



SCHOOL BOARD AGENDA ITEM RATIONALE

Date of Board Action: 3/10/2015

DISTRICT DEPARTMENT: Finance

DISTRICT SUPERVISOR SIGNATURE: Cardace Kerns

or

SCHOOL NAME: _____

SCHOOL PRINCIPAL'S NAME & SIGNATURE: _____

SUBJECT: Acceptance of 2013-14 Comprehensive Annual Financial Report

AGENDA ITEM TITLE:

Acceptance of 2013-14 Comprehensive Annual Financial Report

PROVIDE BRIEF BACKGROUND INFORMATION

The 2013-14 Comprehensive Annual Financial Report (CAFR) is the first to be prepared by the Monroe County School Board Finance Department.

IS ITEM BUDGETED?:(Check One)

Yes _____ No _____ N/A _____ TOTAL COST: \$_____

REVIEWED BY ADMINISTRATION: YES: _____ **(Signature of Executive Officer Required)**

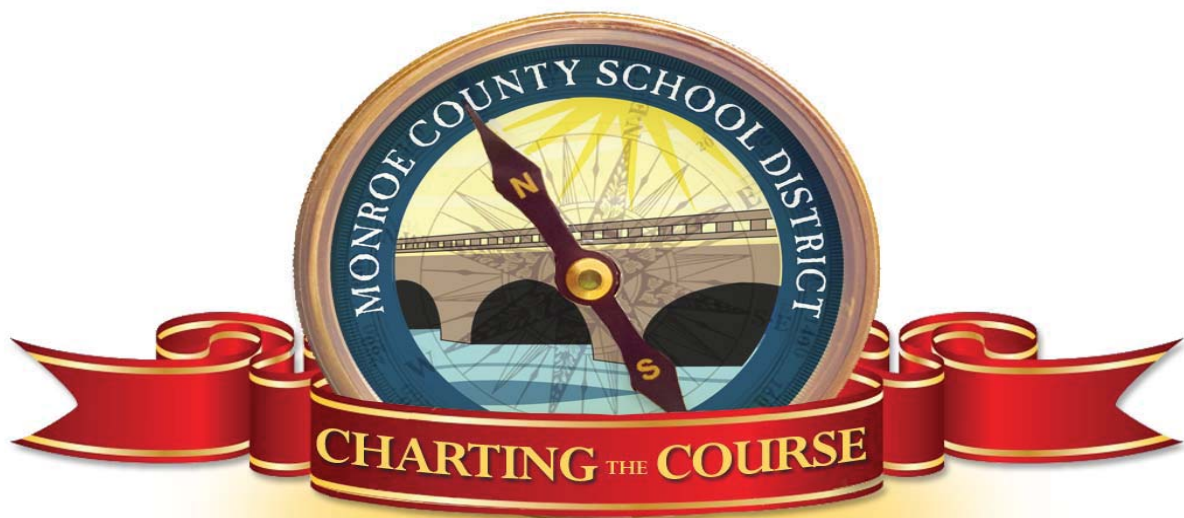
REVIEWED BY ATTORNEY: Yes: _____ (initial required) or N/A _____

RECOMMENDATION: Accept 2013-14 Comprehensive Annual Financial Report

Comprehensive Annual Financial Report

Monroe County School District, Florida

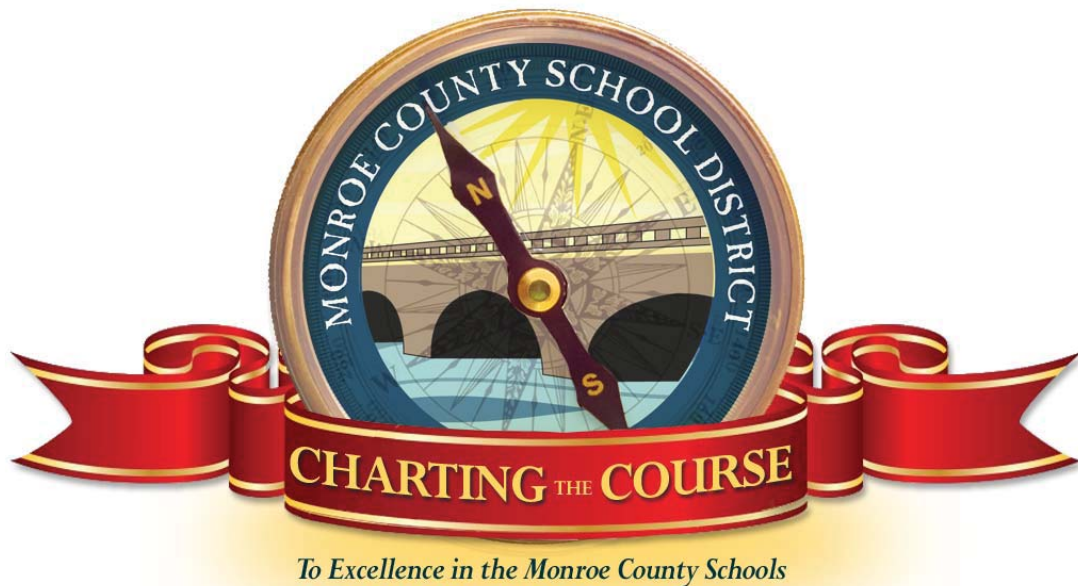
for the Fiscal Year Ended June 30, 2014



To Excellence in the Monroe County Schools

Monroe County School District
Key West, Florida

Comprehensive Annual Financial Report
Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014



Mark T. Porter, Superintendent

Prepared by the
Finance Department

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

www.keysschools.com

MONROE COUNTY SCHOOL DISTRICT, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2014

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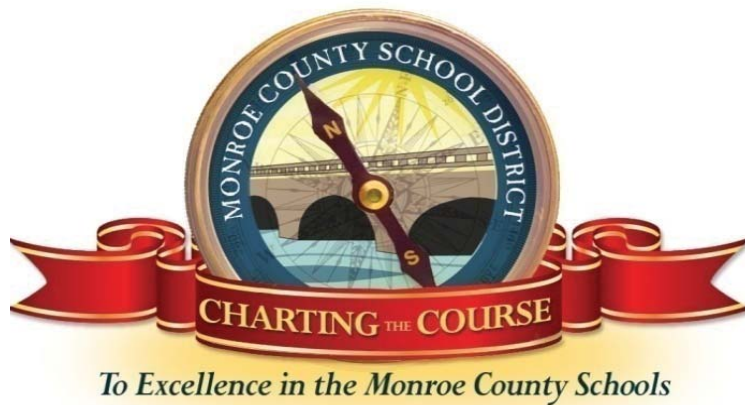
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MARK T. PORTER
Superintendent of Schools



Members of the Board

District # 1
BOBBY HIGHSMITH

District # 2
ANDY GRIFFITHS
Chairman Emeritus

District # 3
ED DAVIDSON

District # 4
JOHN R. DICK
Chair

District # 5
RONALD A. MARTIN
Vice Chair

March 10, 2015

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 auditing standards generally accepted in the United States of America by a licensed certified public accountant. 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 audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The 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 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

Office of the Superintendent

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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, schedule of 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 and other matters and on Federal program compliance, 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 Administration 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 76,400 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. Based on this evaluation, all funds of the District, the Monroe School Board Leasing Corporation, and six charter schools are included in the reporting entity. 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 2013-2014 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 8,064 unweighted full-time equivalent students. The projected enrollment for the 2014-15 fiscal year is 8,098 unweighted full-time equivalent students.

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: 48.6 percent White Non-Hispanic, 36.5 percent Hispanic, 10.2 percent Black Non-Hispanic and 4.7 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; programs for three and four year old disabled students; programs for eligible low income at risk students; and voluntary 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 and increase personal development in various subjects through fee supported courses. Also, non-English speaking students have the opportunity to learn communication skills through the District's English for Speakers of Other Languages (ESOL) programs.

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 function-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 approximately 73,209 in 2010 to a population of 76,351 in 2013 or 4.3 percent. The Florida Price Level Index prepared for the Florida Department of Education now ranks Monroe County 2nd out of 67 counties in the State. In the 2012-13 fiscal year, Monroe County ranked 3rd 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 one percent in the 2013-14 fiscal year. The assessed tax roll increased by \$819 million or 4.2 percent. Unemployment in Monroe County for the 2013 calendar year was 3.5 percent, considerably less than the State average of 6.3 percent. These trends are expected to continue for the foreseeable future.

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 1,036 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 in October 2013. Charting the Course to Excellence 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. Twelve of sixteen District schools (including charter schools) received an "A" or "B" school recognition grade based on the results of the Florida Comprehensive Assessment Test. Of those twelve, seven schools earned an "A". In addition, the District received a recommendation for 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. Six schools received the Florida Department of Education'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 range from 1926 to 2011. 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 12.2 percent of total General Fund expenditures, and assigned and unassigned fund balance in the General Fund (13.7% 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 ending 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 annual resources. Furthermore, the Board shall maintain a fund balance in its operating funds that is not classified as restricted, committed, or non-spendable at a minimum of five percent (5%) 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

In order to be awarded the Certificate of Excellence in Financial Reporting from the Association of School Business Officials, International (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 meets the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for award of the certificate.

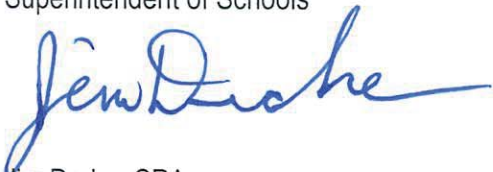
The preparation of the CAFR was made possible by the dedicated service of the entire staff of the District's Finance Department, whose hard work and excellence once more prevails. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we would like to thank the members of the District 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**



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



Ronald A. Martin, Vice-Chairman
District 5
Member since November 2010
Current term expires November 2018



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



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



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

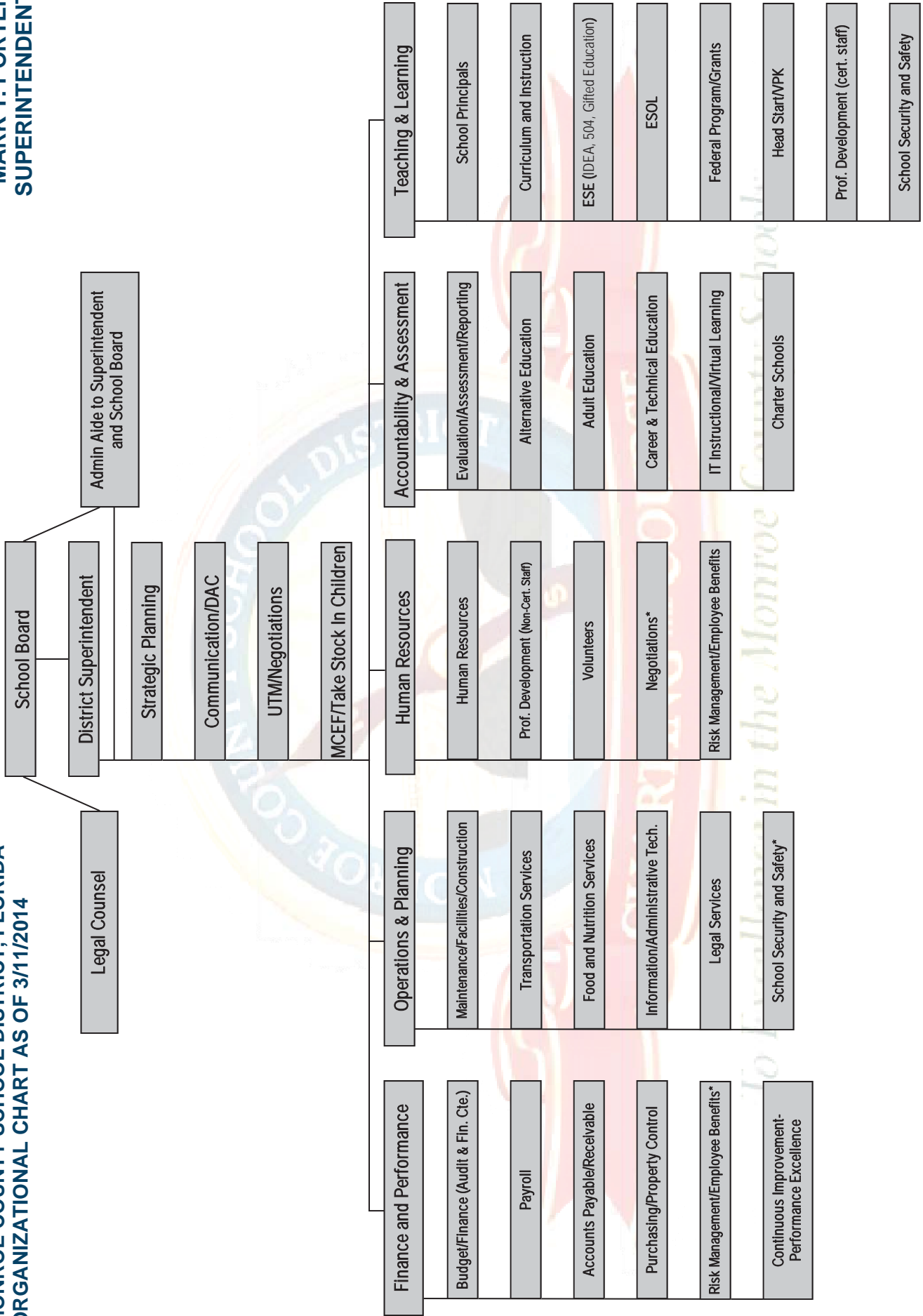
Patrick Lefere, Executive Director of Planning and Operations

Dr. Ramon Dawkins, Executive Director of Human Resources

Jim Drake, CPA, Executive Director of Finance and Performance

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
ORGANIZATIONAL CHART AS OF 3/11/2014**

**MARK T. PORTER
SUPERINTENDENT**



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



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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111 West Madison Street
Tallahassee, Florida 32399-1450



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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

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 8 percent of the assets and 20 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 financial 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the 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 for the Monroe County District School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and each major special revenue fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, 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 FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN, and NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**, 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 financial 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 financial statements and schedules, and **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. In our opinion, the combining and individual fund financial statements and schedules, and **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 THE 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,



David W. Martin, CPA

Tallahassee, Florida

March 6, 2015

Audit Report No. 2015-126

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, 2014. The intent of this discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

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

- The District's total net position increased \$15.7 million, which represents a 6.5 percent increase over the 2012-13 fiscal year.
- General revenues totaled \$113 million, or 96.2 percent of all revenues in the 2013-14 fiscal year, compared to \$109.6 million, or 96.2 percent in the prior fiscal year. Program-specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled \$4.4 million, or 3.8 percent, compared to \$4.3 million, or 3.8 percent in the prior fiscal year.
- Expenses total \$101.8 million. Only \$4.4 million of these expenses was offset by program specific charges with the remainder paid from general revenues.
- The sum of the assigned and unassigned fund balances of the General Fund, representing the net current financial resources available for general appropriation by the Board, totaled \$11.4 million at June 30, 2014, or 13.7 percent of General Fund expenditures. The prior fiscal year sum of the assigned and unassigned fund balances in the General Fund was \$9.1 million or 11.9 percent of total General Fund expenditures.
- During the current fiscal year, General Fund expenditures exceeded revenues by \$1.4 million. This may be compared to last fiscal year's results in which General Fund revenues exceeded expenditures by \$1.2 million.

OVERVIEW OF THE 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 and liabilities, using an economic resources measurement focus. Assets less liabilities equal 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. Over a period of time, changes in the District's net position are an indication of improving or deteriorating financial health. This information should be evaluated in conjunction with other non-financial factors, such

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets, including its school buildings and administrative facilities. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in 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. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. 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.; Sigsbee Charter School, Inc.; and, are reported separately from the District as aggregate discretely presented component units. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Monroe School Board Leasing Corporation (Leasing Corporation), although a legal separate entity, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the School Board and the Leasing Corporation, the Leasing Corporation is 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, the governmental funds use a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. In particular, the sum of the assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

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 budgetary compliance.

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's Early Retirement Plan and Other Postemployment Benefits Plan.

Other Supplementary Information

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section presents condensed financial information from the government-wide statements that compares the current fiscal year to the prior fiscal year. As noted earlier, net position over time may serve as a useful indicator of a government's financial health.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

Statement of Net Position

A summary statement of net position, presented as Table 1, shows that the District's combined net position increased \$15.7 million, or 6.5 percent, to \$258.5 million. Total assets reported were \$344.8 million, and total liabilities reported were \$86.3 million. An increase in net position is an indication that the District's financial health is improving. The analysis below focuses on the net position of the governmental activities.

Table 1
Net Position, End of Year
(In thousands)

	<u>06-30-14</u>	<u>6-30-13</u>	<u>Increase (Decrease)</u>
Current and Other Assets	\$ 64,727	\$ 54,959	\$ 9,768
Capital Assets	<u>280,121</u>	<u>284,718</u>	<u>(4,597)</u>
Total Assets	<u>344,848</u>	<u>339,677</u>	<u>5,171</u>
Long-Term Liabilities	79,823	92,512	(12,689)
Other Liabilities	<u>6,491</u>	<u>4,300</u>	<u>2,191</u>
Total Liabilities	<u>86,314</u>	<u>96,812</u>	<u>(10,498)</u>
Net Position:			
Net Investment in Capital Assets	213,926	206,454	7,472
Restricted	36,210	33,456	2,754
Unrestricted	<u>8,398</u>	<u>2,955</u>	<u>5,443</u>
Total Net Position	<u>\$ 258,534</u>	<u>\$ 242,865</u>	<u>\$ 15,669</u>

Total Assets. Total assets were \$344.8 million and consisted of two components: current and other assets, and capital assets.

- Current and Other Assets - The largest components of current and other assets are cash and investments, which comprise \$60.6 million, or 93.6 percent of the current and other assets of \$64.7 million.
- Capital assets – As shown in Table 2, capital assets totaled \$280.1 million, which is not a significant change from the prior fiscal year.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

Table 2
Capital Assets, at Year-end
(net of depreciation, in thousands)

	<u>6-30-14</u>	<u>6-30-13</u>	Increase (Decrease)
Land	\$ 6,465	\$ 6,535	\$ (70)
Improvements Other Than Buildings	2,815	2,961	(146)
Buildings	266,927	272,594	(5,667)
Furniture, Fixtures, and Equipment	1,658	1,184	474
Motor Vehicles	2,205	1,397	808
Audio Visual Materials and Computer Software	51	47	4
Total	<u>\$ 280,121</u>	<u>\$ 284,718</u>	<u>\$ (4,597)</u>

Additional information on the District's capital assets can be found in note II.C. to the financial statements.

Total Liabilities. Total liabilities consisted of two components – long-term liabilities and current and other liabilities.

- Long-term liabilities totaled \$79.8 million, of which \$66.2 million relates to financing construction projects as shown in Table 3. The balance of \$13.6 million includes \$6.7 million for compensated absences payable, \$3.4 million for other postemployment benefits payable, and \$3.5 million for estimated insurance claims payable.

Table 3
Outstanding Capital Asset - Related Debt, at Year-end
(in thousands)

	<u>6-30-14</u>	<u>6-30-13</u>	Increase (Decrease)
State School Bonds Payable	\$ 250	\$ 495	\$ (245)
Revenue Bonds Payable	20,493	30,292	(9,799)
Certificates of Participation Payable	45,452	47,477	(2,025)
Total	<u>\$ 66,195</u>	<u>\$ 78,264</u>	<u>\$ (12,069)</u>

- The District's capital asset - related debt decreased by \$12.1 million due to scheduled debt service payments.
- Current and other liabilities totaled \$6.5 million and consisted primarily of payroll-related payables (\$2.8 million), advanced revenue, which is the result of the resolution of the District's maintenance of effort finding (\$1.3 million) and accounts payable (\$2.1 million).
- Detailed information about the District's long-term liabilities is presented in notes II.E and II.I, to the financial statements.

Net Position. Net Position is composed of three sections: net investment in capital assets, restricted; and unrestricted.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

Net Investment in Capital Assets. This component of net position consists of capital assets, net of depreciation, and reduced by the outstanding balances of bonds and certificates of participation that are attributed to the acquisition, construction, or improvement of these capital assets. There was no significant percentage change in net investment in capital assets during the 2013-14 fiscal year.

Net Position, Restricted. Net position is reported as restricted when constraints are placed on the assets either externally by grantors, contributors, or laws or regulations of other governments. Net position, restricted, increased during the 2013-14 fiscal year by \$2.8 million, or 8.2 percent, mainly from the increase in the debt service sinking fund requirements.

Net Position, Unrestricted. Net position, unrestricted, represents resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements and totaled \$8.4 million at June 30, 2014, an increase of \$5.4 million, or 184.2 percent, during the 2013-14 fiscal year primarily due to increases in unrestricted fund balances in governmental due to increased property tax revenues and in the proprietary funds due to reduced claims expense.

Statement of Activities

A summary statement of activities, presented in Table 4, represents the revenues, expenses, and change in net position. Revenues totaled \$117.5 million and expenses totaled \$101.8 million, resulting in an increase in net position of \$15.7 million.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

Table 4
Summary Statement of Activities
(in thousands)

	<u>2013-14</u>	<u>2012-13</u>	<u>Increase (Decrease)</u>
Program Revenues			
Charges for Services	\$ 1,795	\$ 1,664	\$ 131
Operating Grants and Contributions	2,309	2,213	96
Capital Grants and Contributions	324	418	(94)
General Revenues			
Property Taxes, Levied for Operational Purposes	63,577	59,477	4,100
Property Taxes, Levied for Capital Projects	10,000	9,409	591
Local Sales Taxes	15,342	15,205	137
Grants and Contributions - Not Restricted	22,392	23,437	(1,045)
Unrestricted Investment Earnings	263	526	(263)
Miscellaneous	1,460	1,507	(47)
Total Revenues	<u>117,462</u>	<u>113,856</u>	<u>3,606</u>
Functions/Program Expenses			
Instruction	54,619	50,375	4,244
Student Personnel Services	4,463	4,123	340
Instructional Media Services	701	763	(62)
Instruction and Curriculum Development Services	2,253	1,977	276
Instructional Staff Training	971	1,277	(306)
Instruction Related Technology	999	844	155
School Board	654	761	(107)
General Administration	637	821	(184)
School Administration	3,852	3,819	33
Facilities Services	4,035	2,459	1,576
Fiscal Services	885	778	107
Food Services	3,215	3,102	113
Central Services	1,456	1,571	(115)
Pupil Transportation Services	3,290	3,013	277
Operation of Plant	6,110	5,453	657
Maintenance of Plant	1,992	2,151	(159)
Administrative Technology Services	457	352	105
Community Services	642	634	8
Unallocated Interest on Long-term Debt	3,250	4,081	(831)
Unallocated Depreciation Expense	5,792	8,345	(2,553)
Loss on Disposal of Capital Assets	1,520	1,174	346
Total Functions/Program Expenses	<u>101,793</u>	<u>97,873</u>	<u>3,920</u>
Change in Net Position	15,669	15,983	(314)
Net Position - Beginning	242,865	227,260	15,605
Adjustment to Beginning Net Position		(378)	378
Net Position - Ending	<u>\$ 258,534</u>	<u>\$ 242,865</u>	<u>\$ 15,669</u>

Revenues. Revenues totaled \$117.5 million, which is an increase of \$3.6 million (3.2 percent) from the \$113.9 million for the 2012-13 fiscal year. Property tax revenue for operational purposes increased by \$4.1 million due to increased property values and a 0.021 increase in the millage rate.

Expenses. Total expenses increased by \$3.9 million, or 4 percent, from the \$97.9 million expended for the 2012-13 fiscal year mainly due to increased salaries and benefits costs related to an increase of full-time employees and increased retirement contribution costs.

FUND FINANCIAL ANALYSIS

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often requires certain budgetary disclosures. The focus of the financial statements is on major funds, as summarized in Table 5. Fund statements present the financial information of each major fund in

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

a separate column and all nonmajor funds are aggregated and displayed in a single column. The criteria for major fund presentation are:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of that individual fund are at least 10 percent of the corresponding total (assets and deferred outflows, liabilities and deferred inflows, etc.) for all funds, and
- Total assets, liabilities, revenues, or expenditures of that individual fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The District had no enterprise funds during the 2013-14 fiscal year.
- The Florida Department of Education has directed that the Special Revenue - Federal Economic Stimulus, and the Debt Service – ARRA Economic Stimulus Funds be reported as major funds.
- Management also has the discretion to present funds not meeting these criteria as major funds if it may be of public interest or to maintain consistency in financial reporting.
- The District reports six major funds for the 2013-14 fiscal year:
 - General Fund
 - Special Revenue – Other Fund
 - Special Revenue – Federal Economic Stimulus Fund
 - Debt Service – Other Fund
 - Debt Service – ARRA Economic Stimulus Fund
 - Capital Projects – Other Fund

Table 5
Summary Statement of Revenues, Expenditures, and Changes in Fund Balance
(in thousands)

	General Fund	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Debt Service- Other Fund	Debt Service - ARRA Economic Stimulus Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
Total Revenues	\$ 81,774	\$ 4,230	\$ 56	\$ 129	\$ 1,835	\$ 15,393	\$ 14,027	\$ 117,444
Total Expenditures	(83,152)	(4,230)	(56)	(12,878)	(2,062)	(2,002)	(8,132)	(112,512)
Other Financing Sources (Uses)	3,948			13,780	2,365	(10,613)	(9,463)	17
Net Changes in Fund Balances	2,570			1,031	2,138	2,778	(3,568)	4,949
Fund Balances, Beginning	9,773			8,929	6,363	12,349	8,813	46,227
Fund Balances, Ending	\$ 12,343	\$ 0	\$ 0	\$ 9,960	\$ 8,501	\$ 15,127	\$ 5,245	\$ 51,176

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

The District reported 78.7 percent of total revenues from local sources, including funds reported from property tax levies and the local sales tax revenues. Federal funds accounted for 7.6 percent of total revenues reported, while State funds contributed 13.7 percent. Governmental fund revenues totaled \$117.4 million, which is an increase of \$3.7 million over the 2012-13 fiscal year. A summary of the District's funding sources are shown in Table 6 below.

Table 6
Revenues
(in thousands)

Source	2013-14	2012-13	Increase (Decrease)
Federal Direct	\$ 3,341	\$ 3,552	\$ (211)
Federal Through State and Local	5,604	7,717	(2,113)
State	16,079	14,799	1,280
Local	92,420	87,701	4,719
Total	\$ 117,444	\$ 113,769	\$ 3,675

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned plus assigned fund balance is \$11.4 million while the total fund balance is \$12.3 million. The total fund balance increased by \$2.6 million during the fiscal year. Key factors contributing to this change are as follows:

- Revenues increased \$4.8 million mainly due to an increase in local revenue of \$4.2 million due to an increase in property tax revenue for operational purposes.
- Expenditures increased by \$7.4 million mainly due to increases in salaries and benefits costs relating to an increase of full-time employees and increased retirement contributions. The District continues to monitor expenditures to conserve resources to the extent practicable without significantly impacting direct instructional activities.

The Special Revenue – Other Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$4.2 million each, which were mainly used for instructional salaries and benefits for the 2013-14 fiscal year. Because grant revenues are not recognized until expenditures are incurred, the grants accounted for in this fund generally do not accumulate fund balances. In order to resolve the maintenance of effort finding noted in the 2012-13 fiscal year audit, the revenues and expenditures of the Special Revenue – Other Fund were reduced by \$1.3 million and advanced revenue was increased by \$1.3 million with a \$1.3 million reimbursement from the General Fund.

The Special Revenue - Federal Economic Stimulus Fund accounts for certain Federal grant program resources related to Race-to-the-Top Incentive grants. Revenues and expenditures totaled \$56 thousand, which were used for professional development during the 2013-14 fiscal year. Because grant revenues are not recognized until expenditures are incurred, the grants accounted for in this fund generally do not accumulate fund balances.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2014

The Debt Service – Other Fund had a total fund balance of \$10 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 \$8.5 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 an interest subsidy from the Federal government.

The Capital Projects – Other Fund has a total fund balance of \$15.1 million, which is restricted or assigned for the acquisition, construction, and maintenance of capital assets. The fund balance increased \$2.8 million in the current fiscal year mainly due to sales tax collections in excess of expectations as well as lower expenditures than expected. It should be noted that \$0.5 million of fund balance has been encumbered for specific projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the fiscal year, the District revised its General Fund budget several times. These budget amendments fall primarily into three categories. The first category includes amendments and supplemental appropriations that were approved periodically throughout the fiscal year to record new grants. The second category includes changes in revenue estimates from the State of Florida Education Finance Program (FEFP) during the fiscal year. Finally, the Board approved transfers between expenditure functions and objects. There were no significant variances between the original and final budget amounts or between the final budget and actual amounts.

NON-FINANCIAL EVENTS

The District's student enrollment increased by 65 FTE or 0.8 percent from the prior fiscal year. The State funding formula discussed below is enrollment dependent, consequently changes in enrollment directly impact the amount of funding available to the District.

OTHER MATTERS OF SIGNIFICANCE

The District's economic position for general operating purposes is closely tied to that of the State. The formula for determining funding for education is set by statute. State funds to school districts are provided primarily by Legislative appropriations from the State's general revenue funds and required local effort property tax levies under the FEFP, and State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections and property tax could directly impact future District revenue allocations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Monroe County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director of Finance and Performance, Monroe County School Board, 241 Trumbo Road, Key West, Florida 33040.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS		
Cash	\$ 26,258,317	\$ 2,117,007
Investments	22,073,105	843,465
Accounts Receivable	426,396	37,673
Due from Other Agencies	3,216,948	8,882
Prepaid Items	441,832	203,035
Other Assets		40,595
Restricted Investments	12,238,656	
Inventories	71,973	
Capital Assets:		
Non-Depreciable	6,465,175	3,027,320
Depreciable (Net)	273,656,292	5,905,518
	<hr/>	<hr/>
Total Assets	344,848,694	12,183,495
	<hr/>	<hr/>
LIABILITIES		
Salaries and Benefits Payable	2,608,514	545,450
Payroll Deductions and Withholdings Payable	204,619	
Accounts Payable	2,094,451	130,375
Sales Tax Payable	232	
Deposits Payable	61,048	
Due to Other Agencies	128,041	
Advanced Revenue	1,393,922	
Compensated Absences Payable		80,812
Noncurrent Liabilities:		
Portion Due Within One Year	14,907,154	
Portion Due In More Than One Year	64,916,224	
	<hr/>	<hr/>
Total Liabilities	86,314,205	756,637
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	213,926,467	8,932,838
Restricted for:		
State Required Carryover Programs	551,317	
Debt Service	18,467,552	
Capital Projects	16,504,400	
Food Service	686,525	
Unrestricted	8,398,228	2,494,020
	<hr/>	<hr/>
Total Net Position	\$ 258,534,489	\$ 11,426,858
	<hr/> <hr/>	<hr/> <hr/>

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, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Instruction	\$ 54,619,327	\$ 55,889	\$	\$
Student Personnel Services	4,463,142			
Instructional Media Services	700,704			
Instruction and Curriculum Development Services	2,253,404			
Instructional Staff Training Services	970,765			
Instruction Related Technology	999,498			
School Board	654,142			
General Administration	636,902			
School Administration	3,851,690			
Facilities Services	4,035,005			60,473
Fiscal Services	884,669			
Food Services	3,214,748	1,013,615	2,309,174	
Central Services	1,455,853			
Student Transportation Services	3,290,014	172,228		
Operation of Plant	6,109,750			
Maintenance of Plant	1,991,606			
Administrative Technology Services	457,369			
Community Services	642,095	553,140		
Unallocated Interest on Long-Term Debt	3,249,827			263,717
Unallocated Depreciation Expense*	5,792,393			
Loss on Disposal of Capital Assets	1,519,564			
Total Primary Government	\$ 101,792,467	\$ 1,794,872	\$ 2,309,174	\$ 324,190
Component Units:				
Charter Schools	\$ 10,863,916	\$ 146,734	\$ 434,793	\$ 127,819
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.

Net (Expense) Revenue and Changes in Net Position	
Primary Government Governmental Activities	Component Units
\$ (54,563,438)	\$
(4,463,142)	
(700,704)	
(2,253,404)	
(970,765)	
(999,498)	
(654,142)	
(636,902)	
(3,851,690)	
(3,974,532)	
(884,669)	
108,041	
(1,455,853)	
(3,117,786)	
(6,109,750)	
(1,991,606)	
(457,369)	
(88,955)	
(2,986,110)	
(5,792,393)	
(1,519,564)	
<u>(97,364,231)</u>	
	<u>(10,154,570)</u>
63,577,031	
9,999,768	
15,342,494	
22,391,727	10,687,137
262,547	30,457
1,459,937	351,280
<u>113,033,504</u>	<u>11,068,874</u>
15,669,273	914,304
242,865,216	10,550,652
<u>242,865,216</u>	<u>(38,098)</u>
	<u>10,512,554</u>
<u>\$ 258,534,489</u>	<u>\$ 11,426,858</u>

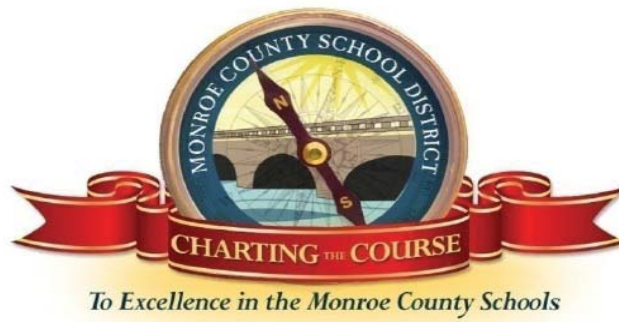
**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Debt Service - Other Fund
ASSETS				
Cash	\$ 4,504,939	\$ 10,560	\$ 2,956	\$ 6,115,532
Investments	10,627,810			87,859
Accounts Receivable	95,884			
Due from Other Funds	949,796	1,390,966		
Due from Other Agencies	464,411	946,319	449	
Prepaid Items	333,854			
Restricted Investments				3,757,969
Inventories	26,803			
Total Assets	\$ 17,003,497	\$ 2,347,845	\$ 3,405	\$ 9,961,360
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries and Benefits Payable	\$ 2,608,514	\$	\$	\$
Payroll Deductions and Withholdings Payable	172,725	23,547		
Accounts Payable	458,488	17,983	449	1,500
Sales Tax Payable	232			
Deposits Payable	9,298			
Due to Other Funds	1,390,966	911,382		
Due to Other Agencies	20,345	3,967		
Advanced Revenue		1,390,966	2,956	
Total Liabilities	4,660,568	2,347,845	3,405	1,500
Fund Balances:				
Nonspendable:				
Inventories	26,803			
Prepaid Amounts	333,854			
Total Nonspendable Fund Balance	360,657			
Restricted for:				
Capital Projects				
Debt Service				9,959,860
Food Service				
State Required Carryover Programs	551,317			
Total Restricted Fund Balance	551,317			9,959,860
Assigned for:				
Capital Projects				
Tax Distribution in Litigation	600,000			
Carryover/Contractual Agreement	683,879			
Total Assigned Fund Balance	1,283,879			
Unassigned Fund Balance	10,147,076			
Total Fund Balances	12,342,929			9,959,860
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,003,497	\$ 2,347,845	\$ 3,405	\$ 9,961,360

(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
\$ 19,588	\$ 5,278,491	\$ 2,875,301	\$ 18,807,367
	8,871,702	2,459,486	22,046,857
		4,520	100,404
	1,273,003	88,840	2,340,762
			2,773,022
			333,854
8,480,687			12,238,656
		45,170	71,973
<u>\$ 8,500,275</u>	<u>\$ 15,423,196</u>	<u>\$ 5,473,317</u>	<u>\$ 58,712,895</u>
\$	\$	\$	\$
		8,347	2,608,514
	193,554	128,292	204,619
			800,266
			232
		51,750	61,048
		38,414	2,340,762
	102,847	882	128,041
			1,393,922
	296,401	227,685	7,537,404
		45,170	71,973
			333,854
		45,170	405,827
	11,952,710	4,551,690	16,504,400
8,500,275		7,417	18,467,552
		641,355	641,355
			551,317
<u>8,500,275</u>	<u>11,952,710</u>	<u>5,200,462</u>	<u>36,164,624</u>
	3,174,085		3,174,085
			600,000
			683,879
	3,174,085		4,457,964
			10,147,076
8,500,275	15,126,795	5,245,632	51,175,491
<u>\$ 8,500,275</u>	<u>\$ 15,423,196</u>	<u>\$ 5,473,317</u>	<u>\$ 58,712,895</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, 2014**

Total Fund Balances - Governmental Funds	\$	51,175,491
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	352,535,444	
Accumulated Depreciation	(78,879,152)	280,121,467
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.		
		3,515,245
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	20,743,000	
Certificates of Participation Payable	45,452,000	
Compensated Absences Payable	6,689,714	
Other Post-Employment Benefits Payable	3,393,000	(76,277,714)
Net Position - Governmental Activities	\$	<u><u>258,534,489</u></u>

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, 2014**

	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Economic Stimulus Fund</u>	<u>Debt Service - Other Fund</u>
REVENUES				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 161,368	\$	\$	\$
Miscellaneous Federal Direct	33,004	1,313,023		
Total Federal Direct Sources	194,372	1,313,023		
Federal Through State and Local Sources:				
Medicaid	359,213			
Food Service				
Other Federal Through State and Local Sources		2,917,257	55,985	
Total Federal Through State and Local Sources	359,213	2,917,257	55,985	
State Sources:				
Categorical Educational Program - Class Size Reduction	9,225,944			
Florida Education Finance Program	3,904,893			
Workforce Development Program	711,711			
Voluntary Prekindergarten	542,022			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913			
School Recognition	319,695			
Racing Commission Funds	223,250			
Diagnostic and Learning Resources Centers	198,790			
Discretionary Lottery Funds	81,201			
Adults with Disabilities	64,577			
Mobile Home License Tax	28,734			
Food Service Supplement				
Miscellaneous	77,189			
Total State Sources	15,382,919			
Local Sources:				
Ad Valorem Taxes	63,577,031			
Sales Taxes				
Food Service Sales				
Interest Income	79,066			86,056
Miscellaneous	2,181,122			43,316
Total Local Sources	65,837,219			129,372
Total Revenues	81,773,723	4,230,280	55,985	129,372

(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
\$	\$	\$	\$
1,834,100			161,368
1,834,100			3,180,127
			3,341,495
			359,213
		2,272,029	2,272,029
			2,973,242
		2,272,029	5,604,484
			9,225,944
			3,904,893
			711,711
			542,022
		324,190	329,103
			319,695
			223,250
			198,790
			81,201
			64,577
			28,734
		37,145	37,145
		334,859	412,048
		696,194	16,079,113
		9,999,768	73,576,799
	15,342,494		15,342,494
		1,013,615	1,013,615
		3,064	168,186
669	50,902	42,790	2,318,799
669	15,393,396	11,059,237	92,419,893
1,834,769	15,393,396	14,027,460	117,444,985

(Continued)

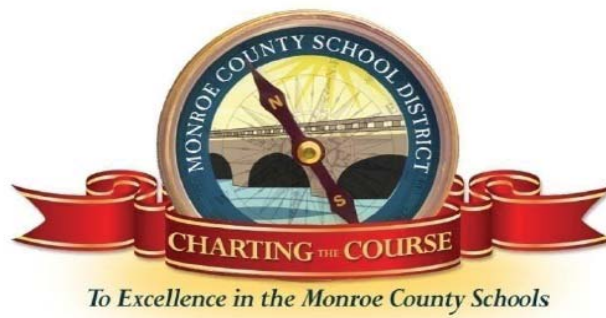
**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Economic Stimulus Fund</u>	<u>Debt Service - Other Fund</u>
EXPENDITURES				
Current:				
Instruction	\$ 54,143,968	\$ 2,400,939	\$ 35,648	\$
Student Personnel Services	4,410,761	256,356		
Instructional Media Services	730,934	1,371		
Instruction and Curriculum Development Services	1,488,103	868,012		
Instructional Staff Training Services	610,557	380,393	20,337	
Instruction Related Technology	1,048,342			
School Board	663,380	654		
General Administration	546,541	113,699		
School Administration	4,031,481	2,236		
Facilities Services	471,480			
Fiscal Services	925,217			
Food Services	30,598			
Central Services	1,482,601	1,623		
Student Transportation Services	3,084,538	23,468		
Operation of Plant	6,120,978	902		
Maintenance of Plant	2,064,178			
Administrative Technology Services	476,541			
Community Services	656,773			
Capital Outlay:				
Facilities Acquisition and Construction		42,178		
Other Capital Outlay	60,282	138,449		
Debt Service:				
Principal				11,824,000
Interest and Fiscal Charges	104,834			1,054,417
Total Expenditures	<u>83,152,087</u>	<u>4,230,280</u>	<u>55,985</u>	<u>12,878,417</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,378,364)</u>			<u>(12,749,045)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	16,160			
Insurance Loss Recoveries	596			
Transfers In	3,931,298			13,779,934
Transfers Out				
Total Other Financing Sources (Uses)	<u>3,948,054</u>			<u>13,779,934</u>
Net Change in Fund Balances	2,569,690			1,030,889
Fund Balances, Beginning	<u>9,773,239</u>			<u>8,928,971</u>
Fund Balances, Ending	<u>\$ 12,342,929</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,959,860</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
\$	\$	\$	\$ 56,580,555
			4,667,117
			732,305
			2,356,115
			1,011,287
			1,048,342
			664,034
			660,240
			4,033,717
	1,156,967	2,689,084	4,317,531
			925,217
		3,252,586	3,283,184
			1,484,224
			3,108,006
			6,121,880
			2,064,178
			476,541
			656,773
	323,586	531,403	897,167
	507,365	1,385,786	2,091,882
	12,832	245,000	12,081,832
2,062,089	1,014	27,473	3,249,827
2,062,089	2,001,764	8,131,332	112,511,954
(227,320)	13,391,632	5,896,128	4,933,031
			16,160
			596
2,365,194	(10,613,572)	(9,462,854)	20,076,426
2,365,194	(10,613,572)	(9,462,854)	(20,076,426)
2,137,874	2,778,060	(3,566,726)	4,949,787
6,362,401	12,348,735	8,812,358	46,225,704
\$ 8,500,275	\$ 15,126,795	\$ 5,245,632	\$ 51,175,491



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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, 2014**

Net Change in Fund Balances - Governmental Funds	\$	4,949,787
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.		(2,625,185)
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.		(1,971,201)
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 of repayments in the current period.		
Bonds Payable	\$ 10,044,000	
Certificates of Participation	<u>2,025,000</u>	12,069,000
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 earned in excess of the amount paid in the current fiscal year.		(247,798)
Employee severance benefits and 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 decrease in the employee severance benefits and other postemployment benefits liability for the current period.		
Employee Severance Benefits Payable	32,832	
Other Postemployment Benefits Payable	<u>245,000</u>	277,832
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.		<u>3,216,838</u>
Change in Net Position - Governmental Activities	\$	<u>15,669,273</u>

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, 2014

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 250,000	\$ 250,000	\$ 161,368	\$ (88,632)
Miscellaneous Federal Direct			33,004	33,004
Total Federal Direct Sources	250,000	250,000	194,372	(55,628)
Federal Through State and Local Sources:				
Medicaid	450,000	450,000	359,213	(90,787)
Total Federal Through State and Local Sources	450,000	450,000	359,213	(90,787)
State Sources:				
Categorical Educational Program - Class Size Reduction	9,234,543	9,234,543	9,225,944	(8,599)
Florida Education Finance Program	4,227,737	4,227,737	3,904,893	(322,844)
Workforce Development Program	711,711	711,711	711,711	
Voluntary Prekindergarten	420,000	420,000	542,022	122,022
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,794	4,795	4,913	118
School Recognition	518,154	518,154	319,695	(198,459)
Racing Commission Funds	223,250	223,250	223,250	
Diagnostic and Learning Resources Centers	161,768	198,790	198,790	
Discretionary Lottery Funds	-	-	81,201	81,201
Adults with Disabilities	65,858	65,858	64,577	(1,281)
Mobile Home License Tax	28,000	28,000	28,734	734
Miscellaneous	25,959	25,810	77,189	51,379
Total State Sources	15,621,774	15,658,648	15,382,919	(275,729)
Local Sources:				
Ad Valorem Taxes	62,643,859	62,643,859	63,577,031	933,172
Interest Income	200,000	200,000	79,066	(120,934)
Miscellaneous	1,691,196	1,810,173	2,181,122	370,949
Total Local Sources	64,535,055	64,654,032	65,837,219	1,183,187
Total Revenues	80,856,829	81,012,680	81,773,723	761,043
EXPENDITURES				
Current:				
Instruction:				
Salaries	31,099,102	31,123,322	30,463,243	660,079
Employees Benefits	11,468,554	11,287,661	10,784,449	503,212
Purchased Services	10,785,026	11,004,488	10,821,268	183,220
Energy Services	2,400	5,371	4,883	488
Materials and Supplies	1,022,995	1,218,596	859,966	358,630
Capital Outlay	60,227	191,417	95,936	95,481
Other Expenses	845,833	1,192,112	1,114,223	77,889
Total Instruction	55,284,137	56,022,967	54,143,968	1,878,999
Student Personnel Services:				
Salaries	2,516,722	3,242,146	3,165,179	76,967
Employees Benefits	983,429	1,179,435	1,096,265	83,170
Purchased Services	149,499	155,762	140,822	14,940
Materials and Supplies	16,207	16,124	16,124	
Capital Outlay		950	8,050	(7,100)
Other Expenses	166		445	(445)
Total Student Personnel Services	3,666,023	4,594,417	4,410,761	183,656

(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, 2014**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current (continued)				
Instructional Media Services:				
Salaries	\$ 495,635	\$ 526,734	\$ 512,267	\$ 14,467
Employees Benefits	171,216	185,716	179,337	6,379
Purchased Services	5,193	4,983	2,803	2,180
Materials and Supplies	1,485	4,701	4,334	367
Capital Outlay	33,888	54,733	31,543	23,190
Other Expenses		1,000	650	350
Total Instructional Media Services	<u>707,417</u>	<u>777,867</u>	<u>730,934</u>	<u>46,933</u>
Instruction and Curriculum Development Services				
Salaries	1,128,284	1,141,780	1,080,868	60,912
Employees Benefits	387,803	365,351	345,394	19,957
Purchased Services	48,148	68,976	55,678	13,298
Materials and Supplies	5,935	5,135	3,311	1,824
Capital Outlay	2,123	6,182	2,554	3,628
Other Expenses	1,144	418	298	120
Total Instruction and Curriculum Development Services	<u>1,573,437</u>	<u>1,587,842</u>	<u>1,488,103</u>	<u>99,739</u>
Instructional Staff Training Services:				
Salaries	408,196	484,559	445,296	39,263
Employees Benefits	126,794	143,482	123,650	19,832
Purchased Services	44,353	58,801	30,513	28,288
Energy Services		801		801
Materials and Supplies	1,450	2,174	193	1,981
Other Expenses	33,389	30,279	10,905	19,374
Total Instructional Staff Training Services	<u>614,182</u>	<u>720,096</u>	<u>610,557</u>	<u>109,539</u>
Instruction Related Technology:				
Salaries	793,530	792,632	791,780	852
Employees Benefits	283,575	269,100	251,374	17,726
Purchased Services	6,300	6,300	2,464	3,836
Energy Services	1,295	1,295	366	929
Materials and Supplies	4,056	3,907	1,998	1,909
Capital Outlay	1,150	1,150	360	790
Total Instruction Related Technology	<u>1,089,906</u>	<u>1,074,384</u>	<u>1,048,342</u>	<u>26,042</u>
School Board:				
Salaries	198,678	203,690	160,362	43,328
Employees Benefits	118,208	120,748	111,193	9,555
Purchased Services	558,395	567,014	378,740	188,274
Materials and Supplies	1,400	1,432	107	1,325
Capital Outlay	3,000	3,000		3,000
Other Expenses	46,244	36,373	12,978	23,395
Total School Board	<u>925,925</u>	<u>932,257</u>	<u>663,380</u>	<u>268,877</u>

(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, 2014**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current (continued)				
General Administration:				
Salaries	\$ 394,046	\$ 381,734	\$ 378,325	\$ 3,409
Employees Benefits	138,591	145,609	143,110	2,499
Purchased Services	22,616	26,151	18,030	8,121
Materials and Supplies	32,523	49,837	2,619	47,218
Capital Outlay		1,152	1,152	
Other Expenses	19,399	19,366	3,305	16,061
Total General Administration	607,175	623,849	546,541	77,308
School Administration:				
Salaries	2,838,176	2,966,968	2,950,738	16,230
Employees Benefits	963,973	1,039,259	1,019,263	19,996
Purchased Services	33,437	37,363	25,088	12,275
Materials and Supplies	29,880	28,841	22,772	6,069
Capital Outlay	17,700	14,142	9,061	5,081
Other Expenses	11,377	5,194	4,559	635
Total School Administration	3,894,543	4,091,767	4,031,481	60,286
Facilities Services				
Salaries	98,452	100,142	100,142	
Employees Benefits	30,556	30,425	30,418	7
Purchased Services	1,500	335,559	335,485	74
Energy Services	3,000	4,300	4,296	4
Materials and Supplies	3,000	2,500	1,019	1,481
Capital Outlay		27,129		27,129
Other Expenses	1,000	1,000	120	880
Total Facilities Services	137,508	501,055	471,480	29,575
Fiscal Services:				
Salaries	703,266	708,448	657,302	51,146
Employees Benefits	238,950	239,273	217,212	22,061
Purchased Services	83,919	48,588	34,820	13,768
Energy Services	400	400	22	378
Materials and Supplies	8,000	6,257	4,661	1,596
Capital Outlay	10,250	8,358	905	7,453
Other Expenses	17,025	16,505	10,295	6,210
Total Fiscal Services	1,061,810	1,027,829	925,217	102,612
Food Services:				
Salaries		28,650	28,650	
Employees Benefits		1,948	1,948	
Total Food Services		30,598	30,598	
Central Services:				
Salaries	945,279	566,966	459,896	107,070
Employees Benefits	990,167	902,389	860,622	41,767
Purchased Services	189,115	190,588	115,266	75,322
Energy Services	2,500	1,039	310	729
Materials and Supplies	14,800	20,209	14,247	5,962
Capital Outlay	550	11,331	8,287	3,044
Other Expenses	1,595	27,579	23,973	3,606
Total Central Services	2,144,006	1,720,101	1,482,601	237,500

(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, 2014**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current (continued)				
Student Transportation Services:				
Salaries	\$ 1,604,508	\$ 1,759,166	\$ 1,646,731	\$ 112,435
Employees Benefits	753,494	775,358	700,778	74,580
Purchased Services	109,019	154,022	139,579	14,443
Energy Services	480,000	419,122	364,021	55,101
Materials and Supplies	176,720	191,850	179,294	12,556
Capital Outlay	5,400	4,022	1,045	2,977
Other Expenses	82,502	80,962	53,090	27,872
Total Student Transportation Services	3,211,643	3,384,502	3,084,538	299,964
Operation of Plant:				
Salaries	212,654	197,546	196,622	924
Employees Benefits	75,855	74,045	70,867	3,178
Purchased Services	3,919,827	3,785,859	3,684,064	101,795
Energy Services	2,068,000	2,243,105	2,169,425	73,680
Total Operation of Plant	6,276,336	6,300,555	6,120,978	179,577
Maintenance of Plant:				
Salaries	1,201,015	1,208,039	1,176,418	31,621
Employees Benefits	439,771	435,680	404,793	30,887
Purchased Services	227,483	188,323	151,475	36,848
Energy Services	57,015	55,703	49,907	5,796
Materials and Supplies	271,719	280,641	271,577	9,064
Capital Outlay	8,613	10,816	7,612	3,204
Other Expenses	2,600	3,100	2,396	704
Total Maintenance of Plant	2,208,216	2,182,302	2,064,178	118,124
Administrative Technology Services:				
Salaries	287,686	310,785	310,785	
Employees Benefits	87,287	90,360	90,292	68
Purchased Services	3,215	74,852	74,391	461
Materials and Supplies	1,775	1,800	781	1,019
Capital Outlay	1,100	1,100	167	933
Other Expenses	1,160	1,160	125	1,035
Total Administrative Technology Services	382,223	480,057	476,541	3,516
Community Services:				
Salaries	261,949	296,287	237,929	58,358
Employees Benefits	91,060	136,175	96,312	39,863
Purchased Services	304,187	317,523	313,338	4,185
Materials and Supplies	15,000	31,767	8,984	22,783
Capital Outlay	1,495	6,021	210	5,811
Total Community Services	673,691	787,773	656,773	131,000

(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, 2014**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Capital Outlay:				
Other Capital Outlay	\$	\$	\$ 60,282	\$ (60,282)
Debt Service:				
Interest and Fiscal Charges	65,000	104,834	104,834	
Total Expenditures	84,523,178	86,945,052	83,152,087	3,792,965
Deficiency of Revenues Over Expenditures	(3,666,349)	(5,932,372)	(1,378,364)	4,554,008
OTHER FINANCING SOURCES				
Sale of Capital Assets			16,160	16,160
Insurance Loss Recoveries			596	596
Transfers In	3,666,349	4,001,208	3,931,298	(69,910)
Total Other Financing Sources	3,666,349	4,001,208	3,948,054	(53,154)
Net Change in Fund Balance		(1,931,164)	2,569,690	4,500,854
Fund Balance, Beginning	9,773,239	9,773,239	9,773,239	
Fund Balance, Ending	\$ 9,773,239	\$ 7,842,075	\$ 12,342,929	\$ 4,500,854

**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, 2014**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 1,037,763	\$ 1,657,664	\$ 1,313,023	\$ (344,641)
Federal Through State and Local Sources:				
Vocational Education Acts		69,019	65,831	(3,188)
Adult General Education	320,500	1,042	209,638	208,596
Eisenhower Math and Science	1,781,156	2,267,344		(2,267,344)
Individuals with Disabilities Education Act	1,278,944	1,706,518	440,669	(1,265,849)
Elementary And Secondary Education Act, Title I	187,312	215,747	1,386,659	1,170,912
English Language Acquisition Grants			119,695	119,695
Other Federal Through State and Local Sources	120,691	1,086,680	694,765	(391,915)
Total Federal Through State and Local Sources	3,688,603	5,346,350	2,917,257	(2,429,093)
Total Revenues	4,726,366	7,004,014	4,230,280	(2,773,734)
EXPENDITURES				
Current:				
Instruction:				
Salaries	1,328,338	1,805,089	1,326,581	478,508
Employees Benefits	620,898	796,048	516,410	279,638
Purchased Services	482,372	213,122	96,628	116,494
Energy Services	6,400	4,722	447	4,275
Materials and Supplies	69,008	343,962	270,095	73,867
Capital Outlay		362,144	126,858	235,286
Other Expenses	290,717	101,203	63,920	37,283
Total Instruction	2,797,733	3,626,290	2,400,939	1,225,351
Student Personnel Services:				
Salaries	607,083	797,077	141,336	655,741
Employees Benefits	220,272	298,134	53,287	244,847
Purchased Services		66,578	21,809	44,769
Materials and Supplies		93,040	19,609	73,431
Capital Outlay		32,902	20,238	12,664
Other Expenses		340	77	263
Total Student Personnel Services	827,355	1,288,071	256,356	1,031,715

(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, 2014**

	Special Revenue - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current (continued)				
Instructional Media Services:				
Materials and Supplies	\$	\$ 1,371	\$ 1,371	\$ 3,454
Capital Outlay		3,454		3,454
Total Instructional Media Services		4,825	1,371	3,454
Instruction and Curriculum Development Services:				
Salaries	631,867	704,286	584,110	120,176
Employees Benefits	235,989	257,293	222,709	34,584
Purchased Services		105,323	39,999	65,324
Energy Services		3,191	2,208	983
Materials and Supplies		22,572	16,262	6,310
Capital Outlay		1,313	1,179	134
Other Expenses		8,600	1,545	7,055
Total Instruction and Curriculum Development Services	867,856	1,102,578	868,012	234,566
Instructional Staff Training Services:				
Salaries	170,517	243,538	206,782	36,756
Employees Benefits	62,905	80,693	56,568	24,125
Purchased Services		263,680	82,689	180,991
Materials and Supplies		17,505	5,430	12,075
Capital Outlay		37,146		37,146
Other Expenses		30,408	28,924	1,484
Total Instructional Staff Training Services	233,422	672,970	380,393	292,577
Instruction Related Technology:				
Purchased Services		11,200		11,200
School Board:				
Purchased Services		654	654	
General Administration:				
Other Expenses		210,831	113,699	97,132
School Administration:				
Salaries		2,676		2,676
Employees Benefits		1,330		1,330
Purchased Services		3,804	604	3,200
Materials and Supplies		1,632	1,632	
Capital Outlay		2,654		2,654
Other Expenses		560		560
Total School Administration		12,656	2,236	10,420
Facilities Services:				
Capital Outlay		45,214		45,214

(Continued)

**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, 2014**

	Special Revenue - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current (continued)				
Central Services:				
Purchased Services	\$	\$ 1,623	\$ 1,623	\$
Student Transportation Services:				
Salaries		20,051	20,024	27
Employees Benefits		3,649	2,453	1,196
Energy Services			131	(131)
Materials and Supplies		131	860	(729)
Other Expenses		1,471		1,471
Total Student Transportation Services		25,302	23,468	1,834
Operation of Plant:				
Purchased Services		1,800	902	898
Capital Outlay:				
Facilities Acquisition and Construction			42,178	(42,178)
Other Capital Outlay			138,449	(138,449)
Total Capital Outlay			180,627	(180,627)
Total Expenditures	4,726,366	7,004,014	4,230,280	2,773,734
Excess of Revenues Over Expenditures				
Net Change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	\$ 0	\$ 0	\$ 0	\$ 0

**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, 2014**

	Federal Economic Stimulus Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local Sources:				
Race to the Top/ARRA	\$ 8,361	\$ 100,924	\$ 55,985	\$ (44,939)
EXPENDITURES				
Current:				
Instruction:				
Salaries		2,518	2,518	
Employees Benefits		1,196	1,196	
Purchased Services		42,244	31,934	10,310
Materials and Supplies		6,500		6,500
Total Instruction		52,458	35,648	16,810
Instructional Staff Training Services:				
Salaries	6,960	10,000	4,800	5,200
Employees Benefits	1,401	1,412	367	1,045
Purchased Services		32,604	14,721	17,883
Materials and Supplies		3,950	449	3,501
Capital Outlay		500		500
Other Expenses				
Total Instructional Staff Training Services	8,361	48,466	20,337	28,129
Total Expenditures	8,361	100,924	55,985	44,939
Excess of Revenues Over Expenditures				
Net Change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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, 2014

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 7,450,950
Investments	20,146
Accounts Receivable	325,992
Due from Other Agencies	443,926
Prepaid Items	107,978
Total Current Assets	8,348,992
Noncurrent Assets:	
Investments in SBA Fund B Surplus Funds Trust Fund	6,102
Total Assets	8,355,094
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,294,185
Estimated Insurance Claims Payable	1,840,154
Total Current Liabilities	3,134,339
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	1,705,510
Total Liabilities	4,839,849
NET POSITION	
Unrestricted	\$ 3,515,245

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, 2014**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Contributions	\$ 13,727,023
Insurance Loss Recoveries	682,540
Total Operating Revenues	14,409,563
OPERATING EXPENSES	
Salaries	175,936
Employees Benefits	82,422
Purchased Services	1,703,458
Materials and Supplies	1,865
Insurance Claims	9,275,064
Total Operating Expenses	11,238,745
Operating Income	3,170,818
NONOPERATING REVENUES	
Gifts, Grants and Bequests	20,000
Interest Revenue	26,020
Total Nonoperating Revenues	46,020
Change in Net Position	3,216,838
Total Net Position, Beginning	298,407
Total Net Position, Ending	\$ 3,515,245

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, 2014**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 13,169,327
Cash Received from Loss Recoveries	682,540
Cash Payments to Suppliers for Goods and Services	(1,607,465)
Cash Payments to Employees for Services	(258,355)
Cash Payments for Insurance Claims	(9,864,472)
Net Cash Provided by Operating Activities	<u>2,121,575</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts, Grants and Bequests	<u>20,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	26,020
Purchase of Investments	(13)
Net Cash Provided by Investing Activities	<u>26,007</u>
Net Increase in Cash	2,167,582
Cash, Beginning	<u>5,283,368</u>
Cash, Ending	<u><u>\$ 7,450,950</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	<u>\$ 3,170,818</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Accounts Receivable	(325,992)
Due from Other Agencies	(231,701)
Prepaid Items	(107,978)
Accounts Payable	205,836
Estimated Insurance Claims Payable	(589,408)
Total Adjustments	<u>(1,049,243)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 2,121,575</u></u>

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, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 194,864	\$ 1,241,914
Investments	1,339	
TOTAL ASSETS	196,203	1,241,914
LIABILITIES		
Internal Accounts Payable		\$ 1,241,914
NET POSITION		
Held in Trust for Pension Benefits	\$ 196,203	

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, 2014**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 53,546
Investment Earnings:	
Interest	578
Total Additions	54,124
 DEDUCTIONS	
Benefits Paid to Participants	53,546
Change in Net Position	578
Net Position - Beginning	195,625
Net Position - Ending	\$ 196,203

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

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 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, 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:

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note II.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 provide 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, 2014. The audit reports are filed in the District's administrative offices.

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 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,

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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.
- 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 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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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 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, 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.

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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, and Net Position/Fund Balance**

1. **Cash**

The District's cash includes cash on hand, demand deposits and certificate of deposits. Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. **Investments**

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, amounts placed with the SBA for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes, and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, 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.

The District's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.84438408 at June 30, 2014. Fund B is not subject to participant withdrawal

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

Investments made locally consist of amounts in the Federal National Mortgage Association Discount Pool, United States Treasury Notes State and Local Government Series, 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.

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:

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<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. 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.

6. 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.

7. Fund Balance Flow Assumption

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

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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.

8. 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, 2014.

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

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, 2014, the District met this policy with unassigned and assigned fund balances totaling 13.7 percent of General Fund expenditures.

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

The State provides financial assistance to administer certain educational programs. 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 year to be expended for the same educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is 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.

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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 2013 tax levy on September 3, 2013. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the 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.

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

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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. 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.

Cash balances from all funds are combined and invested to extent available. Earnings are allocated to each fund based on end-of-month balances.

B. Investments

As of June 30, 2014, the District had the following investments and maturities:

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Investments	Maturities	Fair Value
SBA:		
Florida PRIME	40 Day Average	\$ 20,724,521
Fund B	2.86 Year Average	61,456
Debt Service Accounts	6 Months	7,417
Money Market Funds:		
Fidelity Institutional Money Market Government Portfolio - Class I (1)	60 Days or Less Weighted Average	8,480,687
Fidelity Institutional Money Market Treasury Portfolio - Class I (2)	60 Days or Less Weighted Average	309,812
Fidelity Institutional Money Market Treasury Portfolio - Class III (3)	60 Days or Less Weighted Average	208
Federated Prime Obligations Money Market Fund	44 Day Average	250,267
Blackrock TempFund Institutional Money Market Fund	45 Day Average	250,325
Fidelity Institutional Money Market Prime Money Market Portfolio - Institutional CL	37 Day Average	250,380
JP Morgan - Prime Money Market Fund	54 Day Average	250,338
Federal National Mortgage Association (FNMA) Discount Pool (4)	October 1, 2014	3,166,000
US Treasury Notes State & Local Government Series	December 29, 2020	561,689
		<hr/>
Total Investments		<u>\$ 34,313,100</u>

Notes: (1) A portion (\$8,471,809.75) of these investments are held by a paying agent in connection with the Qualified School Construction Bonds arrangement (See note III.1).

(2) A portion (\$222,421.77) of these investments are held by a paying agent in connection with the QZAB financing arrangement (See note III.1).

(3) These investments are held by a paying agent in connection with the Certificate of Participation Series 2004A financing arrangement (See note III.1).

(4) These investments are held by a paying agent in connection with the Qualified Zone Academy Bonds financing arrangement (See note III.1).

➤ **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. 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 three years.

Florida PRIME had a weighted average days to maturity (WAM) of 40 days at June 30, 2014. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. Due to the nature of the securities in Fund B, the interest rate risk information required by GASB Statement No. 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available. An estimate of the weighted average life (WAL) is available. In the calculation of the WAL, the time at which an expected principal amount is

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to be received, measured in years, is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL, based on expected future cash flows, of Fund B at June 30, 2014, is estimated at 2.86 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary.

➤ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA's Florida PRIME, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act 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; and direct obligations of the United States Treasury. 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 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 on policies developed by the SBA for managing interest rate risk and credit risk for this account.

The District's investment in Florida PRIME is rated AAAm by Standard & Poor's. Fund B is unrated.

The Fidelity Institutional Money Market Government Portfolio – Class I normally invests at least 80 percent of assets in United States Government securities and repurchase agreements for those securities. As of June 30, 2014, 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 80 percent of assets in United States Treasury securities and repurchase agreements for those securities. As of June 30, 2014, the

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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 Federated Prime Obligations Money Market Fund normally invests in short-term, high quality, fixed income securities issued by banks, corporations, and the U.S. Government, rated in the highest short-term category or of comparable quality. As of June 30, 2014, the District's investments in the Federated Prime Obligations Fund were rated AAAM by Standard & Poor's, AAAMmf by Fitch Ratings, and Aaa-mf by Moody's Investors Service.

The Blackrock TempFund Institutional Money Market Fund normally invests in a broad range of U.S. dollar denominated money market instruments, including government, U.S. and foreign bank, and U.S. commercial obligations and repurchase agreements. As of June 30, 2014, the District's investments in the Blackrock TempFund Institutional Fund were rated AAAM by Standard & Poor's and Aaa-mf by Moody's Investors Service.

The Fidelity Institutional Money Market Prime Money Market Portfolio – Institutional CL normally invests in U.S. dollar-denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services, U.S. Government securities, and repurchase agreements. As of June 30, 2014, the District's investments in the Fidelity Institutional Money Market Prime Money Market Portfolio – Institutional CL were rated AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

The JP Morgan - Prime Money Market Fund normally invests in high-quality, short-term obligations that present minimal credit risk including: 1) Securities issued by the U.S. government and its agencies 2) Floating rate and variable rate demand notes of U.S. and foreign corporations 3) Commercial paper - in the highest category by Moody's Investor Services (P1) and Standard & Poor's (A1) 4) Certificates of Deposit and time deposits 5) Asset-backed securities 6) Repurchase agreements. As of June 30, 2014, the District's investments in the JP Morgan Prime Money Market Fund were rated AAAM by Standard & Poor's AAAMmf by Fitch Ratings, and Aaa-mf by Moody's Investors Service.

The District's investment in the Federal National Mortgage Association (FNMA) Discount Pool 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

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that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investment policy 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., Florida Department of Education) are also not subject to the provisions of this policy.

The District's Investments in the Federal National Mortgage Association (FNMA) Discount Pool are 9.2 percent of the District's total investments and 82.3 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 II.I).

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C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,535,312	\$	\$ 70,137	\$ 6,465,175
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	12,481,371	410,336	174,672	12,717,035
Buildings and Fixed Equipment	315,029,284	448,129	3,347,821	312,129,592
Furniture, Fixtures, and Equipment	18,150,831	1,353,634	2,703,087	16,801,378
Motor Vehicles	6,479,649	1,202,610	585,155	7,097,104
Audio Visual Materials and Computer Software	3,774,782	37,328	21,775	3,790,335
Total Capital Assets Being Depreciated	355,915,917	3,452,037	6,832,510	352,535,444
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	9,520,478	532,494	151,135	9,901,837
Buildings and Fixed Equipment	42,436,049	4,238,783	1,471,577	45,203,255
Furniture, Fixtures, and Equipment (1)	16,966,581	944,568	2,767,871	15,143,278
Motor Vehicles	5,082,506	330,506	521,286	4,891,726
Audio Visual Materials and Computer Software	3,727,761	30,872	19,577	3,739,056
Total Accumulated Depreciation	77,733,375	6,077,223	4,931,446	78,879,152
Total Capital Assets Being Depreciated, Net	278,182,542	(2,625,186)	1,901,064	273,656,292
Governmental Activities Capital Assets, Net	\$ 284,717,854	\$ (2,625,186)	\$ 1,971,201	\$ 280,121,467

Note: (1) Furniture, Fixtures, and Equipment deletions includes adjustments totaling \$64,784 to correct errors in accumulated depreciation for certain assets.

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 284,830
Unallocated	5,792,393
Total Depreciation Expense - Governmental Activities	\$ 6,077,223

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D. Pension Obligations

1. Florida Retirement System

Essentially all regular employees of the District are eligible to enroll as members of the State-administered Florida Retirement System (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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

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

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

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 this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

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The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2013-14 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
FRS, Regular	3.00	6.95
FRS, Elected County Officers	3.00	33.03
FRS, Senior Management Service	3.00	18.31
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.84
FRS, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.20 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Investment Plan.

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions, including employee contributions, for the fiscal years ended June 30, 2012, June 30, 2013, and June 30, 2014, totaled \$3,104,454, \$2,915,224, and \$4,038,870, respectively, which were equal to the required contributions for each fiscal year.

There were 160 District participants in the Investment Plan during the 2013-14 fiscal year. The District's contributions, including employee contributions, to the Investment Plan totaled \$823,193, which was equal to the required contribution for the 2013-14 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850)413-5511; or at the Department's Web site (www.myfloridaacfo.com). An annual report on 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, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

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2. Early Retirement Plan

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (Plan) effective July 1, 1992. The Plan is a single-employer public employee retirement system (PERS) and was offered for only one year. The purpose of the Plan was to provide eligible District employees, who elected to retire under the early retirement provisions of the FRS described in note II.D, 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 Plan assets in a pension trust fund and is responsible for their investment. The Board appoints and removes the Plan administrator. The Plan 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, 2014, employee membership data related to the Plan 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

➤ **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 Plan. 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 Plan was established by the Board on July 1, 1992, and may be amended by Board action. Pursuant to the Plan agreement, no contribution shall be required

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or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the unfunded actuarial accrued liability within 10.23 years based on the July 1, 2013, actuarial study.

Periodic employer contributions to the Plan are determined on an actuarial basis using the aggregate cost method. Under this actuarial cost method, a funding cost is developed for the Plan 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 Plan in the 2013-14 fiscal year amounted to \$53,546, all of which were paid by the Board, and were \$2,661 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 Plan are financed through the Plan's resources (employer contributions and investment earnings).

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 II.B

Investments

➤ **Investment Policy**

The District manages the Plan's assets in accordance with the Board's investment policy discussed in note II.B. The District follows the same investment policies for plan investments as for all other District investments. Plan investments at June 30, 2014, consisted of amounts placed with the SBA investment pools.

➤ **Rate of Return**

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.94 percent. The money-weighted

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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 Plan at June 30, 2014, were as follows:

Total Pension Liability	\$	651,608
Plan Fiduciary Net Position		(196,203)
Net Pension Liability	\$	455,405
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		30.11%

➤ **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
Postemployment Benefit Increases		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.

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, 2014, Plan's fiscal year end.

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

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	1% Decrease 2%	Current Discount Rate 3%	1% Increase 4%
Net Pension Liability	\$ 504,860	\$ 455,406	\$ 411,664

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 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 2013-14 fiscal year, 105 retirees received other postemployment benefits. The District provided required contributions of \$936,000 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 \$744,408 which represents 1.5 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:

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Description	Amount
Normal Cost (service cost for one year)	\$ 280,000
Amortization of Unfunded Actuarial Accrued Liability	386,000
Interest on Normal Cost and Amortization	30,000
Annual Required Contribution	696,000
Interest on Net OPEB Obligation	164,000
Adjustment to Annual Required Contribution	(169,000)
Annual OPEB Cost (Expense)	691,000
Contribution Toward the OPEB Cost	(936,000)
Decrease in Net OPEB Obligation	(245,000)
Net OPEB Obligation, Beginning of Year	3,638,000
Net OPEB Obligation, End of Year	\$ 3,393,000

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011-12	\$ 1,382,000	88.0%	\$ 3,823,000
2012-13	690,000	126.8%	3,638,000
2013-14	691,000	135.5%	3,393,000

Funded Status and Funding Progress. As of July 2012, the most recent valuation date, the actuarial accrued liability for benefits was \$8,565,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$8,565,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$45,772,676.46, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.7 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

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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, 2012, used the projected unit credit method to estimate the unfunded actuarial liability as of June 30, 2014, and to estimate the District's 2013-14 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.5 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 2 percent per year, an inflation rate of 3 percent per year, and an annual healthcare cost trend rate of 9.5 percent initially for the 2013-14 fiscal year, reduced by 0.5 percent per year, until an ultimate rate of 5 percent is reached. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll.

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 year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2014:

Major Funds					
General	Special Revenue - Other	Special Revenue - Federal Economic Stimulus	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 157,249	\$ 86,458	\$ 4,694	\$ 473,083	\$ 1,061,174	\$ 1,782,658

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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 coverage up to \$2,500,000 per named windstorm after a deductible of 5 percent of total insured values per location subject to a minimum of \$10,000,000 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 \$1,000,000 annually.

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

A liability in the amount of \$3,545,664 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, 2014.

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

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Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012-13	\$ 4,192,459	\$ 11,849,099	\$ (11,906,486)	\$ 4,135,072
2013-14	4,135,072	9,275,064	(9,864,472)	3,545,664

H. Line of Credit

On June 24, 2014, the Board approved an extension of the revolving line of credit agreement with a major banking institution, effective July 1, 2014, 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, 2015. The agreement provides for interest on funds drawn at 74 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.

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 (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.

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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 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 lease 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 lease under this arrangement are as follows:

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

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:

Certificates	Payment Dates	Interest Rates
Series 2004A	February 1 and August 1	4.0 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 agreement together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2015	\$ 4,305,950	\$ 2,105,000	\$ 2,200,950
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
2020-2024	15,102,000	4,842,000	10,260,000
2025-2027	42,156,000	36,000,000	6,156,000
Total Minimum Lease Payments	\$ 72,343,937	\$ 45,452,000	\$ 26,891,937

2. Bonds Payable

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

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Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2005A, Refunding	\$ 45,000	5.00	2017
Series 2011A, Refunding	205,000	5.00	2015
District Sales Tax Revenue Bonds:			
Series 2005	16,660,000	3.50-5.00	2015
Series 2013, Refunding	<u>3,833,000</u>	1.05	2015
Total Bonds Payable	<u>\$ 20,743,000</u>		

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

➤ **State School Bonds**

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The 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

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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 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 \$21,179,818 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 2013-14 fiscal year, the District recognized sales tax revenues totaling \$15,342,494 and expended \$10,613,572 (69.2 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 3.1 percent in the collection of sales tax revenues, which are levied through December 31, 2015, approximately 68 percent of the 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, 2014, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
<u>State School Bonds:</u>			
2015	\$ 232,500	\$ 220,000	\$ 12,500
2016	16,500	15,000	1,500
2017	15,750	15,000	750
Total State School Bonds	<u>264,750</u>	<u>250,000</u>	<u>14,750</u>
<u>District Sales Tax Revenue Bonds:</u>			
2015	10,602,216	10,092,000	510,216
2016	10,577,602	10,401,000	176,602
Total District Sales Tax Revenue Bonds	<u>21,179,818</u>	<u>20,493,000</u>	<u>686,818</u>
Total	<u>\$ 21,444,568</u>	<u>\$ 20,743,000</u>	<u>\$ 701,568</u>

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3. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Estimated Insurance Claims Payable	\$ 4,135,072	\$ 9,275,064	\$ 9,864,472	\$ 3,545,664	\$ 1,840,154
Bonds Payable	30,787,000		10,044,000	20,743,000	10,312,000
Certificates of Participation Payable	47,477,000		2,025,000	45,452,000	2,105,000
Compensated Absences Payable	6,441,916	899,348	651,550	6,689,714	650,000
Employee Severance Benefits Payable	32,832		32,832		
Other Postemployment Benefits Payable	3,638,000	691,000	936,000	3,393,000	
Total Governmental Activities	\$92,511,820	\$ 10,865,412	\$ 23,553,854	\$ 79,823,378	\$ 14,907,154

For the governmental activities, compensated absences, employee severance benefits, 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 notes II.G. and III.

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

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K. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 949,796	\$ 1,390,966
Special Revenue:		
Other	1,390,966	911,382
Nonmajor Governmental		38,414
Total	\$ 2,340,762	\$ 2,340,762

The amount due to the General Fund from the Special Revenue – Other 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. The amount due to the Special Revenue – Other Fund from the General Fund reflects the resolution of the questioned costs for maintenance of effort noted in the prior audit.

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L. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

<u>Source</u>	<u>Amount</u>
Categorical Educational Program - Class Size Reduction	\$ 9,225,944
Florida Education Finance Program	3,904,893
Workforce Development Program	711,711
Voluntary Prekindergarten	542,022
Motor Vehicle License Tax (Capital Outlay and Debt Service)	329,103
School Recognition	319,695
Racing Commission Funds	223,250
Diagnostic and Learning Resources Centers	198,790
Discretionary Lottery Funds	81,201
Adults with Disabilities	64,577
Food Service Supplement	37,145
Mobile Home License Tax	28,734
Miscellaneous	412,048
	<hr/>
Total	<u>\$ 16,079,113</u>

Accounting policies relating to certain State revenue sources are described in note I.G.2.

2. Property Taxes

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

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	1.933	\$ 39,497,787
Basic Discretionary Local Effort	0.748	15,284,193
Voted School Tax		
Additional Operating	0.500	10,216,706
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	0.500	10,216,706
Total	<u>3.681</u>	<u>\$ 75,215,392</u>

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M. Interfund Transfers

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 3,931,298	\$
Debt Service:		
Other	13,779,934	
ARRA Economic Stimulus	2,365,194	
Capital Projects:		
Other		10,613,572
Nonmajor Governmental		9,462,854
	\$ 20,076,426	\$ 20,076,426
Total		

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 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.

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

	2014	2013	2012	2011
Total Pension Liability:				
Service Cost	\$	\$ 14,471	\$ 14,471	\$ 5,622
Interest	19,741	25,601	25,601	26,920
Changes of Assumptions	1,610	78,647		
Benefit Payments, Including Refunds of Member Contributions	(53,546)	(51,986)	(50,472)	(48,855)
Net Change in Total Pension Liability	<u>(32,195)</u>	<u>66,733</u>	<u>(10,400)</u>	<u>(16,313)</u>
Total Pension Liability, Beginning (A)	683,803	617,070	627,470	643,783
Total Pension Liability, Ending	<u>\$ 651,608</u>	<u>\$ 683,803</u>	<u>\$ 617,070</u>	<u>\$ 627,470</u>
Plan Fiduciary Net Position:				
Employer Contributions	\$ 53,546	\$ 51,986	\$ 50,500	\$ 50,000
Net Investment Income	578	13	14	11
Benefit Payments, Including Refunds of Member Contributions	(53,546)	(51,986)	(50,472)	(48,855)
Administrative Expense				(855)
Net Change in Plan Fiduciary Net Position	<u>578</u>	<u>13</u>	<u>42</u>	<u>301</u>
Plan Fiduciary Net Position, Beginning	195,625	195,612	195,570	195,269
Plan Fiduciary Net Position, Ending (B)	<u>\$ 196,203</u>	<u>\$ 195,625</u>	<u>\$ 195,612</u>	<u>\$ 195,570</u>
Net Pension Liability, Ending (A)-(B)	<u>\$ 455,405</u>	<u>\$ 488,178</u>	<u>\$ 421,458</u>	<u>\$ 431,900</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	30.11%	28.61%	31.70%	31.17%
Covered Employee Payroll	(1)	(1)	(1)	(1)
Net Pension Liability As a Percentage of Covered Employee Payroll	(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.

2010	2009	2008	2007	2006	2005
\$ 5,621	\$ 12,976	\$ 12,976	\$	\$	\$
26,920	31,396	31,395		42,622	42,017
	25,826	25,826	177,208		
(48,558)	(47,283)	(45,906)	(44,569)	(43,271)	(42,010)
(16,017)	22,915	24,291	132,639	(649)	7
659,800	636,885	612,594	479,955	480,604	480,597
<u>\$ 643,783</u>	<u>\$ 659,800</u>	<u>\$ 636,885</u>	<u>\$ 612,594</u>	<u>\$ 479,955</u>	<u>\$ 480,604</u>
\$ 63,976	\$ 63,976	\$ 63,976	\$ 51,796	\$ 51,796	\$ 47,252
8	10	2,849	7,276	5,310	2,752
(48,558)	(47,283)	(45,906)	(44,569)	(43,271)	(42,010)
(2,006)	(2,512)	(3,000)	(4,500)	(6,080)	(4,500)
13,420	14,191	17,919	10,003	7,755	3,494
181,849	167,658	149,739	139,736	131,981	128,487
<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>\$ 448,514</u>	<u>\$ 477,951</u>	<u>\$ 469,227</u>	<u>\$ 462,855</u>	<u>\$ 340,219</u>	<u>\$ 348,623</u>
30.33%	27.56%	26.32%	24.44%	29.11%	27.46%
(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially Determined Contribution	\$ 50,885	\$ 49,857	\$ 49,857	\$ 50,365
Contributions in Relation to the Actuarially Determined Contribution	<u>53,546</u>	<u>51,986</u>	<u>50,500</u>	<u>50,000</u>
Contributions Deficiency (Excess)	<u>\$ (2,661)</u>	<u>\$ (2,129)</u>	<u>\$ (643)</u>	<u>\$ 365</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: July 1, 2013

(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
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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 50,365	\$ 63,976	\$ 63,976	\$ 51,796	\$ 51,796	\$ 47,252
<u>63,976</u>	<u>63,976</u>	<u>63,976</u>	<u>51,796</u>	<u>51,796</u>	<u>47,252</u>
<u>\$ (13,611)</u>	<u>\$ 0</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
JUNE 30, 2014**

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

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - (1)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	[(B-A)/C]
July 1, 2010	\$ 0	\$ 31,965,000	\$ 31,965,000	0.0%	\$ 59,005,788	54.2%
July 1, 2010 (2)	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%

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

(2) The District obtained an updated July 1, 2010, actuarial valuation after changing certain plan provisions.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

I. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

The July 1, 2012, unfunded actuarial accrued liability of \$8,565,000 was significantly lower than the updated July 1 2010, liability of \$13,800,000, as a result of benefit changes and other changes in liabilities and costs. The main reason for this decrease is: 1) the addition of a lower cost plan (Core Plan), 2) lower than expected claims and premiums, 3) elimination of subsidy trends provided to retirees since they will absorb all cost increases, and 4) a revision in the post-Medicare trend.

While there were some significant decreases in the liability, there are a few factors that increased the liability. These factors include: 1) improved mortality rates, 2) the addition of an excise tax due to healthcare reform, and 3) a revision in post-Medicare participation. Since the cost of the plan is much higher than the estimated future claim costs, this would decrease the liability if any participation in the plan post-Medicare is assumed.

Nonmajor Governmental Funds

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 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 Funds

The Debt Service Funds account 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., - 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, 2014**

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Fund	Food Service Fund
ASSETS			
Cash	\$ 2,875,301	\$ 675,209	\$ 675,209
Investments	2,459,486		
Accounts Receivable	4,520	4,520	4,520
Due from Other Agencies	88,840	80,086	80,086
Inventories	45,170	45,170	45,170
Total Assets	\$ 5,473,317	\$ 804,985	\$ 804,985
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payroll Deductions and Withholdings Payable	\$ 8,347	\$ 8,347	\$ 8,347
Accounts Payable	128,292	19,067	19,067
Deposits Payable	51,750	51,750	51,750
Due to Other Funds	38,414	38,414	38,414
Due to Other Agencies	882	882	882
Total Liabilities	227,685	118,460	118,460
Fund Balances:			
Nonspendable:			
Inventories	45,170	45,170	45,170
Restricted for:			
Capital Projects	4,551,690		
Debt Service	7,417		
Food Service	641,355	641,355	641,355
Total Fund Balances	5,245,632	686,525	686,525
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,473,317	\$ 804,985	\$ 804,985

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
\$ 7,417	\$ 7,417	\$ 2,200,092 2,452,069	\$ 1,926,662 2,452,069	\$	\$ 273,430
		8,754	8,754		
<u>\$ 7,417</u>	<u>\$ 7,417</u>	<u>\$ 4,660,915</u>	<u>\$ 4,387,485</u>	<u>\$ 0</u>	<u>\$ 273,430</u>
\$	\$	\$ 109,225	\$ 109,225	\$	\$
		109,225	109,225		
7,417	7,417	4,551,690	4,278,260		273,430
<u>7,417</u>	<u>7,417</u>	<u>4,551,690</u>	<u>4,278,260</u>		<u>273,430</u>
<u>\$ 7,417</u>	<u>\$ 7,417</u>	<u>\$ 4,660,915</u>	<u>\$ 4,387,485</u>	<u>\$ 0</u>	<u>\$ 273,430</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, 2014**

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Funds	Food Service Fund
REVENUES			
Federal Through State and Local Sources:			
Food Service	\$ 2,272,029	\$ 2,272,029	\$ 2,272,029
State Sources:			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	324,190		
Food Service Supplement	37,145	37,145	37,145
Miscellaneous	334,859		
Total State Sources	696,194	37,145	37,145
Local Sources:			
Ad Valorem Taxes	9,999,768		
Food Service	1,013,615	1,013,615	1,013,615
Interest Income	3,064	3,064	3,064
Miscellaneous	42,790		
Total Local Sources	11,059,237	1,016,679	1,016,679
Total Revenues	14,027,460	3,325,853	3,325,853

(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
\$	\$	\$	\$	\$	\$
263,716	263,716	60,474			60,474
		334,859		334,859	
263,716	263,716	395,333		334,859	60,474
		9,999,768	9,999,768		
		42,790	42,296		494
		10,042,558	10,042,064		494
263,716	263,716	10,437,891	10,042,064	334,859	60,968

(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, 2014**

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Funds	Food Service Fund
EXPENDITURES			
Current:			
Facilities Services	\$ 2,689,084	\$	\$
Food Service	3,252,586	3,252,586	3,252,586
Capital Outlay:			
Facilities Acquisition and Construction	531,403	2,912	2,912
Other Capital Outlay	1,385,786		
Debt Service:			
Principal	245,000		
Interest and Fiscal Charges	27,473		
Total Expenditures	<u>8,131,332</u>	<u>3,255,498</u>	<u>3,255,498</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,896,128</u>	<u>70,355</u>	<u>70,355</u>
OTHER FINANCING USES			
Transfers Out	<u>(9,462,854)</u>		
Net Change in Fund Balances	<u>(3,566,726)</u>	<u>70,355</u>	<u>70,355</u>
Fund Balances, Beginning	<u>8,812,358</u>	<u>616,170</u>	<u>616,170</u>
Fund Balances, Ending	<u>\$ 5,245,632</u>	<u>\$ 686,525</u>	<u>\$ 686,525</u>

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
\$	\$	\$ 2,689,084	\$ 2,689,084	\$	\$
		528,491	528,491		
		1,385,786	1,385,786		
245,000	245,000				
27,290	27,290	183			183
272,290	272,290	4,603,544	4,603,361		183
(8,574)	(8,574)	5,834,347	5,438,703	334,859	60,785
		(9,462,854)	(9,127,995)	(334,859)	
(8,574)	(8,574)	(3,628,507)	(3,689,292)		60,785
15,991	15,991	8,180,197	7,967,552		212,645
\$ 7,417	\$ 7,417	\$ 4,551,690	\$ 4,278,260	\$ 0	\$ 273,430

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, 2014
(With Comparative Totals for June 30, 2013)**

	Special Revenue Funds				
	Governmental Funds			Totals	
	Major	Special Revenue - Federal Economic Stimulus Fund	Nonmajor Food Service Fund	2014	2013
ASSETS					
Cash	\$ 10,560	\$ 2,956	\$ 675,209	\$ 688,725	\$ 743,233
Accounts Receivable			4,520	4,520	4,661
Due from Other Funds	1,390,966			1,390,966	
Due from Other Agencies	946,319	449	80,086	1,026,854	866,353
Inventories			45,170	45,170	78,766
Total Assets	<u>\$ 2,347,845</u>	<u>\$ 3,405</u>	<u>\$ 804,985</u>	<u>\$ 3,156,235</u>	<u>\$ 1,693,013</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll Deductions and Withholdings Payable	\$ 23,547	\$	\$ 8,347	\$ 31,894	\$ 25,873
Accounts Payable	17,983	449	19,067	37,499	60,477
Deposits Payable			51,750	51,750	46,416
Due to Other Funds	911,382		38,414	949,796	941,510
Due to Other Agencies	3,967		882	4,849	2,567
Advanced Revenue	1,390,966	2,956		1,393,922	
Total Liabilities	<u>2,347,845</u>	<u>3,405</u>	<u>118,460</u>	<u>2,469,710</u>	<u>1,076,843</u>
Fund Balances:					
Nonspendable					
Inventories			45,170	45,170	78,766
Restricted for:					
Food Service			641,355	641,355	537,404
Total Fund Balances			<u>686,525</u>	<u>686,525</u>	<u>616,170</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,347,845</u>	<u>\$ 3,405</u>	<u>\$ 804,985</u>	<u>\$ 3,156,235</u>	<u>\$ 1,693,013</u>

**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, 2014
 (With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	Special Revenue Funds			Totals	
	Governmental Fund		Nonmajor	2014	2013
	Major	Special			
	Special Revenue - Other Fund	Revenue - Federal Economic Stimulus Fund	Food Service Fund		
REVENUES					
Federal Direct Sources:					
Miscellaneous Federal Direct	\$ 1,313,023	\$	\$	\$ 1,313,023	\$ 1,335,651
Federal Through State and Local Sources:					
Food Service			2,272,029	2,272,029	2,175,612
Other Federal Through State and Local Sources	2,917,257	55,985		2,973,242	4,865,872
Total Federal Through State and Local Sources	2,917,257	55,985	2,272,029	5,245,271	7,041,484
State Sources:					
Food Service Supplement			37,145	37,145	40,044
Local Sources:					
Food Service			1,013,615	1,013,615	995,349
Interest Income			3,064	3,064	4,619
Miscellaneous					439
Total Local Sources			1,016,679	1,016,679	1,000,407
Total Revenues	4,230,280	55,985	3,325,853	7,612,118	9,417,586

(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, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Special Revenue Funds					
	Governmental Fund			Totals		
	Major		Nonmajor			
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund	2014	2013	
EXPENDITURES						
Current:						
Instruction	\$ 2,400,939	\$ 35,648	\$	\$ 2,436,587	\$ 2,930,588	
Student Personnel Services	256,356			256,356	1,139,340	
Instructional Media Services	1,371			1,371	49,919	
Instruction and Curriculum Development Services	868,012			868,012	885,852	
Instructional Staff Training Services	380,393	20,337		400,730	940,286	
School Board	654			654	9,515	
General Administration	113,699			113,699	157,419	
School Administration	2,236			2,236	20,262	
Food Services	-		3,252,586	3,252,586	3,127,478	
Central Services	1,623			1,623	-	
Student Transportation Services	23,468			23,468	10,443	
Operation of Plant	902			902	110	
Capital Outlay:						
Facilities Acquisition and Construction	42,178		2,912	45,090		
Other Capital Outlay	138,449			138,449	59,739	
Total Expenditures	<u>4,230,280</u>	<u>55,985</u>	<u>3,255,498</u>	<u>7,541,763</u>	<u>9,330,952</u>	
Excess of Revenues Over Expenditures			<u>70,355</u>	<u>70,355</u>	<u>86,634</u>	
Net Change in Fund Balances			<u>70,355</u>	<u>70,355</u>	<u>86,634</u>	
Fund Balances, Beginning			<u>616,170</u>	<u>616,170</u>	<u>529,536</u>	
Fund Balances, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 686,525</u>	<u>\$ 686,525</u>	<u>\$ 616,170</u>	

**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, 2014**

	Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local Sources:				
Food Service	\$ 2,108,720	\$ 2,292,916	\$ 2,272,029	\$ (20,887)
State Sources:				
Food Service	39,476	37,176	37,145	(31)
Local Sources:				
Food Service	994,625	1,031,775	1,013,615	(18,160)
Interest Income	1,812	2,712	3,064	352
Miscellaneous	50			
Total Local Sources	996,487	1,034,487	1,016,679	(17,808)
Total Revenues	3,144,683	3,364,579	3,325,853	(38,726)
EXPENDITURES				
Current:				
Food Services:				
Salaries	1,081,566	1,095,835	1,080,719	15,116
Employees Benefits	590,797	606,986	580,511	26,475
Purchased Services	221,010	197,656	170,884	26,772
Energy Services	125,900	132,955	120,873	12,082
Materials and Supplies	1,305,145	1,376,723	1,278,227	98,496
Capital Outlay	9,550	7,658	3,921	3,737
Other Expenses	21,375	25,996	17,451	8,545
Total Food Services	3,355,343	3,443,809	3,252,586	191,223
Capital Outlay:				
Facilities Acquisition and Construction			2,912	(2,912)
Total Expenditures	3,355,343	3,443,809	3,255,498	188,311
Excess (Deficiency) of Revenues Over Expenditures	(210,660)	(79,230)	70,355	149,585
Net Change in Fund Balances	(210,660)	(79,230)	70,355	149,585
Fund Balances, Beginning	616,170	616,170	616,170	
Fund Balances, Ending	\$ 405,510	\$ 536,940	\$ 686,525	\$ 149,585

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, 2014
 (With Comparative Totals for June 30, 2013)**

	Debt Service Funds				
	Governmental Funds			Totals	
	Major	Debt Service - ARRA Economic Stimulus Fund	Nonmajor State Board of Education Bonds Fund	2014	2013
ASSETS					
Cash	\$ 6,115,532	\$ 19,588	\$	\$ 6,135,120	\$ 6,091,005
Investments	87,859		7,417	95,276	15,991
Restricted Investments	3,757,969	8,480,687		12,238,656	9,200,367
Total Assets	<u>\$ 9,961,360</u>	<u>\$ 8,500,275</u>	<u>\$ 7,417</u>	<u>\$ 18,469,052</u>	<u>\$ 15,307,363</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,500	\$	\$	\$ 1,500	\$
Fund Balances:					
Restricted for:					
Debt Service	9,959,860	8,500,275	7,417	18,467,552	15,307,363
Total Fund Balances	<u>9,959,860</u>	<u>8,500,275</u>	<u>7,417</u>	<u>18,467,552</u>	<u>15,307,363</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,961,360</u>	<u>\$ 8,500,275</u>	<u>\$ 7,417</u>	<u>\$ 18,469,052</u>	<u>\$ 15,307,363</u>

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, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Debt Service Funds			Governmental Funds	
	Major		Nonmajor	Totals	
	Debt Service - Other	Debt Service - ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	2014	2013
REVENUES					
Federal Direct:					
Miscellaneous Federal Direct	\$	\$ 1,834,100	\$	\$ 1,834,100	\$ 1,890,641
State Sources:					
CO&DS Withheld for SBE/COBI Bond					
Motor Vehicle License Tax (Capital Outlay and Debt Service)			263,716	263,716	270,687
Other State Sources					
Total State Sources			263,716	263,716	270,687
Local Sources:					
Interest Income	86,056			86,056	165,437
Miscellaneous	43,316	669		43,985	
Total Local Sources	129,372	669		130,041	165,437
Total Revenues	129,372	1,834,769	263,716	2,227,857	2,326,765
EXPENDITURES					
Debt Service:					
Principal	11,824,000		245,000	12,069,000	19,825,000
Interest and Fiscal Charges	1,054,417	2,062,089	27,290	3,143,796	3,997,808
Total Expenditures	12,878,417	2,062,089	272,290	15,212,796	23,822,808
Deficiency of Revenues Over Expenditures	(12,749,045)	(227,320)	(8,574)	(12,984,939)	(21,496,043)
OTHER FINANCING SOURCES					
Premium on Sale of Refunding Bonds Issued					5,717,000
Transfers In	13,779,934	2,365,194		16,145,128	16,312,557
Total Other Financing Sources	13,779,934	2,365,194		16,145,128	22,029,557
Net Change in Fund Balances	1,030,889	2,137,874	(8,574)	3,160,189	533,514
Fund Balances, Beginning	8,928,971	6,362,401	15,991	15,307,363	14,773,849
Fund Balances, Ending	\$ 9,959,860	\$ 8,500,275	\$ 7,417	\$ 18,467,552	\$ 15,307,363

**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, 2014**

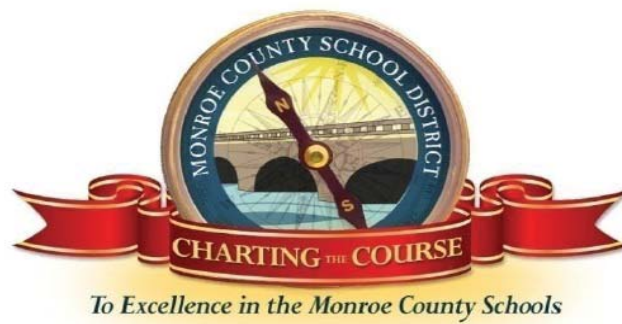
	Debt Service - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Interest Income	\$ 1,600	\$ 71,539	\$ 86,056	\$ 14,517
Miscellaneous		43,316	43,316	
Total Local Sources	1,600	114,855	129,372	14,517
Total Revenues	1,600	114,855	129,372	14,517
EXPENDITURES				
Debt Service:				
Principal	11,824,000	11,824,000	11,824,000	
Interest and Fiscal Charges	1,302,077	1,054,636	1,054,417	219
Total Expenditures	13,126,077	12,878,636	12,878,417	219
Deficiency of Revenues Over Expenditures	(13,124,477)	(12,763,781)	(12,749,045)	14,736
OTHER FINANCING SOURCES				
Transfers In	13,467,085	13,779,934	13,779,934	
Net Change in Fund Balances	342,608	1,016,153	1,030,889	14,736
Fund Balances, Beginning	8,928,971	8,928,971	8,928,971	
Fund Balances, Ending	\$ 9,271,579	\$ 9,945,124	\$ 9,959,860	\$ 14,736

**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, 2014**

	ARRA Economic Stimulus Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct				
Miscellaneous Federal Direct	\$ 1,804,703	\$ 1,805,103	\$ 1,834,100	\$ 28,997
Local Sources:				
Miscellaneous			669	669
Total Revenues	<u>1,804,703</u>	<u>1,805,103</u>	<u>1,834,769</u>	<u>29,666</u>
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	<u>2,052,000</u>	<u>2,062,089</u>	<u>2,062,089</u>	
Deficiency of Revenues Over Expenditures	<u>(247,297)</u>	<u>(256,986)</u>	<u>(227,320)</u>	<u>29,666</u>
OTHER FINANCING SOURCES				
Transfers In	<u>2,365,194</u>	<u>2,365,194</u>	<u>2,365,194</u>	
Net Change in Fund Balances	<u>2,117,897</u>	<u>2,108,208</u>	<u>2,137,874</u>	<u>29,666</u>
Fund Balances, Beginning	<u>6,362,401</u>	<u>6,362,401</u>	<u>6,362,401</u>	
Fund Balances, Ending	<u>\$ 8,480,298</u>	<u>\$ 8,470,609</u>	<u>\$ 8,500,275</u>	<u>\$ 29,666</u>

**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, 2014**

	State Board of Education Bonds Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$	\$	\$ 263,716	\$ 263,716
EXPENDITURES				
Debt Service:				
Principal		245,000	245,000	
Interest and Fiscal Charges		27,290	27,290	
Total Expenditures		272,290	272,290	
Deficiency of Revenues Over Expenditures		(272,290)	(8,574)	263,716
Net Change in Fund Balances		(272,290)	(8,574)	263,716
Fund Balances, Beginning	15,991	15,991	15,991	
Fund Balances, Ending	\$ 15,991	\$ (256,299)	\$ 7,417	\$ 263,716



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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, 2014
(With Comparative Totals for June 30, 2013)

	Capital Projects Funds				Totals	
	Governmental Funds					
	Major	Nonmajor			2014	2013
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			
ASSETS						
Cash	\$ 5,278,491	\$ 1,926,662	\$	\$ 273,430	\$ 7,478,583	\$ 18,315,659
Investments	8,871,702	2,452,069			11,323,771	1,425,127
Accounts Receivable						6,030
Due from Other Funds						1,154,156
Due from Other Agencies	1,273,003	8,754			1,281,757	
Total Assets	\$ 15,423,196	\$ 4,387,485	\$ 0	\$ 273,430	\$ 20,084,111	\$ 20,900,972
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 193,554	\$ 109,225	\$	\$	\$ 302,779	\$ 269,194
Due to Other Agencies	102,847				102,847	102,847
Total Liabilities	296,401	109,225			405,626	372,041
Fund Balances:						
Restricted for:						
Capital Projects	11,952,710	4,278,260		273,430	16,504,400	17,311,185
Assigned for:						
Capital Projects	3,174,085				3,174,085	3,217,746
Total Fund Balances	15,126,795	4,278,260		273,430	19,678,485	20,528,931
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,423,196	\$ 4,387,485	\$ 0	\$ 273,430	\$ 20,084,111	\$ 20,900,972

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
JUNE 30, 2014**

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Capital Projects Governmental Funds				Totals	
	Major	Nonmajor			2014	2013
	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		
REVENUES						
State Sources:						
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$	\$	\$	\$ 60,474	\$ 60,474	\$ 56,189
Miscellaneous			334,859		334,859	86,232
Total State Sources			334,859	60,474	395,333	142,421
Local Sources:						
Ad Valorem Taxes		9,999,768			9,999,768	9,408,793
Sales Taxes	15,342,494				15,342,494	15,205,186
Miscellaneous	50,902	42,296		494	93,692	314,616
Total Local Sources	15,393,396	10,042,064		494	25,435,954	24,928,595
Total Revenues	15,393,396	10,042,064	334,859	60,968	25,831,287	25,071,016
EXPENDITURES						
Current:						
Facilities Services	1,156,967	2,689,084			3,846,051	2,306,011
Capital Outlay:						
Facilities Acquisition and Construction	323,586	528,491			852,077	11,003,567
Other Capital Outlay	507,365	1,385,786			1,893,151	221,838
Debt Service:						
Principal	12,832				12,832	
Interest and Fiscal Charges	1,014			183	1,197	20,199
Total Expenditures	2,001,764	4,603,361		183	6,605,308	13,551,615
Excess of Revenues Over Expenditures	13,391,632	5,438,703	334,859	60,785	19,225,979	11,519,401
OTHER FINANCING USES						
Transfers Out	(10,613,572)	(9,127,995)	(334,859)		(20,076,426)	(19,469,485)
Net Change in Fund Balances	2,778,060	(3,689,292)	-	60,785	(850,447)	(7,950,084)
Fund Balances, Beginning	12,348,735	7,967,552		212,645	20,528,932	28,479,016
Fund Balances, Ending	\$ 15,126,795	\$ 4,278,260	\$ 0	\$ 273,430	\$ 19,678,485	\$ 20,528,932

**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, 2014**

	Capital Projects - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Sales Taxes	\$ 13,000,000	\$ 14,687,073	\$ 15,342,494	\$ 655,421
Miscellaneous	320	99,652	50,902	(48,750)
Total Local Sources	13,000,320	14,786,725	15,393,396	606,671
Total Revenues	13,000,320	14,786,725	15,393,396	606,671
EXPENDITURES				
Current:				
Facilities Services		1,156,967	1,156,967	
Capital Outlay:				
Facilities Acquisition and Construction	2,800,843	3,253,223	323,586	2,929,637
Other Capital Outlay		507,365	507,365	
Total Capital Outlay	2,800,843	3,760,588	830,951	2,929,637
Debt Service:				
Principal		12,832	12,832	
Interest and Fiscal Charges	13,846	1,014	1,014	
Total Debt Service	13,846	13,846	13,846	
Total Expenditures	2,814,689	3,774,434	2,001,764	1,772,670
Excess of Revenues Over Expenditures	10,185,631	11,012,291	13,391,632	2,379,341
OTHER FINANCING USES				
Transfers Out	(10,613,572)	(10,613,572)	(10,613,572)	
Change in Fund Balance	(427,941)	398,719	2,778,060	2,379,341
Fund Balance, Beginning	12,348,735	12,348,735	12,348,735	
Fund Balance, Ending	<u>\$ 11,920,794</u>	<u>\$ 12,747,454</u>	<u>\$ 15,126,795</u>	<u>\$ 2,379,341</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, 2014**

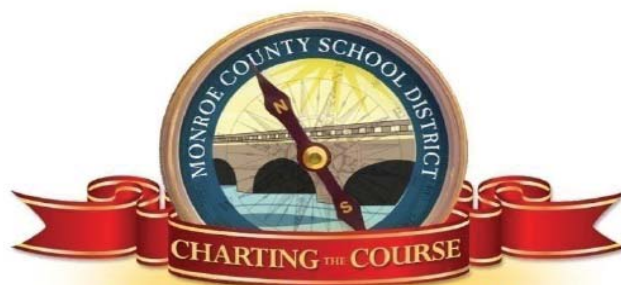
	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Ad Valorem Taxes	\$ 9,846,567	\$ 9,846,567	\$ 9,999,768	\$ 153,201
Miscellaneous		75,000	42,296	(32,704)
Total Local Sources	9,846,567	9,921,567	10,042,064	120,497
Total Revenues	9,846,567	9,921,567	10,042,064	120,497
EXPENDITURES				
Current:				
Facilities Acquisition and Construction		2,689,084	2,689,084	
Capital Outlay:				
Facilities Acquisition and Construction	4,676,656	2,845,467	528,491	2,316,976
Other Capital Outlay		1,385,786	1,385,786	
Total Capital Outlay	4,676,656	4,231,253	1,914,277	2,316,976
Total Expenditures	4,676,656	6,920,337	4,603,361	2,316,976
Excess of Revenues Over Expenditures	5,169,911	3,001,230	5,438,703	2,437,473
OTHER FINANCING USES				
Transfers Out	(8,885,055)	(9,197,905)	(9,127,995)	69,910
Net Change in Fund Balance	(3,715,144)	(6,196,675)	(3,689,292)	2,507,383
Fund Balance, Beginning	7,967,552	7,967,552	7,967,552	
Fund Balance, Ending	<u>\$ 4,252,408</u>	<u>\$ 1,770,877</u>	<u>\$ 4,278,260</u>	<u>\$ 2,507,383</u>

**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, 2014**

	Public Education Capital Outlay (PECO) Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources:				
Miscellaneous	\$	\$ 334,859	\$ 334,859	\$
EXPENDITURES				
Total Expenditures				
Excess of Revenue Over Expenditures		334,859	334,859	
OTHER FINANCING USES				
Transfers Out		(334,859)	(334,859)	
Change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	\$ 0	\$ 0	\$ 0	\$ 0

**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, 2014**

	Capital Outlay & Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 53,000	\$ 53,000	\$ 60,474	\$ 7,474
Local Sources:				
Miscellaneous			494	494
Total Revenues	<u>53,000</u>	<u>53,000</u>	<u>60,968</u>	<u>7,968</u>
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges		183	183	
Excess of Revenues Over Expenditures	<u>53,000</u>	<u>52,817</u>	<u>60,785</u>	<u>7,968</u>
Net Change in Fund Balance	53,000	52,817	60,785	7,968
Fund Balance, Beginning	<u>212,645</u>	<u>212,645</u>	<u>212,645</u>	
Fund Balance, Ending	<u>\$ 265,645</u>	<u>\$ 265,462</u>	<u>\$ 273,430</u>	<u>\$ 7,968</u>



To Excellence in the Monroe County Schools

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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 - 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.

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.

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2014
(With Comparative Totals for June 30, 2013)

	Governmental Activities				
	Proprietary Funds - Internal Service Funds				
	Workers' Compensation General Liability	Self-Insurance		Totals	
		Vista Insurance	Health Insurance	2014	2013
ASSETS					
Current Assets					
Cash	\$ 2,215,833	\$ 235,160	\$ 4,999,957	\$ 7,450,950	\$ 5,283,367
Investments	20,146			20,146	12
Accounts Receivable	302,578		23,414	325,992	
Due from Other Agencies	443,926			443,926	212,225
Prepaid Items	107,978			107,978	
Total Current Assets	3,090,461	235,160	5,023,371	8,348,992	5,495,604
Noncurrent Assets:					
Investments in SBA Fund B Surplus Funds Trust Fund	6,102			6,102	26,224
TOTAL ASSETS	3,096,563	235,160	5,023,371	8,355,094	5,521,828
LIABILITIES					
Current Liabilities:					
Account Payable		563	1,293,622	1,294,185	1,088,349
Estimated Insurance Claims Payable	1,040,788		799,366	1,840,154	2,012,982
Total Current Liabilities	1,040,788	563	2,092,988	3,134,339	3,101,331
Noncurrent Liabilities:					
Estimated Insurance Claims Payable	1,705,510			1,705,510	2,122,090
TOTAL LIABILITIES	2,746,298	563	2,092,988	4,839,849	5,223,421
NET POSITION					
Unrestricted	350,265	234,597	2,930,383	3,515,245	298,407
TOTAL NET POSITION	\$ 350,265	\$ 234,597	\$ 2,930,383	\$ 3,515,245	\$ 298,407

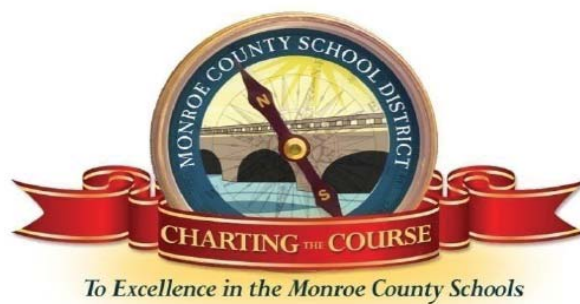
**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2014**

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Governmental Activities				
	Proprietary Funds - Internal Service Funds				
	Self-Insurance			Totals	
	Workers' Compensation General Liability	Vista Insurance	Health Insurance	2014	2013
OPERATING REVENUES					
Premium Contributions	\$ 2,328,034	\$ 105,488	\$ 11,293,501	\$ 13,727,023	\$ 13,661,344
Insurance Loss Recoveries	660,491		22,049	682,540	1,111,574
Total Operating Revenues	2,988,525	105,488	11,315,550	14,409,563	14,772,918
OPERATING EXPENSES					
Salaries	87,966		87,970	175,936	167,732
Employees Benefits	51,283		31,139	82,422	83,884
Purchased Services	226,869	31,256	1,445,333	1,703,458	1,007,131
Materials and Supplies	495		1,370	1,865	2,128
Insurance Claims	1,043,336		8,231,728	9,275,064	11,849,099
Total Operating Expenses	1,409,949	31,256	9,797,540	11,238,745	13,109,974
Operating Income	1,578,576	74,232	1,518,010	3,170,818	1,662,944
NONOPERATING REVENUES					
Gifts, Grants and Bequests			20,000	20,000	
Interest Revenue	11,410	731	13,879	26,020	53,898
Total Nonoperating Revenues	11,410	731	33,879	46,020	53,898
Change in Net Position	1,589,986	74,963	1,551,889	3,216,838	1,716,842
Total Net Position, Beginning	(1,239,721)	159,634	1,378,494	298,407	(1,418,435)
Total Net Position, Ending	<u>\$ 350,265</u>	<u>\$ 234,597</u>	<u>\$ 2,930,383</u>	<u>\$ 3,515,245</u>	<u>\$ 298,407</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Governmental Activities			
	Proprietary Funds - Internal Service Funds			
	Self-Insurance			Totals
	Workers' Compensation General Liability	Vista Insurance	Health Insurance	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Board Funds and Participants	\$ 1,607,762	\$ 105,488	\$ 11,456,077	\$ 13,169,327
Cash Received from Loss Recoveries	660,492		22,048	682,540
Cash Payments to Suppliers for Goods and Services	(336,246)	(33,355)	(1,237,864)	(1,607,465)
Cash Payments to Employees for Services	(139,250)		(119,105)	(258,355)
Cash Payments for Insurance Claims	(1,585,842)		(8,278,630)	(9,864,472)
Net Cash Provided by Operating Activities	206,916	72,133	1,842,526	2,121,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Gifts, Grants and Bequests			20,000	20,000
Net cash Provided by Noncapital Financing Activities			20,000	20,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	11,410	731	13,879	26,020
Purchase of Investments	(13)			(13)
Net Cash Provided by Investing Activities	11,397	731	13,879	26,007
Net Increase in Cash	218,313	72,864	1,876,405	2,167,582
Cash, Beginning	1,997,520	162,296	3,123,552	5,283,368
Cash, Ending	\$ 2,215,833	\$ 235,160	\$ 4,999,957	\$ 7,450,950
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 1,578,576	\$ 74,232	\$ 1,518,010	\$ 3,170,818
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Changes in Assets and Liabilities:				
Accounts Receivable	(302,578)		(23,414)	(325,992)
Due from Other Agencies	(417,693)		185,992	(231,701)
Prepaid Expenses	(107,978)			(107,978)
Accounts Payable	(904)	(2,099)	208,839	205,836
Estimated Insurance Claims Payable	(542,508)		(46,900)	(589,408)
Total Adjustments	(1,371,661)	(2,099)	324,517	(1,049,243)
Net Cash Provided by Operating Activities	\$ 206,915	\$ 72,133	\$ 1,842,527	\$ 2,121,575



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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 Collegiate School, Montessori Elementary Charter School, Inc., Ocean Studies Charter School, Inc., Sigsbee Charter School Inc., and Treasure Village Montessori School (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. These 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 provide specific financial burdens on the District.

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 JUNE 30, 2014**

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Montessori Elementary Charter School Inc.	Ocean Studies Charter School, Inc.
ASSETS				
Cash	\$ 173,579	\$ 67,950	\$ 228,418	\$ 88,390
Investments				
Accounts Receivables	16,894			
Due from Other Agencies		8,882		
Prepaid Items	14,114	2,497	5,286	6,155
Other Assets	8,638			
Capital Assets:				
Non-Depreciable				
Depreciable (Net)	33,983	13,830	73,718	67,477
TOTAL ASSETS	247,208	93,159	307,422	162,022
LIABILITIES				
Salaries and Benefits Payable	98,318			82,719
Accounts Payable	8,029	27,265	11,268	
Compensated Absences Payable	80,812			
TOTAL LIABILITIES	187,159	27,265	11,268	82,719
NET POSITION				
Net Investment in Capital Assets	33,983	13,830	73,718	67,477
Unrestricted	26,066	52,064	222,436	11,826
TOTAL NET POSITION - COMPONENT UNITS	\$ 60,049	\$ 65,894	\$ 296,154	\$ 79,303

Charter Schools		
Sigsbee Charter School, Inc.	Treasure Village Montessori School	Total Charter Schools
\$ 1,209,292	\$ 349,378	\$ 2,117,007
843,465		843,465
1,122	19,657	37,673
		8,882
138,294	36,689	203,035
	31,957	40,595
	3,027,320	3,027,320
5,209,268	507,242	5,905,518
<u>7,401,441</u>	<u>3,972,243</u>	<u>12,183,495</u>
184,701	179,712	545,450
44,118	39,695	130,375
		80,812
<u>228,819</u>	<u>219,407</u>	<u>756,637</u>
8,236,588	507,242	8,932,838
1,963,354	218,274	2,494,020
<u>\$ 10,199,942</u>	<u>\$ 725,516</u>	<u>\$ 11,426,858</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
JUNE 30, 2014

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Montessori Elementary Charter School, Inc.	Ocean Studies Charter School, Inc.
Governmental Activities				
Expense				
Instruction	\$ 893,459	\$ 274,870	\$ 759,524	\$ 497,149
Student Personnel Services	155,273		25,271	-
Instructional Media Services				13,431
Instruction and Curriculum Development Services				37,099
Instructional Staff Training Services		2,922		18,117
Instruction Related Technology		-		1,625
School Board		2,958		1,589
General Administration				4,083
School Administration	216,106	162,665	302,130	152,385
Facilities Services				11,631
Fiscal Services		10,500		5,054
Food Services	59,408	2,716		
Central Services		16,385	3,589	
Student Transportation Services	24,074			2,181
Operation of Plant	232,560	75,912		222,715
Maintenance of Plant	234,154	3,943	83,015	32,597
Community Services	25,893			
Unallocated Depreciation Expense	10,070			
Total Expenses	1,850,997	552,871	1,173,529	999,656
Program Revenue				
Charge for Services				
Instruction				
Operating Grants and Contributions				
Instruction				117,977
Instructional Media Services				4,825
Instruction and Curriculum Development Services				695
Instructional Staff Training Services				9,191
School Board				654
General Administration				2,963
School Administration				4,890
Facilities Services				38,658
Fiscal Services				1,623
Operation of Plant	232,560			
Community Services	20,757			
Total Operating Grants and Contributions	253,317			181,476
Capital Grants and Contributions				
Facilities Services				
Operation of Plant		41,251		
Total Capital Grants and Contributions		41,251		
Total Program Revenues	253,317	41,251		181,476
Net (Expense) Revenue	(1,597,680)	(511,620)	(1,173,529)	(818,180)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs	1,516,888	545,246	1,004,997	875,260
Unrestricted Investment Earnings			23,715	
Miscellaneous	5,726	3,173	155,520	29,653
Total General Revenues	1,522,614	548,419	1,184,232	904,913
Change in Net Position	(75,066)	36,799	10,703	86,733
Net Position - Beginning	135,115	29,095	285,451	(7,430)
Adjustment to Beginning Net Position				
Net Position - Beginning, Restated	135,115	29,095	285,451	(7,430)
Net Position - Ending	\$ 60,049	\$ 65,894	\$ 296,154	\$ 79,303

Charter Schools		
Sigsbee Charter School, Inc.	Treasure Village Montessori School	Total Charter Schools
\$ 2,624,512	\$ 1,233,642	\$ 6,283,156
	67,050	247,594
		13,431
		37,099
	30,049	51,088
		1,625
	1,090	5,637
		4,083
553,860	333,207	1,720,353
	338,947	350,578
	30,628	46,182
100,645		162,769
	10,520	30,494
	58,888	85,143
	151,576	682,763
491,163		844,872
127		26,020
179,370	81,589	271,029
<u>3,949,677</u>	<u>2,337,186</u>	<u>10,863,916</u>
	<u>146,734</u>	<u>146,734</u>
		117,977
		4,825
		695
		9,191
		654
		2,963
		4,890
		38,658
		1,623
		232,560
		20,757
		434,793
	86,568	86,568
		41,251
	86,568	127,819
	233,302	709,346
<u>(3,949,677)</u>	<u>(2,103,884)</u>	<u>(10,154,570)</u>
4,972,523	1,772,223	10,687,137
6,742		30,457
59,786	97,422	351,280
<u>5,039,051</u>	<u>1,869,645</u>	<u>11,068,874</u>
1,089,374	(234,239)	914,304
9,110,568	997,853	10,550,652
	38,098	38,098
<u>9,110,568</u>	<u>959,755</u>	<u>10,512,554</u>
<u>\$ 10,199,942</u>	<u>\$ 725,516</u>	<u>\$ 11,426,858</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, 2014
(With Comparative Totals for June 30, 2013)**

	General Fund	
	Major Governmental Fund	
	Totals	
	2014	2013
ASSETS		
Cash	\$ 4,504,939	\$ 10,579,070
Investments	10,627,810	4,398
Accounts Receivable	95,884	12,895
Due from Other Funds	949,796	941,510
Due from Other Agencies	464,411	446,208
Prepaid Items	333,854	471,452
Inventories	26,803	22,154
Total Assets	<u>\$ 17,003,497</u>	<u>\$ 12,477,687</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 2,608,514	\$ 2,368,787
Payroll Deductions and Withholdings Payable	172,725	148,466
Accounts Payable	458,488	170,546
Sales Tax Payable	232	-
Deposits Payable	9,298	5,225
Due to Other Funds	1,390,966	-
Due to Other Agencies	20,345	11,424
Total Liabilities	<u>4,660,568</u>	<u>2,704,448</u>
Fund Balances:		
NonSpendable:		
Inventories	26,803	22,154
Prepaid Amounts	333,854	471,452
Restricted for:		
State Required Carryover Programs	551,317	221,644
Assigned for:		
Questioned Federal Costs	-	651,903
Contractual Agreements	-	541,011
Project Carryover	-	378,544
Health Self-Insurance Safe Harbor	-	240,334
Workers' Compensation Fund Deficit	-	1,239,721
Tax Distribution in Litigation	600,000	-
Carryover/Contractual Agreements	683,879	-
Unassigned Fund Balance	10,147,076	6,006,476
Total Fund Balances	<u>12,342,929</u>	<u>9,773,239</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,003,497</u>	<u>\$ 12,477,687</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
JUNE 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>General Fund</u>	
	<u>Major Governmental Fund</u>	
	<u>Totals</u>	
	<u>2014</u>	<u>2013</u>
REVENUES		
Federal Direct Sources:		
Federal Impact, Current Operations	\$ 161,368	\$ 290,049
Miscellaneous Federal Direct	33,004	35,990
Total Federal Direct Sources	<u>194,372</u>	<u>326,039</u>
Federal Through State and Local Sources:		
Medicaid	359,213	552,501
Other Federal Through State and Local Sources		<u>123,259</u>
Total Federal Through State and Local Sources	<u>359,213</u>	<u>675,760</u>
State Sources:		
Categorical Educational Program - Class Size Reduction	9,225,944	9,104,181
Florida Education Finance Program	3,904,893	3,061,267
Workforce Development Program	711,711	711,711
Voluntary Prekindergarten	542,022	438,925
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913	4,913
School Recognition	319,695	518,154
Racing Commission Funds	223,250	223,250
Diagnostic and Learning Resources Centers	198,790	150,000
Discretionary Lottery Funds	81,201	
Adults with Disabilities	64,577	64,859
Mobile Home License Tax	28,734	29,347
Miscellaneous	77,189	38,838
Total State Sources	<u>15,382,919</u>	<u>14,345,445</u>
Local Sources:		
Ad Valorem Taxes	63,577,031	59,476,513
Interest Income	79,066	
Miscellaneous	2,181,122	2,130,563
Total Local Sources	<u>65,837,219</u>	<u>61,607,076</u>
Total Revenues	<u>81,773,723</u>	<u>76,954,320</u>

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
JUNE 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	General Fund	
	Major Governmental Fund	
	Totals	
	2014	2013
EXPENDITURES		
Current:		
Instruction	\$ 54,143,968	\$ 48,888,304
Student Personnel Services	4,410,761	3,108,090
Instructional Media Services	730,934	735,380
Instruction and Curriculum Development Services	1,488,103	1,152,722
Instructional Staff Training Services	610,557	362,637
Instruction Related Technology	1,048,342	871,267
School Board	663,380	759,477
General Administration	546,541	684,310
School Administration	4,031,481	3,918,149
Facilities Services	471,480	124,263
Fiscal Services	925,217	800,028
Food Services	30,598	18,730
Central Services	1,482,601	2,787,459
Student Transportation Services	3,084,538	2,694,216
Operation of Plant	6,120,978	5,453,307
Maintenance of Plant	2,064,178	2,201,664
Administrative Technology Services	476,541	363,540
Community Services	656,773	644,459
Capital Outlay:		
Facilities Acquisition and Construction		85,986
Other Capital Outlay	60,282	84,586
Debt Service:		
Interest and Fiscal Charges	104,834	63,376
	<u>83,152,087</u>	<u>75,801,951</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,378,364)</u>	<u>1,152,369</u>
OTHER FINANCING SOURCES		
Sale of Capital Assets	16,160	
Insurance Loss Recoveries	596	86,178
Transfers In	3,931,298	3,156,928
	<u>3,948,054</u>	<u>3,243,106</u>
Net Change in Fund Balances	2,569,690	4,395,475
Fund Balances, Beginning	<u>9,773,239</u>	<u>5,377,764</u>
Fund Balances, Ending	<u>\$ 12,342,929</u>	<u>\$ 9,773,239</u>

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
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2014

	School Internal Funds			June 30, 2014
	July 1, 2013	Additions	Deletions	
Assets				
Cash and Cash Equivalents	\$ 1,133,718	\$ 2,392,806	\$ 2,284,610	\$ 1,241,914
Liabilities				
Internal Accounts Payable	\$ 1,133,718	\$ 2,392,806	\$ 2,284,610	\$ 1,241,914

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.	127
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	136
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.	143
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.	150
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.	152

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

	Fiscal Year Ended			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Governmental Activities:				
Net Investment in Capital Assets	\$ 146,145,157	\$ 147,985,941	\$ 162,122,566	\$ 178,648,816
Restricted	14,971,699	27,819,775	29,496,456	28,442,734
Unrestricted (Deficit)	8,568,988	4,696,205	3,118,460	297,239
Total Governmental Activities Net Position	<u>\$ 169,685,844</u>	<u>\$ 180,501,921</u>	<u>\$ 194,737,482</u>	<u>\$ 207,388,789</u>

Source: District Records

Fiscal Year Ended					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 178,481,969	\$ 188,381,501	\$ 195,923,231	\$ 200,927,125	\$ 206,453,854	\$ 213,926,467
27,259,547	34,711,052	33,718,528	29,278,587	33,456,362	36,209,794
(1,184,440)	(7,161,488)	(7,284,973)	(2,946,074)	2,955,000	8,398,228
<u>\$ 204,557,076</u>	<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>

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

	Fiscal Year Ended			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Governmental Activities:				
Expenses:				
Instruction	\$ 45,913,424	\$ 53,718,864	\$ 57,862,484	\$ 61,132,269
Student Personnel Services	4,452,007	4,989,086	5,311,148	5,404,292
Instructional Media Services	1,342,038	841,560	883,673	1,054,749
Instruction and Curriculum Development Services	2,444,767	3,040,638	3,372,727	3,457,546
Instructional Staff Training Services	688,050	870,915	1,010,817	2,160,182
Instruction Related Technology		1,280,859	1,265,419	1,294,139
School Board	688,243	1,077,086	786,519	642,017
General Administration	1,027,878	1,109,474	1,164,841	1,078,544
School Administration	4,747,916	5,250,306	5,714,947	5,618,028
Facility Services	5,960,004	6,539,884	9,241,969	8,776,504
Fiscal Services	1,046,757	1,129,044	1,214,726	1,210,252
Food Service	2,618,583	2,845,209	3,714,449	3,164,511
Central Services	2,012,858	1,274,594	1,282,568	1,240,067
Student Transportation Services	3,685,968	4,310,561	4,653,571	4,699,026
Operation of Plant	7,013,019	7,920,714	9,115,710	8,958,820
Maintenance of Plant	2,202,821	2,414,897	2,925,690	2,926,116
Administrative Technology Services		348,939	386,113	386,065
Community Services	774,677	867,745	1,051,701	1,259,227
Unallocated Interest on Long-term Debt	1,684,921	3,192,779	3,312,488	3,779,213
Unallocated Depreciation Expense	6,126,746	6,561,821	5,559,709	6,362,390
Loss on Disposal of Capital Assets				
Total Primary Government Expenses	94,430,677	109,584,975	119,831,269	124,603,957
Program Revenues:				
Charges for Services	1,171,692	1,937,216	2,277,800	2,479,017
Operating Grants and Contributions	4,178,014	3,423,506	2,905,086	2,985,822
Capital Grants and Contributions	1,564,922	2,759,472	3,194,269	4,867,671
Total Program Revenues	6,914,628	8,120,194	8,377,155	10,332,510
Net (Expense) Revenue	(87,516,049)	(101,464,781)	(111,454,114)	(114,271,447)
General Revenues:				
Taxes:				
Property taxes, Levied for				
Operational Purposes ^a	57,757,422	60,692,639	65,798,020	67,685,265
Property Taxes, Levied for				
Capital Projects ^a	8,383,558	10,506,379	12,819,424	13,772,457
Local Sales Taxes	12,440,385	12,518,052	12,795,765	12,677,932
Grants and Contributions Not Restricted				
to Specific Programs	17,885,185	19,979,452	22,728,472	24,812,462
Unrestricted Investment Earnings	1,034,203	4,604,587	3,243,012	2,201,974
Miscellaneous	2,173,563	3,979,749	2,759,952	5,772,664
Special Items				
Total General Revenues and Special Items	99,674,316	112,280,858	120,144,645	126,922,754
Changes in Net Position	\$ 12,158,267	\$ 10,816,077	\$ 8,690,531	\$ 12,651,307

Note: ^a 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, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	
\$ 58,322,129	\$ 60,464,426	\$ 62,785,276	\$ 52,496,018	\$ 50,374,881	\$ 54,619,327	
5,300,909	5,656,826	4,835,421	4,355,291	4,122,685	4,463,142	
986,821	954,712	1,082,039	759,919	763,251	700,704	
2,788,699	2,596,069	2,564,134	2,185,009	1,976,806	2,253,404	
1,457,881	1,431,370	1,316,912	1,310,010	1,277,434	970,765	
1,258,556	1,249,020	1,102,466	973,501	844,143	999,498	
835,663	838,991	960,471	1,099,668	761,163	654,142	
922,472	930,658	926,134	860,669	820,602	636,902	
5,397,130	5,209,039	4,940,773	4,076,673	3,818,756	3,851,690	
3,991,982	2,399,134	2,139,186	5,589,461	2,459,319	4,035,005	
1,167,689	910,079	895,112	817,157	777,885	884,669	
3,061,850	3,156,720	3,246,770	3,265,882	3,101,574	3,214,748	
1,223,061	3,935,838	1,022,265	1,934,048	1,570,726	1,455,853	
4,327,131	4,158,324	3,917,152	5,497,672	3,013,233	3,290,014	
8,423,865	8,088,266	7,153,402	6,007,533	5,453,336	6,109,750	
3,110,214	3,339,022	2,978,823	2,149,658	2,150,849	1,991,606	
379,213	381,442	389,371	362,414	351,986	457,369	
1,046,229	761,908	780,800	706,321	633,537	642,095	
3,980,917	3,433,567	2,837,095	4,332,292	4,081,382	3,249,827	
10,675,856	6,129,171	6,109,528	8,371,323	8,344,508	5,792,393	
4,627,628				1,173,823	1,519,564	
123,285,895	116,024,582	111,983,130	107,150,519	97,871,879	101,792,467	
2,116,761	1,966,790	1,890,693	1,632,279	1,663,856	1,794,616	
3,020,592	2,140,612	2,543,150	2,139,222	2,212,832	2,309,174	
982,577	505,155	846,360	449,743	418,021	324,190	
6,119,930	4,612,557	5,280,203	4,221,244	4,294,709	4,427,980	
(117,165,965)	(111,412,025)	(106,702,927)	(102,929,275)	(93,577,170)	(97,364,487)	
62,829,967	\$ 64,150,485	\$ 66,966,325	\$ 57,990,332	\$ 59,476,513	\$ 63,577,031	
12,944,959	11,110,246	7,819,121	9,442,181	9,408,793	9,999,768	
11,611,512	11,694,939	11,286,363	13,440,925	15,205,186	15,342,494	
24,421,834	23,681,900	25,667,271	25,298,455	23,437,140	22,391,727	
1,046,244	517,025	265,356	370,055	526,302	262,547	
1,479,736	3,743,776	1,124,213	1,290,178	1,507,223	1,460,193	
	3,260,014					
114,334,252	118,158,385	113,128,649	107,832,126	109,561,157	113,033,760	
\$ (2,831,713)	\$ 6,746,360	\$ 6,425,722	\$ 4,902,851	\$ 15,983,987	\$ 15,669,273	



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

	Fiscal Year Ending June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Federal Direct Sources: (b)										
Federal Impact, Current Operations	\$ 289,028	\$ 198,815	\$ 233,360	\$ 264,839	\$ 229,681	\$ 217,686	\$ 285,845	\$ 205,026	\$ 290,048	\$ 161,368
ROTC	40,483		66,565	40,753	65,529	25,851	20,191	6,791		
Miscellaneous Federal Direct	1,384,628	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
Total Federal Direct Sources	1,714,139	1,613,120	1,674,867	1,660,970	1,976,263	1,733,352	1,820,789	3,705,728	3,552,331	3,341,495
Federal Through State and Local Sources: (b)										
Food Service	1,413,517	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
Donated Foods and Cash in Lieu of	134,998	140,661	140,961	157,856	160,885	139,379	216,324	175,299	171,041	183,542
Medicaid	457,184	484,226	520,268	543,569	471,583	480,979	393,442	431,862	552,501	359,213
Other Federal Through Local Sources										
Other Federal Through State Sources	5,149,775	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
Total Federal Through State Sources	7,155,474	8,177,598	7,830,332	7,803,254	8,146,843	12,697,457	13,598,822	9,062,695	7,717,245	5,604,484
State Sources: (b)										
Class Size Reduction	3,355,818	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
Florida Education Finance Program	3,440,539	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
Workforce Development Program	748,097	775,311	826,016	921,291	875,818	806,891	847,926	671,534	720,614	711,711
Voluntary Prekindergarten Program		329,840	562,415	642,131	529,787	575,200	499,780	491,618	438,925	542,022
Motor Vehicle License Tax (Capital Outlay and Debt Service)	324,063	323,852	333,702	339,158	324,426	323,352	323,363	323,067	331,789	329,103
Reading Programs	466,686									
School Recognition	546,140	451,502	566,161	569,024	549,906	370,254	523,011	357,660	518,154	319,695
Instructional Materials	749,213	758,158	812,617	789,308	777,377					
Transportation	1,450,959	1,437,379	1,428,274	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
Discretionary Lottery Funds	506,107	423,599	327,390	398,178	198,575	22,389	30,275	26,600	64,859	81,201
Adults with Disabilities	103,570	103,677	103,677	95,702	85,290	80,864	71,154	70,796	64,577	64,577
Food Service Supplement	48,122	43,171	39,528	38,854	39,016	39,679	36,970	28,091	37,220	37,145
Mobile Home License Tax	40,933	37,972	36,187	33,577	31,893	31,057	30,308	28,558	29,347	28,734
Public Education Capital Outlay				1,949,607	792,848	181,803	522,987			
Class Size Reduction - Construction	1,240,859	1,132,503	1,578,614	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	1,466,579	562,191	616,192	813,757	213,233	256,278	136,937	111,061	118,992	412,048
Total State Sources	14,710,935	16,373,226	19,324,000	23,182,820	18,301,897	12,491,792	13,637,787	15,118,998	14,798,597	16,079,113
Local Sources: (b)										
Ad Valorem Taxes	66,153,102	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
Food Service Sales	1,116,671	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
Sales Taxes	12,440,365	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
Interest Income and Others	963,759	4,446,273	3,020,630	2,094,862	1,043,876	516,994	265,260	292,630	651,519	168,186
Miscellaneous	1,923,921	2,303,134	3,092,003	4,668,359	1,881,563	2,966,662	1,846,751	1,634,681	1,964,155	2,318,789
Total Local Sources	82,597,838	91,661,692	98,944,771	102,072,185	91,636,446	91,291,223	89,343,789	83,865,470	87,701,515	92,419,893
Total Revenues	106,178,366	117,825,636	127,773,970	134,739,029	120,061,449	118,213,824	118,401,187	111,752,891	113,769,888	117,444,985

(continued)

Fiscal Year Ending June 30

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenditures:										
Current:										
Instruction	\$ 46,482,114	\$ 52,487,790	\$ 57,230,347	\$ 59,568,562	\$ 57,577,336	\$ 59,789,399	\$ 61,783,207	\$ 55,802,569	\$ 51,818,893	\$ 56,580,555
Student Personnel Services	4,509,555	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
Instructional Media Services	1,359,990	821,894	873,615	1,026,664	973,486	943,144	1,063,177	754,801	785,298	732,305
Instruction and Curriculum										
Development Services	2,475,775	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
Instructional Staff Training Services	693,905	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
Instruction Related Technology (a)	691,205	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
School Board	1,037,682	1,070,650	783,372	634,305	831,818	835,134	952,525	1,096,542	768,992	664,034
General Administration	4,814,633	1,095,842	1,156,766	1,058,117	913,183	922,399	912,068	855,931	841,729	660,240
School Administration	5,960,004	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
Facilities Services	1,059,025	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
Food Service	2,638,270	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
Central Services	2,033,994	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
Student Transportation Services	3,471,595	3,953,089	4,261,700	4,227,498	3,862,696	3,669,396	3,416,695	2,840,591	2,704,659	3,108,006
Operation of Plant	7,050,946	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
Maintenance of Plant	2,219,970	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
Administrative Technology Services (a)		340,425	381,662	375,360	373,558	376,514	382,290	359,612	363,540	476,541
Community Services	782,622	850,920	1,041,368	1,235,559	1,036,970	754,882	772,172	703,188	644,459	656,773
Capital Outlay:										
Facilities Acquisition and Construction	10,089,706	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
Other Capital Outlay	2,920,198	3,157,510	4,602,061	4,309,656	239,876	404,998	410,109	316,244	366,163	2,091,882
Debt Service:										
Principal	2,232,491	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
Interest and Fiscal Charges	1,614,846	3,122,703	3,242,412	3,709,138	3,917,849	3,370,489	2,774,027	4,307,081	4,081,382	3,249,827
Total Expenditures	104,138,526	147,165,589	177,064,381	155,833,532	122,224,390	119,238,068	130,423,963	124,734,894	122,507,326	112,511,954
Excess (Deficiency) of Revenues over (under) Expenditures	2,039,860	(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
Other Financing Sources (Uses)										
Bonds Issued	75,000,000		20,500,000							16,160
Sale of Capital Assets	49,142	7,226	1,000	15,208	39,140	4,385,207	7,568	300,479	86,178	596
Loss Recoveries	186,187	2,428,476	322,580	2,392,448		128,900		655,000		
Refunding Bonds										
Certificates of Participation		4,842,000	768,355	2,481,480		36,000,000				
Inception of Capital Leases		928,075								
Premiums on Long-Term Debt Issued								55,082		
Payment to Refunding Bonds Escrow Agent	2,281,339	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
Transfers In	(2,831,010)	(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)
Transfers Out										
Total Other Financing Sources	75,673,429	8,205,777	20,391,935	4,889,136	39,140	40,514,107	7,568	302,320	5,803,178	16,756
Net Change in Fund Balance	\$ 77,713,289	\$ (21,134,176)	\$ (28,898,476)	\$ (16,205,367)	\$ (2,123,801)	\$ 39,489,863	\$ (12,015,208)	\$ (12,679,683)	\$ (2,934,460)	\$ 4,949,787
Debt Service as a Percentage of Noncapital Expenditures	4.22%	6.58%	10.02%	12.07%	13.07%	12.82%	12.59%	14.55%	21.53%	14.00%

Notes: (a) In fiscal year ending June 30, 2006, two new functions/expense classifications were established to report technology expenses previously reported in central services.
 (b) 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 TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Revenues										
Federal Direct	\$ 445,357	\$ 358,847	\$ 488,305	\$ 410,833	\$ 376,284	\$ 318,015	\$ 380,546	\$ 248,918	\$ 326,038	\$ 194,372
Federal through State	602,981	694,971	661,334	744,557	761,244	725,979	563,871	715,639	675,760	359,213
Federal through Local										
State Sources	13,085,909	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
Local	60,235,158	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
Total Revenues	74,369,405	79,410,059	87,291,023	90,173,490	83,998,983	79,634,752	82,674,787	75,547,345	76,954,320	81,773,723
Expenditures										
Instruction	43,307,516	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
Student Personnel Services	3,528,578	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
Instructional Media Services	1,317,487	789,260	858,477	1,017,413	970,477	939,034	1,063,177	674,734	735,380	730,934
Instruction and Curriculum Development Services	1,612,969	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
Instructional Staff Training Services	351,543	486,422	444,088	1,375,927	783,091	737,159	473,163	358,886	362,637	610,557
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
School Board	691,205	1,070,650	783,372	634,305	831,818	833,311	952,525	1,095,882	759,477	663,380
General Administration	909,124	871,315	981,159	856,170	679,285	680,761	785,563	627,455	684,310	546,541
School Administration	4,814,633	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
Facilities Services	159	65,440	26,207	207,637	323,945	655,983	585,983	1,019,285	124,263	471,480
Fiscal Services	1,059,025	1,104,300	1,201,603	1,180,286	1,152,946	899,482	880,940	795,263	800,028	925,217
Food Service			18,984	69,706	22,879	29,137	39,659	17,591	18,730	30,598
Central Services	1,992,382	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
Student Transportation Services	3,469,826	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
Operation of Plant	7,042,497	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
Maintenance of Plant	2,219,970	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
Administrative Technology Services		340,425	381,662	375,360	369,173	376,514	382,290	359,612	363,540	476,541
Community Services	782,022	850,920	1,041,368	1,235,559	1,036,970	754,590	771,384	601,001	644,459	656,773
Capital Outlay:										
Facilities Acquisition and Construction	6,790	18,819	45,479	48,165	35,927	67,054	5,250	1,500	85,986	
Other Capital Outlay	130,987	81,909	162,072				47,399	35,892	84,586	60,282
Debt Service:										
Principal										
Interest and Fiscal Charges				403,173	446,510	150,123	58,395	44,320	63,376	104,834
Total Expenditures	73,236,713	82,553,325	91,317,510	93,954,782	89,239,772	87,125,764	85,345,780	79,790,965	75,801,951	83,152,087
Excess (Deficiency) of Revenues over Expenditures	1,132,692	(3,143,266)	(4,026,487)	(3,781,292)	(5,240,789)	(7,491,012)	(2,670,993)	(4,243,620)	1,152,369	(1,378,364)
Total Other Financing Sources (Uses)	(723,780)	1,315,946	2,071,359	3,262,474	4,175,696	4,509,770	4,098,358	4,157,276	3,243,106	3,948,054
Net Change in Fund Balances	408,912	(1,827,320)	(1,955,128)	(518,818)	(1,065,093)	(2,981,242)	1,427,365	(86,344)	4,395,475	2,569,690
Beginning Fund Balance	11,975,432	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
Ending 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

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	\$ 15,767,847
June 30, 2016	8,000,000

Source: Florida Department of Revenue, Office of Tax Research

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

Fiscal Year Ended June 30	Just Value ^a		Less: Exemptions	Net Assessed Taxable Value ^b	Total Direct Rate
	Real Property	Personal Property			
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
2005	25,523,160,928	703,056,931	8,893,456,137	17,332,761,722	3.9320

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

^b Net Taxable Assessed Values are net Taxable Values after deducting allowable statutory exemptions.

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			
	2005	2006	2007	2008
District School Board:				
Required Local Effort	2.3950	1.8310	1.5190	1.4080
Discretionary Local	0.5100	0.5100	0.5100	0.5100
Critical Operating Needs				
Supplemental Discretionary	0.0270	0.0410	0.0320	0.0280
Additional Voted Operating	0.5000	0.5000	0.5000	0.5000
Capital Improvement	0.5000	0.5000	0.5000	0.5000
Total District School Board	3.9320	3.3820	3.0610	2.9460
Other County-Wide:				
Board of County Commissioners	3.1736	2.8001	2.5609	2.2656
Other	1.3060	1.3060	1.2475	1.0415
Total County-Wide	4.4796	4.1061	3.8084	3.3071
Total Direct & Overlapping Rates	<u>8.4116</u>	<u>7.4881</u>	<u>6.8694</u>	<u>6.2531</u>

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

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					
2009	2010	2011	2012	2013	2014
1.3940	1.6880	1.9440	1.8170	1.9120	1.9330
0.4980	0.6990	0.7295	0.7480	0.7480	0.7480
		0.2500			
0.0300					
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.5000	0.5000	0.4000	0.5000	0.5000	0.5000
2.9220	3.3870	3.8235	3.5650	3.6600	3.6810
2.6883	3.0837	3.3445	3.9833	3.8045	3.8262
1.0038	1.0502	1.0836	0.9199	0.9460	0.9179
3.6921	4.1339	4.4281	4.9032	4.7505	4.7441
6.6141	7.5209	8.2516	8.4682	8.4105	8.4251

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	For the Fiscal Year Ended June 30					
	2014			2005		
	Rank	Assessed Taxable Value	Percentage of Total Taxable Value ⁽¹⁾	Rank	Assessed Taxable Value	Percentage of Total Taxable Value ⁽¹⁾
Southeast Housing LLC	1	\$ 142,097,484	0.698%			
Florida Keys Electric Cooperative Association, Inc.	2	95,675,183	0.470%	1	\$ 72,406,440	0.418%
Galleon Condominium Association, Inc.	3	62,945,933	0.309%	5	42,086,530	0.243%
Sunset City LLC	4	53,708,585	0.264%			
Hyatt Vacation Management Company	5	47,150,998	0.231%			
City of Key West	6	46,883,179	0.230%			
Casa Maria Owner LLC	7	44,324,443	0.218%	3	45,887,445	0.265%
NWCL LLC	8	44,184,878	0.217%			
SH5 LTD	9	39,768,423	0.195%			
BellSouth/Southern Bell	10	39,252,362	0.193%	2	73,458,624	0.424%
Windward Point LLC				4	43,709,650	0.252%
Cheeca Holdings LLC				6	32,816,249	0.189%
Tannex Development, LC				7	32,349,480	0.187%
Hawks Cay Investors LTD				8	28,325,854	0.163%
Pier House Joint Venture				9	27,176,268	0.157%
KW Beach Suites LTD				10	22,000,000	0.127%
Total		<u>\$ 615,991,468</u>	<u>3.025%</u>		<u>\$ 420,216,540</u>	<u>2.425%</u>

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 TEN 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
2014	\$ 75,215,392	\$ 72,592,727	96.51%	\$	\$ 72,592,727	96.51%
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%
2005	68,230,042	65,928,303	96.63%	91,262	66,019,565	96.76%

Note: Property Taxes become due and payable on November 1 of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Sources: Monroe County Tax Collector.
District Records.

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

Fiscal Year Ended June 30	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
2014	\$ 250,000	\$ 45,452,000	\$ 20,493,000	\$ 66,195,000	1.499%	867
2013	495,000	47,477,000	30,292,000	78,264,000	1.790%	1,046
2012	755,000	49,427,000	42,190,000	92,372,000	2.239%	1,248
2011	1,010,000	51,307,000	51,860,000	104,177,000	2.570%	1,423
2010	1,220,000	53,117,000	61,215,000	115,552,000	2.962%	1,591
2009	1,420,000	18,852,000	70,265,000	90,537,000	2.072%	1,245
2008	1,615,000	20,532,000	79,035,000	101,182,000	2.240%	1,388
2007	1,800,000	22,167,000	87,610,000	111,577,000	2.562%	1,512
2006	1,980,000	23,737,000	73,500,000	99,217,000	2.514%	1,309
2005	2,150,000	20,400,000	75,000,000	97,550,000	2.739%	1,257

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

Note: (A) Total Primary Government Debt divided by Personal Income and Population from Schedule 18.

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

Fiscal Year Ended June 30	Taxable Assessed Value ^b	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage ^a
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
2005	17,332,761,722	4,308,550	0.262 mills

Source: District Records
Monroe County Property Appraiser

Notes:

^a Millage rate calculated using 95 percent of the school taxable valuation.

^b Taxable Assessed Value is the net taxable value after deducting allowable statutory exemptions.

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

HISTORICAL SALES SURTAX COLLECTIONS

Fiscal Year Ending June 30,	District Revenue Bonds					
	Actual Sales Tax Revenues Received by the School District (1)	Interest Revenue	Debt Service		Other Dues & Fees	Debt Service Coverage
			Principal	Interest		
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
2005	12,440,385	91,118	N/A	N/A	921,914	13.59

HISTORICAL CAPITAL OUTLAY AD VALOREM TAX COLLECTIONS

Fiscal Year Ending June 30,	Certificates of Participation					
	Actual Capital Outlay Taxes Received by the School District	Interest Revenue	Debt Service		Other Dues & Fees	Debt Service Coverage
			Principal (2)	Interest		
2014	\$ 9,999,768	\$ 41,275.00	\$ 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
2005	8,383,558	199,833	1,720,000	561,338	-	3.76

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.

N/A: Not Applicable

Source: District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
June 30, 2014
(Unaudited)

<u>Jurisdiction</u>	<u>General Obligation</u>		<u>Direct Debt</u>		<u>Direct and Overlapping Debt</u>	
	<u>Bonded Debt Outstanding</u>	<u>Other Debt Outstanding</u>	<u>Percentage Applicable to This Governmental Unit</u>	<u>Amount Applicable to This Governmental Unit</u>	<u>Percentage Applicable to Monroe County</u>	<u>Amount Applicable to Monroe County</u>
Monroe County Board of County Commissioners (1)	\$	\$	0%	\$	0%	\$
District School Board of Monroe County Direct Debt (2)						
Bonds Payable		20,743,000	100%	20,743,000	100%	20,743,000
Certificates of Participation Payable		45,452,000	100%	45,452,000	100%	45,452,000
Monroe County School Board Direct Debt		66,195,000		66,195,000		66,195,000
Total Direct and Overlapping Debt		66,195,000		66,195,000		66,195,000
Total Direct Debt of the School Board				\$ 66,195,000		
Total Direct and Overlapping Debt						\$ 66,195,000

Notes:

(1) Source: Monroe County, Florida Comprehensive Annual Financial Report as of September 30, 2013.

(2) Source: District Records.

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

	Fiscal Year Ending June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value (a)	\$ 17,332,761,722	\$ 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
Debt Limit on Assessed Value (b)	\$ 17,332,761,722	\$ 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
Amount of Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds Payable (c)	-	-	-	-	-	-	-	-	-	-
Less: Amount Available for Debt Service	-	-	-	-	-	-	-	-	-	-
Total Debt Application to the Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 17,332,761,722	\$ 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
Total Net Debt Application to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Monroe County Property Appraiser

Notes:

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Direct Non-General Obligation Debt
June 30, 2014
(Unaudited)

State of Florida School Bonds:	
Series 2005A	\$ 45,000
Series 2011A	205,000
District Sales Tax Revenue Bonds:	
Series 2005	16,660,000
Series 2013	<u>3,833,000</u>
Total Bonds Payable	<u><u>\$ 20,743,000</u></u>

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

1. Population (2014)	74,044
2. Total taxable valuation (2014 Fiscal Year)	\$ 20,370,751,746
3. Direct general obligation debt at June 30, 2014	-
4. Direct and overlapping general obligation debt at June 30, 2014	\$ 20,743,000
(a) As a percent of taxable valuation	0.10%
(b) Per capita	280.14
5. Direct non-general obligation debt and certificates of participation at June 30, 2014	\$ 45,452,000
(a) As a percent of taxable valuation	0.22%
(b) Per capita	613.85

Sources:

District Records.

Population obtained from the Florida Legislature, Office of Economic and Demographic Research.

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

<u>Calendar Year</u>	<u>Population (A)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (A)</u>	<u>Unemployment Rate (B)</u>
2014	74,044	\$ N/A	\$ N/A	N/A
2013	76,351	4,415,284,000	57,829	3.50%
2012	74,849	4,373,456,000	58,430	4.70%
2011	74,028	4,126,047,000	55,736	6.40%
2010	73,209	4,053,020,000	55,362	8.00%
2009	72,627	3,900,911,000	53,712	7.30%
2008	72,730	4,370,463,000	60,092	4.00%
2007	72,906	4,517,398,000	61,962	3.00%
2006	73,793	4,355,687,000	59,026	2.80%
2005	75,819	3,947,149,000	52,060	3.10%

(1) - Personal Income is in Thousands.

N/A - Information not yet available for the 2014 calendar year.

Sources:

(A) Population, Personal Income, & 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 Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics.

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

Employer	Fiscal Year					
	2013-2014			2004-2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
United States Armed Services, Including Civilian Support & Contractors	2,664	1	26.17%	N/A	N/A	N/A
School District of Monroe County, Florida	993	2	9.76%			
Ocean Reef Club	816	3	8.02%			
Monroe County Sheriff's Office	595	4	5.85%			
Monroe County Government	522	5	5.13%			
Community Health Care Center Lower Keys Medical Center, Key West	450	6	4.42%			
Publix Stores	435	7	4.27%			
City of Key West	424	8	4.17%			
Hawk's Cay Resort	375	9	3.68%			
Casa Marina/Reach Resort	340	10	3.34%			
Total - Principal Employers	10,179		74.81%			

N/A - Information not available

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

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

Fiscal Year Ended June 30	Number of Schools	Number of Classroom Instructors	Unweighted Full-Time Equivalent Students	Average General Fund Expenditures Per Student
2014	10	532	8,064	\$ 10,312
2013	11	593	7,947	9,538
2012	11	644	8,031	9,935
2011	11	615	7,964	10,717
2010	11	637	7,896	11,034
2009	11	635	7,919	11,269
2008	11	638	8,044	11,680
2007	11	690	8,082	11,299
2006	11	680	8,328	9,913
2005	11	593	8,511	8,605

Sources: Florida Department of Education
District Records

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

	Placed in Service (1)	Square Footage (2)	Full-Time Equivalent Enrollment Data		
			Fiscal Year Ended June 30		
			2005	2006	2007
Elementary Schools					
Gerald Adams Elementary	1974	70,755	488.96	462.96	454.41
Glynn Archer Elementary	1926	11,039	312.67	275.70	258.75
Poinciana Elementary	2005	90,997	529.10	532.66	536.97
Stanley Switlik Elementary	1971	102,886	604.28	576.16	569.58
Total Elementary			1,935.01	1,847.48	1,819.71
K-8 Schools					
Horace O'Bryant Middle	2011	188,132	834.70	788.04	744.12
Key Largo Middle	2007	204,833	943.04	944.11	958.21
Plantation Key Middle	1976	76,376	640.53	621.58	596.62
Sugarloaf Middle	1997	191,600	786.17	748.51	729.64
Total K-8 Schools			3,204.44	3,102.24	3,028.59
Combination Middle High Schools					
Marathon Middle High	2005	241,676	632.32	602.94	552.44
High Schools					
Coral Shores High	2003	229,009	788.58	784.54	734.59
Key West High	2003	263,862	1,334.65	1,373.90	1,363.90
Total High Schools			2,123.23	2,158.44	2,098.49
Charter Schools					
Big Pine Academy, Inc.	1980	13,713	56.50	52.49	56.50
Key West Collegiate School					
Montessori Elementary Charter School, Inc.			56.95	61.50	74.95
Treasure Village Montessori School	1949	10,000	135.50	140.50	148.00
Ocean Studies Charter School, Inc.					
Sigsbee Charter School, Inc.	1959	50,239	241.66	244.17	222.16
Total Charter Schools			490.61	498.66	501.61
Other Programs					
Pace Upper Keys	Included above		32.90	29.71	18.44
Pace Lower Keys	Included above		33.96	38.44	37.64
May Sands School	1974	35,960			
Hurricane Island Outward Bound	Included above		17.03	9.00	5.00
Academic Connections for Excellence	Included above				
Florida Department of Juvenile Justice	Included above		3.51	7.66	3.18
Keys Center Academy	Included above				
McKay Scholarship	Included above		38.00	33.00	16.50
District Virtual Instruction					
Monroe Virtual Franchise					
Monroe Virtual Instruction					
Monroe Virtual Academy					
Total Other Programs			125.40	117.81	80.76
Total District			8,511.01	8,327.57	8,081.60

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
452.13	444.67	440.90	442.83	461.56	477.75	466.48
244.76	245.95	257.33	272.05	310.96	336.78	
590.83	588.55	611.98	608.56	591.34	590.23	620.53
564.66	457.69	469.12	492.05	479.26	474.04	484.96
<u>1,852.38</u>	<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>
761.00	699.77	710.33	712.73	702.84	642.08	964.33
888.64	908.26	897.20	884.99	851.66	818.97	821.97
564.53	540.32	505.56	522.18	485.66	475.60	461.32
683.91	659.36	659.20	614.26	576.80	552.86	537.65
<u>2,898.08</u>	<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>
567.07	621.99	619.49	606.51	621.60	625.31	614.48
778.46	751.01	745.99	764.38	765.05	731.25	710.33
1,338.69	1,368.47	1,343.78	1,304.18	1,213.90	1,183.45	1,167.14
<u>2,117.15</u>	<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>
81.00	91.05	95.52	116.56	142.00	144.18	150.27
				35.27	49.00	65.77
73.00	83.00	93.50	93.50	103.58	106.70	114.59
151.50	162.00	171.00	172.09	188.50	196.00	97.47
				38.50	68.50	483.07
221.97	229.68	227.90	285.50	378.50	428.60	199.92
<u>527.47</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>
1.54						
31.90						
20.90	24.31					
8.00	12.56	13.00	5.00	15.00	12.00	8.94
			34.11	35.42	4.25	11.03
5.38	6.09	5.84	6.64	6.17	4.67	3.75
	17.61	17.45	20.49	21.60	15.35	16.42
14.50	6.50	6.00	3.50	4.00	5.00	8.73
		5.00	1.61	0.84	0.01	
				1.18	0.92	0.79
					3.00	1.90
<u>82.22</u>	<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>8,044.37</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>

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

Grade/Program	Full-Time Equivalent Students For The Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Grades K-3	1,810.55	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
Grades 4-8	2,392.13	2,258.06	2,210.75	2,115.32	2,039.69	2,132.89	2,183.38	2,212.65	2,151.49	2,178.56
Grades 9-12	1,705.28	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
Exceptional Ed	1,923.65	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
Vocational Ed	298.02	298.28	276.29	240.63	217.61	187.88	183.08	140.71	43.48	176.37
At-Risk Programs										
Dropout Prevention										
Education Alt										
ESOL	381.38	365.39	369.73	414.03	379.39	448.67	437.67	455.24	498.15	458.95
Total	<u>8,511.01</u>	<u>8,327.57</u>	<u>8,081.60</u>	<u>8,044.37</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>8,064.47</u>

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

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

Fiscal Year Ended June 30	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to Administrators
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
2005	649	67	541	1,257	13.11	9.69

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
TEACHERS BASE SALARIES
LAST TEN FISCAL YEARS
(Unaudited)**

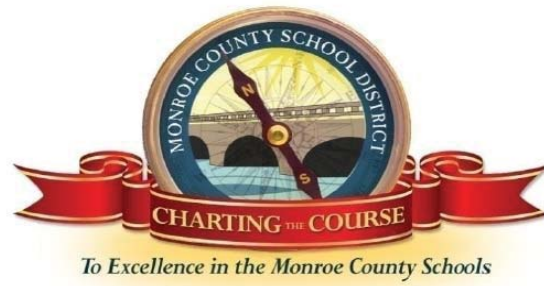
<u>Fiscal Year Ended June 30</u>	<u>Minimum Salary^a</u>	<u>Maximum Salary^a</u>	<u>District Average Salary^b</u>	<u>Statewide Average Salary^b</u>
2014	\$ 44,906	\$ 73,544	\$ N/A	\$ N/A
2013	43,177	71,669	53,631	46,583
2012	43,824	72,744	53,808	46,479
2011	42,330	70,264	57,798	45,723
2010	42,330	70,264	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
2005	35,921	59,923	46,951	41,578

^a - 10 Month Teachers with Bachelor's Degree

^b - Averages include all degree levels

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
JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)
United States Department of Agriculture:			
Indirect:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	13002	\$ 401,382.32
National School Lunch Program	10.555 (2)(A)	13001, 13003	1,799,630.67
Summer Food Service Program for Children	10.559	323, 325, 13006, 13007	<u>53,685.58</u>
Total Child Nutrition Cluster			<u>2,254,698.57</u>
Florida Department of Education			
Child and Adult Care Program	10.558	A-4374	<u>17,330.51</u>
Total United States Department of Agriculture			<u>2,272,029.08</u>
United States Department of Education:			
Direct:			
Impact Aid	84.041	N/A	161,367.76
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	33,004.52
Fund for Improvement of Education	84.215	N/A	<u>55,081.01</u>
Total Direct			<u>249,453.29</u>
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education - Grants to States	84.027	263	375,206.22
Special Education - Preschool Grants	84.173	267	<u>65,463.08</u>
Total Special Education Cluster			440,669.30
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	209,638.23
Title I Grants to Local Educational Agencies	84.010	212	1,386,659.18
Career and Technical Education - Basic Grants to States	84.048	161	65,830.64
Education for Homeless Children and Youth	84.196	127	39,021.13
Charter Schools	84.282	298	190,449.22
Rural Education	84.358	110	115,347.55
English Language Acquisition State Grants	84.365	102	119,694.73
Improving Teacher Quality State Grants	84.367	224	270,086.04
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RL111, RG 311, RG411	<u>55,984.77</u>
Total Indirect			<u>2,893,380.79</u>
Total United States Department of Education			<u>3,142,834.08</u>
United States Department of Health and Human Services:			
Direct:			
Head Start	93.600 (3)	N/A	<u>1,257,941.72</u>
Total Expenditures of Federal Awards			<u>\$ 6,672,804.88</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:

(A) National School Lunch Program - Includes cash in lieu of donated foods of \$178,967.00 and \$4,574.66 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) Head Start: Expenditures include \$115,720.69 for grant number/program year 04CH0391/22 and \$1,142,221.03 for grant number/program year 04CH0391/23.



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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 THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 6, 2015, 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 of 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*.

We noted certain matters that we reported to District management in our operational audit report No. 2015-105.

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 THE 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,



David W. Martin, CPA

Tallahassee, Florida

March 6, 2015

Audit Report No. 2015-126



DAVID W. MARTIN, CPA
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The President of the Senate, the Speaker of the
House of Representatives, and the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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 Circular A-133 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, 2014. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2014.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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,



David W. Martin, CPA

Tallahassee, Florida

March 6, 2015

Audit Report No. 2015-126

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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?	None reported
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?	No
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.027 and 84.173	Special Education Cluster
93.600	Head Start
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for the Federal finding included in our report No. 2014-151.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

*MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

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

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
2011-170 (2) 2012-170 (2)	Title I Grants to Local Educational Agencies (CFDA No. 84.010) - Allowable Costs/Cost Principles	Controls over charges to Federal programs could be improved to help ensure that grant activities are properly managed and monitored and that Federal funds are only spent for grant activities. Lack of adequate monitoring over these programs resulted in 2009-10 fiscal year questioned costs of \$23,140 and 2010-11 fiscal year questioned costs of \$1,310.40.	Corrected.	Required repayments of questioned costs were made during the 2013-14 fiscal year.
2011-170 (3) 2013-170 (3)	Education for Homeless Children and Youth (CFDA No. 84.196) and State Fiscal Stabilization Fund (SFSF) Race-to-the-Top Incentive Grants, Recovery Act (CFDA 84.395) - Allowable Costs/Cost Principles – Documentation of Time and Effort	Procedures could be improved to provide for the required semiannual certification for employees who work solely on a single Federal program and periodic personnel activity reports for employees who work on multiple activities or cost objectives. Unsupported payroll expenditures resulted in questioned costs of \$17,433 (CFDA No. 84.196) for the 2009-10 fiscal year; and \$14,382.37 (CFDA No. 84.395) for the 2011-12 fiscal year.	Corrected.	Required repayments of questioned costs were made during the 2013-14 fiscal year.
2014-151 (1)	Special Education Cluster (CFDA Nos. 84.027 and 84.391) - Matching, Level of Effort, Earmarking – Maintenance of Effort	The District did not have procedures to monitor its compliance with maintenance of effort requirements, resulting in \$1,330,629 of questioned costs.	Corrected.	Subsequent to June 30, 2014, but prior to the closing of the books for the 2013-14 fiscal year, the District reimbursed the Federal program for the questioned costs.