
Investments	10,048,820			
Accounts Receivable	61,715			
Due from Other Funds	859,542			
Due from Other Agencies	757,312	713,542	164,207	
Prepaid Items	554,872			
Restricted Investments				4,322,607
Inventories	9,855			
<b>Total Assets</b>	<u>\$ 15,912,883</u>	<u>\$ 805,474</u>	<u>\$ 164,207</u>	<u>\$ 10,456,987</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Salaries and Benefits Payable	\$ 2,849,992	\$	\$	\$
Payroll Deductions and Withholdings Payable	175,292	29,708		
Accounts Payable	323,226	15,499	107,807	
Deposits Payable	1,044			
Due to Other Funds		752,889	56,400	
Due to Other Agencies	20,537	7,378		
Advanced Revenue				
<b>Total Liabilities</b>	<u>3,370,091</u>	<u>805,474</u>	<u>164,207</u>	
Fund Balances:				
Nonspendable:				
Inventories	9,855			
Prepaid Items	554,872			
Total Nonspendable Fund Balance	<u>564,727</u>			
Restricted for:				
Capital Projects				
Debt Service				10,456,987
Food Service				
State Required Carryover Programs	632,418			
Total Restricted Fund Balance	<u>632,418</u>			<u>10,456,987</u>
Assigned for:				
Capital Projects				
Carryover/Contractual Agreements	837,323			
Total Assigned Fund Balance	<u>837,323</u>			
Unassigned Fund Balance	<u>10,508,324</u>			
<b>Total Fund Balances</b>	<u>12,542,792</u>			<u>10,456,987</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 15,912,883</u>	<u>\$ 805,474</u>	<u>\$ 164,207</u>	<u>\$ 10,456,987</u>

(Continued)

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

<b>Debt Service - AARA Economic Stimulus Fund</b>	<b>Capital Projects - Other Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 9,129	\$ 5,300,665	\$ 3,191,013	\$ 18,347,886
	11,007,598	2,205,006	23,261,424
	10,392	5,125	77,232
	1,309,482	311,832	859,542
10,344,790		70,408	3,256,375
			554,872
			14,667,397
			80,263
<u>\$ 10,353,919</u>	<u>\$ 17,628,137</u>	<u>\$ 5,783,384</u>	<u>\$ 61,104,991</u>
\$ 4,500	\$ 54,657	\$ 9,199	\$ 2,849,992
		154,168	214,199
		59,439	659,857
		50,253	60,483
	102,847	921	859,542
		13,579	131,683
			13,579
<u>4,500</u>	<u>157,504</u>	<u>287,559</u>	<u>4,789,335</u>
		70,408	80,263
			554,872
		70,408	635,135
10,349,419	14,337,399	4,518,718	18,856,117
		1,073	20,807,479
		905,626	905,626
			632,418
<u>10,349,419</u>	<u>14,337,399</u>	<u>5,425,417</u>	<u>41,201,640</u>
	3,133,234		3,133,234
			837,323
	<u>3,133,234</u>		<u>3,970,557</u>
			10,508,324
10,349,419	17,470,633	5,495,825	56,315,656
<u>\$ 10,353,919</u>	<u>\$ 17,628,137</u>	<u>\$ 5,783,384</u>	<u>\$ 61,104,991</u>



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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

**Total Fund Balances - Governmental Funds** **\$ 56,315,656**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Capital Asset Not Being Depreciated	\$	6,465,175	
Capital Asset Being Depreciated		352,419,406	
Accumulated Depreciation		<u>(83,216,723)</u>	275,667,858

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.

4,637,929

The deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pension	\$	6,832,429	
Deferred Inflows Related to Pension		<u>(12,582,047)</u>	(5,749,618)

Long-term liabilities are not due and payable in the current fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of:

Bonds Payable	\$	(10,430,000)	
Certificates of Participation Payable		(43,347,000)	
Compensated Absences Payable		(6,499,971)	
Other Post-Employment Benefits Payable		(3,535,000)	
Net Pension Liability		<u>(22,130,741)</u>	<u>(85,942,712)</u>

**Net Position - Governmental Activities** **\$ 244,929,113**

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Economic Stimulus Fund</u>	<u>Debt Service - Other Fund</u>
<b>REVENUES</b>				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 232,262	\$	\$	\$
Miscellaneous Federal Direct	26,285	1,179,273		
Total Federal Direct Sources	<u>258,547</u>	<u>1,179,273</u>		
Federal Through State and Local Sources:				
Medicaid	418,968			
Food Service				
Other Federal Through State Sources	3,207	4,110,603	184,742	
Other Federal Through Local Sources	379,259			
Total Federal Through State and Local Sources	<u>801,434</u>	<u>4,110,603</u>	<u>184,742</u>	
State Sources:				
Categorical Educational Program - Class Size Reduction	9,121,712			
Florida Education Finance Program	3,635,778			
Workforce Development Program	807,080			
Workforce Education Performance Incentives	6,272			
Voluntary Prekindergarten	545,192			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913			
School Recognition	333,058			
Racing Commission Funds	223,250			
Diagnostic and Learning Resources Centers	210,075			
Discretionary Lottery Funds	29,546			
Adults with Disabilities	65,858			
Mobile Home License Tax	30,856			
Food Service Supplement				
Miscellaneous	118,406			
Total State Sources	<u>15,131,996</u>			
Local Sources:				
Ad Valorem Taxes	65,705,892			
Sales Taxes				
Food Service Sales				
Interest Income	44,641			156,064
Miscellaneous	2,258,940			
Total Local Sources	<u>68,009,473</u>			<u>156,064</u>
<b>Total Revenues</b>	<u>84,201,450</u>	<u>5,289,876</u>	<u>184,742</u>	<u>156,064</u>

(Continued)

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

Debt Service - AARA Economic Stimulus Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,832,123	\$	\$	\$ 232,262
<u>1,832,123</u>			<u>3,037,681</u>
			3,269,943
		2,531,311	418,968
			2,531,311
			4,298,552
			<u>379,259</u>
		<u>2,531,311</u>	<u>7,628,090</u>
			9,121,712
			3,635,778
			807,080
			6,272
		312,314	545,192
			317,227
			333,058
			223,250
			210,075
			29,546
			65,858
			30,856
		35,129	35,129
		<u>423,628</u>	<u>542,034</u>
		<u>771,071</u>	<u>15,903,067</u>
		10,511,321	76,217,213
	16,442,313		16,442,313
		927,114	927,114
119,330	46,421	29,086	395,542
	10,000	225,123	<u>2,494,063</u>
<u>119,330</u>	<u>16,498,734</u>	<u>11,692,644</u>	<u>96,476,245</u>
<u>1,951,453</u>	<u>16,498,734</u>	<u>14,995,026</u>	<u>123,277,345</u>

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

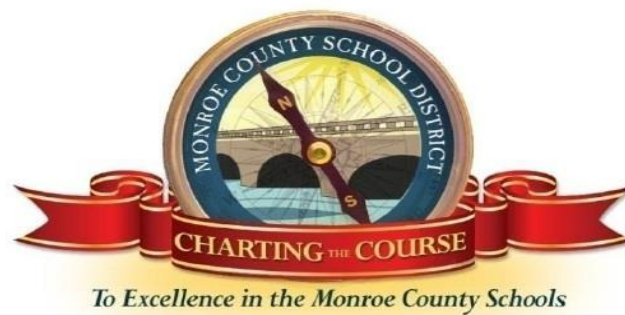
	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Economic Stimulus Fund</u>	<u>Debt Service - Other Fund</u>
<b>EXPENDITURES</b>				
Current - Education:				
Instruction	\$ 57,521,150	\$ 2,722,879	\$ 118,114	\$
Student Personnel Services	3,895,863	912,639		
Instructional Media Services	636,011			
Instruction and Curriculum Development Services	1,421,369	887,322	3,984	
Instructional Staff Training Services	1,001,519	487,004	62,644	
Instruction Related Technology	1,105,499	1,523		
School Board	548,763			
General Administration	584,072	245,478		
School Administration	4,379,902	879		
Facilities Services	422,301			
Fiscal Services	1,117,568			
Food Services	11,804			
Central Services	1,500,288			
Student Transportation Services	3,349,260	14,652		
Operation of Plant	6,571,956	1,842		
Maintenance of Plant	2,191,230			
Administrative Technology Services	409,722			
Community Services	787,462			
Capital Outlay:				
Facilities Acquisition and Construction	11,800			
Other Capital Outlay	159,154	15,658		
Debt Service:				
Principal				12,197,000
Interest and Fiscal Charges	53,100			663,211
<b>Total Expenditures</b>	<u>87,679,793</u>	<u>5,289,876</u>	<u>184,742</u>	<u>12,860,211</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,478,343)</u>			<u>(12,704,147)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	3,511			
Insurance Loss Recoveries	16,303			
Refunding Bonds Issued				
Premium on Refunding Bonds Issued				
Payments to Refunded Bonds Escrow Agent				
Transfers In	3,658,392			13,201,274
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>3,678,206</u>			<u>13,201,274</u>
<b>Net Change in Fund Balances</b>	199,863			497,127
Fund Balances, Beginning	12,342,929			9,959,860
<b>Fund Balances, Ending</b>	<u>\$ 12,542,792</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,456,987</u>

(Continued)

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



Debt Service - ARRA Economic Stimulus Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$	\$	\$ 60,362,143
			4,808,502
			636,011
			2,312,675
			1,551,167
			1,107,022
			548,763
			829,550
			4,380,781
	3,075,008	2,174,653	5,671,962
			1,117,568
		3,207,883	3,219,687
			1,500,288
			3,363,912
			6,573,798
			2,191,230
			409,722
			787,462
			402,021
	98,050	292,171	1,150,657
	365,427	610,418	
			12,430,329
2,072,250	13,329	220,000	2,801,169
	516	12,092	
<u>2,072,250</u>	<u>3,552,330</u>	<u>6,517,217</u>	<u>118,156,419</u>
(120,797)	12,946,404	8,477,809	5,120,926
			3,511
			16,303
		29,000	29,000
		1,850	1,850
		(31,425)	(31,425)
1,969,941			18,829,607
	(10,602,566)	(8,227,041)	(18,829,607)
<u>1,969,941</u>	<u>(10,602,566)</u>	<u>(8,227,616)</u>	<u>19,239</u>
1,849,144	2,343,838	250,193	5,140,165
<u>8,500,275</u>	<u>15,126,795</u>	<u>5,245,632</u>	<u>51,175,491</u>
<u>\$ 10,349,419</u>	<u>\$ 17,470,633</u>	<u>\$ 5,495,825</u>	<u>\$ 56,315,656</u>



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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Net Change in Fund Balances - Governmental Funds** \$ 5,140,165

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

Capital outlays are reported in 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 depreciation expense exceeds capital outlays in the current period. (4,447,178)

In the statement of activities, the loss on disposal or sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the capital assets disposed or sold. (6,431)

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. This is the amount by which repayments exceed proceeds in the current fiscal year.

Refunding Bonds Issued	\$ (29,000)	
Bonds Refunded	30,000	
Bonds Principal Repayments	10,312,000	
Certificates of Participation Repayments	<u>2,105,000</u>	12,418,000

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current fiscal year. 189,743

Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability for the current fiscal year. (142,000)

Governmental funds report contributions to defined benefit plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit plans reduces future net pension liability and is reported as part of deferred outflows of resources. 3,679,657

In the statement of activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (1,962,643)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 1,122,684

**Change in Net Position - Governmental Activities** \$ 15,991,997

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 300,000	\$ 233,000	\$ 232,262	\$ (738)
Miscellaneous Federal Direct		23,000	26,285	3,285
Total Federal Direct Sources	300,000	256,000	258,547	2,547
Federal Through State and Local Sources:				
Medicaid	500,000	430,000	418,968	(11,032)
Other Federal Through State Sources		3,207	3,207	
Other Federal Through Local Sources		250,000	379,259	129,259
Total Federal Through State and Local Sources	500,000	683,207	801,434	118,227
State Sources:				
Categorical Educational Program - Class Size Reduction	9,236,903	9,121,712	9,121,712	
Florida Education Finance Program	4,354,940	3,688,634	3,635,778	(52,856)
Workforce Development Program	807,080	807,080	807,080	
Workforce Education Performance Incentives		6,300	6,272	(28)
Voluntary Prekindergarten	555,493	555,493	545,192	(10,301)
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,795	4,795	4,913	118
School Recognition	319,695	333,058	333,058	
Racing Commission Funds	223,250	223,250	223,250	
Diagnostic and Learning Resources Centers	211,378	211,378	210,075	(1,303)
Discretionary Lottery Funds	81,147	29,546	29,546	
Adults with Disabilities	65,858	65,858	65,858	
Mobile Home License Tax	28,000	30,500	30,856	356
Miscellaneous	17,000	118,930	118,406	(524)
Total State Sources	15,905,539	15,196,534	15,131,996	(64,538)
Local Sources:				
Ad Valorem Taxes	65,858,201	66,026,201	65,705,892	(320,309)
Interest Income	120,000	120,000	44,641	(75,359)
Miscellaneous	1,787,589	2,067,942	2,258,940	190,998
Total Local Sources	67,765,790	68,214,143	68,009,473	(204,670)
<b>Total Revenues</b>	<b>84,471,329</b>	<b>84,349,884</b>	<b>84,201,450</b>	<b>(148,434)</b>
<b>EXPENDITURES</b>				
Current - Education:				
Instruction:				
Salaries	33,281,812	32,793,717	32,523,242	270,475
Employee Benefits	11,197,381	10,925,337	10,630,751	294,586
Purchased Services	11,658,450	11,589,990	11,184,818	405,172
Energy Services	5,100	5,000	1,490	3,510
Materials and Supplies	2,443,073	2,167,022	1,915,443	251,579
Capital Outlay	74,864	405,578	344,622	60,956
Other	848,441	997,603	920,784	76,819
Total Instruction	59,509,121	58,884,247	57,521,150	1,363,097
Student Personnel Services:				
Salaries	2,737,260	2,772,810	2,746,723	26,087
Employee Benefits	949,701	948,512	910,533	37,979
Purchased Services	175,450	237,889	223,291	14,598
Materials and Supplies	9,793	9,632	8,338	1,294
Capital Outlay	2,550	2,550		2,550
Other	1,100	7,500	6,978	522
Total Student Personnel Services	3,875,854	3,978,893	3,895,863	83,030

(Continued)

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>EXPENDITURES</b>				
Current - Education: (continued)				
Instructional Media Services:				
Salaries	\$ 420,775	\$ 433,783	\$ 433,675	\$ 108
Employee Benefits	154,233	153,491	152,515	976
Purchased Services		5,131	194	4,937
Materials and Supplies	1,650	3,617	3,393	224
Capital Outlay	56,638	49,539	45,934	3,605
Other	1,000	1,000	300	700
Total Instructional Media Services	634,296	646,561	636,011	10,550
Instruction and Curriculum Development Services:				
Salaries	1,138,104	1,043,381	1,020,668	22,713
Employee Benefits	343,046	321,475	311,191	10,284
Purchased Services	83,711	94,348	77,605	16,743
Materials and Supplies	13,120	7,008	5,979	1,029
Capital Outlay	5,049	5,871	3,681	2,190
Other	680	2,700	2,245	455
Total Instruction and Curriculum Development Services	1,583,710	1,474,783	1,421,369	53,414
Instructional Staff Training Services:				
Salaries	555,545	707,639	692,535	15,104
Employee Benefits	160,169	191,976	174,070	17,906
Purchased Services	102,662	137,352	116,042	21,310
Energy Services	800	800		800
Materials and Supplies	1,980	3,294	1,820	1,474
Other	9,988	19,518	17,052	2,466
Total Instructional Staff Training Services	831,144	1,060,579	1,001,519	59,060
Instruction Related Technology:				
Salaries	834,045	859,191	849,512	9,679
Employee Benefits	249,805	260,258	247,843	12,415
Purchased Services	16,300	16,549	4,078	12,471
Energy Services	1,295	1,295		1,295
Materials and Supplies	2,000	3,559	2,680	879
Capital Outlay	1,150	1,784	1,386	398
Total Instruction Related Technology	1,104,595	1,142,636	1,105,499	37,137
School Board:				
Salaries	161,140	155,757	155,704	53
Employee Benefits	152,478	158,306	157,032	1,274
Purchased Services	511,280	502,336	201,802	300,534
Materials and Supplies	1,400	1,400	1,157	243
Capital Outlay	3,000	3,000	1,633	1,367
Other	47,850	48,458	31,435	17,023
Total School Board	877,148	869,257	548,763	320,494

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>EXPENDITURES</b>				
Current - Education: (continued)				
General Administration:				
Salaries	\$ 393,113	\$ 389,100	\$ 388,862	\$ 238
Employee Benefits	156,958	155,420	152,088	3,332
Purchased Services	24,653	31,281	25,573	5,708
Energy Services	2,400	2,400	7	2,393
Materials and Supplies	34,023	29,815	3,321	26,494
Capital Outlay		300	279	21
Other	19,399	18,521	13,942	4,579
Total General Administration	630,546	626,837	584,072	42,765
School Administration:				
Salaries	3,205,155	3,302,864	3,287,255	15,609
Employee Benefits	1,047,314	1,048,280	1,029,620	18,660
Purchased Services	35,237	32,203	23,901	8,302
Materials and Supplies	28,600	36,892	31,113	5,779
Capital Outlay	6,475	5,522	4,608	914
Other	15,974	9,183	3,405	5,778
Total School Administration	4,338,755	4,434,944	4,379,902	55,042
Facilities Services:				
Salaries	175,654	137,762	110,821	26,941
Employee Benefits	52,586	39,570	29,592	9,978
Purchased Services	1,000	277,971	277,804	167
Energy Services	3,000	3,000	2,163	837
Materials and Supplies	9,000	7,850	1,436	6,414
Capital Outlay		11,000		11,000
Other	500	500	485	15
Total Facilities Services	241,740	477,653	422,301	55,352
Fiscal Services:				
Salaries	832,822	835,267	834,266	1,001
Employee Benefits	266,129	253,842	246,942	6,900
Purchased Services	46,200	29,619	21,069	8,550
Energy Services	900	900		900
Materials and Supplies	8,200	4,260	3,121	1,139
Capital Outlay	1,000	4,140	2,125	2,015
Other	30,650	23,571	10,045	13,526
Total Fiscal Services	1,185,901	1,151,599	1,117,568	34,031
Food Services:				
Salaries		11,155	11,155	
Employee Benefits		649	649	
Total Food Services		11,804	11,804	
Central Services:				
Salaries	811,730	519,230	514,958	4,272
Employee Benefits	923,006	882,867	817,368	65,499
Purchased Services	216,409	210,865	137,093	73,772
Energy Services	5,000	2,475		2,475
Materials and Supplies	17,063	22,956	16,086	6,870
Capital Outlay	2,000	13,714	4,082	9,632
Other	25,039	26,239	10,701	15,538
Total Central Services	2,000,247	1,678,346	1,500,288	178,058

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Current - Education: (continued)				
Student Transportation Services:				
Salaries	\$ 1,756,359	\$ 1,796,441	\$ 1,792,647	\$ 3,794
Employee Benefits	724,858	766,866	744,030	22,836
Purchased Services	217,675	222,569	201,435	21,134
Energy Services	425,000	394,094	340,148	53,946
Materials and Supplies	169,571	203,877	180,324	23,553
Capital Outlay	1,300	11,984	11,492	492
Other	72,500	80,014	79,184	830
<b>Total Student Transportation Services</b>	<b>3,367,263</b>	<b>3,475,845</b>	<b>3,349,260</b>	<b>126,585</b>
Operation of Plant:				
Salaries	264,674	254,245	251,049	3,196
Employee Benefits	90,429	90,087	86,847	3,240
Purchased Services	4,170,897	4,188,015	3,941,072	246,943
Energy Services	2,216,245	2,304,210	2,257,154	47,056
Materials and Supplies	47,250	23,860	10,339	13,521
Capital Outlay	1,500	10,990	10,990	10,990
Other	-	25,761	25,495	266
<b>Total Operation of Plant</b>	<b>6,790,995</b>	<b>6,897,168</b>	<b>6,571,956</b>	<b>325,212</b>
Maintenance of Plant:				
Salaries	1,397,718	1,241,386	1,224,519	16,867
Employee Benefits	484,922	436,454	416,572	19,882
Purchased Services	241,400	300,734	229,057	71,677
Energy Services	55,100	36,830	26,259	10,571
Materials and Supplies	304,500	348,901	281,600	67,301
Capital Outlay	11,000	17,772	13,045	4,727
Other	3,500	1,695	178	1,517
<b>Total Maintenance of Plant</b>	<b>2,498,140</b>	<b>2,383,772</b>	<b>2,191,230</b>	<b>192,542</b>
Administrative Technology Services:				
Salaries	299,791	308,083	308,082	1
Employee Benefits	82,591	87,055	86,650	405
Purchased Services	5,915	15,783	10,776	5,007
Materials and Supplies	2,100	2,100	1,745	355
Capital Outlay	900	900	653	247
Other	6,135	5,886	1,816	4,070
<b>Total Administrative Technology Services</b>	<b>397,432</b>	<b>419,807</b>	<b>409,722</b>	<b>10,085</b>
Community Services:				
Salaries	303,438	334,890	324,682	10,208
Employee Benefits	136,737	144,718	121,346	23,372
Purchased Services	316,420	390,543	328,232	62,311
Materials and Supplies	292,714	42,461	8,475	33,986
Capital Outlay	-	1,097	-	1,097
Other	-	4,972	4,727	245
<b>Total Community Services</b>	<b>1,049,309</b>	<b>918,681</b>	<b>787,462</b>	<b>131,219</b>

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Capital Outlay:				
Facilities Acquisition and Construction	\$ 82,178	\$ 170,954	\$ 11,800	\$ (159,154)
Other Capital Outlay			159,154	159,154
<b>Total Capital Outlay</b>	<u>82,178</u>	<u>170,954</u>	<u>170,954</u>	
Debt Service:				
Interest and Fiscal Charges	100,000	53,257	53,100	157
<b>Total Expenditures</b>	<u>91,098,374</u>	<u>90,757,623</u>	<u>87,679,793</u>	<u>3,077,830</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(6,627,045)</u>	<u>(6,407,739)</u>	<u>(3,478,343)</u>	<u>2,929,396</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets		3,511	3,511	
Insurance Loss Recoveries		16,303	16,303	
Transfers In	4,431,192	4,192,267	3,658,392	(533,875)
<b>Total Other Financing Sources</b>	<u>4,431,192</u>	<u>4,212,081</u>	<u>3,678,206</u>	<u>(533,875)</u>
<b>Net Change in Fund Balance</b>	<u>(2,195,853)</u>	<u>(2,195,658)</u>	<u>199,863</u>	<u>2,395,521</u>
Fund Balance, Beginning	12,342,929	12,342,929	12,342,929	
<b>Fund Balance, Ending</b>	<u>\$ 10,147,076</u>	<u>\$ 10,147,271</u>	<u>\$ 12,542,792</u>	<u>\$ 2,395,521</u>



**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE - OTHER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 1,259,061	\$ 1,341,307	\$ 1,179,273	\$ (162,034)
Federal Through State and Local Sources:				
Vocational Education Acts	62,527	71,058	68,347	(2,711)
Adult General Education	160,576	121,535	114,141	(7,394)
English Literacy and Civics Education		44,642	42,839	(1,803)
Teacher Quality State Grants		81,500		(81,500)
Eisenhower Math and Science	412,324	432,042	367,591	(64,451)
Individuals with Disabilities Education Act	2,204,431	4,144,955	1,772,625	(2,372,330)
Elementary And Secondary Education Act, Title I	1,604,357	1,937,491	1,541,074	(396,417)
English Language Acquisition Grants Title III		109,164	90,795	(18,369)
Other Federal Through State Sources	45,000	398,357	113,191	(285,166)
<b>Total Federal Through State and Local Sources</b>	<b>4,489,215</b>	<b>7,340,744</b>	<b>4,110,603</b>	<b>(3,230,141)</b>
<b>Total Revenues</b>	<b>5,748,276</b>	<b>8,682,051</b>	<b>5,289,876</b>	<b>(3,392,175)</b>
<b>EXPENDITURES</b>				
Current - Education:				
Instruction:				
Salaries	1,705,965	2,017,434	1,727,293	290,141
Employee Benefits	726,421	871,876	635,988	235,888
Purchased Services	155,612	392,961	149,156	243,805
Energy Services	3,000	3,231	581	2,650
Materials and Supplies	79,593	285,572	72,600	212,972
Capital Outlay	77,314	678,755	103,060	575,695
Other	47,491	124,646	34,201	90,445
<b>Total Instruction</b>	<b>2,795,396</b>	<b>4,374,475</b>	<b>2,722,879</b>	<b>1,651,596</b>
Student Personnel Services:				
Salaries	731,611	718,254	646,435	71,819
Employee Benefits	264,493	281,562	204,218	77,344
Purchased Services	132,736	132,415	38,817	93,598
Materials and Supplies	15,781	90,382	16,169	74,213
Capital Outlay	8,089	19,853	7,000	12,853
Other	500	146		146
<b>Total Student Personnel Services</b>	<b>1,153,210</b>	<b>1,242,612</b>	<b>912,639</b>	<b>329,973</b>

(Continued)

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE - OTHER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Current - Education: (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 666,422	\$ 812,024	\$ 610,378	\$ 201,646
Employee Benefits	221,512	258,318	211,960	46,358
Purchased Services	50,187	148,207	38,539	109,668
Energy Services	4,000	2,077	967	1,110
Materials and Supplies	10,333	58,558	7,938	50,620
Capital Outlay	35,126	148,181	4,693	143,488
Other	7,500	72,510	12,847	59,663
	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction and Curriculum Development Services	995,080	1,499,875	887,322	612,553
Instructional Staff Training Services:				
Salaries	213,103	344,280	230,134	114,146
Employee Benefits	66,426	105,390	55,053	50,337
Purchased Services	164,617	349,391	162,434	186,957
Materials and Supplies	16,856	42,959	13,117	29,842
Capital Outlay	1,925	37,146	14,955	22,191
Other	33,340	17,369	11,311	6,058
	<hr/>	<hr/>	<hr/>	<hr/>
Total Instructional Staff Training Services	496,267	896,535	487,004	409,531
Instruction Related Technology:				
Salaries		1,150	1,150	
Employee Benefits		171	169	2
Purchased Services		11,200	204	10,996
	<hr/>	<hr/>	<hr/>	<hr/>
Total Instructional Related Technology		12,521	1,523	10,998
General Administration:				
Other Expenses	262,961	345,842	245,478	100,364
	<hr/>	<hr/>	<hr/>	<hr/>
School Administration:				
Purchased Services	40,000	93,200	879	92,321
Materials and Supplies		560		560
	<hr/>	<hr/>	<hr/>	<hr/>
Total School Administration	40,000	93,760	879	92,881
Current - Education: (continued)				
Student Transportation Services:				
Salaries	37	12,733	12,706	27
Employee Benefits	725	2,878	1,682	1,196
Materials and Supplies	500			
Capital Outlay		180,000		180,000
Other		264	264	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Student Transportation Services	1,262	195,875	14,652	181,223

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE - OTHER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>EXPENDITURES</b>				
Current - Education: (continued)				
Operation of Plant:				
Purchased Services	4,100	4,898	1,842	3,056
Capital Outlay:				
Facilities Acquisition and Construction		15,658	15,658	
Other Capital Outlay				
Total Capital Outlay		15,658	15,658	
<b>Total Expenditures</b>	<b>5,748,276</b>	<b>8,682,051</b>	<b>5,289,876</b>	<b>3,392,175</b>
<b>Excess of Revenues Over Expenditures</b>				
<b>Net Change in Fund Balance</b>				
Fund Balance, Beginning				
<b>Fund Balance, Ending</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
SPECIAL REVENUE - FEDERAL ECONOMIC STIMULUS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue - Federal Economic Stimulus Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Through State and Local Sources:				
Race to the Top/ARRA	\$	\$ 363,862	\$ 184,742	\$ (179,120)
<b>EXPENDITURES</b>				
Current - Education:				
Instruction:				
Salaries		2,500	2,500	
Employee Benefits		185	185	
Purchased Services		7,625	7,623	2
Capital Outlay		254,062	107,806	146,256
Total Instruction		264,372	118,114	146,258
Instruction and Curriculum Development Services:				
Salaries		1,725	1,725	
Employee Benefits		260	259	1
Purchased Services		2,000	2,000	
Total Instruction and Curriculum Development Services		3,985	3,984	1
Instructional Staff Training Services:				
Salaries		35,200	25,000	10,200
Employee Benefits		4,150	1,913	2,237
Purchased Services		52,671	32,381	20,290
Materials and Supplies		3,484	3,350	134
Total Instructional Staff Training Services		95,505	62,644	32,861
<b>Total Expenditures</b>		363,862	184,742	179,120
<b>Excess of Revenues Over Expenditures</b>				
<b>Net Change in Fund Balance</b>				
Fund Balance, Beginning				
<b>Fund Balance, Ending</b>	\$	0	\$ 0	\$ 0

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 5,067,522
Investments	4,000,024
Due from Other Agencies	774,519
Prepaid Items	117,878
	<u>9,959,943</u>
<b>Total Assets</b>	<b>9,959,943</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	1,683,170
Estimated Insurance Claims Payable	2,358,479
	<u>4,041,649</u>
<b>Total Current Liabilities</b>	<b>4,041,649</b>
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	1,280,365
	<u>1,280,365</u>
<b>Total Liabilities</b>	<b>5,322,014</b>
<b>NET POSITION</b>	
Unrestricted	\$ <u><u>4,637,929</u></u>

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Premium Contributions	\$ 13,178,454
Insurance Loss Recoveries	903,357
<b>Total Operating Revenues</b>	<b>14,081,811</b>
<b>OPERATING EXPENSES</b>	
Salaries	179,491
Employee Benefits	109,695
Purchased Services	1,650,563
Materials and Supplies	3,538
Insurance Claims	11,044,651
<b>Total Operating Expenses</b>	<b>12,987,938</b>
<b>Operating Income</b>	<b>1,093,873</b>
<b>NONOPERATING REVENUES</b>	
Interest Revenue	28,765
Miscellaneous	46
<b>Total Nonoperating Revenues</b>	<b>28,811</b>
<b>Change in Net Position</b>	<b>1,122,684</b>
Total Net Position, Beginning	<b>3,515,245</b>
<b>Total Net Position, Ending</b>	<b>\$ 4,637,929</b>

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Board Funds and Participants	\$ 13,173,854
Cash Received from Loss Recoveries	903,357
Cash Payments to Suppliers for Goods and Services	(1,275,015)
Cash Payments to Employees for Services	(289,188)
Cash Payments for Insurance Claims	(10,951,471)
	<b>1,561,537</b>
<b>Net Cash Provided by Operating Activities</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Miscellaneous	46
	<b>46</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	26,248
Interest Income	28,765
Purchase of Investments	(4,000,024)
	<b>(3,945,011)</b>
<b>Net Cash Used by Investing Activities</b>	
<b>Net Decrease in Cash</b>	<b>(2,383,428)</b>
Cash, Beginning	7,450,950
	<b>7,450,950</b>
<b>Cash, Ending</b>	<b>\$ 5,067,522</b>
	<b>5,067,522</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income	\$ 1,093,873
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	325,992
Increase in Due from Other Agencies	(330,593)
Increase in Prepaid Items	(9,900)
Increase in Accounts Payable	388,985
Estimated Insurance Claims Payable	93,180
	<b>467,664</b>
<b>Total Adjustments</b>	
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,561,537</b>
	<b>1,561,537</b>

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 195,785	\$ 1,297,787
Investments	1,341	
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>197,126</u>	<u>1,297,787</u>
<b>LIABILITIES</b>		
Internal Accounts Payable		<u>\$ 1,297,787</u>
<b>NET POSITION</b>		
Held in Trust for Pension Benefits	<u>\$ 197,126</u>	

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



**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Pension Trust Fund</u></b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer	\$ 55,152
<b>Investment Earnings:</b>	
Interest	<u>923</u>
<b>Total Additions</b>	<u>56,075</u>
<b>DEDUCTIONS</b>	
Benefits Paid to Participants	<u>55,152</u>
<b>Change in Net Position</b>	923
Net Position - Beginning	<u>196,203</u>
<b>Net Position - Ending</b>	<u><u>\$ 197,126</u></u>

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

**MONROE COUNTY  
SCHOOL DISTRICT, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Monroe County School District's (District) 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 expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

**B. Reporting Entity**

The Monroe County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Monroe 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) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

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

**MONROE COUNTY**  
**SCHOOL DISTRICT, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**Blended Component Unit.** Blended component units are in substance, part of the primary District's operations, even though they are legally separate entities. Thus, a blended component unit is appropriately presented as part of the District. The Monroe School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.I.1. Due to the substantive economic relationship between the District 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. A separate column is used to emphasize that they are legally separate from the District.

In accordance with Section 1002.33, Florida Statutes, the District entered into charters with each of its charter schools. The charter schools are the Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Montessori Elementary Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori School; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc. The charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are a public school and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2015. The audit reports are filed in the District's administrative offices at 241 Trumbo Road, Key West, Florida, 33040.

**C. Basis of Presentation: Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental

**MONROE COUNTY  
SCHOOL DISTRICT, FLORIDA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

**D. Basis of Presentation: Fund Financial Statements**

The fund financial statements provide information about the District's funds, including the fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Other Fund – to account for certain Federal grant program resources.
- Special Revenue – Federal Economic Stimulus Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act (ARRA).
- Debt Service - Other Fund – to account for debt service related to construction borrowing.
- Debt Service – ARRA Economic Stimulus Fund – to account for principal and interest payments related to the ARRA Qualified School Construction Bonds.
- Capital Projects – Other Fund – to account for financial resources earmarked for capital projects, generated by all sources not required to be reported in any other fund, such as local sales tax, certificates of participation, and Federal Emergency Management Agency proceeds.

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Pension Trust Fund – to account for resources used to finance the early retirement program.

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- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

**E. Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and 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. The District considers revenues to be available if they are collected within 45 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. Entitlements are recorded as revenues when all eligibility

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requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 45 days of year-end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pensions and other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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

F. **Budgetary Basis of Accounting.** 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, student transportation services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

G. **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

1. **Cash**

The District's cash includes cash on hand, demand deposits and certificates of deposits. Cash deposits are held by banks qualified as public depositories under Florida law. All

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deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**2. Investments**

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

Investments made locally consist of amounts in the Federal Home Loan Mortgage Corporation (Freddie Mac) Discount Note, United States Treasury Notes, and money market funds and are reported at fair value.

Types and amounts of investments held at fiscal year-end are described in a subsequent note.

**3. Inventories and Prepaid Items**

Inventories consist of purchased and donated foods of the food service program and fuel for the District's vehicles which are held for consumption in the course of District operations. Inventories are stated at cost, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The weighted-average method is used in pricing the fuel inventory. The first-in, first-out method is used in pricing the purchased and donated foods inventories. 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 the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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**4. Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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	50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	3 - 5 years

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

**5. Pensions**

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

The District's retirement plans and related amounts are described in a subsequent note.



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**6. Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position.

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

Changes in long-term liabilities for the current year are reported in a subsequent note.

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has only one item that qualifies for reporting in this category, the deferred amount on pensions reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, the deferred amount on pensions reported only in the government-wide statement of net position. A deferred amount on pensions results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years.

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**8. 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.

**9. 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.

**10. Fund Balance Policies**

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed balance at June 30, 2015.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board classifies amounts as assigned based on actions of the Superintendent, as authorized by Board Policy 6320. The Board may also assign fund balance as it does when

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appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The District has adopted Board Policy 6210, which provides that the Board shall maintain a fund balance in its operating fund that are not classified as restricted, committed, or non-spendable at a minimum of 5 percent of the General Fund's annual expenditures. At June 30, 2015, the District met this policy with unassigned and assigned fund balances totaling 12.9 percent of General Fund expenditures.

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE 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 FDOE. The FDOE 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 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same educational programs. The FDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

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

**3. District Property Taxes**

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

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

The Board adopted the 2014 tax levy on September 9, 2014. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

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**4. Capital Outlay Surtax**

On August 31, 2004, the voters of Monroe County (County) approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2006. The surtax proceeds are used to replace portable classrooms; for the renovation, rebuilding, or remodeling of District school structures that were built before 1978; for the real estate acquisitions; and for technology upgrades, in accordance with Section 212.055(6), Florida Statutes.

**5. 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.

**6. Compensated Absences**

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**7. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**II. ACCOUNTING CHANGES**

**Governmental Accounting Standards Board Statement No. 68**

The District participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District

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implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined pension plans. The beginning net position of the District was decreased by \$29,597,373 due to the adoption of this Statement.

**III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash Deposits with Financial Institutions**

***Custodial Credit Risk-Deposits.*** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk; however, Board Policy 6140, provides that all public funds shall be deposited in a qualified public depository, unless exempt under the laws of the State. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

**B. Investments**

As of June 30, 2015, the District had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Florida PRIME	34 Day Weighted Average	\$ 27,069,191
Debt Service Accounts	6 Months	1,698
Money Market Funds:		
Fidelity Institutional Money Market Government Portfolio - Class I (1)	34 Days Weighted Average	8,879
Fidelity Institutional Money Market Treasury Portfolio - Class I (2)	40 Days Weighted Average	280,786
Fidelity Institutional Money Market Treasury Portfolio - Class III (3)	36 Days Weighted Average	208
Freddie Mac Discount Note (4)	October 26, 2015	3,671,825
US Treasury Notes State & Local Government Series (4)	December 29, 2020	561,689
US Treasury Note (1)	November 30, 2015	10,335,910
<b>Total Investments</b>		<b><u>\$ 41,930,186</u></b>

- Notes: (1) These investments are held by a paying agent in connection with the Qualified School Construction Bonds financing arrangement (See Note III.I.1.).
- (2) A portion (\$193,386) of these investments are held by a paying agent in connection with the QZAB financing arrangement, and (\$87,399) of these investments are held by a paying agent in connection with the Certificates of Participation Series 2004A financing arrangement, (See Note III.I.1.).
- (3) These investments are held by a paying agent in connection with the Certificates of Participation Series 2004A financing arrangement. (See Note III.I.1.).
- (4) These investments are held by a paying agent in connection with the QZAB financing arrangement (See Note III.I.1.).

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**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy provides that an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. The Policy limits current short-term funds investments to a maximum of one year, and investments of bond reserves, construction moneys, and other core funds to a term appropriate to the need for moneys and in accordance with debt covenants, but not to exceed 3 years.

Florida PRIME had a weighted average days to maturity (WAM) of 34 days and the District's money market funds had a WAM of 34 to 40 days. 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**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969 as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; Federal agencies and instrumentalities; rated or unrated bonds, notes or instruments backed by the full faith and credit of the government of Israel; securities of, or other interest in, an open-ended or closed-ended management type investment company or investments trust registered under the Investment Company Act of 1940; and other investments authorized by law or by resolution for a school district. The District's investment policy authorizes investing in the Local Government Surplus Funds Trust Fund, or any intergovernmental pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; United States Government securities; SEC registered money market funds: interest-bearing time deposits or saving accounts; securities of, or other interest in, an open-ended or closed-ended management type investment company or investments trust registered under the Investment Company Act of 1940; and other investments as authorized by State law and not prohibited by the investment policy.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies

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on policies developed by the SBA for managing interest rate risk and credit risk for this account.

As of June 30, 2015, the District's investment in Florida PRIME is rated AAAM by Standard & Poor's.

The Fidelity Institutional Money Market Government Portfolio – Class I normally invests at least 99.5 percent of the fund's total assets in cash equivalents, United States Government securities or repurchase agreements for those securities. As of June 30, 2015, the District's investments in the Fidelity Institutional Money Market Government Portfolio – Class I were rated AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

The Fidelity Institutional Money Market Treasury Portfolio – Class I and the Fidelity Institutional Money Market Treasury Portfolio – Class III normally invest at least 99.5 percent of the fund's total assets in cash equivalents, United States Government securities or repurchase agreements for those securities. As of June 30, 2015, the District's investments in the Fidelity Institutional Money Market Treasury Portfolio – Class I and Fidelity Institutional Money Market Treasury Portfolio – Class III were rated AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

The District's investment in the Freddie Mac Discount Note is rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. This investment is made pursuant to the Qualified Zone Academy Bond financing agreement, and thus is not subject to the District's investment policy.

**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



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be immediately placed for safekeeping in a secured vault. The District's investment policy addresses custodial credit risk in that all securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy limits investments, which are subject to concentration of credit risk, to a maximum of 10 percent of available moneys. This policy does not apply to pension moneys, trust funds, and debt proceeds where there are other existing policies, resolutions, or indentures in effect for the investment of such moneys. Moneys held by State agencies (e.g., SBA) are also not subject to the provisions of this policy.

The District's investments in the Freddie Mac Discount Note is 8.8 percent of the District's total investments and 84.9 percent of the investments in the Debt Service – Other Fund. These investments are made pursuant to agreements with the qualified zone academy bonds paying agents. (see Note III.I.1.).

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**C. Changes in Capital Assets**

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,465,175	\$	\$	\$ 6,465,175
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	12,717,035	199,428		12,916,463
Buildings and Fixed Equipment	312,129,592	202,592		312,332,184
Furniture, Fixtures, and Equipment	16,801,378	778,927	1,097,815	16,482,490
Motor Vehicles	7,097,104	350,277	205,059	7,242,322
Audio Visual Materials and Computer Software	3,790,335	21,453	365,841	3,445,947
Total Capital Assets Being Depreciated	<u>352,535,444</u>	<u>1,552,677</u>	<u>1,668,715</u>	<u>352,419,406</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	9,901,837	553,104		10,454,941
Buildings and Fixed Equipment	45,203,255	4,245,056		49,448,311
Furniture, Fixtures, and Equipment	15,143,278	723,176	1,091,503	14,774,951
Motor Vehicles	4,891,726	450,667	204,940	5,137,453
Audio Visual Materials and Computer Software	3,739,056	27,852	365,841	3,401,067
Total Accumulated Depreciation	<u>78,879,152</u>	<u>5,999,855</u>	<u>1,662,284</u>	<u>83,216,723</u>
Total Capital Assets Being Depreciated, Net	<u>273,656,292</u>	<u>(4,447,178)</u>	<u>6,431</u>	<u>269,202,683</u>
Governmental Activities Capital Assets, Net	<u>\$ 280,121,467</u>	<u>\$ (4,447,178)</u>	<u>\$ 6,431</u>	<u>\$ 275,667,858</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 421,336
Unallocated	<u>5,578,519</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,999,855</u>

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**D. Retirement Plans**

**1. Florida Retirement System (FRS) – Defined Benefit Pension Plans**

**General Information about the FRS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's pension expense totaled \$1,962,643 for the fiscal year ended June 30, 2015.

**FRS Pension Plan**

*Plan Description.* The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.

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- Senior Management Service Class (SMSC) – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

*Benefits Provided.* Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b>Elected County Officers</b>	3.00
<b>Senior Management Service Class</b>	2.00

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

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

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.37
FRS, Elected County Officers	3.00	43.24
FRS, Senior Management Service	3.00	21.14
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.28
FRS, Reemployed Retiree	(2)	(2)

The District's contributions to the Plan totaled \$3,038,827 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$7,272,653 for its proportionate share of the Plan's net pension liability. The net pension

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liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.119195080 percent, which was an increase of 0.006214191 from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized Plan pension expense of \$857,096. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 450,054
Change of assumptions	1,259,502	
Net difference between projected and actual earnings on FRS pension plan investments		12,131,993
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	899,939	
District FRS contributions subsequent to the measurement date	<u>3,038,827</u>	
<b>Total</b>	<u>\$ 5,198,268</u>	<u>\$ 12,582,047</u>

The deferred outflows of resources related to pensions, totaling \$3,038,827, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ (2,710,472)
2017	(2,710,472)
2018	(2,710,472)
2019	(2,710,472)
2020	322,526
Thereafter	96,756
<b>Total</b>	<u>\$ (10,422,606)</u>

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

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore,

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the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	\$ 31,106,102	\$ 7,272,653	\$(12,552,229)

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

Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$10,626 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2015.

**HIS Pension Plan**

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

Benefits Provided. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.



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Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$640,830 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At June 30, 2015, the District reported a net pension liability of \$14,858,088 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.158905880 percent, which was an increase of 0.006102209 from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,105,547. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>
Change of assumptions	\$ 528,710
Net difference between projected and actual earnings on HIS pension plan investments	7,132
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	457,489
District contributions subsequent to the measurement date	<u>640,830</u>
<b>Total</b>	<b><u>\$ 1,634,161</u></b>

The deferred outflows of resources, totaling \$640,830, was related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 160,847
2017	160,847
2018	160,847
2019	160,847
2020	159,065
Thereafter	<u>190,878</u>
Total	<b><u>\$ 993,331</u></b>

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

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	4.29 percent

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

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While an experience study had not been completed for the plan, the Florida Retirement System Actuarial Assumptions Conference reviewed the actuarial assumptions for the plan.

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

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

	<b>Decrease (3.29%)</b>	<b>Discount Rate (4.29%)</b>	<b>Increase (5.29%)</b>
District's proportionate share of the net pension liability	\$ 16,899,871	\$ 14,858,088	\$ 13,153,782

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

Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$2,037 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2015.

**2. FRS – Defined Contribution Pension Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination

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of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$991,639 for the fiscal year ended June 30, 2015.

**3. Early Retirement Plan**

**Plan Description**

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (ERP) effective July 1, 1992. The ERP is a single-employer public employee retirement system (PERS) and was offered for only one year. The purpose of the ERP was to provide eligible District employees, who elected to retire under the early retirement provisions of the FRS described in Note III.D.1., with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62.

**Plan Administration**

The Board administers the ERP assets in a pension trust fund and is responsible for their investment. The Board appoints and removes the ERP administrator. The ERP does not issue a stand-alone financial report and is not included in the report of a public employee retirement system of another entity.

**Plan Membership**

As of June 30, 2015, employee membership data related to the ERP were as follows:

**Summary of Population Statistics**

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	0
Total	8

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**Benefits Provided**

All full-time United Teachers of Monroe bargaining unit members or administrative support personnel who were members of the FRS or the Teachers Retirement System (TRS) and who had attained the age of 55 as of August 1, 1992, completed 25 or more years of creditable service as determined by the FRS or the TRS, and have made application for benefits on or before June 10, 1992, are eligible to be members of the ERP. Benefits are paid in the amount of early payment reduction in monthly benefits from the FRS or the TRS as a consequence of early retirement.

**Contributions and Reserves**

The ERP was established by the Board on July 1, 1992, and may be amended by Board action. Pursuant to the ERP agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 10.23 years based on the July 1, 2013, actuarial study.

Periodic employer contributions to the ERP are determined on an actuarial basis using the aggregate cost method. Under this actuarial cost method, a funding cost is developed for the ERP as a level dollar amount per individual. The level dollar amount is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the life expectancy for current retired participants and their beneficiaries. The normal cost is equal to the level dollar amount multiplied by the total life expectancy for retired participants and their beneficiaries solely during the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

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 ERP in the 2014-15 fiscal year amounted to \$55,152, all of which were paid by the Board, and were \$4,267 more than the actuarially determined contribution requirement determined through the actuarial valuation performed as of July 1, 2013.

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 ERP are financed through the ERP's resources (employer contributions and investment earnings).

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**Summary of Significant Accounting Policies**

Significant accounting policies related to basis of accounting and method of asset valuation are disclosed in Note I. Investment disclosures related to the pension trust fund are in Note III.B.

**Investments**

**Investment Policy.** The District manages the ERP's assets in accordance with the Board's investment policy discussed in Note II.B., the same as for all other District investments. ERP investments at June 30, 2015, consisted of amounts placed with the SBA investment pool.

**Rate of Return.** For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.93 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The components of the net pension liability of the ERP at June 30, 2015, were as follows:

Total Pension Liability	\$	616,602
Plan Fiduciary Net Position		<u>(197,126)</u>
Net Pension Liability	\$	<u>419,476</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		31.97%

**Actuarial Methods and 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:

Investment Rate of Return	4.0%
Projected Salary Increases	Not Applicable
Cost-of-Living Adjustments	3.0%

**Post-Retirement Mortality.** Sex-distinct rates set forth in the RP-2000 Morality Table for annuitants, as projected to 2007 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code section 430; future generational improvements in mortality have not been reflected.

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The Total Pension Liability used in calculating the Net Pension Liability presented above is based on the actuarial valuation performed as of July 1, 2013. Actuarial update procedures were used to roll forward the Total Pension Liability to June 30, 2015, ERP's fiscal year end.

As total investments represent less than a percent of total ERP assets, the District did not calculate the long-term expected rate of return on ERP investments.

**Discount Rate.** The discount rate used to measure the total pension liability was 3 percent (2.75 percent, per annum, is attributable to long-term inflation). This rate was used to discount all future benefit payments.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the normal cost rate of the ERP calculated using the discount rate of 3 percent, as well as what the normal cost rate would be if it were calculated using a discount rate that is 1 percentage point lower (2 percent) or 1 percentage points higher (4 percent) than the current rate:

	<b>1% Decrease (2%)</b>	<b>Current Discount Rate (3%)</b>	<b>1% Increase (4%)</b>
Net Pension Liability	\$ 463,668	\$ 419,476	\$ 380,236

**E. Other Postemployment Benefit Obligations**

**Plan Description.** The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's healthcare and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB 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 OPEB Plan on average than those of active employees. Additionally, the District contributes a portion of the premium cost for retiree healthcare coverage. The amounts contributed are determined annually by Board action. Retirees are assumed to enroll in the Federal Medicare Program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity.

**Funding Policy.** Plan contribution requirements of the District and OPEB Plan members are established and may be amended through action from the Board. The District has not



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advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2014-15 fiscal year, 77 retirees received other postemployment benefits. The District provided required contributions of \$518,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of excess insurance), administrative expenses, and excess insurance premiums, and net of retiree contributions totaling \$680,265 which represents 1.3 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 parameters of GASB 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 cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for 1 year)	\$ 314,000
Amortization of Unfunded Actuarial Accrued Liability	332,000
Interest on Normal Cost and Amortization	<u>26,000</u>
Annual Required Contribution	672,000
Interest on Net OPEB Obligation	136,000
Adjustment to Annual Required Contribution	<u>(148,000)</u>
Annual OPEB Cost (Expense)	660,000
Contribution Toward the OPEB Cost	<u>(518,000)</u>
Increase in Net OPEB Obligation	142,000
Net OPEB Obligation, Beginning of Year	<u>3,393,000</u>
Net OPEB Obligation, End of Year	<u>\$ 3,535,000</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2015, and the 2 preceding fiscal years, were as follows:

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<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012-13	\$ 690,000	126.8%	\$ 3,638,000
2013-14	691,000	135.5%	3,393,000
2014-15	660,000	78.5%	3,535,000

**Funded Status and Funding Progress.** As of July 1, 2014, the most recent valuation date, the actuarial accrued liability for benefits was \$7,627,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$7,627,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$51,999,967, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.7 percent.

Actuarial valuations of an ongoing OPEB 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 healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The District's OPEB actuarial valuation as of July 1, 2014, used the projected unit credit method to estimate the unfunded actuarial liability as of June 30, 2015, and to estimate the District's 2014-15 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent annual discount rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of

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2 percent per year, an inflation rate of 3 percent per year, and an annual healthcare cost trend rate of 8 percent initially for the 2014-15 fiscal year, reduced by 0.5 percent per year, until an ultimate rate of 4.5 percent is reached. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis.

**F. Significant Commitments**

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

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

Major Funds					
General	Special Revenue - Other	Special Revenue - Federal Economic Stimulus	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 587,751	\$ 75,518	\$ 146,096	\$ 853,287	\$ 1,717,116	\$ 3,379,768

**G. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property and casualty, including workers' compensation coverage and group medical insurance for its employees, retirees, and their dependents is 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.

Under the plan for property and casualty, including workers' compensation, the District's liability is limited to various per occurrence amounts ranging between \$1,000 and \$10,000,000, depending on the type of peril coverage. The District's commercial property insurance for wind damage provides for a \$50,000,000 primary limit with a \$3,500,000 sublimit per named windstorm after a deductible of 5 percent of total insured values per location

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subject to a minimum of \$10,000,000 per occurrence. All other windstorm/hail coverage provides for a \$100,000 deductible per occurrence.

The plan for group medical insurance provides that the District contributes premiums as a fringe benefit to employees. The District also contributes for dependent coverage for several administrative employees. Dependent coverage for other employees and coverage for retirees and their dependents is by prepaid premium. The District's liability under the group medical plan is limited to \$275,000 annually for each person. The District's reimbursement from excess insurance coverage for aggregate claims is limited to a total of \$2,000,000 annually.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

A liability in the amount of \$3,638,844 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group medical, workers' compensation, and automobile and general liability self-insurance programs at June 30, 2015.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's self-insurance program:

<u>Fiscal Year</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2013-14	\$ 4,135,072	\$ 9,275,064	\$ (9,864,472)	\$ 3,545,664
2014-15	3,545,664	11,044,651	(10,951,471)	3,638,844

**H. Line of Credit**

On June 9, 2015, the Board approved an extension of the revolving line of credit agreement with a major banking institution, effective July 1, 2015, for up to \$5,000,000. The line of credit is intended by the Board to provide resources the District can use to cover uninsured losses resulting from a named windstorm while awaiting Federal and State assistance. The line of credit cannot be used for other purposes. Accrued interest on amounts drawn against the line of credit are payable monthly and all outstanding principal balances must be paid in full by June 30, 2016. The agreement provides for interest on funds drawn at 72 percent times (1-Month LIBOR plus 0.75 percent) and a non-usage fee of 0.56 percent on any unused portion of the line of credit. The agreement may be renewed for a 1-year period at the discretion of the bank.

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**I. Long-Term Liabilities**

**1. Certificates of Participation**

The District entered into a financing arrangement on October 15, 1996, which arrangement was characterized as a lease-purchase agreement, with the Monroe County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities in the total amount of \$28,000,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1996A, to be repaid from the proceeds of rents paid by the District.

On June, 30, 2004, the District advance-refunded the Certificates of Participation, Series 1996A, maturing after August 1, 2006, through the issuance of Certificates of Participation, Series 2004A, with a total value of \$18,170,000, to be paid from the proceeds of rent paid by the District. The proceeds of the Series 2004A Certificates were deposited in an escrow fund with a trustee and be invested in certain qualified governmental obligations. The amounts deposited plus interest earnings were sufficient to pay the interest portions on February 1 and August 1 each year, and pay the outstanding principal portions (\$16,380,000) of the Series 1996A Certificates maturing after August 1, 2006 (the "Refunded Series 1996A Certificates") at a price of 102 percent of the principal amount.

On December 29, 2005, the master financing arrangement was amended and the Corporation issued Certificates of Participation, Qualified Zone Academy Bonds (QZAB), Series 2005, in the amount of \$4,842,000 for heating, ventilation, and conditioning; electrical; and general facilities improvements at several District properties. Under the terms of the lease agreement, the District is required to make ten annual payments of \$341,008 each, which are deposited with a trustee and invested in accordance with a security delivery agreement until maturity and, when combined with interest earnings, will be sufficient to pay off the principal balance in full, at maturity on December 29, 2020. On August 1, 2013, the Board transferred Glynn Archer Elementary to the City of Key West, Florida, and such facility ceased being used as a qualified zone academy. In accordance with federal tax law, an escrow deposit agreement was established on October 29, 2013, and \$561,689 (the amount of QZAB funds spent on the Glynn Archer Elementary facility) was deposited into the account. Such funds will remain on deposit until December 29, 2020, the date the 2005 QZAB matures.

On June 24, 2010, Certificates of Participation, Series 2010A, were issued under the Qualified School Construction Bond program in the amount of \$36,000,000 to finance the construction of a new middle school. The Qualified School Construction Bond program was established under the American Recovery and Reinvestment Act of 2009, to provide

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for a taxable obligation to be issued by the school district with a Federal subsidy for interest. The Series 2010A Certificates were issued by the Corporation as direct pay bonds whereby the District pays interest of 5.7 percent and receives a 5.49 percent interest subsidy, which is paid directly to the District by the United States Treasury. Under the terms of the trust agreement, the District is required to make annual payments of \$2,117,647 each, which are to be deposited with a trustee and invested in accordance with a trust agreement until maturity and, when combined with interest earnings, will be sufficient to pay off the principal balance in full, at maturity on June 1, 2027.

As a condition of the financing arrangements, the District has given a ground lease on District property to the Corporation, with a rental fee of \$1 per year. The initial term of the lease is 25 years commencing on October 15, 1996 and ending August 1, 2021. A separate ground lease commencing on June 1, 2010 and ending on June 1, 2032, was given to the corporation for the facilities being financed by the Series 2010A Certificates. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

The District properties included in the ground leases under these arrangements are as follows:

- Gerald Adams Elementary School
- Horace O'Bryant Middle School
- Marathon High School
- Stanley Switlik Elementary School
- Sugarloaf Middle School

On March 30, 2015, the District entered into a Forward Delivery Agreement (Sinking Fund Agreement) among the Trustee for the Series 2010A Certificates of Participation and the Deutsche Bank AG, New York Branch (the "Provider"). Under the terms of the agreement, the District agreed to purchase Treasury securities on a periodic basis from the Provider at a fixed rate of return for delivery to the Trustee and deposit into the sinking fund. As a result, the District locked in a long-term fixed rate of return for future sinking fund deposits and reduced the amount of their annual sinking fund deposits from \$2,117,647 to

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

\$1,745,563, an annual savings of \$372,084. The Board's total cash flow savings over the remaining life of the Series 2010A Certificates of Participation will be \$4,835,296.

Except for the QZAB, Series 2005 issue, which fully matures on December 29, 2020, with interest paid by the Federal Government in the form of annual tax credits to the holders of the certificates, the lease payments are payable by the District, semiannually, on payment dates and interest rates ranging as follows:

<u>Certificates</u>	<u>Payment Dates</u>	<u>Interest Rates</u>
Series 2004A	February 1 and August 1	4.25 to 4.375 percent
Series 2010A	June 1 and December 1	5.7 (0.21 net) percent

The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 4,307,206	\$ 2,195,000	\$ 2,112,206
2017	2,368,781	310,000	2,058,781
2018	2,052,000		2,052,000
2019	2,052,000		2,052,000
2020	2,052,000		2,052,000
2021-2025	15,102,000	4,842,000	10,260,000
2026-2027	40,104,000	36,000,000	4,104,000
<b>Total Minimum Lease Payments</b>	<b>\$ 68,037,987</b>	<b>\$ 43,347,000</b>	<b>\$ 24,690,987</b>

**2. Bonds Payable**

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2014B, Refunding	\$ 29,000	5.00	2017
District Sales Tax Revenue Bonds:			
Series 2005	8,475,000	3.50-5.00	2016
Series 2013, Refunding	1,926,000	1.05	2016
<b>Total Bonds Payable</b>	<b>\$ 10,430,000</b>		

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

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JUNE 30, 2015**

**State School Bonds**

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

**District Revenue Bonds**

These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Florida Statutes, and other applicable provisions of law. As provided for in the Sales Tax Revenue Bond Resolution (Master Resolution) adopted by the Board on May 5, 2005, the Bonds are secured by a pledge (Pledge Funds) of the proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and all moneys including investments thereof in the funds and accounts established pursuant to the bond resolution other than the Unrestricted Revenue Account and the Rebate Fund. The bonds were issued for the purpose of financing the costs of acquisition, construction, and installation of certain capital improvements and educational facilities.

The Board issued Sales Tax Revenue Bonds, Series 2005, on June 14, 2005, totaling \$75,000,000. On May 14, 2007, as provided for in the Master Resolution, the Board issued Subordinated Sales Tax Revenue Bond, Series 2007 totaling \$20,500,000. The Subordinated Sales Tax Revenue Bond, Series 2007, is secured by a pledge of the Pledge Funds (as defined in the Master Resolution) on a subordinated basis to the pledge of a lien on the Pledge Funds established by the Master Resolution for the payment of bonds, including the Sales Tax Revenue Bonds, Series 2005.

On March 14, 2013, the District refunded the outstanding Subordinated Sales Tax Revenue Bond, Series 2007, and issued Subordinated Sales Tax Revenue Refunding Bond, Series 2013, in the amount of \$5,717,000. The Subordinated Sales Tax Revenue Refunding Bond, Series 2013, is secured by a pledge of the Pledge Funds (as defined in the Master Resolution) on a subordinated basis to the pledge of a lien on the Pledge Funds established by the Master Resolution for the payment of bonds, including the Sales Tax Revenue Bonds, Series 2005. The proceeds of the Refunding Bond of \$5,717,000 plus \$1,903,000 from other District sources resulted in the extinguishment of \$7,620,000 Subordinated Sales Tax Revenue Bonds, Series 2007, on the same date and resulted in



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JUNE 30, 2015**

an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$246,386.

The District has pledged a combined total of \$10,577,602 of discretionary surtax sales revenues (sales tax revenues) in connection with the Series 2005 and Series 2013 Sales Tax Revenue Bond issues described above. During the 2014-15 fiscal year, the District recognized sales tax revenues totaling \$16,442,313 and expended \$10,602,566 (64.5 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or October 1, 2015. Assuming a nominal growth rate of approximately 3 percent in the collection of sales tax revenues, which are levied through December 31, 2015, approximately 32 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
<u>State School Bonds:</u>			
2016	\$ 22,567	\$ 21,000	1,567
2017	8,400	8,000	400
Total State School Bonds	30,967	29,000	1,967
<u>District Sales Tax Revenue Bonds:</u>			
2016	10,577,602	10,401,000	176,602
<b>Total</b>	<b>\$ 10,608,569</b>	<b>\$ 10,430,000</b>	<b>\$ 178,569</b>

**3. Defeased Debt**

The FDOE issued Capital Outlay Refunding Bonds, Series 2014B, dated December 2, 2014, with an average interest rate of 5 percent, to refund callable portions of the District's State School Bonds, Series 2005B. The Refunding Bonds were issued to refund State School Bonds, Series 2005B, that mature on or after January 1, 2015, including District bonds totaling \$30,000. The District's pro rata share of net proceeds totaling \$29,000 (after deduction of \$49.77 in issuance costs and underwriting fees plus an additional \$625 of Series 2014B sinking fund moneys) were placed in an irrevocable trust to provide for future debt service payments on the Series 2014B. As a result, \$30,000

**MONROE COUNTY  
SCHOOL DISTRICT, FLORIDA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

of Series 2005B bonds are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements,

**4. Changes in Long-Term Liabilities**

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Estimated Insurance Claims Payable	\$ 3,545,664	\$11,044,651	\$10,951,651	\$ 3,638,664	\$ 2,358,479
Bonds Payable	20,743,000	29,000	10,342,000	10,430,000	10,422,000
Certificates of Participation Payable	45,452,000		2,105,000	43,347,000	2,195,000
Compensated Absences Payable	6,689,714	422,927	612,670	6,499,971	600,000
Net Pension Liability (1)	32,752,608	5,115,414	15,737,281	22,130,741	498,790
Other Postemployment Benefits Payable	3,393,000	660,000	518,000	3,535,000	
<b>Total Governmental Activities</b>	<u>\$112,575,986</u>	<u>\$17,271,992</u>	<u>\$40,266,602</u>	<u>\$89,581,376</u>	<u>\$16,074,269</u>

Note: (1) The beginning balance resulted from the implementation of GASB Statement No. 68.

For the governmental activities, compensated absences, pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary funds, as discussed in Note III.G.

**J. Fund Balance Reporting**

In addition to committed and assigned fund balance categories discussed in the **Fund Balance Policies** note disclosure, fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.
- **Restricted Fund Balance.** Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.
- **Unassigned Fund Balance.** The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance

**MONROE COUNTY  
SCHOOL DISTRICT, FLORIDA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

**K. Interfund Receivables and Payables**

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

<b>Funds</b>	<b>Interfund</b>	
	<b>Receivables</b>	<b>Payables</b>
Major:		
General	\$ 859,542	\$
Special Revenue:		
Other		752,889
Federal Economic Stimulus		56,400
Nonmajor Governmental		50,253
<b>Total</b>	<b>\$ 859,542</b>	<b>\$ 859,542</b>

The amount due to the General Fund from the Special Revenue – Other Fund and Special Revenue – Federal Economic Stimulus Fund is to finance authorized activities of grants and contracts, which are financed on a cost reimbursement basis. The amount due to the General Fund from the nonmajor governmental funds is for money advanced to the nonmajor Special Revenue – Food Service Fund to finance the District’s food service program.

**L. Revenues**

**1. Schedule of State Revenue Sources**

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

<b>Source</b>	<b>Amount</b>
Categorical Educational Program - Class Size Reduction	\$ 9,121,712
Florida Education Finance Program	3,635,778
Workforce Development Program	807,080
Voluntary Prekindergarten	545,192
School Recognition	333,058
Motor Vehicle License Tax (Capital Outlay and Debt Service)	317,227
Racing Commission Funds	223,250
Diagnostic and Learning Resources Centers	210,075
Adults with Disabilities	65,858
Food Service Supplement	35,129
Mobile Home License Tax	30,856
Discretionary Lottery Funds	29,546
Performance Based Incentives	6,272
Miscellaneous	542,033
<b>Total</b>	<b>\$ 15,903,067</b>

**MONROE COUNTY  
SCHOOL DISTRICT, FLORIDA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

Accounting policies relating to certain State revenue sources are described in Note I.H.2.

**2. Property Taxes**

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

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	1.878	\$ 41,252,666
Basic Discretionary Local Effort	0.748	16,430,774
Voted School Tax		
Additional Operating	0.500	10,983,138
 <u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>0.500</u>	<u>10,983,138</u>
 <b>Total</b>	 <u><u>3.626</u></u>	 <u><u>\$ 79,649,716</u></u>

**M. Interfund Transfers**

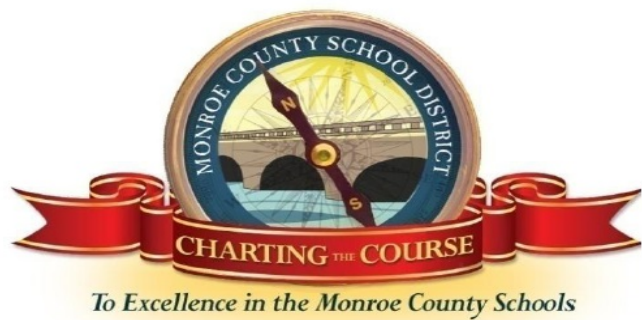
The following is a summary of interfund transfers reported in the fund financial statements:

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 3,658,392	\$
Debt Service:		
Other	13,201,274	
ARRA Economic Stimulus	1,969,941	
Capital Projects:		
Other		10,602,566
Nonmajor Governmental		<u>8,227,041</u>
 <b>Total</b>	 <u><u>\$ 18,829,607</u></u>	 <u><u>\$ 18,829,607</u></u>

Interfund transfers represent permanent transfer of moneys between funds. The transfers out of the Capital Projects – Other Fund to the Debt Service – Other Fund and the Debt

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015**

Service - ARRA Economic Stimulus Fund were to make debt service payments for the certificates of participation and sales tax revenue bonds. The transfers out of the nonmajor governmental funds were to the General Fund for charter school capital outlay expenditures and to reimburse the General Fund for maintenance, capital expenditures, and property casualty insurance premiums recorded in the General Fund. Additionally, funds were transferred from the nonmajor governmental funds to the Debt Service – Other Fund to make debt service payments for the certificates of participation.



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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS -**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (1) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll [(B-A)/C]</b>
July 1, 2010	\$ 0	\$ 13,800,000	\$ 13,800,000	0.0%	\$ 59,005,788	23.4%
July 1, 2012	0	8,565,000	8,565,000	0.0%	45,772,676	18.7%
July 1, 2014	0	7,627,000	7,627,000	0.0%	51,999,967	14.7%

Note: (1) The actuarial cost method used to calculate the actuarial accrued liability was the projected unit credit with benefits attributed from the date of hire to expected retirement age.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS -  
EARLY RETIREMENT PLAN  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Total Pension Liability:</b>				
Service Cost	\$	\$	\$ 14,471	\$ 14,471
Interest	18,748	19,741	25,601	25,601
Changes of Assumptions		1,610	78,647	
Benefit Payments, Including Refunds of Member Contributions	(53,754)	(53,546)	(51,986)	(50,472)
<b>Net Change in Total Pension Liability</b>	<u>(35,006)</u>	<u>(32,195)</u>	<u>66,733</u>	<u>(10,400)</u>
<b>Total Pension Liability, Beginning (A)</b>	<u>651,608</u>	<u>683,803</u>	<u>617,070</u>	<u>627,470</u>
<b>Total Pension Liability, Ending</b>	<u>\$ 616,602</u>	<u>\$ 651,608</u>	<u>\$ 683,803</u>	<u>\$ 617,070</u>
<b>Plan Fiduciary Net Position:</b>				
Employer Contributions	\$ 55,152	\$ 53,546	\$ 51,986	\$ 50,500
Net Investment Income	923	578	13	14
Benefit Payments, Including Refunds of Member Contributions	(55,152)	(53,546)	(51,986)	(50,472)
Administrative Expense				
<b>Net Change in Plan Fiduciary Net Position</b>	<u>923</u>	<u>578</u>	<u>13</u>	<u>42</u>
Plan Fiduciary Net Position, Beginning	<u>196,203</u>	<u>195,625</u>	<u>195,612</u>	<u>195,570</u>
<b>Plan Fiduciary Net Position, Ending (B)</b>	<u>\$ 197,126</u>	<u>\$ 196,203</u>	<u>\$ 195,625</u>	<u>\$ 195,612</u>
<b>Net Pension Liability, Ending (A)-(B)</b>	<u>\$ 419,476</u>	<u>\$ 455,405</u>	<u>\$ 488,178</u>	<u>\$ 421,458</u>
<b>Plan Fiduciary Net Position As a Percentage of the Total Pension Liability</b>	31.97%	30.11%	28.61%	31.70%
<b>Covered Employee Payroll</b>	(1)	(1)	(1)	(1)
<b>Net Pension Liability As a Percentage of Covered Employee Payroll</b>	(1)	(1)	(1)	(1)

Note: (1) The Covered Employee Payroll and Net Pension Liability as a Percentage of Covered Employee Payroll are not presented because all participants in the plan are retired.



<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 5,622	\$ 5,621	\$ 12,976	\$ 12,976	\$	\$
26,920	26,920	31,396	31,395		42,622
		25,826	25,826	177,208	
<u>(48,855)</u>	<u>(48,558)</u>	<u>(47,283)</u>	<u>(45,906)</u>	<u>(44,569)</u>	<u>(43,271)</u>
(16,313)	(16,017)	22,915	24,291	132,639	(649)
<u>643,783</u>	<u>659,800</u>	<u>636,885</u>	<u>612,594</u>	<u>479,955</u>	<u>480,604</u>
<u>\$ 627,470</u>	<u>\$ 643,783</u>	<u>\$ 659,800</u>	<u>\$ 636,885</u>	<u>\$ 612,594</u>	<u>\$ 479,955</u>
\$ 50,000	\$ 63,976	\$ 63,976	\$ 63,976	\$ 51,796	\$ 51,796
11	8	10	2,849	7,276	5,310
(48,855)	(48,558)	(47,283)	(45,906)	(44,569)	(43,271)
<u>(855)</u>	<u>(2,006)</u>	<u>(2,512)</u>	<u>(3,000)</u>	<u>(4,500)</u>	<u>(6,080)</u>
301	13,420	14,191	17,919	10,003	7,755
<u>195,269</u>	<u>181,849</u>	<u>167,658</u>	<u>149,739</u>	<u>139,736</u>	<u>131,981</u>
<u>\$ 195,570</u>	<u>\$ 195,269</u>	<u>\$ 181,849</u>	<u>\$ 167,658</u>	<u>\$ 149,739</u>	<u>\$ 139,736</u>
<u>\$ 431,900</u>	<u>\$ 448,514</u>	<u>\$ 477,951</u>	<u>\$ 469,227</u>	<u>\$ 462,855</u>	<u>\$ 340,219</u>
31.17%	30.33%	27.56%	26.32%	24.44%	29.11%
(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS -  
EARLY RETIREMENT PLAN  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution	\$ 50,885	\$ 50,885	\$ 49,857	\$ 49,857
Contributions in Relation to the Actuarially Determined Contribution	<u>55,152</u>	<u>53,546</u>	<u>51,986</u>	<u>50,500</u>
Contributions Deficiency (Excess)	<u>\$ (4,267)</u>	<u>\$ (2,661)</u>	<u>\$ (2,129)</u>	<u>\$ (643)</u>
Covered-Employee Payroll	(1)	(1)	(1)	(1)
Contributions as a Percentage of Covered-Employee Payroll	(1)	(1)	(1)	(1)

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

(1) The Covered Payroll and Net Pension Liability as a Percentage of Covered Payroll are not presented because all participants in the plan are retired.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Aggregate Cost Method
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	10.23 Years
Asset Valuation Method	Market Value
Inflation	N/A - All participants in plan are retired.
Salary Increases	N/A - All participants in plan are retired.
Investment Rate of Return	4% per annum
Cost of Living Adjustment	3% per annum
Retirement Age	N/A - All participants in plan are retired.
Mortality	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code Section 430; future generational improvements in mortality have not been reflected.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 50,365	\$ 50,365	\$ 63,976	\$ 63,976	\$ 51,796	\$ 51,796
<u>50,000</u>	<u>63,976</u>	<u>63,976</u>	<u>63,976</u>	<u>51,796</u>	<u>51,796</u>
<u>\$ 365</u>	<u>\$ (13,611)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
(1)	(1)	(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)	(1)	(1)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS -  
EARLY RETIREMENT PLAN**

	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	1.93%	1.94%

Note: GASB Statement No. 67 was adopted for the 2013-14 fiscal year and 10-year trend information will be developed from that date forward.

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

<b>District Fiscal Year Ending</b>	<b>Plan Sponsor Measurement Date</b>	<b>District's Proportion of the FRS Net Pension Liability</b>	<b>District's Proportionate Share of the FRS Net Pension Liability (1)</b>	<b>District's Covered Employee Payroll (2)</b>	<b>District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll</b>	<b>FRS plan Fiduciary Net Position as a Percentage of of Total Pension Liability</b>
June 30, 2015	June 30, 2014	0.119195080%	\$ 7,272,653	\$ 48,305,552	15.06%	96.09%
June 30, 2014	June 30, 2013	0.112980889%	19,449,039	45,772,676	42.49%	88.54%

Notes: (1) Changes of Assumptions. As of June 30, 2014, the inflation rate assumption was decreased from 3 percent to 2.60 percent, the real payroll growth assumption was decreased from 1 percent to 0.65 percent, and the overall payroll growth rate assumption was decreased from 4 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.65 percent. These changes caused the decrease in liability from June 30, 2014, to June 30, 2015.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION -  
 SCHEDULE OF DISTRICT CONTRIBUTIONS -  
 FLORIDA RETIREMENT SYSTEM PENSION PLAN**

<b>District Fiscal Year Ending</b>	<b>FRS Contractually Required Contribution</b>	<b>FRS Contributions in Relation to the Contractually Required Contribution</b>	<b>FRS Contribution Deficiency (Excess)</b>	<b>District's Covered Employee Payroll (1)</b>	<b>FRS plan Fiduciary Net Position as a Percentage of of Total Pension Liability</b>
June 30, 2015	\$ 3,038,827	\$ 3,038,827	\$	\$ 51,999,968	5.84%
June 30, 2014	2,610,878	2,610,878		48,305,552	5.40%

Note: (1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

<b>District Fiscal Year Ending</b>	<b>Plan Sponsor Measurement Date</b>	<b>District's Proportion of the HIS Net Pension Liability</b>	<b>District's Proportionate Share of the HIS Net Pension Liability (1)</b>	<b>District's Covered Employee Payroll (2)</b>	<b>District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll</b>	<b>HIS plan Fiduciary Net Position as a Percentage of of Total Pension Liability</b>
June 30, 2015	June 30, 2014	0.158905880%	\$ 14,858,088	\$ 48,305,552	30.76%	0.99%
June 30, 2014	June 30, 2013	0.152803671%	13,303,569	45,772,676	29.06%	1.78%

Notes: (1) Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 4.63 percent to 4.29 percent from the June 30, 2014, measurement date to the June 30, 2015, measurement date causing a decrease in the liability.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULE OF DISTRICT CONTRIBUTIONS -  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

<b>District Fiscal Year Ending</b>	<b>HIS Contractually Required Contribution</b>	<b>HIS Contributions in Relation to the Contractually Required Contribution</b>	<b>HIS Contribution Deficiency (Excess)</b>	<b>District's Covered Employee Payroll (1)</b>	<b>HIS plan Fiduciary Net Position as a Percentage of of Total Pension Liability</b>
June 30, 2015	\$ 640,830	\$ 640,830	\$	\$ 51,999,968	1.23%
June 30, 2014	544,358	544,358		48,305,552	1.13%

Note: (1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.



## **Nonmajor Governmental Funds**

### **Special Revenue Fund**

The Special Revenue Fund accounts for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities included within the fund are as follows:

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

### **Debt Service Fund**

The Debt Service Fund accounts for the payment of principal and interest on long-term debt.

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

### **Capital Projects Funds**

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

**Section 1011.71(2),F.S., Fund - To account for the funds received through the levy of ad valorem taxes for capital outlay purposes.**

**Public Education Capital Outlay (PECO) Fund - To account for and report on funds received from the State for the construction and maintenance of schools.**

**Capital Outlay & Debt Service Fund - To account for and report on the excess dollars received through the State's Capital Outlay and Debt Service program used for construction and maintenance of schools.**

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Total Nonmajor Governmental Funds</b>	<b>Special Revenue Fund</b>	
		<b>Total Nonmajor Special Revenue Fund</b>	<b>Food Service Fund</b>
<b>ASSETS</b>			
Cash	\$ 3,191,013	\$ 923,258	\$ 923,258
Investments	2,205,006		
Accounts Receivable	5,125	5,125	5,125
Due from Other Agencies	311,832	100,153	100,153
Inventories	70,408	70,408	70,408
<b>Total Assets</b>	<b>\$ 5,783,384</b>	<b>\$ 1,098,944</b>	<b>\$ 1,098,944</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Payroll Deductions and Withholdings Payable	\$ 9,199	\$ 9,199	\$ 9,199
Accounts Payable	154,168	3,098	3,098
Deposits Payable	59,439	59,439	59,439
Due to Other Funds	50,253	50,253	50,253
Due to Other Agencies	921	921	921
Advanced Revenue	13,579		
<b>Total Liabilities</b>	<b>287,559</b>	<b>122,910</b>	<b>122,910</b>
Fund Balances:			
Nonspendable:			
Inventories	70,408	70,408	70,408
Restricted for:			
Capital Projects	4,518,718		
Debt Service	1,073		
Food Service	905,626	905,626	905,626
<b>Total Fund Balances</b>	<b>5,495,825</b>	<b>976,034</b>	<b>976,034</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,783,384</b>	<b>\$ 1,098,944</b>	<b>\$ 1,098,944</b>

Debt Service Funds		Capital Projects Funds			
Total Nonmajor Debt Service Funds	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$ 1,698	\$ 1,698	\$ 2,267,755 2,203,308	\$ 1,991,514 2,203,308	\$ 1,284	\$ 274,957
		211,679	2,230	109,879	99,570
<u>\$ 1,698</u>	<u>\$ 1,698</u>	<u>\$ 4,682,742</u>	<u>\$ 4,197,052</u>	<u>\$ 111,163</u>	<u>\$ 374,527</u>
\$ 625	\$ 625	\$ 150,445	\$ 150,445	\$	\$
		13,579			13,579
<u>625</u>	<u>625</u>	<u>164,024</u>	<u>150,445</u>		<u>13,579</u>
1,073	1,073	4,518,718	4,046,607	111,163	360,948
<u>1,073</u>	<u>1,073</u>	<u>4,518,718</u>	<u>4,046,607</u>	<u>111,163</u>	<u>360,948</u>
<u>\$ 1,698</u>	<u>\$ 1,698</u>	<u>\$ 4,682,742</u>	<u>\$ 4,197,052</u>	<u>\$ 111,163</u>	<u>\$ 374,527</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Total Nonmajor Governmental Funds</b>	<b>Special Revenue Fund</b>	
		<b>Total Nonmajor Special Revenue Funds</b>	<b>Food Service Fund</b>
<b>REVENUES</b>			
Federal Through State and Local Sources:			
Food Service	\$ 2,531,311	\$ 2,531,311	\$ 2,531,311
State Sources:			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	312,314		
Food Service Supplement	35,129	35,129	35,129
Miscellaneous	423,628		
Total State Sources	<u>771,071</u>	<u>35,129</u>	<u>35,129</u>
Local Sources:			
Ad Valorem Taxes	10,511,321		
Food Service	927,114	927,114	927,114
Interest Income	29,086	3,838	3,838
Miscellaneous	225,123		
Total Local Sources	<u>11,692,644</u>	<u>930,952</u>	<u>930,952</u>
<b>Total Revenues</b>	<u>14,995,026</u>	<u>3,497,392</u>	<u>3,497,392</u>

(Continued)

Debt Service Fund		Capital Projects Funds			
Total Nonmajor Debt Service Funds	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Section 1011.71(2), F.S. Local Capital Improvement Tax Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$	\$	\$	\$	\$	\$
226,142	226,142	86,172			86,172
		423,628		423,628	
226,142	226,142	509,800		423,628	86,172
		10,511,321	10,511,321		
		25,248	23,696	25	1,527
		225,123	225,123		
		10,761,692	10,760,140	25	1,527
226,142	226,142	11,271,492	10,760,140	423,653	87,699

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue Fund</u>		
	<u>Total Nonmajor Governmental Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>
<b>EXPENDITURES</b>			
Current - Education:			
Facilities Services	\$ 2,174,653	\$	\$
Food Service	3,207,883	3,207,883	3,207,883
Capital Outlay:			
Facilities Acquisition and Construction	292,171		
Other Capital Outlay	610,418		
Debt Service:			
Principal	220,000		
Interest and Fiscal Charges	12,092		
<b>Total Expenditures</b>	<u>6,517,217</u>	<u>3,207,883</u>	<u>3,207,883</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>8,477,809</u>	<u>289,509</u>	<u>289,509</u>
<b>OTHER FINANCING Sources (USES)</b>			
Refunding Bonds Issued	29,000		
Premium on Refunding Bonds Issued	1,850		
Payments to Refunded Bonds Escrow Agent	(31,425)		
Transfers Out	(8,227,041)		
<b>Total Other Financing Sources (Uses)</b>	<u>(8,227,616)</u>		
<b>Net Change in Fund Balances</b>	250,193	289,509	289,509
Fund Balances, Beginning	5,245,632	686,525	686,525
<b>Fund Balances, Ending</b>	<u>\$ 5,495,825</u>	<u>\$ 976,034</u>	<u>\$ 976,034</u>

<b>Debt Service Fund</b>		<b>Capital Projects Funds</b>			
<b>Total Nonmajor Debt Service Funds</b>	<b>State Board of Education Bonds Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Section 1011.71(2), F.S., Local Capital Improvement Tax Fund</b>	<b>Public Education Capital Outlay (PECO) Fund</b>	<b>Capital Outlay &amp; Debt Service Fund</b>
\$	\$	\$ 2,174,653	\$ 2,138,634	\$ 36,019	\$
		292,171	292,171		
		610,418	610,418		
220,000	220,000				
11,911	11,911	181			181
231,911	231,911	3,077,423	3,041,223	36,019	181
(5,769)	(5,769)	8,194,069	7,718,917	387,634	87,518
29,000	29,000				
1,850	1,850				
(31,425)	(31,425)	(8,227,041)	(7,950,570)	(276,471)	
(575)	(575)	(8,227,041)	(7,950,570)	(276,471)	
(6,344)	(6,344)	(32,972)	(231,653)	111,163	87,518
7,417	7,417	4,551,690	4,278,260		273,430
\$ 1,073	\$ 1,073	\$ 4,518,718	\$ 4,046,607	\$ 111,163	\$ 360,948

## **Special Revenue Funds**

The Special Revenue Funds account for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities within the funds are as follows:

### **Major Special Revenue Funds**

**Special Revenue - Other Fund - To account for and report on activities of various Federal programs according to the specifications and requirements of each funding source.**

**Federal Economic Stimulus Fund - To account for and report on activities of the ARRA State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act, program.**

### **Nonmajor Special Revenue Fund**

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



**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**  
**(With Comparative Totals for June 30, 2014)**

	<b>Special Revenue Funds</b>				
	<b>Governmental Funds</b>				
	<b>Major</b>		<b>Nonmajor</b>	<b>Totals</b>	
	<b>Special Revenue - Other Fund</b>	<b>Special Revenue - Federal Economic Stimulus Fund</b>	<b>Food Service Fund</b>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>					
Cash	\$ 91,932	\$	\$ 923,258	\$ 1,015,190	\$ 688,725
Accounts Receivable			5,125	5,125	4,520
Due from Other Funds					1,390,966
Due from Other Agencies	713,542	164,207	100,153	977,902	1,026,854
Inventories			70,408	70,408	45,170
<b>Total Assets</b>	<b>\$ 805,474</b>	<b>\$ 164,207</b>	<b>\$ 1,098,944</b>	<b>\$ 2,068,625</b>	<b>\$ 3,156,235</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payroll Deductions and Withholdings Payable	\$ 29,708	\$	\$ 9,199	\$ 38,907	\$ 31,894
Accounts Payable	15,499	107,807	3,098	126,404	37,499
Deposits Payable			59,439	59,439	51,750
Due to Other Funds	752,889	56,400	50,253	859,542	949,796
Due to Other Agencies	7,378		921	8,299	4,849
Advanced Revenue					1,393,922
<b>Total Liabilities</b>	<b>805,474</b>	<b>164,207</b>	<b>122,910</b>	<b>1,092,591</b>	<b>2,469,710</b>
Fund Balances:					
Nonspendable					
Inventories			70,408	70,408	45,170
Restricted for:					
Food Service			905,626	905,626	641,355
<b>Total Fund Balances</b>			<b>976,034</b>	<b>976,034</b>	<b>686,525</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 805,474</b>	<b>\$ 164,207</b>	<b>\$ 1,098,944</b>	<b>\$ 2,068,625</b>	<b>\$ 3,156,235</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (With Comparative Totals for the Fiscal Year Ended June 30, 2014)**

	Special Revenue Funds			Governmental Funds	
	Major		Nonmajor	Totals	
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund	2015	2014
<b>REVENUES</b>					
Federal Direct Sources:					
Miscellaneous Federal Direct	\$ 1,179,273	\$	\$	\$ 1,179,273	\$ 1,313,023
Federal Through State and Local Sources:					
Food Service			2,531,311	2,531,311	2,272,029
Other Federal Through State Sources	4,110,603	184,742		4,295,345	2,973,242
Total Federal Through State and Local Sources	4,110,603	184,742	2,531,311	6,826,656	5,245,271
State Sources:					
Food Service Supplement			35,129	35,129	37,145
Local Sources:					
Food Service			927,114	927,114	1,013,615
Interest Income			3,838	3,838	3,064
Total Local Sources			930,952	930,952	1,016,679
<b>Total Revenues</b>	<b>5,289,876</b>	<b>184,742</b>	<b>3,497,392</b>	<b>8,972,010</b>	<b>7,612,118</b>

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2014)**

	Special Revenue Funds				Governmental Funds	
	Major		Nonmajor	Totals		
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund			
				2015	2014	
<b>EXPENDITURES</b>						
Current - Education:						
Instruction	\$ 2,722,879	\$ 118,114	\$	\$ 2,840,993	\$ 2,436,587	
Student Personnel Services	912,639			912,639	256,356	
Instructional Media Services					1,371	
Instruction and Curriculum Development Services	887,322	3,984		891,306	868,012	
Instructional Staff Training Services	487,004	62,644		549,648	400,730	
Instruction Related Technology	1,523			1,523		
School Board					654	
General Administration	245,478			245,478	113,699	
School Administration	879			879	2,236	
Food Services			3,207,883	3,207,883	3,252,586	
Central Services					1,623	
Student Transportation Services	14,652			14,652	23,468	
Operation of Plant	1,842			1,842	902	
Capital Outlay:						
Facilities Acquisition and Construction					45,090	
Other Capital Outlay	15,658			15,658	138,449	
<b>Total Expenditures</b>	<b>5,289,876</b>	<b>184,742</b>	<b>3,207,883</b>	<b>8,682,501</b>	<b>7,541,763</b>	
<b>Excess of Revenues Over Expenditures</b>			289,509	289,509	70,355	
<b>Net Change in Fund Balances</b>			289,509	289,509	70,355	
Fund Balances, Beginning			686,525	686,525	616,170	
<b>Fund Balances, Ending</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 976,034</b>	<b>\$ 976,034</b>	<b>\$ 686,525</b>	

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
SPECIAL REVENUE - FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Through State and Local Sources:				
Food Service	\$ 2,305,377	\$ 2,400,350	\$ 2,531,311	\$ 130,961
State Sources:				
Food Service Supplement	38,949	35,128	35,129	1
Local Sources:				
Food Service	987,995	949,462	927,114	(22,348)
Interest Income	2,790	2,790	3,838	1,048
Miscellaneous				
Total Local Sources	990,785	952,252	930,952	(21,300)
<b>Total Revenues</b>	<b>3,335,111</b>	<b>3,387,730</b>	<b>3,497,392</b>	<b>109,662</b>
<b>EXPENDITURES</b>				
Current - Education:				
Food Services:				
Salaries	1,085,107	1,107,810	1,092,799	15,011
Employee Benefits	610,743	618,173	540,923	77,250
Purchased Services	220,120	221,370	174,915	46,455
Energy Services	141,000	140,600	108,986	31,614
Materials and Supplies	1,581,663	1,551,267	1,270,790	280,477
Capital Outlay	37,900	36,900	3,294	33,606
Other	30,521	31,798	16,176	15,622
Total Food Services	3,707,054	3,707,918	3,207,883	500,035
<b>Total Expenditures</b>	<b>3,707,054</b>	<b>3,707,918</b>	<b>3,207,883</b>	<b>500,035</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(371,943)</b>	<b>(320,188)</b>	<b>289,509</b>	<b>609,697</b>
<b>Net Change in Fund Balances</b>	<b>(371,943)</b>	<b>(320,188)</b>	<b>289,509</b>	<b>609,697</b>
Fund Balances, Beginning	686,525	686,525	686,525	
<b>Fund Balances, Ending</b>	<b>\$ 314,582</b>	<b>\$ 366,337</b>	<b>\$ 976,034</b>	<b>\$ 609,697</b>

#### **Debt Service Funds**

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

#### **Major Debt Service Funds**

**Other Debt Service Fund** - To account for and report on the payment of principal, interest, and related costs on the sales tax bond issues, certificates of participation issues, and other debt issues.

**ARRA Economic Stimulus Fund** - To account for and report on the payment of principal, interest, and related costs for the Certificates of Participation, Series 2010A, issued under the Qualified School Construction Bond program.

#### **Nonmajor Debt Service Fund**

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**JUNE 30, 2015**  
**(With Comparative Totals for June 30, 2014)**

	Debt Service Funds				
	Governmental Funds			Totals	
	Major	Nonmajor			
Debt Service - Other	Debt Service - ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	2015	2014	
<b>ASSETS</b>					
Cash	\$ 6,134,380	\$ 9,129	\$	\$ 6,143,509	\$ 6,135,120
Investments			1,698	1,698	95,276
Restricted Investments	4,322,607	10,344,790		14,667,397	12,238,656
<b>Total Assets</b>	<b>\$ 10,456,987</b>	<b>\$ 10,353,919</b>	<b>\$ 1,698</b>	<b>\$ 20,812,604</b>	<b>\$ 18,469,052</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$	\$ 4,500	\$ 625	\$ 5,125	\$ 1,500
Fund Balances:					
Restricted for:					
Debt Service	10,456,987	10,349,419	1,073	20,807,479	18,467,552
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,456,987</b>	<b>\$ 10,353,919</b>	<b>\$ 1,698</b>	<b>\$ 20,812,604</b>	<b>\$ 18,469,052</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2014)**

	Debt Service Funds			Governmental Funds	
	Major		Nonmajor	Totals	
	Debt Service - Other	Debt Service - ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	2015	2014
<b>REVENUES</b>					
Federal Direct:					
Miscellaneous Federal Direct	\$	\$ 1,832,123	\$	\$ 1,832,123	\$ 1,834,100
State Sources:					
CO&DS Withheld for SBE/COBI Bond					
Motor Vehicle License Tax (Capital Outlay and Debt Service)			226,142	226,142	263,716
Other State Sources					
Total State Sources			226,142	226,142	263,716
Local Sources:					
Interest Income	156,064	119,330		275,394	86,056
Miscellaneous					43,985
Total Local Sources	156,064	119,330		275,394	130,041
<b>Total Revenues</b>	<b>156,064</b>	<b>1,951,453</b>	<b>226,142</b>	<b>2,333,659</b>	<b>2,227,857</b>
<b>EXPENDITURES</b>					
Debt Service:					
Principal	12,197,000		220,000	12,417,000	12,069,000
Interest and Fiscal Charges	663,211	2,072,250	11,911	2,747,372	3,143,796
<b>Total Expenditures</b>	<b>12,860,211</b>	<b>2,072,250</b>	<b>231,911</b>	<b>15,164,372</b>	<b>15,212,796</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(12,704,147)</b>	<b>(120,797)</b>	<b>(5,769)</b>	<b>(12,830,713)</b>	<b>(12,984,939)</b>
<b>OTHER FINANCING SOURCES</b>					
Refunding Bonds Issued			29,000	29,000	
Premium on Refunding Bonds Issued			1,850	1,850	
Payments to Refunded Bonds Escrow Agent			(31,425)	(31,425)	
Transfers In	13,201,274	1,969,941		15,171,215	16,145,128
Total Other Financing Sources	13,201,274	1,969,941	(575)	15,170,640	16,145,128
<b>Net Change in Fund Balances</b>	<b>497,127</b>	<b>1,849,144</b>	<b>(6,344)</b>	<b>2,339,927</b>	<b>3,160,189</b>
Fund Balances, Beginning	9,959,860	8,500,275	7,417	18,467,552	15,307,363
<b>Fund Balances, Ending</b>	<b>\$ 10,456,987</b>	<b>\$ 10,349,419</b>	<b>\$ 1,073</b>	<b>\$ 20,807,479</b>	<b>\$ 18,467,552</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
DEBT SERVICE - OTHER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Debt Service - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Interest Income	\$	\$	\$ 156,064	\$ 156,064
<b>EXPENDITURES</b>				
Debt Service:				
Principal	12,197,000	12,197,000	12,197,000	
Interest and Fiscal Charges	663,117	663,617	663,211	406
<b>Total Expenditures</b>	<u>12,860,117</u>	<u>12,860,617</u>	<u>12,860,211</u>	<u>406</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(12,860,117)</u>	<u>(12,860,617)</u>	<u>(12,704,147)</u>	<u>156,470</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	13,201,124	13,201,624	13,201,274	350
<b>Net Change in Fund Balances</b>	341,007	341,007	497,127	156,120
Fund Balances, Beginning	9,959,860	9,959,860	9,959,860	
<b>Fund Balances, Ending</b>	<u>\$ 10,300,867</u>	<u>\$ 10,300,867</u>	<u>\$ 10,456,987</u>	<u>\$ 156,120</u>

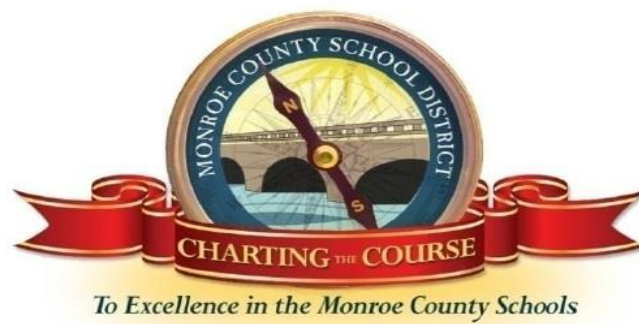


**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
DEBT SERVICE - ARRA ECONOMIC STIMULUS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Debt Service - ARRA Economic Stimulus Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal Direct:				
Miscellaneous Federal Direct	\$	\$ 1,834,105	\$ 1,832,123	\$ (1,982)
Local Sources:				
Interest Income	1,834,105		119,330	119,330
<b>Total Revenues</b>	<b>1,834,105</b>	<b>1,834,105</b>	<b>1,951,453</b>	<b>117,348</b>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	2,052,000	2,072,250	2,072,250	
<b>Deficiency of Revenues Over Expenditures</b>	<b>(217,895)</b>	<b>(238,145)</b>	<b>(120,797)</b>	<b>117,348</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	2,335,542	2,340,042	1,969,941	(370,101)
<b>Net Change in Fund Balances</b>	<b>2,117,647</b>	<b>2,101,897</b>	<b>1,849,144</b>	<b>(252,753)</b>
Fund Balances, Beginning	8,500,275	8,500,275	8,500,275	
<b>Fund Balances, Ending</b>	<b>\$ 10,617,922</b>	<b>\$ 10,602,172</b>	<b>\$ 10,349,419</b>	<b>\$ (252,753)</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
DEBT SERVICE - STATE BOARD OF EDUCATION BONDS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Debt Service - State Board of Education Bonds Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 232,700	\$ 232,700	\$ 226,142	\$ (6,558)
<b>EXPENDITURES</b>				
Debt Service:				
Principal	220,000	220,000	220,000	
Interest and Fiscal Charges	12,500	12,500	11,911	(589)
<b>Total Expenditures</b>	<b>232,500</b>	<b>232,500</b>	<b>231,911</b>	<b>(589)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>200</b>	<b>200</b>	<b>(5,769)</b>	<b>(5,969)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Bonds Issued			29,000	29,000
Premium on Refunding Bonds Issued			1,850	1,850
Payments to Refunded Bonds Escrow Agent			(31,425)	(31,425)
<b>Total Other Financing Sources (Uses)</b>			<b>(575)</b>	<b>(575)</b>
<b>Net Change in Fund Balances</b>	<b>200</b>	<b>200</b>	<b>(6,344)</b>	<b>(6,544)</b>
Fund Balances, Beginning	7,417	7,417	7,417	
<b>Fund Balances, Ending</b>	<b>\$ 7,617</b>	<b>\$ 7,617</b>	<b>\$ 1,073</b>	<b>\$ (6,544)</b>



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## **Capital Projects Funds**

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

### **Major Capital Projects Fund**

**Capital Projects - Other Fund - To account for and report on funds received from various sources designated for construction remodeling and renovation, expansion of schools and ancillary facilities, and maintenance of schools. Those various sources include sales tax funds collected through a voter approved sales tax referendum; funds received through the issuance of certificates of participation; and local capital improvement funds not required to be accounted for separately.**

### **Nonmajor Capital Projects Funds**

**Section 1011.71(2), F.S., Local Capital Improvement Tax Fund - To account for the funds received through the levy of ad valorem taxes for capital outlay purposes.**

**Public Education Capital Outlay (PECO) Fund - To account for and report on funds received from the State for the construction and maintenance of schools.**

**Capital Outlay & Debt Service Fund - To account for capital project activity funded by the District's portion of the State Capital Outlay and Debt Service Program.**

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**  
(With Comparative Totals for June 30, 2014)

	Capital Projects Funds				Governmental Funds	
	Major	Nonmajor			Totals	
	Capital Projects - Other Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2015	2014
<b>ASSETS</b>						
Cash	\$ 5,300,665	\$ 1,991,514	\$ 1,284	\$ 274,957	\$ 7,568,420	\$ 7,478,583
Investments	11,007,598	2,203,308			13,210,906	11,323,771
Accounts Receivable	10,392				10,392	
Due from Other Agencies	1,309,482	2,230	109,879	99,570	1,521,161	1,281,757
<b>Total Assets</b>	<b>\$ 17,628,137</b>	<b>\$ 4,197,052</b>	<b>\$ 111,163</b>	<b>\$ 374,527</b>	<b>\$ 22,310,879</b>	<b>\$ 20,084,111</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 54,657	\$ 150,445			\$ 205,102	\$ 302,779
Due to Other Agencies	102,847				102,847	102,847
Advanced Revenue				13,579	13,579	
<b>Total Liabilities</b>	<b>157,504</b>	<b>150,445</b>		<b>13,579</b>	<b>321,528</b>	<b>405,626</b>
Fund Balances:						
Restricted for:						
Capital Projects	14,337,399	4,046,607	111,163	360,948	18,856,117	16,504,400
Assigned for:						
Capital Projects	3,133,234				3,133,234	3,174,085
<b>Total Fund Balances</b>	<b>17,470,633</b>	<b>4,046,607</b>	<b>111,163</b>	<b>360,948</b>	<b>21,989,351</b>	<b>19,678,485</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,628,137</b>	<b>\$ 4,197,052</b>	<b>\$ 111,163</b>	<b>\$ 374,527</b>	<b>\$ 22,310,879</b>	<b>\$ 20,084,111</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**

(With Comparative Totals for the Fiscal Year Ended June 30, 2014)

	Capital Projects Funds				Governmental Funds	
	Major	Nonmajor			Totals	
	Capital Projects - Other Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2015	2014
<b>REVENUES</b>						
State Sources:						
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$	\$	\$	\$ 86,172	\$ 86,172	\$ 60,474
Miscellaneous			423,628		423,628	334,859
Total State Sources			423,628	86,172	509,800	395,333
Local Sources:						
Ad Valorem Taxes		10,511,321			10,511,321	9,999,768
Sales Taxes	16,442,313				16,442,313	15,342,494
Interest Income	46,421	23,696	25	1,527	71,669	
Miscellaneous	10,000	225,123			235,123	93,692
Total Local Sources	16,498,734	10,760,140	25	1,527	27,260,426	25,435,954
<b>Total Revenues</b>	16,498,734	10,760,140	423,653	87,699	27,770,226	25,831,287
<b>EXPENDITURES</b>						
Current:						
Facilities Services	3,075,008	2,138,634	36,019		5,249,661	3,846,051
Capital Outlay:						
Facilities Acquisition and Construction	98,050	292,171			390,221	852,077
Other Capital Outlay	365,427	610,418			975,845	1,893,151
Debt Service:						
Principal	13,329				13,329	12,832
Interest and Fiscal Charges	516			181	697	1,197
<b>Total Expenditures</b>	3,552,330	3,041,223	36,019	181	6,629,753	6,605,308
<b>Excess of Revenues Over Expenditures</b>	12,946,404	7,718,917	387,634	87,518	21,140,473	19,225,979
<b>OTHER FINANCING USES</b>						
Transfers Out	(10,602,566)	(7,950,570)	(276,471)		(18,829,607)	(20,076,426)
<b>Net Change in Fund Balances</b>	2,343,838	(231,653)	111,163	87,518	2,310,866	(850,447)
Fund Balances, Beginning	15,126,795	4,278,260		273,430	19,678,485	20,528,932
<b>Fund Balances, Ending</b>	\$ 17,470,633	\$ 4,046,607	\$ 111,163	\$ 360,948	\$ 21,989,351	\$ 19,678,485

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
CAPITAL PROJECTS - OTHER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Capital Projects - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Sales Taxes	\$ 15,767,847	\$ 15,767,847	\$ 16,442,313	\$ 674,466
Interest Income			46,421	46,421
Miscellaneous			10,000	10,000
Total Local Sources	<u>15,767,847</u>	<u>15,767,847</u>	<u>16,498,734</u>	<u>730,887</u>
<b>Total Revenues</b>	<u>15,767,847</u>	<u>15,767,847</u>	<u>16,498,734</u>	<u>730,887</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	<u>4,289,482</u>	<u>6,242,406</u>	<u>3,075,008</u>	<u>3,167,398</u>
Capital Outlay:				
Facilities Acquisition and Construction	3,950,112	3,814,282	98,050	3,716,232
Other Capital Outlay	<u>1,983,894</u>	<u>678,995</u>	<u>365,427</u>	<u>313,568</u>
Total Capital Outlay	<u>5,934,006</u>	<u>4,493,277</u>	<u>463,477</u>	<u>4,029,800</u>
Debt Service:				
Principal	13,329	13,329	13,329	
Interest and Fiscal Charges	<u>516</u>	<u>516</u>	<u>516</u>	
Total Debt Service	<u>13,845</u>	<u>13,845</u>	<u>13,845</u>	
<b>Total Expenditures</b>	<u>10,237,333</u>	<u>10,749,528</u>	<u>3,552,330</u>	<u>7,197,198</u>
<b>Excess of Revenues Over Expenditures</b>	<u>5,530,514</u>	<u>5,018,319</u>	<u>12,946,404</u>	<u>7,928,085</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(12,938,109)</u>	<u>(12,938,109)</u>	<u>(10,602,566)</u>	<u>2,335,543</u>
<b>Change in Fund Balance</b>	<u>(7,407,595)</u>	<u>(7,919,790)</u>	<u>2,343,838</u>	<u>10,263,628</u>
Fund Balance, Beginning	<u>15,126,795</u>	<u>15,126,795</u>	<u>15,126,795</u>	
<b>Fund Balance, Ending</b>	<u>\$ 7,719,200</u>	<u>\$ 7,207,005</u>	<u>\$ 17,470,633</u>	<u>\$ 10,263,628</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
CAPITAL PROJECTS -  
SECTION 1011.71(2), F.S., LOCAL CAPITAL IMPROVEMENT TAX FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local Sources:				
Ad Valorem Taxes	\$ 10,533,941	\$ 10,533,941	\$ 10,511,321	\$ (22,620)
Interest Income			23,696	23,696
Miscellaneous		233,377	225,123	(8,254)
Total Local Sources	10,533,941	10,767,318	10,760,140	(7,178)
<b>Total Revenues</b>	<b>10,533,941</b>	<b>10,767,318</b>	<b>10,760,140</b>	<b>(7,178)</b>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	5,095,036	5,013,111	2,138,634	2,874,477
Capital Outlay:				
Facilities Acquisition and Construction	2,079,286	1,193,486	292,171	901,315
Other Capital Outlay	861,158	881,146	610,418	270,728
Total Capital Outlay	2,940,444	2,074,632	902,589	1,172,043
<b>Total Expenditures</b>	<b>8,035,480</b>	<b>7,087,743</b>	<b>3,041,223</b>	<b>4,046,520</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,498,461</b>	<b>3,679,575</b>	<b>7,718,917</b>	<b>4,039,342</b>
<b>OTHER FINANCING USES</b>				
Transfers Out	(6,776,720)	(7,955,154)	(7,950,570)	4,584
<b>Net Change in Fund Balance</b>	<b>(4,278,259)</b>	<b>(4,275,579)</b>	<b>(231,653)</b>	<b>4,043,926</b>
Fund Balance, Beginning	4,278,260	4,278,260	4,278,260	
<b>Fund Balance, Ending</b>	<b>\$ 1</b>	<b>\$ 2,681</b>	<b>\$ 4,046,607</b>	<b>\$ 4,043,926</b>

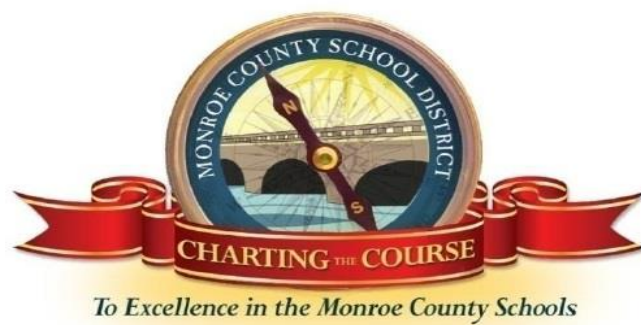


**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
CAPITAL PROJECTS - PUBLIC EDUCATION CAPITAL OUTLAY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Capital Projects - Public Education Capital Outlay (PECO) Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State Sources:				
Miscellaneous	\$ 400,212	\$ 423,653	\$ 423,628	\$ (25)
Local Sources:				
Interest Income		25	25	
<b>Total Revenues</b>	<u>400,212</u>	<u>423,678</u>	<u>423,653</u>	<u>(25)</u>
<b>EXPENDITURES</b>				
Facilities Services	147,182	147,207	36,019	111,188
<b>Excess of Revenue Over Expenditures</b>	<u>253,030</u>	<u>276,471</u>	<u>387,634</u>	<u>111,163</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(253,030)	(276,471)	(276,471)	
<b>Change in Fund Balance</b>			111,163	111,163
Fund Balance, Beginning				
<b>Fund Balance, Ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 111,163</u>	<u>\$ 111,163</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
CAPITAL PROJECTS - CAPITAL OUTLAY & DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Capital Projects - Capital Outlay &amp; Debt Service Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 53,000	\$ 53,000	\$ 86,172	\$ 33,172
Local Sources:				
Interest Income			1,527	1,527
<b>Total Revenues</b>	<u>53,000</u>	<u>53,000</u>	<u>87,699</u>	<u>34,699</u>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges			181	(181)
<b>Excess of Revenues Over Expenditures</b>	<u>53,000</u>	<u>53,000</u>	<u>87,518</u>	<u>34,518</u>
<b>Net Change in Fund Balance</b>	53,000	53,000	87,518	34,518
Fund Balance, Beginning	<u>273,430</u>	<u>273,430</u>	<u>273,430</u>	
<b>Fund Balance, Ending</b>	<u>\$ 326,430</u>	<u>\$ 326,430</u>	<u>\$ 360,948</u>	<u>\$ 34,518</u>



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### **Internal Service Funds**

**Internal Service Funds are nonmajor proprietary funds reported as governmental activities. They are used to account for the self-insurance activities of the District. The following funds are included in the Internal Service Funds:**

**Self Insurance - Workers' Compensation/General Liability - To account for and report on funds received for and used to pay for claims under the District's self-insured property, casualty, liability, and workers' compensation program.**

**Self Insurance - Vista - To account for and report on funds received for and used to pay administration costs for the District's employee benefit plans.**

**Self Insurance - Health Insurance - To account for and report on funds received for and used to pay for healthcare claims under the District's self-insured health program.**

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2015**  
**(With Comparative Totals for June 30, 2014)**

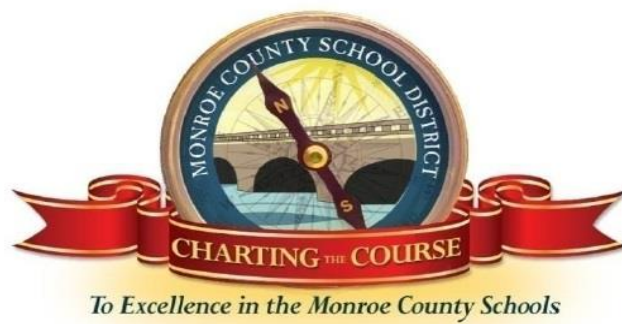
	Proprietary Funds - Internal Service Funds				
	Governmental Activities			Totals	
	Self-Insurance				
	Workers' Compensation/ General Liability	Vista	Health Insurance	2015	2014
<b>ASSETS</b>					
Current Assets					
Cash	\$ 2,453,120	\$ 336,214	\$ 2,278,188	\$ 5,067,522	\$ 7,450,950
Investments			4,000,024	4,000,024	20,146
Accounts Receivable					325,992
Due from Other Agencies	774,519			774,519	443,926
Prepaid Items	117,878			117,878	107,978
<b>Total Current Assets</b>	<b>3,345,517</b>	<b>336,214</b>	<b>6,278,212</b>	<b>9,959,943</b>	<b>8,348,992</b>
Noncurrent Assets:					
Investments in SBA Fund B Surplus Funds Trust Fund					6,102
<b>TOTAL ASSETS</b>	<b>3,345,517</b>	<b>336,214</b>	<b>6,278,212</b>	<b>9,959,943</b>	<b>8,355,094</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Account Payable		943	1,682,227	1,683,170	1,294,185
Estimated Insurance Claims Payable	1,425,473		933,006	2,358,479	1,840,154
<b>Total Current Liabilities</b>	<b>1,425,473</b>	<b>943</b>	<b>2,615,233</b>	<b>4,041,649</b>	<b>3,134,339</b>
Noncurrent Liabilities:					
Estimated Insurance Claims Payable	1,280,365			1,280,365	1,705,510
<b>TOTAL LIABILITIES</b>	<b>2,705,838</b>	<b>943</b>	<b>2,615,233</b>	<b>5,322,014</b>	<b>4,839,849</b>
<b>NET POSITION</b>					
Unrestricted	\$ 639,679	\$ 335,271	\$ 3,662,979	\$ 4,637,929	\$ 3,515,245

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2015**  
(With Comparative Totals for the Fiscal Year Ended June 30, 2014)

	Proprietary Funds - Internal Service Funds				
	Governmental Activities				
	Self-Insurance			Totals	
	Workers' Compensation/ General Liability	Vista	Health Insurance	2015	2014
<b>OPERATING REVENUES</b>					
Premium Contributions	\$ 1,413,969	\$ 136,983	\$ 11,627,502	\$ 13,178,454	\$ 13,727,023
Other Operating Revenues	461,288	25,201	416,868	903,357	682,540
Total Operating Revenues	1,875,257	162,184	12,044,370	14,081,811	14,409,563
<b>OPERATING EXPENSES</b>					
Salaries	89,745		89,746	179,491	175,936
Employees Benefits	49,711	30,659	29,325	109,695	82,422
Purchased Services	251,615	32,333	1,366,615	1,650,563	1,703,458
Materials and Supplies	849		2,689	3,538	1,865
Insurance Claims	1,207,169		9,837,482	11,044,651	9,275,064
Total Operating Expenses	1,599,089	62,992	11,325,857	12,987,938	11,238,745
<b>Operating Income</b>	276,168	99,192	718,513	1,093,873	3,170,818
<b>NONOPERATING REVENUES</b>					
Interest Revenue	13,201	1,481	14,083	28,765	26,020
Gifts, Grants and Bequests					20,000
Other Miscellaneous	46			46	
Total Nonoperating Revenues	13,247	1,481	14,083	28,811	46,020
<b>Change in Net Position</b>	289,415	100,673	732,596	1,122,684	3,216,838
Total Net Position, Beginning	350,265	234,597	2,930,383	3,515,245	298,407
<b>Total Net Position, Ending</b>	\$ 639,680	\$ 335,270	\$ 3,662,979	\$ 4,637,929	\$ 3,515,245

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2015**

	<b>Proprietary Funds - Internal Service Funds</b>			
	<b>Governmental Activities</b>			
	<b>Self-Insurance</b>			<b>Totals</b>
	<b>Workers' Compensation/ General Liability</b>	<b>Vista</b>	<b>Health Insurance</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Board Funds and Participants	\$ 1,385,955	\$ 136,983	\$ 11,650,916	\$ 13,173,854
Cash Received from Loss Recoveries	461,288	25,201	416,868	903,357
Cash Payments to Suppliers for Goods and Services	(262,364)	(31,952)	(980,699)	(1,275,015)
Cash Payments to Employees for Services	(139,458)	(30,659)	(119,071)	(289,188)
Cash Payments for Insurance Claims	(1,247,629)		(9,703,842)	(10,951,471)
<b>Net Cash Provided by Operating Activities</b>	<b>197,792</b>	<b>99,573</b>	<b>1,264,172</b>	<b>1,561,537</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Miscellaneous	46			46
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	26,248			26,248
Interest Income	13,201	1,481	14,083	28,765
Purchase of Investments			(4,000,024)	(4,000,024)
<b>Net Cash Provided by Investing Activities</b>	<b>39,449</b>	<b>1,481</b>	<b>(3,985,941)</b>	<b>(3,945,011)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>237,287</b>	<b>101,054</b>	<b>(2,721,769)</b>	<b>(2,383,428)</b>
Cash, Beginning	2,215,833	235,160	4,999,957	7,450,950
<b>Cash, Ending</b>	<b>\$ 2,453,120</b>	<b>\$ 336,214</b>	<b>\$ 2,278,188</b>	<b>\$ 5,067,522</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ 276,168	\$ 99,192	\$ 718,513	\$ 1,093,873
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	302,577		23,415	325,992
Increase in Due from Other Agencies	(330,593)			(330,593)
Increase in Prepaid Items	(9,900)			(9,900)
Increase in Accounts Payable		381	388,604	388,985
Increase in Estimated Insurance Claims Payable	(40,460)		133,640	93,180
<b>Total Adjustments</b>	<b>(78,376)</b>	<b>381</b>	<b>545,659</b>	<b>467,664</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 197,792</b>	<b>\$ 99,573</b>	<b>\$ 1,264,172</b>	<b>\$ 1,561,537</b>



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### **Discretely Presented Component Units**

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

### **Nonmajor Discretely Presented Component Units**

Big Pine Elementary Academy, Inc., Key West Independent Education, Inc., d/b/a Key West Collegiate School, Key West Montessori Charter School, Inc., Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc., and Sigsbee Charter School Inc., are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. These six charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District because the District is financially accountable for the Charter Schools and there is the potential for the Charter Schools to impose specific financial burdens on the District.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**JUNE 30, 2015**

	<b>Charter Schools</b>			
	<b>Big Pine Elementary Academy, Inc.</b>	<b>Key West Collegiate School</b>	<b>Key West Montessori Charter School, Inc.</b>	<b>Treasure Village Montessori</b>
<b>ASSETS</b>				
Cash	\$ 105,114	\$ 106,830	\$ 247,094	\$ 302,353
Investments				
Accounts Receivables	15,641			19,594
Due from Other Agencies		11,571		
Prepaid Items	7,196	9,946	6,079	17,926
Other Assets	8,638			22,489
Capital Assets:				
Non-Depreciable				
Depreciable (Net)	23,883	31,166	112,603	447,080
<b>TOTAL ASSETS</b>	<u>160,472</u>	<u>159,513</u>	<u>365,776</u>	<u>809,442</u>
<b>LIABILITIES</b>				
Salaries and Benefits Payable	125,115	24,005		145,121
Accounts Payable	11,464	13,200	4,000	34,826
Advanced Revenue				
Compensated Absences Payable	89,476			
<b>TOTAL LIABILITIES</b>	<u>226,055</u>	<u>37,205</u>	<u>4,000</u>	<u>179,947</u>
<b>NET POSITION</b>				
Investment in Capital Assets	23,883	31,166	112,603	447,080
Unrestricted	(89,466)	91,142	249,173	182,415
<b>TOTAL NET POSITION - COMPONENT UNITS</b>	<u>\$ (65,583)</u>	<u>\$ 122,308</u>	<u>\$ 361,776</u>	<u>\$ 629,495</u>

<b>Charter Schools</b>		
<b>Ocean Studies Charter School, Inc.</b>	<b>Sigsbee Charter School, Inc.</b>	<b>Total Charter Schools</b>
\$ 127,008	\$ 1,485,342	\$ 2,373,741
	497,595	497,595
	23,412	58,647
6,786		18,357
19,792	240,799	301,738
		31,127
	3,055,513	3,055,513
58,705	5,508,701	6,182,138
<u>212,291</u>	<u>10,811,362</u>	<u>12,518,856</u>
99,350	216,606	610,197
	9,415	72,905
	6,717	6,717
		89,476
<u>99,350</u>	<u>232,738</u>	<u>779,295</u>
58,705	8,564,214	9,237,651
54,236	2,014,410	2,501,910
<u>\$ 112,941</u>	<u>\$ 10,578,624</u>	<u>\$ 11,739,561</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS**  
**JUNE 30, 2015**

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Key West Montessori Charter School, Inc.	Treasure Village Montessori
<b>Governmental Activities:</b>				
Instruction	\$ 909,183	\$ 287,237	\$ 916,932	\$ 1,197,379
Student Personnel Services	160,896		49,355	80,207
Instructional Media Services				
Instruction and Curriculum Development Services				
Instructional Staff Training Services		1,512	17,884	23,121
Instruction Related Technology				
School Board		13,428	6,624	803
General Administration			26,438	
School Administration	220,507	179,449	219,399	308,917
Facilities Services			54,186	314,512
Fiscal Services		11,625	46,325	66,426
Food Services	22,946	3,347	884	
Central Services		15,798	6,394	5,196
Student Transportation Services	36,049		3,150	21,540
Operation of Plant	232,560	117,186	60,003	155,626
Maintenance of Plant	216,638			
Administrative Technology Services			1,253	
Community Services	15,446		12,266	
Unallocated Depreciation Expense	10,100		21,589	60,162
Loss on Disposal of Capital Assets				
<b>Total Governmental Activities</b>	<u>1,824,325</u>	<u>629,582</u>	<u>1,442,682</u>	<u>2,233,889</u>
<b>Program Revenue</b>				
Charge for Services:				
Instruction				157,889
Food Services				
Community Services			21,430	
Total Charges for Services			<u>21,430</u>	<u>157,889</u>
Operating Grants and Contributions:				
Instruction				19,992
Operation of Plant	232,560			
Community Services	13,225			
Total Operating Grants and Contributions	<u>245,785</u>			<u>19,992</u>
Capital Grants and Contributions:				
Facilities Services				69,240
Operation of Plant		33,519		
Total Capital Grants and Contributions		<u>33,519</u>		<u>69,240</u>
<b>Total Program Revenues</b>	<u>245,785</u>	<u>33,519</u>	<u>21,430</u>	<u>247,121</u>
<b>Net (Expense) Revenue</b>	<u>(1,578,540)</u>	<u>(596,063)</u>	<u>(1,421,252)</u>	<u>(1,986,768)</u>
<b>General Revenues:</b>				
Grants and Contributions Not Restricted to Specific Programs	1,448,152	651,367	1,335,946	1,737,963
Unrestricted Investment Earnings		1,110		
Miscellaneous	4,756		150,928	152,784
<b>Total General Revenues</b>	<u>1,452,908</u>	<u>652,477</u>	<u>1,486,874</u>	<u>1,890,747</u>
<b>Change in Net Position</b>	(125,632)	56,414	65,622	(96,021)
Net Position - Beginning	60,049	65,894	296,154	725,516
<b>Net Position - Ending</b>	<u>\$ (65,583)</u>	<u>\$ 122,308</u>	<u>\$ 361,776</u>	<u>\$ 629,495</u>

<b>Charter Schools</b>		
<b>Ocean Studies Charter School, Inc.</b>	<b>Sigsbee Charter School, Inc.</b>	<b>Total Charter Schools</b>
\$ 472,428	\$ 2,719,766	\$ 6,502,925
	48,434	338,892
638	278,433	279,071
72,415	65,610	138,025
7,371	25,053	74,941
	48,432	48,432
	24,029	44,884
	46,233	72,671
189,876	309,958	1,428,106
6,146	247,132	621,976
5,834		130,210
	101,085	128,262
		27,388
3,803		64,542
204,494	207,558	977,427
33,069	16,454	266,161
		1,253
	4,732	32,444
	202,092	293,943
	4,280	4,280
<u>996,074</u>	<u>4,349,281</u>	<u>11,475,833</u>
	2,614	160,503
	83,390	83,390
	5,021	26,451
	<u>91,025</u>	<u>270,344</u>
	25,205	45,197
		232,560
	43,092	56,317
	<u>68,297</u>	<u>334,074</u>
	184,524	253,764
30,290		63,809
<u>30,290</u>	<u>184,524</u>	<u>317,573</u>
30,290	343,846	921,991
<u>(965,784)</u>	<u>(4,005,435)</u>	<u>(10,553,842)</u>
944,516	4,358,755	10,476,699
	5,785	6,895
54,906	19,577	382,951
<u>999,422</u>	<u>4,384,117</u>	<u>10,866,545</u>
33,638	378,682	312,703
79,303	10,199,942	11,426,858
<u>\$ 112,941</u>	<u>\$ 10,578,624</u>	<u>\$ 11,739,561</u>

## General Fund

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

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	General Fund	
	Major Governmental Fund	
	Totals	
	2015	2014
<b>ASSETS</b>		
Cash	\$ 3,620,767	\$ 4,504,939
Investments	10,048,820	10,627,810
Accounts Receivable	61,715	95,884
Due from Other Funds	859,542	949,796
Due from Other Agencies	757,312	464,411
Prepaid Items	554,872	333,854
Inventories	9,855	26,803
<b>Total Assets</b>	<b>\$ 15,912,883</b>	<b>\$ 17,003,497</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Salaries and Benefits Payable	\$ 2,849,992	\$ 2,608,514
Payroll Deductions and Withholdings Payable	175,292	172,725
Accounts Payable	323,226	458,488
Sales Tax Payable		232
Deposits Payable	1,044	9,298
Due to Other Funds		1,390,966
Due to Other Agencies	20,537	20,345
<b>Total Liabilities</b>	<b>3,370,091</b>	<b>4,660,568</b>
Fund Balances:		
Nonspendable:		
Inventories	9,855	26,803
Prepaid Amounts	554,872	333,854
Restricted for:		
State Required Carryover Programs	632,418	551,317
Assigned for:		
Tax Distribution in Litigation		600,000
Carryover/Contractual Agreements	837,323	683,879
Unassigned Fund Balance	10,508,324	10,147,076
<b>Total Fund Balances</b>	<b>12,542,792</b>	<b>12,342,929</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,912,883</b>	<b>\$ 17,003,497</b>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND  
JUNE 30, 2015  
(With Comparative Totals for the Fiscal Year Ended June 30, 2014)**

	<b>General Fund</b>	
	<b>Major Governmental Fund</b>	
	<b>Totals</b>	
	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>		
Federal Direct Sources:		
Federal Impact, Current Operations	\$ 232,262	\$ 161,368
Miscellaneous Federal Direct	26,285	33,004
Total Federal Direct Sources	258,547	194,372
Federal Through State and Local Sources:		
Medicaid	418,968	359,213
Other Federal Through State Sources	3,207	
Other Federal Through Local Sources	379,259	
Total Federal Through State and Local Sources	801,434	359,213
State Sources:		
Categorical Educational Program - Class Size Reduction	9,121,712	9,225,944
Florida Education Finance Program	3,635,778	3,904,893
Workforce Development Program	807,080	711,711
Workforce Education Performance Incentives	6,272	
Voluntary Prekindergarten	545,192	542,022
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913	4,913
School Recognition	333,058	319,695
Racing Commission Funds	223,250	223,250
Diagnostic and Learning Resources Centers	210,075	198,790
Discretionary Lottery Funds	29,546	81,201
Adults with Disabilities	65,858	64,577
Mobile Home License Tax	30,856	28,734
Miscellaneous	118,406	77,189
Total State Sources	15,131,996	15,382,919
Local Sources:		
Ad Valorem Taxes	65,705,892	63,577,031
Interest Income	44,641	79,066
Miscellaneous	2,258,940	2,181,122
Total Local Sources	68,009,473	65,837,219
<b>Total Revenues</b>	<b>84,201,450</b>	<b>81,773,723</b>

(Continued)



**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**JUNE 30, 2015**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2014)**

	<b>General Fund</b>	
	<b>Major Governmental Fund</b>	
	<b>Totals</b>	
	<b>2015</b>	<b>2014</b>
<b>EXPENDITURES</b>		
Current - Education:		
Instruction	\$ 57,521,150	\$ 54,143,968
Student Personnel Services	3,895,863	4,410,761
Instructional Media Services	636,011	730,934
Instruction and Curriculum Development Services	1,421,369	1,488,103
Instructional Staff Training Services	1,001,519	610,557
Instruction Related Technology	1,105,499	1,048,342
School Board	548,763	663,380
General Administration	584,072	546,541
School Administration	4,379,902	4,031,481
Facilities Services	422,301	471,480
Fiscal Services	1,117,568	925,217
Food Services	11,804	30,598
Central Services	1,500,288	1,482,601
Student Transportation Services	3,349,260	3,084,538
Operation of Plant	6,571,956	6,120,978
Maintenance of Plant	2,191,230	2,064,178
Administrative Technology Services	409,722	476,541
Community Services	787,462	656,773
Capital Outlay:		
Facilities Acquisition and Construction	11,800	
Other Capital Outlay	159,154	60,282
Debt Service:		
Interest and Fiscal Charges	53,100	104,834
<b>Total Expenditures</b>	<b>87,679,793</b>	<b>83,152,087</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,478,343)</b>	<b>(1,378,364)</b>
<b>OTHER FINANCING SOURCES</b>		
Sale of Capital Assets	3,511	16,160
Insurance Loss Recoveries	16,303	596
Transfers In	3,658,392	3,931,298
<b>Total Other Financing Sources</b>	<b>3,678,206</b>	<b>3,948,054</b>
<b>Net Change in Fund Balances</b>	<b>199,863</b>	<b>2,569,690</b>
Fund Balances, Beginning	12,342,929	9,773,239
<b>Fund Balances, Ending</b>	<b>\$ 12,542,792</b>	<b>\$ 12,342,929</b>

### **Agency Funds**

**School Internal Funds - To account for resources of the schools' internal funds that are used to administer moneys collected for student activities and groups.**

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS - AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	School Internal Funds			
	July 1, 2014	Additions	Deletions	June 30, 2015
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,241,914	\$ 2,509,396	\$ 2,453,523	\$ 1,297,787
<b>Liabilities</b>				
Internal Accounts Payable	\$ 1,241,914	\$ 2,509,396	\$ 2,453,523	\$ 1,297,787



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## STATISTICAL SECTION

This part of the District School Board of Monroe County, Florida's comprehensive annual financial report presents detail information as a context for understanding the information presented in the financial statements, note disclosures, and required supplementary information.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	141
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	150
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	157
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	164
Operating Information These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	166

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST 10 FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ended			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 147,985,941	\$ 162,122,566	\$ 178,648,816	\$ 178,481,969
Restricted	27,819,775	29,496,456	28,442,734	27,259,547
Unrestricted (Deficit)	4,696,205	3,118,460	297,239	(1,184,440)
Total Governmental Activities Net Position	<u>\$ 180,501,921</u>	<u>\$ 194,737,482</u>	<u>\$ 207,388,789</u>	<u>\$ 204,557,076</u>

Source: District Records

Fiscal Year Ended					
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
\$ 188,381,501	\$ 195,923,231	\$ 200,927,125	\$ 206,453,854	\$ 213,926,467	\$ 221,890,858
34,711,052	33,718,528	29,278,587	33,456,362	36,209,794	41,272,048
(7,161,488)	(7,284,973)	(2,946,074)	2,955,000	8,398,228	(18,233,793)
<u>\$ 215,931,065</u>	<u>\$ 222,356,786</u>	<u>\$ 227,259,638</u>	<u>\$ 242,865,216</u>	<u>\$ 258,534,489</u>	<u>\$ 244,929,113</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**CHANGES IN NET POSITION: GOVERNMENT-WIDE**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

	Fiscal Year Ended			
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>Governmental Activities:</b>				
<b>Expenses:</b>				
Instruction	\$ 53,718,864	\$ 57,862,484	\$ 61,132,269	\$ 58,322,129
Student Personnel Services	4,989,086	5,311,148	5,404,292	5,300,909
Instructional Media Services	841,560	883,673	1,054,749	986,821
Instruction and Curriculum				
Development Services	3,040,638	3,372,727	3,457,546	2,788,699
Instructional Staff Training Services	870,915	1,010,817	2,160,182	1,457,881
Instruction Related Technology	1,280,859	1,265,419	1,294,139	1,258,556
School Board	1,077,086	786,519	642,017	835,663
General Administration	1,109,474	1,164,841	1,078,544	922,472
School Administration	5,250,306	5,714,947	5,618,028	5,397,130
Facility Services	6,539,884	9,241,969	8,776,504	3,991,982
Fiscal Services	1,129,044	1,214,726	1,210,252	1,167,689
Food Service	2,845,209	3,714,449	3,164,511	3,061,850
Central Services	1,274,594	1,282,568	1,240,067	1,223,061
Student Transportation Services	4,310,561	4,653,571	4,699,026	4,327,131
Operation of Plant	7,920,714	9,115,710	8,958,820	8,423,865
Maintenance of Plant	2,414,897	2,925,690	2,926,116	3,110,214
Administrative Technology Services	348,939	386,113	386,065	379,213
Community Services	867,745	1,051,701	1,259,227	1,046,229
Unallocated Interest on Long-term Debt	3,192,779	3,312,488	3,779,213	3,980,917
Unallocated Depreciation Expense	6,561,821	5,559,709	6,362,390	10,675,856
Loss on Disposal of Capital Assets				4,627,628
<b>Total Primary Government Expenses</b>	<u>109,584,975</u>	<u>119,831,269</u>	<u>124,603,957</u>	<u>123,285,895</u>
<b>Program Revenues:</b>				
Charges for Services	1,937,216	2,277,800	2,479,017	2,116,761
Operating Grants and Contributions	3,423,506	2,905,086	2,985,822	3,020,592
Capital Grants and Contributions	2,759,472	3,194,269	4,867,671	982,577
<b>Total Program Revenues</b>	<u>8,120,194</u>	<u>8,377,155</u>	<u>10,332,510</u>	<u>6,119,930</u>
<b>Net (Expense) Revenue</b>	(101,464,781)	(111,454,114)	(114,271,447)	(117,165,965)
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property taxes, Levied for				
Operational Purposes (1)	60,692,639	65,798,020	67,685,265	62,829,967
Property Taxes, Levied for				
Capital Projects (1)	10,506,379	12,819,424	13,772,457	12,944,959
Local Sales Taxes	12,518,052	12,795,765	12,677,932	11,611,512
Grants and Contributions Not Restricted				
to Specific Programs	19,979,452	22,728,472	24,812,462	24,421,834
Unrestricted Investment Earnings	4,604,587	3,243,012	2,201,974	1,046,244
Miscellaneous	3,979,749	2,759,952	5,772,664	1,479,736
Special Items				
<b>Total General Revenues and Special Items</b>	<u>112,280,858</u>	<u>120,144,645</u>	<u>126,922,754</u>	<u>114,334,252</u>
<b>Changes in Net Position</b>	<u>\$ 10,816,077</u>	<u>\$ 8,690,531</u>	<u>\$ 12,651,307</u>	<u>\$ (2,831,713)</u>

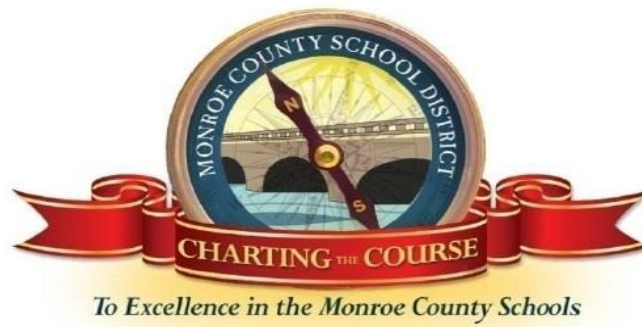
Note: (1) Changes in property tax revenues are a product of underlying changes in property values and tax rates. See schedules 8-11.

Source: District Records



Fiscal Year Ended						
June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	
\$ 60,464,426	\$ 62,785,276	\$ 52,496,018	\$ 50,374,881	\$ 54,619,327	\$ 58,457,631	
5,656,826	4,835,421	4,355,291	4,122,685	4,463,142	4,619,822	
954,712	1,082,039	759,919	763,251	700,704	611,896	
2,596,069	2,564,134	2,185,009	1,976,806	2,253,404	2,221,883	
1,431,370	1,316,912	1,310,010	1,277,434	970,765	1,498,488	
1,249,020	1,102,466	973,501	844,143	999,498	1,059,720	
838,991	960,471	1,099,668	761,163	654,142	540,105	
930,658	926,134	860,669	820,602	636,902	807,927	
5,209,039	4,940,773	4,076,673	3,818,756	3,851,690	4,197,990	
2,399,134	2,139,186	5,589,461	2,459,319	4,035,005	5,665,800	
910,079	895,112	817,157	777,885	884,669	1,071,178	
3,156,720	3,246,770	3,265,882	3,101,574	3,214,748	3,158,300	
3,935,838	1,022,265	1,934,048	1,570,726	1,455,853	1,465,561	
4,158,324	3,917,152	5,497,672	3,013,233	3,290,014	3,684,860	
8,088,266	7,153,402	6,007,533	5,453,336	6,109,750	6,559,838	
3,339,022	2,978,823	2,149,658	2,150,849	1,991,606	2,123,140	
381,442	389,371	362,414	351,986	457,369	392,591	
761,908	780,800	706,321	633,537	642,095	769,408	
3,433,567	2,837,095	4,332,292	4,081,382	3,249,827	2,801,169	
6,129,171	6,109,528	8,371,323	8,344,508	5,792,393	5,578,519	
			1,173,823	1,519,564	6,431	
116,024,582	111,983,130	107,150,519	97,871,879	101,792,467	107,292,257	
1,966,790	1,890,693	1,632,279	1,663,856	1,794,616	1,688,266	
2,140,612	2,543,150	2,139,222	2,212,832	2,309,174	2,566,440	
505,155	846,360	449,743	418,021	324,190	458,846	
4,612,557	5,280,203	4,221,244	4,294,709	4,427,980	4,713,552	
(111,412,025)	(106,702,927)	(102,929,275)	(93,577,170)	(97,364,487)	(102,578,705)	
64,150,485	66,966,325	57,990,332	59,476,513	63,577,031	65,705,892	
11,110,246	7,819,121	9,442,181	9,408,793	9,999,768	10,511,321	
11,694,939	11,286,363	13,440,925	15,205,186	15,342,494	16,442,313	
23,681,900	25,667,271	25,298,455	23,437,140	22,391,727	23,129,180	
517,025	265,356	370,055	526,302	262,547	395,542	
3,743,776	1,124,213	1,290,178	1,507,223	1,460,193	2,386,454	
3,260,014						
118,158,385	113,128,649	107,832,126	109,561,157	113,033,760	118,570,702	
\$ 6,746,360	\$ 6,425,722	\$ 4,902,851	\$ 15,983,987	\$ 15,669,273	\$ 15,991,997	





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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Federal Direct Sources: (1)</b>										
Federal Impact, Current Operations	\$ 198,815	\$ 233,360	\$ 264,839	\$ 229,681	\$ 217,686	\$ 285,845	\$ 205,026	\$ 290,048	\$ 161,368	\$ 232,262
ROTC		66,565	40,753	65,529	25,851	20,191	6,791			
Miscellaneous Federal Direct	1,414,305	1,374,942	1,375,378	1,681,053	1,489,815	1,514,753	3,493,911	3,262,283	3,180,127	3,037,681
<b>Total Federal Direct Sources</b>	<b>1,613,120</b>	<b>1,674,867</b>	<b>1,680,970</b>	<b>1,976,263</b>	<b>1,733,352</b>	<b>1,820,789</b>	<b>3,705,728</b>	<b>3,552,331</b>	<b>3,341,495</b>	<b>3,269,943</b>
<b>Federal Through State and Local Sources: (1)</b>										
Medicaid	484,226	520,268	543,569	471,583	480,979	393,442	431,862	552,501	359,213	418,968
Food Service	1,318,068	1,298,561	1,423,724	1,592,861	1,961,554	1,897,414	1,935,833	2,004,571	2,088,487	2,245,569
Donated Foods and Cash in Lieu of Donated Foods	140,661	140,961	157,856	160,885	139,379	216,324	175,299	171,041	183,542	285,742
Other Federal Through State Sources	6,234,643	5,870,542	5,678,105	5,921,514	10,115,545	11,091,642	6,519,701	4,868,913	2,973,242	4,298,552
Other Federal Through Local Sources								120,219		379,259
<b>Total Federal Through State Sources</b>	<b>8,177,598</b>	<b>7,830,332</b>	<b>7,803,254</b>	<b>8,146,843</b>	<b>12,697,457</b>	<b>13,598,822</b>	<b>9,062,695</b>	<b>7,717,245</b>	<b>5,604,484</b>	<b>7,628,090</b>
<b>State Sources: (1)</b>										
Class Size Reduction	4,959,549	6,470,086	8,123,406	8,332,927	8,621,368	8,925,079	9,076,199	9,104,181	9,225,944	9,121,712
Florida Education Finance Program	3,986,998	4,700,597	3,599,690	3,579,894	774,408	1,206,970	3,522,545	3,061,267	3,904,893	3,635,778
Workforce Development Program	775,311	826,016	921,291	875,818	806,891	847,926	671,534	720,614	711,711	807,080
Voluntary Prekindergarten Program	329,840	562,415	642,131	529,787	575,200	499,780	491,618	438,925	542,022	545,192
Motor Vehicle License Tax (Capital Outlay and Debt Service)	323,652	333,702	339,158	324,426	323,352	323,363	323,067	331,789	329,103	317,227
Reading Programs										
School Recognition	451,502	566,161	569,024	549,906	370,254	523,011	357,660	518,154	319,695	333,058
Instructional Materials	758,158	812,617	789,308	777,377						
Transportation	1,437,379	1,429,274	1,365,387	1,227,829						
Racing Commission Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Diagnostic and Learning Resources Centers	175,000	175,000	181,000	181,000	185,000	188,000	188,000	150,000	198,790	210,075
Discretionary Lottery Funds	423,599	327,390	398,178	198,575	22,389	30,275	26,600		81,201	29,546
Adults with Disabilities	103,677	103,677	95,702	85,290	80,864	71,154	70,796	64,859	64,577	65,858
Food Service Supplement	43,171	39,528	38,854	39,016	39,679	35,970	28,091	37,220	37,145	35,129
Mobile Home License Tax	37,972	36,187	33,577	31,893	31,057	30,308	28,558	29,347	28,734	30,856
Public Education Capital Outlay	1,132,503	1,578,614	1,949,607	792,848	181,803	522,997				147,157
Class Size Reduction - Construction			1,688,742							
Public School Technology	156,826									
Teacher Training	56,762									
Florida Teachers Lead Program	56,573	137,379	142,864	110,180						
Excellent Teaching Program	379,314	385,915	377,530	228,647		72,767				
Classrooms for Kids			890,164							
Miscellaneous	562,191	616,192	813,757	213,233	256,278	136,937	111,081	118,992	412,048	401,149
<b>Total State Sources</b>	<b>16,373,226</b>	<b>19,324,000</b>	<b>23,182,620</b>	<b>18,301,897</b>	<b>12,491,792</b>	<b>13,637,787</b>	<b>15,118,998</b>	<b>14,798,597</b>	<b>16,079,113</b>	<b>15,903,067</b>
<b>Local Sources: (1)</b>										
Ad Valorem Taxes	71,199,018	78,617,444	81,158,349	75,774,927	75,260,731	74,785,446	67,432,513	68,885,306	73,576,799	76,217,213
Sales Taxes	12,518,052	12,795,765	12,677,932	11,611,512	11,694,939	11,286,363	13,440,925	15,205,186	15,342,494	16,442,313
Food Service Sales	1,195,215	1,418,929	1,472,683	1,324,568	1,251,897	1,159,969	1,064,721	995,349	1,013,615	927,114
Interest Income and Others	4,446,273	3,020,630	2,094,862	1,043,876	516,994	265,260	292,630	651,519	168,186	395,542
Miscellaneous	2,303,134	3,092,003	4,668,359	1,881,563	2,566,662	1,846,751	1,634,681	1,964,155	2,318,799	2,494,063
<b>Total Local Sources</b>	<b>91,661,692</b>	<b>98,944,771</b>	<b>102,072,185</b>	<b>91,636,446</b>	<b>91,291,223</b>	<b>89,343,789</b>	<b>83,865,470</b>	<b>87,701,515</b>	<b>92,419,893</b>	<b>96,476,245</b>
<b>Total Revenues</b>	<b>117,825,636</b>	<b>127,773,970</b>	<b>134,739,029</b>	<b>120,061,449</b>	<b>118,213,824</b>	<b>118,401,187</b>	<b>111,752,891</b>	<b>113,769,688</b>	<b>117,444,985</b>	<b>123,277,345</b>

(continued)

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenditures:</b>										
<b>Current - Education:</b>										
Instruction	\$ 52,497,790	\$ 57,230,347	\$ 59,568,562	\$ 57,577,336	\$ 59,789,399	\$ 61,783,207	\$ 55,802,569	\$ 51,818,893	\$ 56,580,555	\$ 60,362,143
Student Personnel Services	4,870,854	5,251,586	5,260,255	5,229,212	5,589,639	4,753,620	4,324,635	4,247,431	4,667,117	4,808,502
Instructional Media Services	821,894	873,615	1,026,664	973,486	943,144	1,063,177	754,801	785,298	732,305	636,011
Instruction and Curriculum Development Services	2,970,330	3,334,201	3,364,610	2,752,159	2,564,253	2,519,875	2,169,059	2,038,574	2,356,115	2,312,675
Instructional Staff Training Services	863,022	1,005,696	2,115,941	1,444,733	1,416,709	1,298,489	1,302,989	1,302,923	1,011,287	1,551,167
Instruction Related Technology	1,248,829	1,250,066	1,256,950	1,240,638	1,233,207	1,082,692	966,100	871,267	1,048,342	1,107,022
School Board	1,070,650	783,372	634,305	831,818	835,134	952,525	1,096,542	768,992	664,034	548,763
General Administration	1,095,842	1,156,766	1,058,117	913,183	922,399	912,068	855,931	841,729	660,240	829,550
School Administration	5,118,706	5,645,645	5,457,469	5,318,731	5,142,957	4,852,541	4,046,760	3,938,411	4,033,717	4,380,781
Facilities Services	6,539,290	9,241,969	8,776,504	4,349,173	2,392,469	2,128,696	5,585,861	2,430,274	4,317,531	5,671,962
Fiscal Services	1,104,300	1,201,603	1,180,286	1,152,946	899,982	880,940	811,763	800,029	925,217	1,117,568
Food Service	2,805,954	3,694,260	3,115,184	3,038,784	3,134,928	3,216,494	3,254,769	3,146,209	3,283,184	3,219,687
Central Services	1,252,613	1,272,713	1,216,829	1,211,046	1,140,664	2,015,701	1,929,615	2,787,459	1,484,224	1,500,288
Student Transportation Services	3,953,089	4,261,700	4,227,498	3,862,696	3,669,398	3,416,695	2,840,591	2,704,659	3,108,006	3,363,912
Operation of Plant	7,839,666	9,073,249	8,857,399	8,372,222	8,042,791	7,097,051	6,000,973	5,453,417	6,121,880	6,573,798
Maintenance of Plant	2,379,084	2,905,631	2,873,268	3,071,090	3,319,278	2,932,857	2,136,149	2,201,664	2,064,178	2,191,230
Administrative Technology Services	340,425	381,662	375,360	373,558	376,514	382,290	359,612	363,540	476,541	409,722
Community Services	850,920	1,041,368	1,235,559	1,036,970	754,882	772,172	703,188	644,459	656,773	787,462
<b>Capital Outlay:</b>										
Facilities Acquisition and Construction	39,506,423	50,648,380	24,598,677	3,781,606	1,641,129	13,246,878	13,314,327	11,089,553	897,167	402,021
Other Capital Outlay	3,157,510	4,602,061	4,309,656	239,876	404,998	410,109	316,244	366,163	2,091,882	1,150,657
<b>Debt Service:</b>										
Principal	3,755,695	8,966,079	11,615,301	11,535,278	11,653,695	11,931,859	11,855,335	19,825,000	12,081,832	12,430,329
Interest and Fiscal Charges	3,122,703	3,242,412	3,709,138	3,917,849	3,370,499	2,774,027	4,307,081	4,081,382	3,249,827	2,801,169
<b>Total Expenditures</b>	<b>147,165,589</b>	<b>177,064,381</b>	<b>155,833,532</b>	<b>122,224,390</b>	<b>119,238,068</b>	<b>130,423,963</b>	<b>124,734,894</b>	<b>122,507,326</b>	<b>112,511,954</b>	<b>118,156,419</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(29,339,953)	(49,290,411)	(21,094,503)	(2,162,941)	(1,024,244)	(12,022,776)	(12,982,003)	(8,737,638)	4,933,031	5,120,926
<b>Other Financing Sources (Uses)</b>										
Bonds Issued		20,500,000								
Sale of Capital Assets	7,226	1,000	15,208		4,385,207				16,160	3,511
Loss Recoveries	2,428,476	322,580	2,392,448	39,140	128,900	7,568	300,479	86,178	596	16,303
Refunding Bonds							655,000	5,717,000		29,000
Certificates of Participation	4,842,000				36,000,000					
Inception of Capital Leases	928,075	768,355	2,481,480							
Premium on Refunding Bonds Issued							55,082			1,850
Payments to Refunding Bonds Escrow Agent							(708,241)			(31,425)
Transfers In	12,359,267	15,840,100	16,629,777	19,237,303	20,555,435	20,604,716	20,390,795	19,469,485	20,076,426	18,829,607
Transfers Out	(12,359,267)	(17,040,100)	(16,629,777)	(19,237,303)	(20,555,435)	(20,604,716)	(20,390,795)	(19,469,485)	(20,076,426)	(18,829,607)
<b>Total Other Financing Sources</b>	<b>8,205,777</b>	<b>20,391,935</b>	<b>4,889,136</b>	<b>39,140</b>	<b>40,514,107</b>	<b>7,568</b>	<b>302,320</b>	<b>5,803,178</b>	<b>16,756</b>	<b>19,239</b>
<b>Net Change in Fund Balance</b>	<b>\$ (21,134,176)</b>	<b>\$ (28,898,476)</b>	<b>\$ (16,205,367)</b>	<b>\$ (2,123,801)</b>	<b>\$ 39,489,863</b>	<b>\$ (12,015,208)</b>	<b>\$ (12,679,683)</b>	<b>\$ (2,934,460)</b>	<b>\$ 4,949,787</b>	<b>\$ 5,140,165</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	6.58%	10.02%	12.07%	13.07%	12.82%	12.59%	14.55%	21.53%	14.00%	13.06%

Notes: (1) District records were used to disaggregate audited totals for this report.

Source: District Records

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**SUMMARY OF REVENUE AND EXPENSES-GENERAL FUND**  
**LAST 10 FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year Ended									
	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
<b>Revenues</b>										
Federal Direct	\$ 358,847	\$ 498,305	\$ 410,833	\$ 376,284	\$ 318,015	\$ 380,546	\$ 248,918	\$ 326,038	\$ 194,372	\$ 258,547
Federal through State Sources	694,971	661,334	744,557	761,244	725,979	563,871	715,639	675,760	359,213	801,434
Federal through Local Sources										
State Sources	14,877,181	17,375,648	18,280,166	17,149,966	11,817,028	12,759,634	14,694,479	14,345,446	15,382,919	15,131,996
Local	63,479,060	68,755,736	70,737,934	65,711,489	66,773,730	68,970,736	59,888,309	61,607,076	65,837,219	68,009,473
<b>Total Revenues</b>	<b>79,410,059</b>	<b>87,291,023</b>	<b>90,173,490</b>	<b>83,998,983</b>	<b>79,634,752</b>	<b>82,674,787</b>	<b>75,547,345</b>	<b>76,954,320</b>	<b>81,773,723</b>	<b>84,201,450</b>
<b>Expenditures</b>										
Instruction	49,200,450	54,384,841	56,036,833	53,522,965	52,377,413	52,886,051	52,051,842	48,888,305	54,143,968	57,521,150
Student Personnel Services	3,879,931	4,248,919	4,295,870	4,347,804	4,692,704	3,654,297	3,108,542	3,108,090	4,410,761	3,895,863
Instructional Media Services	789,260	858,477	1,017,413	970,477	939,034	1,063,177	674,734	735,380	730,934	636,011
Instruction and Curriculum Development Services	2,034,563	2,352,068	2,370,799	1,732,378	1,523,488	1,425,926	1,160,922	1,152,722	1,488,103	1,421,369
Instructional Staff Training Services	486,422	444,088	1,375,927	783,091	737,159	473,163	358,886	362,637	610,557	1,001,519
Instruction Related Technology	1,223,502	1,234,943	1,243,577	1,227,623	1,173,228	1,055,475	966,100	871,267	1,048,342	1,105,499
School Board	1,070,650	783,372	634,305	831,818	833,311	952,525	1,095,882	759,477	663,380	548,763
General Administration	871,315	981,159	856,170	679,285	680,761	785,563	627,455	684,310	546,541	584,072
School Administration	5,118,706	5,645,645	5,457,469	5,318,731	5,138,656	4,846,294	4,020,380	3,918,149	4,031,481	4,379,902
Facilities Services	65,440	26,207	207,637	323,945	655,983	585,596	1,019,285	124,263	471,480	422,301
Fiscal Services	1,104,300	1,201,603	1,180,286	1,152,946	899,482	880,940	795,263	800,028	925,217	1,117,568
Food Service		18,984	69,706	22,879	29,137	39,659	17,591	18,730	30,598	11,804
Central Services	1,252,614	1,272,713	1,216,829	1,211,046	1,136,664	2,015,165	1,929,615	2,787,459	1,482,601	1,500,288
Student Transportation Services	3,951,895	4,260,430	4,204,478	3,787,590	3,601,658	3,397,057	2,792,471	2,694,216	3,084,538	3,349,260
Operation of Plant	7,833,120	9,067,849	8,851,958	8,367,524	8,040,809	7,087,651	5,995,862	5,453,307	6,120,978	6,571,956
Maintenance of Plant	2,379,084	2,905,631	2,873,268	3,071,090	3,317,996	2,932,523	2,133,810	2,201,664	2,064,178	2,191,230
Administrative Technology Services	340,425	381,662	375,360	369,173	376,514	382,290	359,612	363,540	476,541	409,722
Community Services	850,920	1,041,368	1,235,559	1,036,970	754,590	771,384	601,001	644,459	656,773	787,462
<b>Capital Outlay:</b>										
Facilities Acquisition and Construction	18,819	45,479				5,250	1,500	85,986		11,800
Other Capital Outlay	81,909	162,072	48,165	35,927	67,054	47,399	35,892	84,586	60,282	159,154
<b>Debt Service:</b>										
Principal										
Interest and Fiscal Charges			403,173	446,510	150,123	58,395	44,320	63,376	104,834	53,100
<b>Total Expenditures</b>	<b>82,553,325</b>	<b>91,317,510</b>	<b>93,954,782</b>	<b>89,239,772</b>	<b>87,125,764</b>	<b>85,345,780</b>	<b>79,790,965</b>	<b>75,801,951</b>	<b>83,152,087</b>	<b>87,679,793</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(3,143,266)</b>	<b>(4,026,487)</b>	<b>(3,781,292)</b>	<b>(5,240,789)</b>	<b>(7,491,012)</b>	<b>(2,670,993)</b>	<b>(4,243,620)</b>	<b>1,152,369</b>	<b>(1,378,364)</b>	<b>(3,478,343)</b>
<b>Total Other Financing Sources (Uses)</b>	<b>1,315,946</b>	<b>2,071,359</b>	<b>3,262,474</b>	<b>4,175,696</b>	<b>4,509,770</b>	<b>4,098,358</b>	<b>4,157,276</b>	<b>3,243,106</b>	<b>3,948,054</b>	<b>3,678,206</b>
<b>Net Change in Fund Balances</b>	<b>(1,827,320)</b>	<b>(1,955,128)</b>	<b>(518,818)</b>	<b>(1,065,093)</b>	<b>(2,981,242)</b>	<b>1,427,365</b>	<b>(86,344)</b>	<b>4,395,475</b>	<b>2,569,690</b>	<b>199,863</b>
Beginning Fund Balance	12,384,344	10,557,024	8,601,896	8,083,078	7,017,985	4,036,743	5,464,108	5,377,764	9,773,239	12,342,929
<b>Ending Fund Balance</b>	<b>\$ 10,557,024</b>	<b>\$ 8,601,896</b>	<b>\$ 8,083,078</b>	<b>\$ 7,017,985</b>	<b>\$ 4,036,743</b>	<b>\$ 5,464,108</b>	<b>\$ 5,377,764</b>	<b>\$ 9,773,239</b>	<b>\$ 12,342,929</b>	<b>\$ 12,542,792</b>

Source: District Records

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**Projected Sales Tax Revenues**  
**(Unaudited)**

<u>Fiscal Year Ending</u>	<u>Sales Tax Revenue</u>
June 30, 2015	\$ 16,442,313
June 30, 2016	17,232,283
June 30, 2017	17,749,251
June 30, 2018	18,281,729
June 30, 2019	18,830,181

Note: Sales tax revenue is projected to increase approximately 4.8 percent for the 2015-16 fiscal year and 3 percent each year thereafter.

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Source: District records of sales tax collections received from the Florida Department of Revenue.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30	Just Value (1)		Less: Exemptions	Net Assessed Taxable Value (2)	Total Direct Rate
	Real Property	Personal Property			
2015	\$ 28,683,662,702	\$ 719,993,296	\$ 7,437,380,121	\$ 21,966,275,877	3.6260
2014	26,616,428,610	740,963,901	6,986,640,765	20,370,751,746	3.6810
2013	25,619,313,512	760,488,508	6,828,495,669	19,551,306,351	3.6600
2012	25,558,799,632	798,092,402	7,009,112,330	19,347,779,704	3.5650
2011	26,540,872,618	828,515,769	7,291,527,525	20,077,860,862	3.8235
2010	30,948,868,141	847,780,599	8,887,064,408	22,909,584,332	3.3870
2009	36,544,684,798	843,984,940	10,673,636,368	26,715,033,370	2.9220
2008	39,857,204,003	829,566,470	12,253,253,703	28,433,516,770	2.9460
2007	38,579,528,369	827,502,950	12,998,330,104	26,408,701,215	3.0610
2006	31,452,911,754	766,960,916	10,531,028,505	21,688,844,165	3.3820

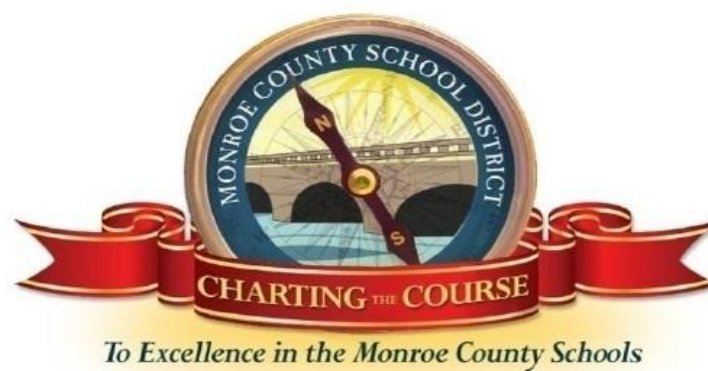
Notes: (1) Just values are the total estimated actual values subject to taxation, as defined by Section 193.011, Florida Statutes.

(2) Net Taxable Assessed Values are net Taxable Values after deducting allowable statutory exemptions.

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Source: Monroe County Property Appraiser





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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST 10 FISCAL YEARS**  
**(per \$1,000 Assessed Valuation)**  
**(Unaudited)**

	For the Fiscal Year Ended June 30			
	2006	2007	2008	2009
District School Board:				
Required Local Effort	1.8310	1.5190	1.4080	1.3940
Discretionary Local	0.5100	0.5100	0.5100	0.4980
Critical Operating Needs				
Supplemental Discretionary	0.0410	0.0320	0.0280	0.0300
Additional Voted Operating	0.5000	0.5000	0.5000	0.5000
Capital Improvement	0.5000	0.5000	0.5000	0.5000
<b>Total District School Board</b>	<b>3.3820</b>	<b>3.0610</b>	<b>2.9460</b>	<b>2.9220</b>
Other County-Wide:				
Board of County Commissioners	2.8001	2.5609	2.2656	2.6883
Other	1.3060	1.2475	1.0415	1.0038
<b>Total County-Wide</b>	<b>4.1061</b>	<b>3.8084</b>	<b>3.3071</b>	<b>3.6921</b>
<b>Total Direct &amp; Overlapping Rates</b>	<b><u>7.4881</u></b>	<b><u>6.8694</u></b>	<b><u>6.2531</u></b>	<b><u>6.6141</u></b>
Other Includes:				
Monroe County Mosquito Control				
South Florida Water Management				
Okeechobee Basin Fund				
Big Cypress Fund				
Everglades Construction Project				
Monroe County Road Patrol Law Enforcement				

Note: (1) Property is assessed as of January 1 and taxes on those assessments are levied according to the tax rate in effect during that tax year and become due on November 1. Therefore, assessments and tax levies applicable to a certain tax year are collected in the fiscal year ending during the following calendar year.

Sources: Monroe County Property Appraiser  
District Records

For the Fiscal Year Ended June 30					
2010	2011	2012	2013	2014	2015
1.6880	1.9440	1.8170	1.9120	1.9330	1.8780
0.6990	0.7295 0.2500	0.7480	0.7480	0.7480	0.7480
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.5000	0.4000	0.5000	0.5000	0.5000	0.5000
3.3870	3.8235	3.5650	3.6600	3.6810	3.6260
3.0837	3.3445	3.9833	3.8045	3.8262	3.7432
1.0502	1.0836	0.9199	0.9460	0.9179	0.8666
4.1339	4.4281	4.9032	4.7505	4.7441	4.6098
7.5209	8.2516	8.4682	8.4105	8.4251	8.2358

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND 9 YEARS AGO  
(Unaudited)**

Taxpayer	For the Fiscal Year Ended June 30					
	2015			2006		
	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)
Southeast Housing LLC	1	\$ 140,324,382	0.639%			
Florida Keys Electric Cooperative Association, Inc.	2	109,036,722	0.496%	2	\$ 72,406,440	0.334%
Ocean Reef Club Inc.	3	82,139,068	0.374%			
CWI Keys Hotel LLC	4	76,836,014	0.350%			
Sunset City LLC	5	69,204,395	0.315%			
Casa Maria Owner LLC	6	65,621,679	0.299%	3	45,887,445	0.212%
Galleon Condominium Association, Inc.	7	64,894,805	0.295%	5	42,086,530	0.194%
NWCL LLC	8	58,542,906	0.267%			
Windward Point LLC	9	56,504,227	0.257%	4	43,709,650	0.202%
City of Key West	10	49,688,504	0.226%			
BellSouth/Southern Bell				1	73,458,624	0.339%
Cheeca Holdings LLC				6	32,816,249	0.151%
Tannex Development LLC				7	32,349,480	0.149%
Hawks Cay Investors LTD				8	28,325,854	0.131%
Pier House Joint Venture				9	27,176,268	0.125%
KW Beach Suites LTD				10	22,000,000	0.101%
<b>Total</b>		<b>\$ 772,792,702</b>	<b>3.518%</b>		<b>\$ 420,216,540</b>	<b>1.938%</b>

Note: (1) Percent of total taxable value is calculated using the value from Schedule 7.

Sources: Monroe County Tax Collector  
Monroe County Property Appraiser

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of The Levy		Collections In Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount (1)	Percentage of Levy
2015	\$ 79,649,716	\$ 76,016,117	95.44%	N/A	\$ 76,016,117	95.44%
2014	75,215,392	72,592,727	96.51%	201,096	72,793,823	96.78%
2013	71,739,827	68,658,744	95.71%	208,139	68,866,883	96.00%
2012	68,974,835	66,911,669	97.01%	316,110	67,227,779	97.47%
2011	77,593,445	74,388,457	95.87%	370,370	74,758,827	96.35%
2010	78,740,144	75,260,732	95.58%	399,629	75,660,361	96.09%
2009	78,061,328	75,435,457	96.64%	728,771	76,164,228	97.57%
2008	83,765,140	81,158,349	96.89%	369,819	81,528,168	97.33%
2007	80,837,035	78,365,646	96.94%	200,444	78,566,090	97.19%
2006	73,598,232	70,991,009	96.46%	137,767	71,128,776	96.64%

Note: (1) Net of allowable discounts.

N/A: Information is not yet available for the 2015 fiscal year.

Sources: Monroe County Tax Collector.  
District Records.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

<b>Fiscal Year Ended June 30</b>	<b>State Board of Education Bonds</b>	<b>Certificates Of Participation</b>	<b>District Revenue Bonds</b>	<b>Total Outstanding Debt</b>	<b>Percentage of Personal Income (1)</b>	<b>Debt Per Capita (1)</b>
2015	\$ 29,000	\$ 43,347,000	\$ 10,401,000	\$ 53,777,000	N/A	N/A
2014	250,000	45,452,000	20,493,000	66,195,000	0.0012%	951
2013	495,000	47,477,000	30,292,000	78,264,000	0.0018%	1,353
2012	755,000	49,427,000	42,190,000	92,372,000	0.0021%	1,581
2011	1,010,000	51,307,000	51,860,000	104,177,000	0.0025%	1,869
2010	1,220,000	53,117,000	61,215,000	115,552,000	0.0029%	2,087
2009	1,420,000	18,852,000	70,265,000	90,537,000	0.0023%	1,686
2008	1,615,000	20,532,000	79,035,000	101,182,000	0.0023%	1,684
2007	1,800,000	22,167,000	87,610,000	111,577,000	0.0025%	1,801
2006	1,980,000	23,737,000	73,500,000	99,217,000	0.0023%	1,681

Note: (1) Total Primary Government Debt divided by Personal Income and Population from Schedule 18.  
N/A: Information is not yet available for the 2015 calendar year.

Sources: District Records  
United States Department of Commerce, Bureau of Economic Analysis

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

<b>Fiscal Year Ended June 30</b>	<b>Taxable Assessed Value (1)</b>	<b>Annual Lease Payment</b>	<b>Millage Levy to Provide 1.00x Coverage (2)</b>
2015	\$ 21,966,275,877	\$ 4,305,950	0.206 mills
2014	20,370,751,746	4,308,550	0.223 mills
2013	19,551,306,351	4,310,613	0.232 mills
2012	19,347,779,704	4,452,497	0.242 mills
2011	20,077,860,862	4,452,467	0.233 mills
2010	22,909,584,332	2,266,644	0.104 mills
2009	26,715,033,370	2,273,713	0.090 mills
2008	28,433,516,770	2,278,438	0.084 mills
2007	26,408,701,215	2,274,838	0.091 mills
2006	21,688,844,165	2,280,830	0.111 mills

Notes: (1) Taxable Assessed Value is the net taxable value after deducting allowable statutory exemptions.

(2) Millage rate calculated using 95 percent of the school taxable valuation.

Sources: District Records  
Monroe County Property Appraiser

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
PLEGDED REVENUE COVERAGE  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

**HISTORICAL SALES SURTAX COLLECTIONS**

District Revenue Bonds						
Fiscal Year Ending June 30,	Actual Sales Tax Revenues Received by the School District (1)		Debt Service		Other	Debt Service
		Interest Revenue	Principal	Interest	Dues & Fees	Coverage
2015	\$ 16,442,313	\$ 46,421	\$ 10,092,000	\$ 510,160	\$ 2,100	1.55
2014	15,342,494	32,275	9,799,000	814,222	350	1.45
2013	15,205,186	79,909	11,898,000	1,563,698	46,490	1.13
2012	13,440,925	472	9,670,000	1,769,335	350	1.17
2011	11,286,363	264	9,355,000	2,088,628	350	0.99
2010	11,694,939	88	9,050,000	2,394,433	356	1.02
2009	11,611,512	549	8,770,000	2,684,528	5,675	1.01
2008	12,677,932	423,421	8,575,000	2,453,589	33,210	1.18
2007	12,795,765	233,927	6,390,000	2,328,269	36,665	1.49
2006	12,518,052	233,135	1,500,000	1,944,588	43,346	3.66

**HISTORICAL CAPITAL OUTLAY AD VALOREM TAX COLLECTIONS**

Certificates of Participation						
Fiscal Year Ending June 30,	Actual Capital Outlay Taxes Received by the School District		Debt Service		Other	Debt Service
		Interest Revenue	Principal (2)	Interest	Dues & Fees	Coverage
2015	\$ 10,511,321	\$ 23,696	\$ 4,157,000	\$ 148,950	\$ 24,000	2.43
2014	9,999,768	41,275	5,045,344	449,451	18,603	1.82
2013	9,408,793	190,579	4,408,655	470,186	10,225	1.96
2012	9,442,181	17,178	4,338,655	454,850	5,000	1.97
2011	7,819,122	79,735	4,268,655	524,820	12,917	1.64
2010	11,110,246	229,981	2,076,008	531,644	164,209	4.09
2009	12,944,959	357	2,021,008	593,713	4,850	4.94
2008	13,772,457	266,952	1,976,008	643,438	3,600	5.35
2007	12,819,425	412,127	1,911,008	704,838	8,953	5.04
2006	10,506,379	347,558	1,505,000	775,830	215,572	4.35

- Notes:
- (1) The School District began to receive the Sales Tax Revenues beginning January 1, 1996.
- (2) Annual principal payments include Qualified Zone Academy Bonds (QZAB) and Qualified School Construction Bonds (QSCB) payments which are deposited with a trustee and invested in accordance with trust agreements until maturity and when combined with interest earnings will be sufficient to pay off the principal balances in full, at maturity on December 29, 2020, and June 1, 2027, respectively.

Source: District Records



**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**DIRECT AND OVERLAPPING**  
**GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2015**  
**(Unaudited)**

<b>Jurisdiction</b>	<b>General Obligation Bonded Debt Outstanding</b>	<b>Other Debt Outstanding</b>	<b>Direct Debt</b>		<b>Direct and Overlapping Debt</b>	
			<b>Percentage Applicable to This Governmental Unit</b>	<b>Amount Applicable to This Governmental Unit</b>	<b>Percentage Applicable to Monroe County</b>	<b>Amount Applicable to Monroe County</b>
Monroe County Board of County Commissioners	\$	\$	0%	\$	0%	\$
District School Board of Monroe County Direct Debt						
Bonds Payable		10,430,000	100%	10,430,000	100%	10,430,000
Certificates of Participation Payable		43,347,000	100%	43,347,000	100%	43,347,000
<b>Total Direct and Overlapping Debt</b>	<b>\$</b>	<b>\$ 53,777,000</b>		<b>\$ 53,777,000</b>		<b>\$ 53,777,000</b>

Sources: Monroe County, Florida Comprehensive Annual Financial Report as of September 30, 2014.  
District Records

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value (1)	\$ 21,688,844,165	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877
Debt Limit on Assessed Value (2)	\$ 21,688,844,165	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877
Amount of Debt Applicable to Debt Limit										
Bonds Payable (3)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less: Amount Available for Debt Service										
Total Debt Application to the Debt Limit										
Legal Debt Margin	\$ 21,688,844,165	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877
<b>Total Net Debt Application to the Limit as a Percentage of Debt Limit</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes: (1) Assessed value is as of January 1.  
(2) The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.  
(3) Includes General Obligation Bonds only.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**Direct Non-General Obligation Debt**  
**June 30, 2015**  
**(Unaudited)**

State of Florida School Bonds:	
Series 2014B, Refunding	\$ 29,000
District Sales Tax Revenue Bonds:	
Series 2005	8,475,000
Series 2013	<u>1,926,000</u>
Total Bonds Payable	<u><u>\$ 10,430,000</u></u>

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Source: District Records.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**Comparative Ratios of Bonded Debt**  
**And Certificates of Participation**  
**To Taxable Assessed Valuation and**  
**Per Capita Indebtedness**

Population (2015)	74,101
Total taxable valuation (2015 Fiscal Year)	\$ 21,966,275,877
Direct non-general obligation debt and certificates of participation at June 30, 2015	\$ 53,777,000
(a) As a percent of taxable valuation	0.24%
(b) Per capita	\$ 725.73

Sources: District Records.

Population obtained from the University of Florida, Bureau of Economic and Business Research,  
Florida population Studies Bulletin 171, April 2015.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST 10 CALENDAR YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (A)</u>	<u>Unemployment Rate (B)</u>
2015	74,101	N/A	N/A	N/A
2014	77,136	\$ 5,368,160,000	\$ 69,593	3.7%
2013	76,351	4,415,284,000	57,829	3.5%
2012	74,849	4,373,456,000	58,430	4.7%
2011	74,028	4,126,047,000	55,736	6.4%
2010	73,209	4,053,020,000	55,362	8.0%
2009	72,627	3,900,911,000	53,712	7.3%
2008	72,730	4,370,463,000	60,092	4.0%
2007	72,906	4,517,398,000	61,962	3.0%
2006	73,793	4,355,687,000	59,026	2.8%

Note: (1) Personal Income is in thousands.

N/A: Information is not yet available for the 2015 calendar year.

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Sources:

- (A) Population, Personal Income, and Per Capita Personal Income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.
- (B) Unemployment Rates were obtained from the Florida Department of Economic Opportunity, Labor Market Statistics and the United States Department of Labor, Bureau of Labor Statistics.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND 9 YEARS AGO  
(Unaudited)**

Employer	Fiscal Year					
	2014-2015			2005-2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
United States Armed Services, Including Civilian Support & Contractors	2,664	1	6.14%			
School District of Monroe County, Florida	1,054	2	2.43%	1,373	1	3.23%
Ocean Reef Club	997	3	2.30%	800	2	1.88%
Publix Stores	615	4	1.42%			
Monroe County Sheriff's Office	550	5	1.27%	531	5	1.25%
Monroe County Government	530	6	1.22%	582	4	1.37%
City of Key West	482	7	1.11%	509	6	1.20%
Community Health Care Center Lower Keys Medical Center, Key West	408	8	0.94%	500	7	1.18%
Westin Resort & Marina/Sunset Key	404	9	0.93%			
Spottswood Properties	400	10	0.92%			
Hawk's Cay Resort				350	10	0.82%
U.S. Navy				700	3	1.65%
Cay Clubs International				475	8	1.12%
Wyndham Hotels and Resorts				411	9	0.97%
<b>Total Principal Employers</b>	<b>8,104</b>		<b>18.68%</b>	<b>6,231</b>		<b>14.67%</b>

Sources: Key West Chamber of Commerce  
The Florida Research and Economic Information Database Application

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**SCHEDULE OF SELECTED OPERATING INFORMATION**  
**AVERAGE GENERAL FUND EXPENDITURES PER STUDENT**  
**GRADES K - 12**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year Ended June 30</b>	<b>Number of Schools (1) (2)</b>	<b>Number of Classroom Instructors</b>	<b>Unweighted Full-Time Equivalent Students (1) (2)</b>	<b>Average General Fund Expenditures Per Student</b>
2015	16	567	8,090	\$ 10,838
2014	16	532	8,064	10,312
2013	17	593	7,947	9,538
2012	17	644	8,031	9,935
2011	15	615	7,964	10,717
2010	14	637	7,896	11,034
2009	14	635	7,919	11,269
2008	14	638	8,044	11,680
2007	14	690	8,082	11,299
2006	14	680	8,328	9,913

Notes: (1) Information is from Schedule 21.  
(2) Includes charter schools.

Sources: Florida Department of Education  
District Records

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

	Placed in Service (1)	Square Footage (2)	Full-Time Equivalent Enrollment Data Fiscal Year Ended June 30		
			2006	2007	2008
<b>Elementary Schools</b>					
Gerald Adams Elementary	1974	70,755	462.96	454.41	452.13
Glynn Archer Elementary	1926	11,039	275.70	258.75	244.76
Poinciana Elementary	2005	90,997	532.66	536.97	590.83
Stanley Switlik Elementary	1971	102,886	576.16	569.58	564.66
Total Elementary			1,847.48	1,819.71	1,852.38
<b>K-8 Schools</b>					
Horace O'Bryant Middle	1998	188,132	788.04	744.12	761.00
Key Largo Middle	2007	204,833	944.11	958.21	888.64
Plantation Key Middle	1976	76,376	621.58	596.62	564.53
Sugarloaf Middle	1997	191,600	748.51	729.64	683.91
Total K-8 Schools			3,102.24	3,028.59	2,898.08
<b>Combination Middle High Schools</b>					
Marathon Middle High	2005	241,676	602.94	552.44	567.07
<b>High Schools</b>					
Coral Shores High	2003	229,009	784.54	734.59	778.46
Key West High	2003	263,862	1,373.90	1,363.90	1,338.69
Total High Schools			2,158.44	2,098.49	2,117.15
<b>Charter Schools</b>					
Big Pine Academy, Inc.	1980	13,713	52.49	56.50	81.00
Key West Collegiate School			61.50	74.95	73.00
Montessori Elementary Charter School, Inc.			140.50	148.00	151.50
Treasure Village Montessori School	1949	10,000			
Ocean Studies Charter School, Inc.			244.17	222.16	221.97
Sigsbee Charter School, Inc.	1959	50,239			
Total Charter Schools			498.66	501.61	527.47
<b>Other Programs</b>					
Pace Upper Keys	Included above		29.71	18.44	1.54
Pace Lower Keys	Included above		38.44	37.64	31.90
May Sands School	1974	35,960			20.90
Hurricane Island Outward Bound	Included above		9.00	5.00	8.00
Academic Connections for Excellence	Included above				
Florida Department of Juvenile Justice	Included above		7.66	3.18	5.38
Keys Center Academy	Included above				
McKay Scholarship	Included above		33.00	16.50	14.50
District Virtual Instruction					
Monroe Virtual Franchise					
Monroe Virtual Instruction					
Monroe Virtual Academy					
Total Other Programs			117.81	80.76	82.22
<b>Total District</b>			<b>8,327.57</b>	<b>8,081.60</b>	<b>8,044.37</b>

Notes: (1) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.  
(2) Square footage is current including portables.

Sources: District Records

Florida Department of Education, Educational Facilities, Florida Inventory of School Houses (FISH)  
Florida Department of Education, Bureau of Finance, FTE Counts



Full-Time Equivalent Enrollment Data						
Fiscal Year Ended June 30						
2009	2010	2011	2012	2013	2014	2015
444.67	440.90	442.83	461.56	477.75	466.48	477.27
245.95	257.33	272.05	310.96	336.78		
588.55	611.98	608.56	591.34	590.23	620.53	622.33
457.69	469.12	492.05	479.26	474.04	484.96	517.98
<u>1,736.86</u>	<u>1,779.33</u>	<u>1,815.49</u>	<u>1,843.12</u>	<u>1,878.80</u>	<u>1,571.97</u>	<u>1,617.58</u>
699.77	710.33	712.73	702.84	642.08	964.33	984.85
908.26	897.20	884.99	851.66	818.97	821.97	794.90
540.32	505.56	522.18	485.66	475.60	461.32	443.03
659.36	659.20	614.26	576.80	552.86	537.65	511.99
<u>2,807.71</u>	<u>2,772.29</u>	<u>2,734.16</u>	<u>2,616.96</u>	<u>2,489.51</u>	<u>2,785.27</u>	<u>2,734.77</u>
621.99	619.49	606.51	621.60	625.31	614.48	654.16
751.01	745.99	764.38	765.05	731.25	710.33	724.40
1,368.47	1,343.78	1,304.18	1,213.90	1,183.45	1,167.14	1,167.21
<u>2,119.48</u>	<u>2,089.77</u>	<u>2,068.56</u>	<u>1,978.95</u>	<u>1,914.70</u>	<u>1,877.47</u>	<u>1,891.61</u>
91.05	95.52	116.56	142.00	144.18	150.27	138.16
			35.27	49.00	65.77	76.44
83.00	93.50	93.50	103.58	106.70	114.59	145.20
162.00	171.00	172.09	188.50	196.00	97.47	191.00
			38.50	68.50	483.07	104.00
<u>229.68</u>	<u>227.90</u>	<u>285.50</u>	<u>378.50</u>	<u>428.60</u>	<u>199.92</u>	<u>474.50</u>
<u>565.73</u>	<u>587.92</u>	<u>667.65</u>	<u>886.35</u>	<u>992.98</u>	<u>1,111.09</u>	<u>1,129.30</u>
24.31						
12.56	13.00	5.00	15.00	12.00	8.94	10.50
		34.11	35.42	4.25	11.03	10.45
6.09	5.84	6.64	6.17	4.67	3.75	3.02
17.61	17.45	20.49	21.60	15.35	16.42	12.86
6.50	6.00	3.50	4.00	5.00	8.73	19.00
	5.00	1.61	0.84	0.01		
			1.18	0.92	0.79	1.84
				3.00	1.90	3.65
						1.08
<u>67.07</u>	<u>47.29</u>	<u>71.35</u>	<u>84.21</u>	<u>45.20</u>	<u>51.56</u>	<u>62.40</u>
<u>7,918.84</u>	<u>7,896.09</u>	<u>7,963.72</u>	<u>8,031.19</u>	<u>7,946.50</u>	<u>8,011.84</u>	<u>8,089.82</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**Profile of Enrollments**  
**By Grade/Program**  
**Last 10 Fiscal Years**  
**(Unaudited)**

<b>Full-Time Equivalent Students</b>										
<b>For The Fiscal Year Ended June 30</b>										
<b>Grade/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Grades K-3	1,765.70	1,739.02	1,739.50	1,786.09	1,765.41	1,862.52	1,968.44	1,994.09	2,078.35	1,982.94
Grades 4-8	2,258.06	2,210.75	2,115.32	2,039.69	2,132.89	2,183.38	2,212.65	2,151.49	2,125.93	2,197.88
Grades 9-12	1,726.10	1,661.57	1,672.66	1,656.17	1,602.64	1,589.00	1,607.35	1,651.29	1,582.35	1,608.66
Exceptional Ed	1,914.04	1,824.24	1,862.23	1,839.89	1,758.60	1,708.07	1,646.80	1,608.00	1,589.89	1,559.95
Vocational Ed	298.28	276.29	240.63	217.61	187.88	183.08	140.71	43.48	176.37	209.11
At-Risk Programs										
Dropout Prevention										
Education Alt										
ESOL	365.39	369.73	414.03	379.39	448.67	437.67	455.24	498.15	458.95	531.28
<b>Total</b>	<b>8,327.57</b>	<b>8,081.60</b>	<b>8,044.37</b>	<b>7,918.84</b>	<b>7,896.09</b>	<b>7,963.72</b>	<b>8,031.19</b>	<b>7,946.50</b>	<b>8,011.84</b>	<b>8,089.82</b>

Source: Florida Department of Education, Bureau of Finance, FTE Counts.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**NUMBER OF PERSONNEL**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

<b>Fiscal Year Ended June 30</b>	<b>(A) Instructional</b>	<b>(B) Administrative</b>	<b>(C) Support Services</b>	<b>Total</b>	<b>Ratio of Students to Instructional Personnel</b>	<b>Ratio of Instructional Personnel to Administrators</b>
2015	586	50	418	1,054	13.81	11.72
2014	607	43	386	1,036	13.29	14.12
2013	630	41	393	1,064	12.61	15.37
2012	671	40	427	1,138	11.97	16.78
2011	690	51	542	1,283	11.54	13.53
2010	704	48	575	1,327	11.22	14.67
2009	704	54	619	1,377	11.25	13.04
2008	725	62	617	1,404	11.10	11.69
2007	705	63	610	1,378	11.46	11.19
2006	691	61	579	1,331	12.05	11.33

Note: This schedule reports full-time employees funded with General Fund moneys.

- (A) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists, Other Professional Instructional Staff  
 (B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors, Directors, Managers, Coordinators  
 (C) Paraprofessionals, Bus Drivers, Maintenance, Clerical, Etc.

Source: District Records

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA**  
**TEACHER BASE SALARIES**  
**LAST 10 FISCAL YEARS**  
**(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>District Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2015	\$ 45,300	\$ 77,400	\$ 58,309	\$ 47,950
2014	44,906	73,544	56,202	47,780
2013	43,177	71,669	53,631	46,583
2012	43,824	72,744	53,808	46,479
2011	42,330	70,264	57,798	45,723
2010	42,330	70,264	56,674	46,696
2009	42,330	70,264	56,272	46,938
2008	41,500	68,886	54,083	46,922
2007	40,291	66,880	50,775	45,296
2006	37,717	62,919	48,422	42,702

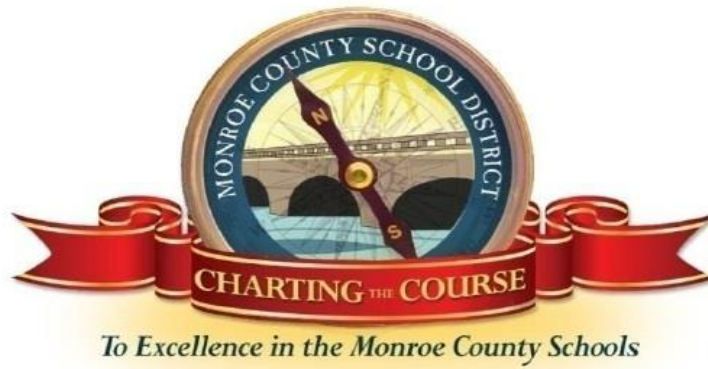
Notes: (1) 10-Month Teachers with Bachelor's Degree.

(2) Averages include all degree levels.

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Sources: District Records

Florida Department of Education Web Site - Accountability, Data Systems, Data Publications and Reports



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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

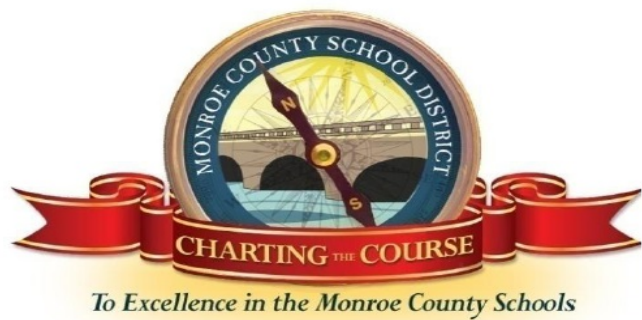
<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass - Through Grantor Number</u>	<u>Amount of Expenditures (1)</u>
<b>United States Department of Agriculture:</b>			
Indirect:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	14002	\$ 418,167.79
National School Lunch Program	10.555 (2)(A)	14001, 14003	1,977,992.07
Summer Food Service Program for Children	10.559	14006, 14007	<u>88,659.27</u>
<b>Total Child Nutrition Cluster</b>			<u>2,484,819.13</u>
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4374	<u>46,492.15</u>
<b>Total United States Department of Agriculture</b>			<u>2,531,311.28</u>
<b>United States Department of the Interior:</b>			
Indirect:			
Monroe County Board of County Commissioners:			
National Wildlife Refuge Fund	15.659	None	<u>379,259.23</u>
<b>United States Department of Education:</b>			
Direct:			
Impact Aid	84.041	N/A	232,261.68
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	26,285.25
Fund for the Improvement of Education	84.215	N/A	<u>3,093.70</u>
<b>Total Direct</b>			<u>261,640.63</u>
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education - Grants to States	84.027 (3)	263	1,726,848.62
Special Education - Preschool Grants	84.173	267	45,777.35
University of South Florida:			
Special Education - Grants to States	84.027 (3)	None	<u>3,207.28</u>
<b>Total Special Education Cluster</b>			1,775,833.25
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	156,979.78
Title I Grants to Local Educational Agencies	84.010	212, 226	1,541,720.33
Career and Technical Education - Basic Grants to States	84.048	161	65,312.50
Education for Homeless Children and Youth	84.196	127	44,664.00
Charter Schools	84.282	298	25,204.19
Rural Education	84.358	110	35,909.63
English Language Acquisition State Grants	84.365	102	100,596.32
Improving Teacher Quality State Grants	84.367	224	367,590.62
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RA111, RL111, RG311	<u>184,742.07</u>
<b>Total Indirect</b>			<u>4,298,552.69</u>
<b>Total United States Department of Education</b>			<u>4,560,193.32</u>
<b>United States Department of Health and Human Services:</b>			
Direct:			
Head Start	93.600 (4)	N/A	<u>1,176,179.45</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,646,943.28</u>

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: National School Lunch Program. Includes cash in lieu of donated foods of \$224,661.00 and \$57,515.59 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) Special Education - Grants to States. CFDA No. 84.027 expenditures total \$1,730,055.90.

(4) Head Start. Expenditures include \$53,529.06 for grant number/program year 04CH0391/23 and \$1,122,650.39 for grant number/program year 04CH4752/01.



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Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722  
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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## **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***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 17, 2016, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine 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 District'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 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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*.

The results of our operational audit of the District will be presented in a separate report.

### **Purpose of this Report**

The purpose of the **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** 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 17, 2016  
Audit Report No. 2016-093



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

### Report on Compliance for Each Major Federal Program

We have audited the Monroe County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2015. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

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

### ***Opinion on Each Major Federal Program***

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

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2015-001. Our opinion on each major Federal program is not modified with respect to this matter.

### **Report on Internal Control Over Compliance**

District management 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 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance as described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2015-001 that we consider to be a significant deficiency.

District's response to the finding identified in our audit is included as **MANAGEMENT'S RESPONSE**. District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 17, 2016  
Audit Report No. 2016-093

# ***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

## **SUMMARY OF AUDITOR'S RESULTS**

### **Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

### **Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.533, 10.555, and 10.559	Child Nutrition Cluster
15.659	National Wildlife Refuge Fund
84.010	Title I Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

# **FEDERAL AWARDS FINDING AND QUESTIONED COSTS**

## Federal Awards Finding No. 2015-001:

<b>Federal Agency:</b>	<b>United States Department of Education</b>
<b>Pass-Through Entity:</b>	<b>Florida Department of Education (FDOE)</b>
<b>CFDA Number:</b>	<b>84.010</b>
<b>Program Title:</b>	<b>Title I Grants to Local Educational Agencies</b>
<b>Award Number and Year:</b>	<b>440-2125A-5CB01, 2014-15</b>
<b>Compliance Requirement:</b>	<b>Eligibility – Title I Allocations</b>
<b>Finding Type:</b>	<b>Noncompliance and Significant Deficiency</b>
<b>Questioned Costs:</b>	<b>\$25,181.64</b>

Federal regulations<sup>1</sup> require the District to allocate Title I Schoolwide Program funds to schools identified as eligible and selected to participate, in rank order, on the basis of the total number of children from low income families in each school. The District is not required to allocate the same per pupil amount to each participating school attendance area or school provided that it allocates higher per pupil amounts to areas or schools with higher concentrations of poverty than to areas or schools with lower concentrations of poverty.

As part of our procedures, we requested the District to provide documentation evidencing the District's allocation of budget amounts to the respective schools. The District provided copies of the final budget allocations recorded in the District's accounting records; however, the District made budget amendments during the 2014-15 fiscal year without regard to the schools' rank order based on the number of children from low-income families. As a result, amounts were not allocated to the District's schools in rank order based upon the number of children from low-income families. Following guidance provided by the FDOE, Table 1 shows the resulting questioned costs.

**Table 1  
Title I Program Fund Allocations  
2014-15 Fiscal Year**

School	Final Budget Allocation	Number of Low-Income Students (A)	Percent of Low-Income Students	Ranking Based on Percent of Low-Income Students	Title I Per Pupil Allocation Per Final Budget	Ranking Based on Per Pupil Allocation	Per Pupil Allocation Below Highest Allocated School (B)	Questioned Costs (A) X (B)
Gerald Adams Elementary	\$ 174,886.20	350	77.09	1	\$ 499.67	5	\$ 62.01	\$ 21,703.50
Stanley Switlik Elementary	188,617.83	342	70.81	2	551.51	2	10.17	3,478.14
Horace O'Bryant Elementary/Middle	352,733.17	628	66.17	3	561.68	1	-	-
Key Largo Elementary/Middle	243,420.61	455	56.59	4	534.99	3	-	-
Poinciana Elementary	174,066.35	326	52.75	5	533.95	4	-	-
<b>Total</b>	<b>\$1,133,724.16</b>	<b>2,101</b>						<b>\$ 25,181.64</b>

**Recommendation:** The District should enhance procedures to ensure that Title I Schoolwide Program resources are properly allocated to schools. In addition, the District should provide documentation to the grantor (FDOE) supporting the allowability of the questioned costs, totaling \$25,181.64, or restore the moneys to the Title I Program.

District Contact Person: James Drake, Executive Director of Finance and Performance

<sup>1</sup> Title 34, Section 200.78, Code of Federal Regulations.

# **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS**

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Listed below is the District's summary of the status of prior audit findings on Federal programs:

<b>Audit Report No. and Federal Awards Finding No.</b>	<b>Program/Area</b>	<b>Brief Description</b>	<b>Status</b>	<b>Comments</b>
2015-126		There were no prior Federal audit findings.		

# MANAGEMENT'S RESPONSE

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**MARK T. PORTER**  
Superintendent of School



*Members of the Board*

*District # 1*  
**BOBBY HIGHSMITH**

*District # 2*  
**ANDY GRIFFITHS**  
Chairman

*District # 3*  
**ED DAVIDSON**

*District # 4*  
**JOHN R. DICK**  
Vice Chair

*District # 5*  
**RONALD A. MARTIN**

February 16, 2016

Ms. Sherrill F. Norman, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman,

I have reviewed the preliminary and tentative finding and recommendations based on your Financial and Federal Awards audit of the Monroe County District School Board. My response to that finding is noted below:

Finding No 2015-001:

The District did not properly allocate Title I Schoolwide Program resources to school in rank order on the basis of the total number of children from low income families in each school, resulting in Title 1 questioned costs of \$25,181.64.

**Response:**

The District will enhance its procedures to ensure that Title 1 Schoolwide resources are properly allocated to schools. The Finance department and Grants department will run comparison reports on at least a quarterly basis to ensure that the ranking order is maintained. District staff has already contacted the grantor (Florida Department of Education) to resolve this finding in an expeditious manner. Resolution is expected on or before June 30, 2016.

We appreciate the professionalism of staff throughout the audit process.

Sincerely,

A handwritten signature in blue ink that reads "Mark T. Porter".

Mark T. Porter, Superintendent  
Monroe County Schools

Office of the Superintendent  
241 Trumbo Road • Key West, FL 33040  
Tel. (305) 293-1400 • Fax (305) 293-1408  
[www.KeysSchools.com](http://www.KeysSchools.com)