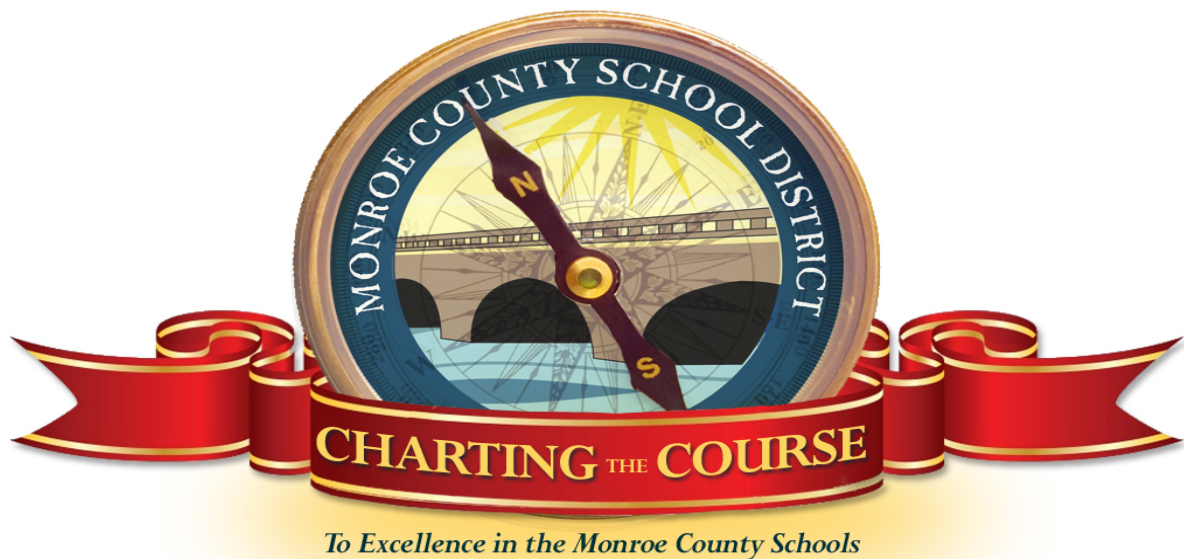
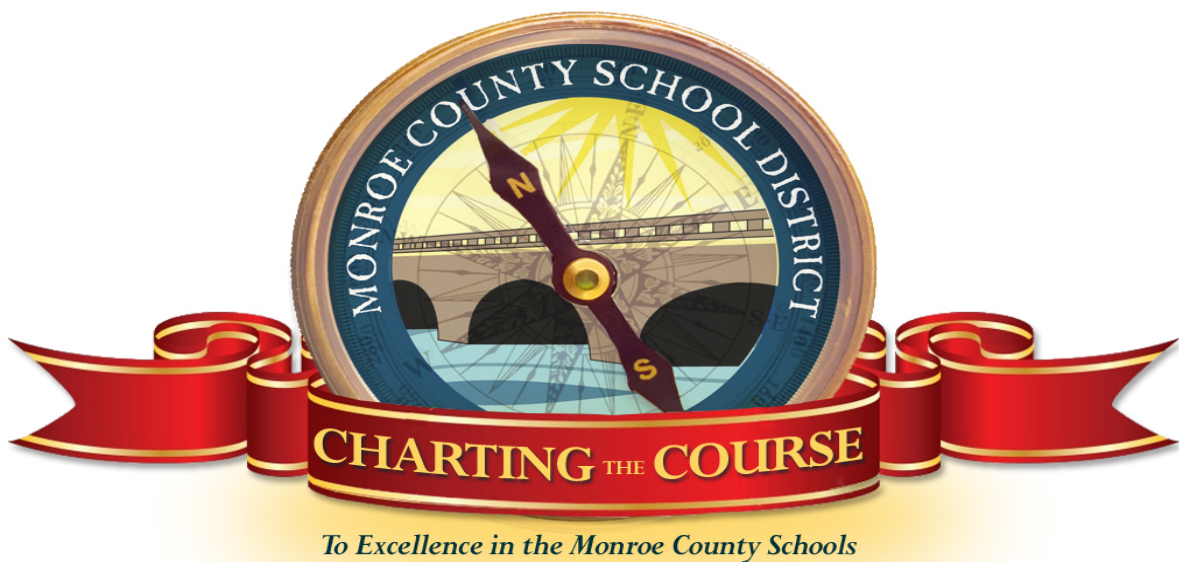


Comprehensive Annual Financial Report
Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2016



Monroe County School District
Key West, Florida

Comprehensive Annual Financial Report
Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2016



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, 2016

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MARK T. PORTER
Superintendent of Schools



Members of the Board

District # 1
BOBBY HIGHSMITH
Vice-Chairman

District # 2
ANDY GRIFFITHS

District # 3
MINDY CONN

District # 4
JOHN R. DICK
Chairman

District # 5
RONALD A. MARTIN

December 13, 2016

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

We are pleased to submit to you the Comprehensive Annual Financial Report (the "CAFR") of the District School Board of Monroe County (the "District"). State law requires that all school districts publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with government auditing standards generally accepted in the United States of America by a licensed certified public accountant. Responsibility for the accuracy, completeness and fairness of the information presented, including all disclosures, rests with the District's management. This report will provide the stakeholders of the school district with comprehensive financial data in a format enabling them to gain an understanding of the financial affairs and standing of the District.

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

The State of Florida Auditor General has independently audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal*

Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, Summary Schedule of Prior Audit Findings, and the independent auditor's reports on internal control over financial reporting and on compliance with applicable requirements, are included in the Single Audit section.

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

Profile of the School District

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

The geographic boundaries of the District are those of Monroe County. The County is comprised of a string of subtropical islands that stretch more than one hundred miles into the Atlantic Ocean covering approximately 983 square miles of land mass. These islands are connected in a chain-like fashion to the mainland by a series of 42 bridges. The County seat, Key West, is approximately 150 miles southwest of Miami and 90 miles north of Cuba. The County operates under a constitution adopted in 1823 and has a current estimated population of 74,270 persons. Within its borders are five municipalities: Islamorada, Key Colony Beach, Key West, Layton, and Marathon.

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

During the 2015-2016 fiscal year, the District operated 16 schools, including 3 elementary schools, 4 K-8 schools, a combination middle high school, 2 high schools and 6 charter schools that are component units of the District and reported serving approximately 8,100 unweighted full-time equivalent students. For the 2016-2017 fiscal year no significant increase of unweighted full-time equivalent students is expected.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based on the number of reported full-time equivalent students enrolled at the charter school.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population breaks down as follows: 47 percent White Non-Hispanic, 37.7 percent Hispanic, 10.6 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; pre-kindergarten programs for three and four year old disabled students; programs for eligible low income and at-risk students; and voluntary pre-kindergarten services for four year-old students.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English for Speakers of Other Languages (ESOL) programs, and all citizens can take fee supported courses to increase personal development in various subjects.

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

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

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

Economic Condition and Outlook

The population of Monroe County increased from 73,090 in 2010 to a population of 74,270 in 2016 or 1.6 percent. The Florida Price Level Index prepared for the Florida Department of Education (FDOE) now ranks Monroe County 7th out of 67 counties in the State. In the 2014-15 fiscal year, Monroe County ranked 4th 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 5.7 percent in the 2015-16 fiscal year. The assessed tax roll increased by \$1.5 billion or 6.6 percent. Unemployment in Monroe County is 3.1 percent, considerably less than the State average of 5 percent.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the District and Monroe County and an excellent system of public education is a significant factor in attracting new business and industry to the County. The District is one of the county's largest employers, employing over 1,100 full and part-time employees, mostly teachers.

Major Initiatives

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

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

Accomplishments - One of the ways to judge a school district is to compare the results of its students on national and statewide testing and the accomplishments of its staff. The District believes that its students and staff have performed well based on various tests and accomplishments. Fourteen of sixteen Monroe County Schools (including charters) received an "A" or "B". Of those fourteen, eight schools earned an "A". In addition, the District received district-wide accreditation from AdvancEd Accreditation Commission in the 2014-15 fiscal year. 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. In February 2016, seven schools received FDOE's *Five Star School Award*. This award is presented annually to schools that have shown outstanding involvement with business partners, families and volunteers and have active School Advisory Councils.

Long-Term Financial Planning

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

Unassigned fund balance in the General Fund is 9.91 percent of total General Fund expenditures, and assigned and unassigned fund balance in the General Fund (10.94 percent of General Fund expenditures) exceeds the District's minimum fund balance policy of 5 percent of General Fund annual expenditures, as described below. During the initial planning of the budget each year, the District budgets the amount of unassigned fund balance from the previous year as the budgeted beginning fund balance in the subsequent fiscal year.

Relevant Financial Policies

The policy of the Board is to contain costs so that annual expenditures do not exceed the annual resources. Furthermore, the Board shall maintain a fund balance in its operating funds that are not classified as restricted,

committed, or non-spendable at a minimum of 5 percent of the annual General Fund expenditures. However, it is the Board's intent to be in the upper quartile of Florida school districts in fund balance annually. This will be achieved through prudent fiscal management.

Acknowledgements

The Association of School Business Officials International (ASBO) awarded *The Certificate of Excellence in Financial Reporting* to the Monroe County School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the second year that the District received this prestigious award. In order to be awarded *The Certificate of Excellence in Financial Reporting* from ASBO, the District must publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Excellence is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Excellence program requirements and we are submitting it to ASBO to determine its eligibility for award of the certificate.

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

In closing, we would like to thank the members of the School Board for their leadership and support in planning and conducting the financial operations of the District, in an accountable and progressive manner. We also thank the citizens of Monroe County, whose cooperation, support, and assistance have contributed greatly to the successful operation of this innovative school system.

Sincerely yours,



Mark T. Porter
Superintendent of Schools



Jim Drake, CPA
Executive Director of Finance and Performance

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



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



Mr. Bobby Highsmith, Vice-Chairman
District 1
Member since November 2014
Current term expires November 2018



Mr. Andy Griffiths
District 2
Member since November 1992
Current term expires November 2020



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



Ms. Mindy Conn
District 3
Member since November 2016
Current term expires November 2020

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

Mark T. Porter, Superintendent

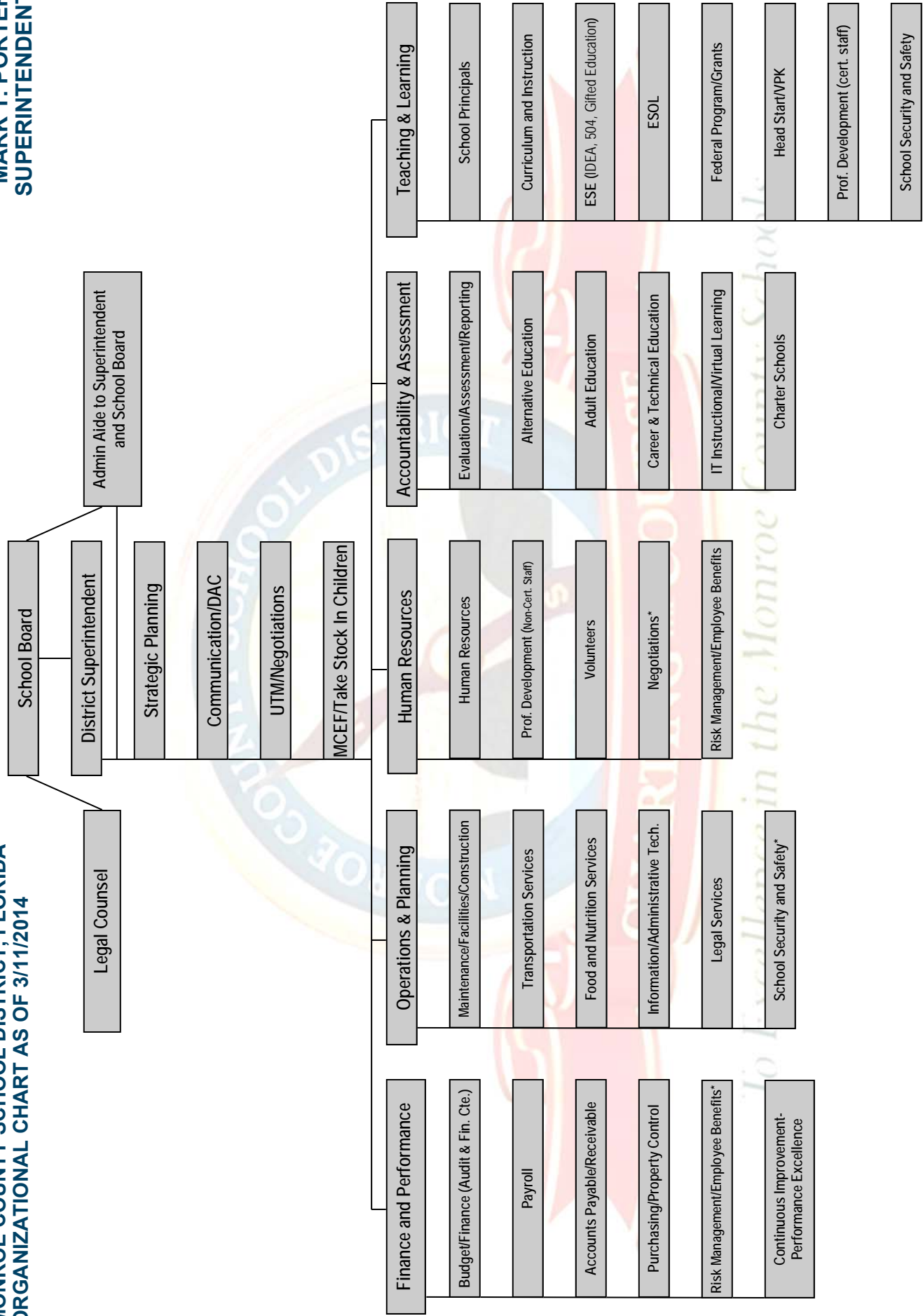
Theresa Axford, Executive Director of Teaching and Learning

Dave Murphy, Executive Director of Accountability and Assessment

Patrick Lefere, Executive Director of Planning and Operations

Dr. Ramon Dawkins, Executive Director of Human Resources

Jim Drake, CPA, Executive Director of Finance and Performance



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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Monroe County School District, Florida

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 12 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 statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to

financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and major special revenue funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, Schedule of Funding Progress – Other Postemployment Benefits Plan, Schedule of Changes in Net Pension Liability and Related Ratios – Early Retirement Plan, Schedule of Employer Contributions – Early Retirement Plan, Schedule of Investment Returns – Early Retirement Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, and Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of

an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S' and a distinct 'F'.

Sherrill F. Norman, CPA
Tallahassee, Florida
December 6, 2016
Audit Report No. 2017-061

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, 2016. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-16 fiscal year are as follows:

- As of June 30, 2016, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$255.9 million.
- In total, net position increased \$11 million, which represents a 4.5 percent increase over the 2014-15 fiscal year.
- General revenues total \$124.7 million, or 96.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$4.7 million, or 3.6 percent of all revenues.
- Expenses total \$118.5 million. Only \$4.7 million of these expenses was offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$11.1 million, which is \$1.4 million less than the prior fiscal year balance. The General Fund assigned and unassigned fund balances totaled \$10.2 million, or 11.6 percent of total General Fund revenues.
- The total debt decreased by \$12.6 million, or 23.5 percent, due to scheduled debt service payments.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred

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

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

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

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

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of the broad categories discussed below.

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Fund, Special Revenue – Federal Economic Stimulus Fund, Debt Service – Other Fund, Debt Service – ARRA Economic Stimulus Fund, Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund, and Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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

Proprietary Funds: Proprietary funds, such as internal service funds, are established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses internal service funds to account for self-insurance programs, which are supported, in part, through user charges. Since these services predominantly benefit governmental functions, the internal service funds have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements. The internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses a pension trust fund to account for the resources used to finance the early retirement plan.

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2016, compared to net position as of June 30, 2015:

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

	Governmental Activities		
	6-30-16	6-30-15	Increase (Decrease)
Current and Other Assets	\$ 70,560	\$ 70,205	\$ 355
Capital Assets	273,387	275,668	(2,281)
Total Assets	343,947	345,873	(1,926)
Deferred Outflows of Resources	10,545	6,832	3,713
Long-Term Liabilities	88,307	89,582	(1,275)
Other Liabilities	6,079	5,613	466
Total Liabilities	94,386	95,195	(809)
Deferred Inflows of Resources	4,226	12,582	(8,356)
Net Position:			
Net Investment in Capital Assets	232,227	221,891	10,336
Restricted	43,532	41,272	2,260
Unrestricted (Deficit)	(19,879)	(18,234)	(1,645)
Total Net Position	\$ 255,880	\$ 244,929	\$ 10,951

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2016

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position was the result, in part, of accruing \$6.3 million in compensated absences payable, \$3.6 million in other postemployment benefit obligations, and \$33.2 million in net pension liability.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2016, and June 30, 2015, are as follows:

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2016

Operating Results for the Fiscal Year Ended
(In Thousands)

	Governmental Activities		
	6-30-16	6-30-15	Increase (Decrease)
Program Revenues:			
Charges for Services	\$ 1,639	\$ 1,688	\$ (49)
Operating Grants and Contributions	2,575	2,566	9
Capital Grants and Contributions	485	459	26
General Revenues:			
Property Taxes, Levied for Operational Purposes	68,562	65,706	2,856
Property Taxes, Levied for Capital Projects	11,220	10,511	709
Local Sales Taxes	17,375	16,442	933
Grants and Contributions Not Restricted to Specific Programs	23,624	23,129	495
Unrestricted Investment Earnings	567	396	171
Miscellaneous	3,400	2,387	1,013
Total Revenues	129,447	123,284	6,163
Functions/Program Expenses:			
Instruction	65,060	58,458	6,602
Student Support Services	5,065	4,620	445
Instructional Media Services	698	612	86
Instruction and Curriculum Development Service	2,656	2,222	434
Instructional Staff Training Services	1,592	1,498	94
Instruction Related Technology	1,350	1,060	290
School Board	555	540	15
General Administration	727	808	(81)
School Administration	4,520	4,198	322
Facilities Services	7,347	5,666	1,681
Fiscal Services	1,111	1,071	40
Food Services	3,312	3,158	154
Central Services	1,658	1,466	192
Student Transportation Services	3,953	3,685	268
Operation of Plant	7,297	6,560	737
Maintenance of Plant	2,525	2,123	402
Administrative Technology Services	520	393	127
Community Services	748	769	(21)
Unallocated Interest on Long-Term Debt	2,335	2,801	(466)
Unallocated Depreciation Expense	5,465	5,578	(113)
Loss on Disposal of Capital Assets	2	6	(4)
Total Functions/Program Expenses	118,496	107,292	11,204
Change in Net Position	10,951	15,992	(5,041)
Net Position, Beginning of Year	244,929	258,534	(13,605)
Adjustments to Beginning Net Position (1)		(29,597)	29,597
Net Position - Beginning, Restated	244,929	228,937	15,992
Net Position - Ending	\$ 255,880	\$ 244,929	\$ 10,951

Note: (1) Adjustment to beginning net position is due to implementation of Governmental Accounting Standards Board Statement No. 68, which was a change in accounting principle that requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liability of the defined benefit pension plans.

The largest revenue source is local property taxes (61.6 percent). Revenues from State and local sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Property tax revenues increased by \$3.6 million, or 4.7 percent, as a result of an increase in taxable assessed values.

Instruction expenses represent 54.9 percent of total governmental expenses in the 2015-16 fiscal year. Instruction expenses increased by \$6.6 million, or 11.3 percent, from the previous fiscal year due mainly from an increase in staffing levels, resulting in an increase in salaries and related benefits.

Facilities services increased \$1.7 million, or 29.7 percent, during the fiscal year as a result of the planning, design, and pre-construction activities for the replacement of Plantation Key School. Maintenance of plant expenses increased \$402,000, or 18.9 percent, mainly due to an increase in staffing levels.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds increased by \$1.1 million during the fiscal year to \$57.4 million at June 30, 2016. Approximately 16.2 percent of this amount is unassigned fund balance (\$9.3 million), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$0.6 million), 2) restricted for particular purposes (\$43.4 million), or 3) assigned for particular purposes (\$4.1 million).

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$9.3 million, while the total fund balance is \$11.1 million. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 11.6 percent of the total General Fund revenues, while total fund balance represents 12.7 percent of total General Fund revenues.

Total fund balance of the general fund decreased by \$1.4 million during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Increase in the local property values resulted in increased tax revenues of \$2.9 million.
- Increase in State revenues, primarily due to a \$0.5 million increase in FEFP revenues.
- Total expenditures increased by \$5.8 million, or 6.6 percent, due mainly to increases in the number of staff and staff compensation by the District.

The Special Revenue – Other Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$6.2 million each, an increase of \$0.9 million or 17 percent, due to the receipt of a new grant and increased allocation from several existing grants. Grant revenues were mainly used for instruction, student support services, instruction and curriculum development services, and instructional staff training services for the 2015-16 fiscal year. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Special Revenue – Federal Economic Stimulus Fund has total revenues and expenditures of \$146,000 each and the funding was mainly used for instruction. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – Other Fund has a total fund balance of \$4.9 million, a decrease of \$5.6 million or 53.3 percent during the fiscal year, primarily due to the retirement of the sales tax revenue bonds in October 2015. The Debt Service – Other Fund resources are restricted for debt service payments and proceeds to fund these payments were transferred in from various capital projects funds.

The Debt Service – ARRA Economic Stimulus Fund has a total fund balance of \$12.3 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 received from a 5.49 percent interest subsidy which is paid directly to the District by the United States Treasury.

The Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund has a total fund balance of \$3.4 million. These funds are restricted for the acquisition, construction, and maintenance of capital assets. Of the total fund balance, \$1.4 million has been encumbered for specific projects. The significant activity during the fiscal year was the construction and maintenance of capital assets.

The Capital Projects – Other Fund has a total fund balance of \$23.9 million. The restricted fund balance amount of \$20.7 million is restricted for the acquisition, construction, and maintenance of capital assets. The assigned fund balance amount of \$3.1 million was assigned by the Board for capital projects. The fund balance increased in the current fiscal year due to higher sales tax

collections than expected and reduced debt service payments. Of the total fund balance, \$4.8 million has been encumbered for specific projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2015-16 fiscal year, the District amended its General Fund budget several times; however final budgeted amounts were in line with the original budgeted amounts.

Actual revenues are in line with the final budgeted amounts while actual expenditures are \$2.6 million, or 2.7 percent, less than final budgeted amounts. The decrease in expenditures was primarily due to salary and benefit lapse due to unfilled but budgeted positions and continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$0.6 million.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016, is \$273.4 million (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software. The total decrease in capital assets for the current fiscal year was 0.8 percent. The District began the planning and construction of two replacement schools during the fiscal year with estimated construction costs totaling \$60 million.

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

Long-Term Debt

At June 30, 2016, the District has total long-term debt outstanding of \$41.2 million, comprised of \$8,000 of bonds payable and \$41.2 million of certificates of participation. During the current fiscal year, retirement of debt was \$12.6 million.

Moody's Investor Service, in June 2016, upgraded the District's Certificates of Participation Series 2004 to "Aa3" from "A1" and upgraded the District's "Issuer" rating (general obligation equivalent) to "Aa2" from "Aa3."

Additional information on the District's long-term debt can be found in notes III.H.1 through III.H.3 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

Employer contributions to the Florida Retirement System increased for regular employees from 7.26 to 7.52 percent of payroll for the 2016-17 fiscal year.

Housing prices are expected to increase the taxable assessed value for the 2016-17 fiscal year.

Monroe County School District, Florida
For the Fiscal Year Ended June 30, 2016

Contract settlements with both of the District's unions, the teachers' union and the school-related personnel union, are currently ongoing for the 2016-17 fiscal year.

REQUESTS FOR INFORMATION

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Primary Government</u>	<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Units</u>
ASSETS		
Cash	\$ 36,221,682	\$ 2,130,458
Investments	10,324,366	676,342
Accounts Receivable	34,527	35,084
Due from Other Agencies	4,603,513	34,991
Due from Insurer	1,567,342	
Prepaid Items	657,460	244,001
Deposits Receivable		19,562
Other Assets		8,638
Restricted Investments	17,058,663	
Inventories	92,657	
Capital Assets:		
Non-Depreciable	7,478,922	2,859,950
Depreciable (Net)	265,907,627	7,105,789
Total Assets	<u>343,946,759</u>	<u>13,114,815</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	<u>10,544,870</u>	
LIABILITIES		
Salaries and Benefits Payable	3,055,828	505,589
Payroll Deductions and Withholdings Payable	242,293	
Accounts Payable	2,373,364	100,176
Construction Contracts Payable	196,201	
Deposits Payable	65,224	
Due to Other Agencies	144,009	
Advanced Revenue	2,178	8,192
Compensated Absences Payable		92,310
Noncurrent Liabilities:		
Portion Due Within One Year	3,404,579	12,349
Portion Due In More Than One Year	84,901,915	36,890
Total Liabilities	<u>94,385,591</u>	<u>755,506</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>4,225,968</u>	
NET POSITION		
Net Investment in Capital Assets	232,226,549	9,934,324
Restricted for:		
Capital Projects	24,877,098	
Debt Service	17,136,215	
Food Service	1,103,563	
State Required Carryover Programs	415,440	
Unrestricted	<u>(19,878,795)</u>	<u>2,424,985</u>
Total Net Position	<u>\$ 255,880,070</u>	<u>\$ 12,359,309</u>

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, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Instruction	\$ 65,059,767	\$ 35,711	\$	
Student Support Services	5,065,455			
Instructional Media Services	697,774			
Instruction and Curriculum Development Services	2,656,391			
Instructional Staff Training Services	1,592,458			
Instruction Related Technology	1,350,273			
School Board	555,228			
General Administration	726,648			
School Administration	4,520,157			
Facilities Services	7,346,554		314,526	
Fiscal Services	1,110,566			
Food Services	3,312,320	890,261	2,575,164	
Central Services	1,657,789			
Student Transportation Services	3,952,544	120,188		
Operation of Plant	7,296,777			
Maintenance of Plant	2,524,839		148,681	
Administrative Technology Services	520,078			
Community Services	748,162	592,395		
Unallocated Interest on Long-Term Debt	2,335,486		21,710	
Unallocated Depreciation Expense*	5,464,950			
Loss on Disposal of Capital Assets	1,932			
Total Governmental Activities	\$ 118,496,148	\$ 1,638,555	\$ 2,575,164	\$ 484,917
Component Units				
Charter Schools	\$ 11,894,369	\$ 249,334	\$ 586,888	\$ 206,242

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

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

<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
\$ (65,024,056)	\$
(5,065,455)	
(697,774)	
(2,656,391)	
(1,592,458)	
(1,350,273)	
(555,228)	
(726,648)	
(4,520,157)	
(7,032,028)	
(1,110,566)	
153,105	
(1,657,789)	
(3,832,356)	
(7,296,777)	
(2,376,158)	
(520,078)	
(155,767)	
(2,313,776)	
(5,464,950)	
(1,932)	
<u>(113,797,512)</u>	
	<u>(10,851,905)</u>
68,562,278	
11,219,852	
17,375,355	37,260
23,624,557	11,019,427
566,744	10,896
<u>3,399,683</u>	<u>404,070</u>
<u>124,748,469</u>	<u>11,471,653</u>
10,950,957	619,748
<u>244,929,113</u>	<u>11,739,561</u>
<u>\$ 255,880,070</u>	<u>\$ 12,359,309</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Debt Service - Other Fund
ASSETS				
Cash	\$ 11,260,580	\$	\$	\$ 77,343
Investments	49,394			
Accounts Receivable	29,232			
Due from Other Funds	865,687			
Due from Other Agencies	1,976,275	867,066		
Prepaid Items	498,088			
Restricted Investments				4,778,269
Inventories	7,571			
Total Assets	\$ 14,686,827	\$ 867,066	\$ 0	\$ 4,855,612
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries and Benefits Payable	\$ 3,055,828	\$	\$	\$
Payroll Deductions and Withholdings Payable	190,081	42,596		
Accounts Payable	266,845			
Construction Contracts Payable				
Deposits Payable				
Due to Other Funds		813,566		
Due to Other Agencies	29,171	10,904		
Advanced Revenue				
Total Liabilities	3,541,925	867,066		
Fund Balances:				
Nonspendable:				
Inventories	7,571			
Prepaid Items	498,088			
Total Nonspendable Fund Balance	505,659			
Restricted for:				
Capital Projects				
Debt Service				4,855,612
Food Service				
State Required Carryover Programs	415,440			
Total Restricted Fund Balance	415,440			4,855,612
Assigned for:				
Capital Projects				
Carryover/Contractual Agreements	961,312			
Total Assigned Fund Balance	961,312			
Unassigned Fund Balance	9,262,491			
Total Fund Balances	11,144,902			4,855,612
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,686,827	\$ 867,066	\$ 0	\$ 4,855,612

(Continued)

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

Debt Service - ARRA Economic Stimulus Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$ 3,110,606	\$ 13,230,540 10,274,763	\$ 1,700,858 209 5,295	\$ 29,379,927 10,324,366 34,527
	192,316 217,763	1,365,857 24,934	176,552	1,058,003 4,603,513 523,022
12,280,394			85,086	17,058,663 92,657
<u>\$ 12,280,394</u>	<u>\$ 3,520,685</u>	<u>\$ 24,896,094</u>	<u>\$ 1,968,000</u>	<u>\$ 63,074,678</u>
\$	\$	\$	\$	\$ 3,055,828
	121,996	529,216 196,201	9,616 1,344	242,293 919,401 196,201
		186,969 102,847	65,224 57,468 1,087 2,178	65,224 1,058,003 144,009 2,178
	121,996	1,015,233	136,917	5,683,137
		24,934 24,934	85,086 85,086	92,657 523,022 615,679
12,280,394	3,398,689	20,726,164	727,311 209 1,018,477	24,852,164 17,136,215 1,018,477 415,440
<u>12,280,394</u>	<u>3,398,689</u>	<u>20,726,164</u>	<u>1,745,997</u>	<u>43,422,296</u>
		3,129,763		3,129,763 961,312
		3,129,763		4,091,075 9,262,491
12,280,394	3,398,689	23,880,861	1,831,083	57,391,541
<u>\$ 12,280,394</u>	<u>\$ 3,520,685</u>	<u>\$ 24,896,094</u>	<u>\$ 1,968,000</u>	<u>\$ 63,074,678</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, 2016

Total Fund Balances - Governmental Funds \$ 57,391,541

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	\$	7,478,922	
Capital Asset Being Depreciated		353,659,897	
Accumulated Depreciation		<u>(87,752,270)</u>	273,386,549

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. 3,022,850

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

Deferred Outflows Related to Pensions	\$	10,544,870	
Deferred Inflows Related to Pensions		<u>(4,225,968)</u>	6,318,902

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	\$	(8,000)	
Certificates of Participation Payable		(41,152,000)	
Compensated Absences Payable		(6,254,058)	
Net Pension Liability		(33,195,714)	
Other Postemployment Benefits Payable		<u>(3,630,000)</u>	<u>(84,239,772)</u>

Net Position - Governmental Activities \$ 255,880,070

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, 2016**

	<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	\$ 228,351	\$	\$	\$
Miscellaneous Federal Direct	31,480	1,189,865		
Total Federal Direct Sources	259,831	1,189,865		
Federal Through State and Local Sources:				
Medicaid	476,882			
Food Service				
Other Federal Through State Sources	1,500	4,982,624	146,042	
Other Federal Through Local Sources	139,485			
Total Federal Through State and Local Sources	617,867	4,982,624	146,042	
State Sources:				
Categorical Educational Program - Class Size Reduction	9,099,494			
Florida Education Finance Program	4,169,048			
Workforce Development Program	807,080			
Voluntary Prekindergarten	537,532			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913			
School Recognition	531,931			
Racing Commission Funds	223,250			
Diagnostic and Learning Resources Centers	213,982			
Mobile Home License Tax	31,749			
Food Service Supplement				
Miscellaneous	364,928			
Total State Sources	15,983,907			
Local Sources:				
Ad Valorem Taxes	68,562,278			
Sales Taxes				
Food Service Sales				
Interest Income	122,789			117,866
Miscellaneous	2,413,032			
Total Local Sources	71,098,099			117,866
Total Revenues	87,959,704	6,172,489	146,042	117,866

(Continued)

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

Debt Service - ARRA Economic Stimulus Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,845,569	\$	\$	\$	\$ 228,351
<u>1,845,569</u>				<u>3,066,914</u>
				3,295,265
				476,882
			2,539,760	2,539,760
				5,130,166
				<u>139,485</u>
			<u>2,539,760</u>	<u>8,286,293</u>
				9,099,494
				4,169,048
				807,080
				537,532
			335,256	340,169
				531,931
				223,250
				213,982
				31,749
			35,404	35,404
			<u>311,288</u>	<u>676,216</u>
			<u>681,948</u>	<u>16,665,855</u>
	11,219,852			79,782,130
		17,375,355		17,375,355
192,302	26,074	100,921	890,261	890,261
	150,891	15,000	6,792	566,744
<u>192,302</u>	<u>11,396,817</u>	<u>17,491,276</u>	<u>897,053</u>	<u>101,193,413</u>
<u>2,037,871</u>	<u>11,396,817</u>	<u>17,491,276</u>	<u>4,118,761</u>	<u>129,440,826</u>

(Continued)

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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 - Education:				
Instruction	\$ 61,376,478	\$ 3,246,760	\$ 131,838	\$
Student Support Services	4,092,098	944,000		
Instructional Media Services	693,827			
Instruction and Curriculum Development Services	1,536,514	1,105,325		
Instructional Staff Training Services	1,026,934	557,089		
Instruction Related Technology	1,329,487	12,392		
School Board	553,959			
General Administration	475,253	248,271		
School Administration	4,489,895	2,976		
Facilities Services	404,711			
Fiscal Services	1,104,187			
Food Services	26,791			
Central Services	1,651,079			
Student Transportation Services	3,507,104			
Operation of Plant	7,292,992	1,551		
Maintenance of Plant	2,513,232			
Administrative Technology Services	516,839			
Community Services	745,701			
Capital Outlay:				
Facilities Acquisition and Construction				
Other Capital Outlay	118,057	54,125	14,204	
Debt Service:				
Principal				12,596,000
Interest and Fiscal Charges	37,630			240,796
Total Expenditures	<u>93,492,768</u>	<u>6,172,489</u>	<u>146,042</u>	<u>12,836,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,533,064)</u>			<u>(12,718,930)</u>
OTHER FINANCING SOURCES (USES)				
Insurance Loss Recoveries	6,279			
Transfers In	4,128,895			7,117,555
Transfers Out				
Total Other Financing Sources (Uses)	<u>4,135,174</u>			<u>7,117,555</u>
Net Change in Fund Balances	<u>(1,397,890)</u>			<u>(5,601,375)</u>
Fund Balances, Beginning	<u>12,542,792</u>			<u>10,456,987</u>
Fund Balances, Ending	<u>\$ 11,144,902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,855,612</u>

(Continued)

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

Debt Service - ARRA Economic Stimulus Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
				64,755,076
				5,036,098
				693,827
				2,641,839
				1,584,023
				1,341,879
				553,959
				723,524
				4,492,871
	2,541,155	4,189,606	209,613	7,345,085
				1,104,187
			3,276,070	3,302,861
				1,651,079
				3,507,104
				7,294,543
				2,513,232
				516,839
				745,701
	310,395	1,016,247		1,326,642
	882,214	1,153,969	65,796	2,288,365
			21,000	12,617,000
2,055,250			1,810	2,335,486
<u>2,055,250</u>	<u>3,733,764</u>	<u>6,359,822</u>	<u>3,574,289</u>	<u>128,371,220</u>
<u>(17,379)</u>	<u>7,663,053</u>	<u>11,131,454</u>	<u>544,472</u>	<u>1,069,606</u>
				6,279
1,948,354	(8,310,971)	(4,721,226)	(162,607)	13,194,804
				(13,194,804)
<u>1,948,354</u>	<u>(8,310,971)</u>	<u>(4,721,226)</u>	<u>(162,607)</u>	<u>6,279</u>
1,930,975	(647,918)	6,410,228	381,865	1,075,885
<u>10,349,419</u>	<u>4,046,607</u>	<u>17,470,633</u>	<u>1,449,218</u>	<u>56,315,656</u>
<u>\$ 12,280,394</u>	<u>\$ 3,398,689</u>	<u>\$ 23,880,861</u>	<u>\$ 1,831,083</u>	<u>\$ 57,391,541</u>



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**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Governmental Funds \$ 1,075,885

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. (2,279,377)

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. (1,932)

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 fiscal year.

	\$ 10,422,000	
Bonds Principal Repayments		
Certificates of Participation Repayments	2,195,000	12,617,000

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current fiscal year. 245,913

Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability for the current fiscal year. (95,000)

Governmental funds report contributions to defined benefit plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit plans reduces future net pension liability and is reported as part of deferred outflows of resources. 3,916,004

In the statement of activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (2,912,457)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities. (1,615,079)

Change in Net Position - Governmental Activities \$ 10,950,957

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, 2016

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Federal Impact, Current Operations	\$ 300,000	\$ 293,520	\$ 228,351	\$ (65,169)
Miscellaneous Federal Direct	25,000	31,480	31,480	
Total Federal Direct Sources	<u>325,000</u>	<u>325,000</u>	<u>259,831</u>	<u>(65,169)</u>
Federal Through State and Local Sources:				
Medicaid	500,000	478,218	476,882	(1,336)
Other Federal Through State Sources		1,500	1,500	
Other Federal Through Local Sources	120,000	139,485	139,485	
Total Federal Through State and Local Sources	<u>620,000</u>	<u>619,203</u>	<u>617,867</u>	<u>(1,336)</u>
State Sources:				
Categorical Educational Program - Class Size Reduction	9,075,456	9,099,494	9,099,494	
Florida Education Finance Program	4,591,249	4,399,035	4,169,048	(229,987)
Workforce Development Program	807,080	807,080	807,080	
Workforce Education Performance Incentives	6,000			
Voluntary Prekindergarten	555,493	580,618	537,532	(43,086)
Motor Vehicle License Tax (Capital Outlay and Debt Service)	30,000	31,749	4,913	(26,836)
School Recognition	333,058	531,931	531,931	
Racing Commission Funds	223,250	223,250	223,250	
Diagnostic and Learning Resources Centers	211,378	213,982	213,982	
Discretionary Lottery Funds	29,050			
Mobile Home License Tax			31,749	31,749
Miscellaneous	99,795	400,293	364,928	(35,365)
Total State Sources	<u>15,961,809</u>	<u>16,287,432</u>	<u>15,983,907</u>	<u>(303,525)</u>
Local Sources:				
Ad Valorem Taxes	69,486,672	69,385,492	68,562,278	(823,214)
Interest Income	90,000	130,000	122,789	(7,211)
Miscellaneous	2,223,022	2,469,040	2,413,032	(56,008)
Total Local Sources	<u>71,799,694</u>	<u>71,984,532</u>	<u>71,098,099</u>	<u>(886,433)</u>
Total Revenues	<u>88,706,503</u>	<u>89,216,167</u>	<u>87,959,704</u>	<u>(1,256,463)</u>
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	34,853,126	35,525,418	35,299,211	226,207
Employee Benefits	11,719,809	11,556,901	11,391,662	165,239
Purchased Services	12,237,082	12,431,186	11,996,581	434,605
Energy Services	5,200	5,100	2,646	2,454
Materials and Supplies	2,152,909	1,649,551	1,382,424	267,127
Capital Outlay	129,558	542,412	389,351	153,061
Other	756,363	933,279	914,603	18,676
Total Instruction	<u>61,854,047</u>	<u>62,643,847</u>	<u>61,376,478</u>	<u>1,267,369</u>
Student Support Services:				
Salaries	2,981,256	2,956,079	2,939,467	16,612
Employee Benefits	1,033,201	984,945	970,602	14,343
Purchased Services	252,940	216,879	172,774	44,105
Materials and Supplies	10,785	10,553	9,255	1,298
Total Student Support Services	<u>4,278,182</u>	<u>4,168,456</u>	<u>4,092,098</u>	<u>76,358</u>

(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, 2016**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
Instructional Media Services:				
Salaries	\$ 452,936	\$ 484,834	\$ 484,834	\$
Employee Benefits	148,205	142,581	142,581	
Purchased Services	5,131	3,171	402	2,769
Materials and Supplies	3,345	2,529	1,693	836
Capital Outlay	68,234	69,684	64,017	5,667
Other	2,000	300	300	
Total Instructional Media Services	679,851	703,099	693,827	9,272
Instruction and Curriculum Development Services:				
Salaries	1,107,855	1,114,739	1,111,045	3,694
Employee Benefits	332,373	345,690	336,903	8,787
Purchased Services	128,146	117,505	78,192	39,313
Materials and Supplies	9,288	10,646	8,371	2,275
Capital Outlay	2,049	2,791	1,568	1,223
Other	3,025	2,452	435	2,017
Total Instruction and Curriculum Development Services	1,582,736	1,593,823	1,536,514	57,309
Instructional Staff Training Services:				
Salaries	626,963	782,847	765,586	17,261
Employee Benefits	196,233	203,100	190,021	13,079
Purchased Services	60,011	84,430	60,809	23,621
Materials and Supplies	3,050	5,218	249	4,969
Other	19,388	17,399	10,269	7,130
Total Instructional Staff Training Services	905,645	1,092,994	1,026,934	66,060
Instruction Related Technology:				
Salaries	1,117,035	1,030,475	1,030,330	145
Employee Benefits	340,622	294,180	293,918	262
Purchased Services	9,300	758	710	48
Energy Services	1,290	130	130	
Materials and Supplies	1,000	4,399	4,399	
Capital Outlay	2,150			
Total Instruction Related Technology	1,471,397	1,329,942	1,329,487	455
School Board:				
Salaries	158,056	157,592	155,863	1,729
Employee Benefits	121,943	135,707	128,412	7,295
Purchased Services	494,446	305,898	244,568	61,330
Materials and Supplies	1,600	1,159	448	711
Capital Outlay	3,000	1,997	772	1,225
Other	47,950	50,950	23,896	27,054
Total School Board	826,995	653,303	553,959	99,344

(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, 2016**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
General Administration:				
Salaries	\$ 388,874	\$ 386,715	\$ 383,763	\$ 2,952
Employee Benefits	156,114	55,673	51,816	3,857
Purchased Services	51,845	29,938	17,111	12,827
Energy Services	2,400	1,940	32	1,908
Materials and Supplies	34,400	5,105	4,763	342
Capital Outlay	300	2,095	2,040	55
Other	19,000	19,000	15,728	3,272
Total General Administration	652,933	500,466	475,253	25,213
School Administration:				
Salaries	3,350,982	3,354,511	3,352,411	2,100
Employee Benefits	1,105,840	1,081,168	1,075,246	5,922
Purchased Services	35,378	37,471	28,356	9,115
Materials and Supplies	32,838	36,743	26,341	10,402
Capital Outlay	7,328	5,696	4,506	1,190
Other	15,774	4,640	3,035	1,605
Total School Administration	4,548,140	4,520,229	4,489,895	30,334
Facilities Services:				
Salaries	189,449	180,701	180,701	
Employee Benefits	55,006	54,670	51,988	2,682
Purchased Services	174,557	176,963	168,549	8,414
Energy Services	8,000	3,054	2,639	415
Materials and Supplies	2,500	2,914	684	2,230
Other	500	580	150	430
Total Facilities Services	430,012	418,882	404,711	14,171
Fiscal Services:				
Salaries	750,779	786,194	783,731	2,463
Employee Benefits	235,681	231,546	231,220	326
Purchased Services	72,950	59,979	45,973	14,006
Energy Services	400	400		400
Materials and Supplies	7,200	5,420	2,441	2,979
Capital Outlay	28,100	33,340	32,473	867
Other	13,450	14,050	8,349	5,701
Total Fiscal Services	1,108,560	1,130,929	1,104,187	26,742
Food Services:				
Salaries		25,150	25,150	
Employee Benefits		1,698	1,641	57
Total Food Services		26,848	26,791	57
Central Services:				
Salaries	963,958	647,426	647,426	
Employee Benefits	940,886	808,265	804,580	3,685
Purchased Services	203,694	145,829	115,882	29,947
Energy Services	5,000	2,324	60	2,264
Materials and Supplies	19,600	21,354	19,417	1,937
Capital Outlay	2,403	52,812	51,581	1,231
Other	5,900	13,933	12,133	1,800
Total Central Services	2,141,441	1,691,943	1,651,079	40,864

(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, 2016**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
Student Transportation Services:				
Salaries	\$ 1,747,009	\$ 1,966,539	\$ 1,966,539	\$
Employee Benefits	818,234	791,967	791,967	
Purchased Services	256,167	260,741	234,998	25,743
Energy Services	415,000	286,058	236,230	49,828
Materials and Supplies	166,446	208,315	187,574	20,741
Capital Outlay	834	4,152	4,151	1
Other	75,880	85,645	85,645	
Total Student Transportation Services	3,479,570	3,603,417	3,507,104	96,313
Operation of Plant:				
Salaries	308,205	274,565	274,565	
Employee Benefits	104,380	102,498	90,465	12,033
Purchased Services	4,451,339	5,079,856	4,784,428	295,428
Energy Services	2,257,160	2,163,419	2,073,695	89,724
Materials and Supplies	36,760	75,189	67,874	7,315
Capital Outlay	10,990	11,359	219	11,140
Other	1,746	1,746	1,746	
Total Operation of Plant	7,170,580	7,708,632	7,292,992	415,640
Maintenance of Plant:				
Salaries	1,475,390	1,426,034	1,426,034	
Employee Benefits	529,190	515,970	504,906	11,064
Purchased Services	304,900	327,461	226,749	100,712
Energy Services	72,000	72,000	37,143	34,857
Materials and Supplies	459,900	424,002	293,485	130,517
Capital Outlay	21,000	27,802	22,754	5,048
Other	4,500	8,736	2,161	6,575
Total Maintenance of Plant	2,866,880	2,802,005	2,513,232	288,773
Administrative Technology Services:				
Salaries	386,340	397,906	397,890	16
Employee Benefits	113,382	111,673	108,499	3,174
Purchased Services	14,975	4,676	4,735	(59)
Materials and Supplies	2,700	4,691	4,728	(37)
Capital Outlay	3,675	1,008	987	21
Other	300	6,550		6,550
Total Administrative Technology Services	521,372	526,504	516,839	9,665
Community Services:				
Salaries	386,269	348,892	302,435	46,457
Employee Benefits	147,928	154,505	111,541	42,964
Purchased Services	402,316	399,479	321,791	77,688
Materials and Supplies	70,395	26,276	5,897	20,379
Capital Outlay		380	376	4
Other	2,768	4,138	3,661	477
Total Community Services	1,009,676	933,670	745,701	187,969

(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, 2016**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Capital Outlay:				
Other Capital Outlay	\$	\$	\$ 118,057	\$ (118,057)
Debt Service:				
Interest and Fiscal Charges	50,000	45,350	37,630	7,720
Total Expenditures	<u>95,578,017</u>	<u>96,094,339</u>	<u>93,492,768</u>	<u>2,601,571</u>
Deficiency of Revenues Over Expenditures	<u>(6,871,514)</u>	<u>(6,878,172)</u>	<u>(5,533,064)</u>	<u>1,345,108</u>
OTHER FINANCING SOURCES				
Insurance Loss Recoveries		6,279	6,279	
Transfers In	4,837,051	4,837,051	4,128,895	(708,156)
Total Other Financing Sources	<u>4,837,051</u>	<u>4,843,330</u>	<u>4,135,174</u>	<u>(708,156)</u>
Net Change in Fund Balance	<u>(2,034,463)</u>	<u>(2,034,842)</u>	<u>(1,397,890)</u>	<u>636,952</u>
Fund Balance, Beginning	<u>12,542,792</u>	<u>12,542,792</u>	<u>12,542,792</u>	
Fund Balance, Ending	<u>\$ 10,508,329</u>	<u>\$ 10,507,950</u>	<u>\$ 11,144,902</u>	<u>\$ 636,952</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE - OTHER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 1,437,894	\$ 1,436,634	\$ 1,189,865	\$ (246,769)
Federal Through State and Local Sources:				
Vocational Education Acts	79,595	84,060	77,799	(6,261)
Adult General Education	120,229	145,229	114,615	(30,614)
English Literacy and Civics Education	43,943	43,943	42,563	(1,380)
Teacher Quality State Grants	414,459	419,095	376,154	(42,941)
Eisenhower Math and Science	64,452	64,452	1,501	(62,951)
Individuals with Disabilities Education Act	5,129,564	5,761,107	2,367,806	(3,393,301)
Elementary And Secondary Education Act, Title I	1,989,049	1,989,049	1,557,419	(431,630)
English Language Acquisition Grants Title III	105,668	105,520	75,726	(29,794)
Other Federal Through State Sources	865,948	905,269	369,041	(536,228)
Total Federal Through State and Local Sources	8,812,907	9,517,724	4,982,624	(4,535,100)
Total Revenues	10,250,801	10,954,358	6,172,489	(4,781,869)
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	2,482,692	2,566,257	2,135,200	431,057
Employee Benefits	982,026	1,005,528	735,459	270,069
Purchased Services	350,141	319,178	92,284	226,894
Energy Services	2,598	2,598		2,598
Materials and Supplies	395,387	508,061	186,119	321,942
Capital Outlay	762,009	771,299	71,996	699,303
Other	157,553	253,685	25,702	227,983
Total Instruction	5,132,406	5,426,606	3,246,760	2,179,846
Student Support Services:				
Salaries	912,156	931,818	667,359	264,459
Employee Benefits	349,852	345,752	213,619	132,133
Purchased Services	173,934	179,807	51,151	128,656
Materials and Supplies	36,144	38,170	11,871	26,299
Capital Outlay	168,189	130,189		130,189
Other	1,008	8		8
Total Student Support Services	1,641,283	1,625,744	944,000	681,744

(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, 2016**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 797,111	\$ 824,568	\$ 676,901	\$ 147,667
Employee Benefits	236,267	271,948	231,589	40,359
Purchased Services	168,423	325,860	158,373	167,487
Energy Services	3,027	3,027	1,473	1,554
Materials and Supplies	66,414	67,399	17,260	50,139
Capital Outlay	283,386	425,500	17,302	408,198
Other	64,708	59,708	2,427	57,281
	<u>1,619,336</u>	<u>1,978,010</u>	<u>1,105,325</u>	<u>872,685</u>
Total Instruction and Curriculum Development Services				
Instructional Staff Training Services:				
Salaries	349,349	396,184	270,746	125,438
Employee Benefits	95,366	125,235	64,776	60,459
Purchased Services	500,799	389,112	161,488	227,624
Materials and Supplies	62,022	58,542	14,100	44,442
Capital Outlay	19,850	40,856	28,703	12,153
Other	18,558	23,687	17,276	6,411
	<u>1,045,944</u>	<u>1,033,616</u>	<u>557,089</u>	<u>476,527</u>
Total Instructional Staff Training Services				
Instruction Related Technology:				
Salaries		1,150	920	230
Employee Benefits	3	176	134	42
Purchased Services	10,996	11,338	11,338	
	<u>10,999</u>	<u>12,664</u>	<u>12,392</u>	<u>272</u>
Total Instructional Related Technology				
General Administration:				
Other Expenses	303,019	359,181	248,271	110,910
School Administration:				
Purchased Services	202,321	201,817	1,817	200,000
Other	10,560	11,159	1,159	10,000
	<u>212,881</u>	<u>212,976</u>	<u>2,976</u>	<u>210,000</u>
Total School Administration				
Student Transportation Services:				
Salaries	29,880	1,000		1,000
Employee Benefits	5,396	279		279
Energy-Gas,Elec,Oil,Fuel,Other	3,000	3,000		3,000
Materials and Supplies		500		500
Capital Outlay	240,000	240,000		240,000
	<u>278,276</u>	<u>244,779</u>		<u>244,779</u>
Total Student Transportation Services				

**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, 2016**

	Special Revenue - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (continued)				
Operation of Plant:				
Purchased Services	6,157	6,157	1,551	4,606
Maintenance of Plant				
Purchased Services	500	500		500
Capital Outlay				
Other Capital Outlay		54,125	54,125	
Total Expenditures	10,250,801	10,954,358	6,172,489	4,781,869
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, 2016**

	Special Revenue - 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	\$ 160,600	\$ 160,600	\$ 146,042	\$ (14,558)
EXPENDITURES				
Current - Education:				
Instruction:				
Capital Outlay	146,255	132,051	131,838	213
Instructional Staff Training Services:				
Salaries	5,000	5,000		5,000
Employee Benefits	1,193	1,193		1,193
Purchased Services	8,152	8,152		8,152
Total Instructional Staff Training Services	14,345	14,345		14,345
Capital Outlay:				
Other Capital Outlay		14,204	14,204	
Total Expenditures	160,600	160,600	146,042	14,558
Excess of Revenues Over Expenditures				
Net Change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	\$ 0	\$ 0	\$ 0	\$ 0

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	\$ 6,841,755
Due from Insurer	1,567,342
Prepaid Items	134,438
	8,543,535
Total Assets	8,543,535
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,453,963
Estimated Insurance Claims Payable	1,909,077
	3,363,040
Total Current Liabilities	3,363,040
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	2,157,645
	2,157,645
Total Liabilities	5,520,685
NET POSITION	
Unrestricted	\$ 3,022,850

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, 2016**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Contributions	\$ 13,956,790
Insurance Loss Recoveries	1,210,522
Total Operating Revenues	15,167,312
OPERATING EXPENSES	
Salaries	177,012
Employee Benefits	134,462
Purchased Services	1,648,991
Materials and Supplies	9,925
Capital Outlay	8,796
Insurance Claims	14,912,380
Total Operating Expenses	16,891,566
Operating Loss	(1,724,254)
NONOPERATING REVENUES	
Interest Revenue	34,175
Miscellaneous	75,000
Total Nonoperating Revenues	109,175
Change in Net Position	(1,615,079)
Total Net Position, Beginning	4,637,929
Total Net Position, Ending	\$ 3,022,850

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, 2016**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 13,163,967
Cash Received from Loss Recoveries	1,210,522
Cash Payments to Suppliers for Goods and Services	(1,913,479)
Cash Payments to Employees for Services	(311,474)
Cash Payments for Insurance Claims	(14,484,502)
Net Cash Used by Operating Activities	(2,334,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous	75,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	4,000,024
Interest Income	34,175
Net Cash Provided by Investing Activities	4,034,199
Net Increase in Cash	1,774,233
Cash, Beginning	5,067,522
Cash, Ending	\$ 6,841,755
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (1,724,254)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Due from Other Agencies	774,519
Increase in Due from Insurer	(1,567,342)
Increase in Prepaid Items	(16,560)
Decrease in Accounts Payable	(229,207)
Increase in Estimated Insurance Claims Payable	427,878
Total Adjustments	(610,712)
Net Cash Used by Operating Activities	\$ (2,334,966)

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, 2016

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 196,503	\$ 1,407,644
Investments in Florida PRIME	1,626	
TOTAL ASSETS	198,129	1,407,644
LIABILITIES		
Internal Accounts Payable		\$ 1,407,644
NET POSITION		
Held in Trust for Pension Benefits	\$ 198,129	

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, 2016**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 56,808
Investment Earnings:	
Interest	1,003
Total Additions	57,811
DEDUCTIONS	
Benefits Paid to Participants	56,808
Change in Net Position	1,003
Net Position - Beginning	197,126
Net Position - Ending	\$ 198,129

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

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

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

B. Reporting Entity

The Monroe County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Monroe County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

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

Blended Component Unit. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as part of the District. The Monroe County School Board Leasing Corporation (Leasing Corporation) was

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.H.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 units' 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.

The District's charter schools, Big Pine Elementary Academy, Inc.; Key West Independent Education, Inc., d/b/a Key West Collegiate School; Key West Montessori Elementary Charter School, Inc.; Montessori Island Charter School, Inc., d/b/a Treasure Village Montessori; Ocean Studies Charter School, Inc.; and Sigsbee Charter School, Inc., are 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 operate under a charter approved by their sponsor, the Monroe County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools 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, 2016. The audit reports are filed in the District's administrative offices at 241 Trumbo Road, Key West, Florida, 33040.

C. Basis of Presentation: Government-wide Financial Statements

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

D. Basis of Presentation: Fund Financial Statements

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

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 – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund – to account for financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.
- 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.

MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

E. Measurement Focus and 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 as soon as all eligibility requirements imposed by the provider have been met.

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 as soon as they are both 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. For this purpose, 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, pension benefits, 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.

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

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

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

F. Budgetary Basis of Accounting. The Board follows procedures established by State statutes and SBE rules in establishing budget balances for governmental funds, as described below:

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

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

1. Cash

The District's cash includes cash on hand, demand deposits and certificates of deposit. 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 investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

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

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

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 acquisition value at the date of donation.

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	15 years
Buildings and Fixed Equipment	50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	3 - 5 years

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

5. Pensions

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

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

6. Long-Term Liabilities

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

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

7. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category on the statement of net position. The deferred inflows of resources related to pensions are discussed in a subsequent note.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish

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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 balances at June 30, 2016.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board classifies amounts as assigned based on actions of the Superintendent, as authorized by Board Policy 6320. The Board may also assign fund balance as it does when 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, 2016, the District met this policy with unassigned and assigned fund balances totaling 10.9 percent of General Fund expenditures.

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

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2. State Revenue Sources

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

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

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

3. District Property Taxes

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

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

The Board adopted the 2015 tax levy on September 15, 2015. 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.

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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.

On November 4, 2014, the voters of the County approved the continuation of the one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2016. The surtax proceeds are used to upgrade and address security needs at school facilities, equip school with modern technology, construct new or replacement facilities, provide for renovations to existing school structure and other permitted capital improvements, in accordance with Section 212.055(6), Florida Statutes.

5. Federal Revenue Sources

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

6. Compensated Absences

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

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7. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. ACCOUNTING CHANGES

A. Governmental Accounting Standards Board (GASB) Statement No. 72.

The District implemented GASB Statement No.72, *Fair Value Measurement and Application*, which requires the District to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

B. GASB Statement No. 79

The District implemented GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

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

B. Investments

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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	Fair Value Measurements Using			
	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
SBA Debt Service Accounts	\$ 209	\$ 209	\$	\$
Federal Home Loan Bank Discount Note	4,109,849	4,109,849		
US Treasury Notes State and Local Government Series	561,689	561,689		
US Treasury Notes	12,271,466	12,271,466		
Total investments measured at fair value	\$ 16,943,213	\$ 16,943,213	\$	\$

Interest Rate Risk

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

Investments	Maturities	Fair Value
SBA:		
Florida PRIME	39 Day Weighted Average	\$ 10,133,466
Debt Service Accounts	6 Months	209
Money Market Funds:		
Fidelity Institutional Money Market Government Portfolio - Class I (1)	34 Day Weighted Average	8,929
Fidelity Institutional Money Market Treasury Portfolio - Class I (2)	42 Day Weighted Average	298,839
Fidelity Institutional Money Market Treasury Portfolio - Class III (3)	34 Day Weighted Average	208
Federal Home Loan Bank Discount Note (4)	August 10, 2016	4,109,849
US Treasury Notes State & Local Government Series (4)	December 29, 2020	561,689
US Treasury Notes (1)	November 30, 2016	12,271,466
Total Investments		\$ 27,384,655

- Notes: (1) These investments are held by a paying agent in connection with the Qualified School Construction Bonds financing arrangement (see Note III.H.1).
(2) A portion (\$211,369) of these investments are held by a paying agent in connection with the Qualified Zone Academy Bonds (QZAB) financing arrangement, and (\$87,470) of these investment are held by a paying agent in connection with the Certificates of Participation Series 2004A financing arrangement (see Note III.H.1).
(3) These investments are held by a paying agent in connection with the Certificate of Participation Series 2004A financing arrangement (see Note III.H.1).
(4) These investments are held by a paying agent in connection with the QZAB financing arrangement (see Note III.H.1).

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 (Policy) provides that an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. The Policy limits current short-term funds investments to a maximum of one year, and investments of bond reserves, construction moneys, and other core funds to a term appropriate to the need for moneys and in accordance with debt covenants, but not to exceed 3 years.

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Florida PRIME and the District's money market funds use a weighted average days to maturity (WAM). 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.

For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." As of June 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

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

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or investments trust registered under the Investment Company Act of 1940; and other investments as authorized by State law and not prohibited by the investment policy.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The District's investment in Florida PRIME is rated AAAM by Standard & Poor's.

The Fidelity Institutional Money Market Government Portfolio – Class I normally invests at least 99.5 percent of the fund's total assets in cash equivalents, United States Government securities or repurchase agreements for those securities. As of June 30, 2016, the District's investments in the Fidelity Institutional Money Market Government Portfolio – Class I were rated AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

The Fidelity Institutional Money Market Treasury Portfolio – Class I and the Fidelity Institutional Money Market Treasury Portfolio – Class III normally invest at least 99.5 percent of the fund's total assets in cash equivalents, United States Treasury securities or repurchase agreements for those securities. As of June 30, 2016, the District's investments in the Fidelity Institutional Money Market Treasury Portfolio – Class I and Fidelity Institutional Money Market Treasury Portfolio – Class III were rated AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service.

The District's investment in the Federal Home Loan Bank Discount Note is rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. This investment is made pursuant to the QZAB financing agreement, and thus is not subject to the District's investment policy.

Custodial Credit Risk

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

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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., SBA) are also not subject to the provisions of this policy.

The District's investment in the Federal Home Loan Bank Discount Note is 15 percent of the District's total investments and 86 percent of the investments in the Debt Service – Other Fund. These investments are made pursuant to agreements with the QZAB paying agents (see note III.H.1.).

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C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,465,175	\$	\$	\$ 6,465,175
Construction In Progress		1,013,747		1,013,747
Total Assets Not Being Depreciated	6,465,175	1,013,747		7,478,922
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	12,916,463	86,963		13,003,426
Buildings and Fixed Equipment	312,332,184	225,933		312,558,117
Furniture, Fixtures, and Equipment	16,482,490	1,558,983	981,276	17,060,197
Motor Vehides	7,242,322	194,861	371,739	7,065,444
Audio Visual Materials and Computer Software	3,445,947	534,519	7,753	3,972,713
Total Capital Assets Being Depreciated	352,419,406	2,601,259	1,360,768	353,659,897
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	10,454,941	400,865		10,855,806
Buildings and Fixed Equipment	49,448,311	4,247,892		53,696,203
Furniture, Fixtures, and Equipment	14,774,951	724,572	979,344	14,520,179
Motor Vehides	5,137,453	467,821	371,739	5,233,535
Audio Visual Materials and Computer Software	3,401,067	53,233	7,753	3,446,547
Total Accumulated Depreciation	83,216,723	5,894,383	1,358,836	87,752,270
Total Capital Assets Being Depreciated, Net	269,202,683	(3,293,124)	1,932	265,907,627
Governmental Activities Capital Assets, Net	<u>\$ 275,667,858</u>	<u>\$ (2,279,377)</u>	<u>\$ 1,932</u>	<u>\$ 273,386,549</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 429,433
Unallocated	5,464,950
Total Depreciation Expense - Governmental Activities	<u>\$ 5,894,383</u>

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D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

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

The District's FRS and HIS pension expense totaled \$2,912,457 for the fiscal year ended June 30, 2016.

FRS Pension Plan

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after

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

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

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

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.26
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.88
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled \$3,002,015 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$16,098,914 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.124639896 percent, which was an increase of 0.005444816 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized the Plan pension expense of \$1,455,605. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,699,569	\$ 381,817
Change of assumptions	1,068,539	
Net difference between projected and actual earnings on FRS pension plan investments		3,844,151
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,444,736	
District FRS contributions subsequent to the measurement date	<u>3,002,015</u>	
Total	<u><u>\$ 7,214,859</u></u>	<u><u>\$ 4,225,968</u></u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$3,002,015, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ (937,563)
2018	(937,563)
2019	(937,563)
2020	2,233,982
2021	469,380
Thereafter	<u>96,203</u>
Total	<u><u>\$ (13,124)</u></u>

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equities	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed inflation - Mean		2.6%		1.9%

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

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

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

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
District's proportionate share of the net pension liability	\$41,715,928	\$16,098,914	(\$5,218,649)

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

Payables to the Pension Plan. At June 30, 2016, the District reported no payables for the Plan.

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$913,989 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension liability of \$17,096,800 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, and update procedures were used to determine liabilities as of July 1, 2015. The District's proportionate share of the net pension liability

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was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.167641538 percent, which was an increase of 0.008735658 from its proportionate share measured as of June 30, 2014.

For the Fiscal year ended June 30, 2016, the District recognized pension expense of \$1,456,852. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>
Change of assumptions	\$ 1,345,072
Net difference between projected and actual earnings on HIS pension plan investments	9,255
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,061,695
District contributions subsequent to the measurement date	<u>913,989</u>
Total	<u>\$ 3,330,011</u>

The deferred outflows of resources, totaling \$913,989, was related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 417,384
2018	417,384
2019	417,384
2020	415,503
2021	414,600
Thereafter	<u>333,767</u>
Total	<u>\$ 2,416,022</u>

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

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.80 percent

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

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.8 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.8 percent) or 1 percentage point higher (4.8 percent) than the current rate:

	1% Decrease (2.8%)	Current Discount Rate (3.8%)	1% Increase (4.8%)
District's proportionate share of the net pension liability	\$19,481,008	\$17,096,800	\$15,108,728

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

Payables to the Pension Plan. At June 30, 2016, the District reported no payables for the HIS Plan.

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2. FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the Investment Plan member’s accounts during the 2015-16 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$743,161 for the fiscal year ended June 30, 2016.

3. Early Retirement Plan

Plan Description

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

Plan Administration

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

Plan Membership

As of June 30, 2016, employee membership data related to the ERP were as follows:

Summary of Population Statistics

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

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Benefits Provided

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

Contributions and Reserves

The ERP was established by the Board on July 1, 1992, and may be amended by Board action. Pursuant to the ERP agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 7.62 years based on the July 1, 2015, actuarial study.

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

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

Total contributions to the ERP in the 2015-16 fiscal year amounted to \$56,808, all of which were paid by the Board, and were \$9,232 more than the actuarially determined contribution requirement of \$47,569 determined through the actuarial valuation performed as of July 1, 2015.

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the ERP are financed through the ERP's resources (employer contributions and investment earnings).

Summary of Significant Accounting Policies

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

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Investments

Investment Policy. The District manages the ERP's assets in accordance with the Board's investment policy discussed in Note III.B, the same as for all other District investments. ERP investments at June 30, 2016, consisted of amounts placed with the SBA investment pool.

Rate of Return. For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the ERP at June 30, 2016, were as follows:

Total Pension Liability	\$	487,441
Plan Fiduciary Net Position		(198,129)
Net Pension Liability	\$	289,312
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		40.65%

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

Investment rate of return	3.0%
Projected salary increases	Not Applicable
Postemployment benefit increases	3.0%

Post-Retirement Mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, as projected to 2015 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, 2015. Actuarial update procedures were used to roll forward the Total Pension Liability to June 30, 2016, ERP's fiscal year end.

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

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

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

	1% Decrease (2%)	Current Discount Rate (3%)	1% Increase (4%)
Net Pension Liability	\$ 321,553	\$ 289,312	\$ 260,443

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 2015-16 fiscal year, 74 retirees received other postemployment benefits. The District provided required contributions of \$582,000 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 \$625,405 which represents 1.2 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

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OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

Description	Amount
Normal Cost (service cost for one year)	\$ 327,000
Amortization of Unfunded Actuarial Accrued Liability	337,000
Interest on Normal Cost and Amortization	26,000
Annual Required Contribution	690,000
Interest on Net OPEB Obligation	141,000
Adjustment to Annual Required Contribution	(154,000)
Annual OPEB Cost (Expense)	677,000
Contribution Toward the OPEB Cost	(582,000)
Increase in Net OPEB Obligation	95,000
Net OPEB Obligation, Beginning of Year	3,535,000
Net OPEB Obligation, End of Year	\$ 3,630,000

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, 2016, and the 2 preceding fiscal years, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013-14	\$ 691,000	135.5%	\$ 3,393,000
2014-15	660,000	78.5%	3,535,000
2015-16	677,000	86%	3,630,000

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

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts

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

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

The District's OPEB actuarial valuation as of July 1, 2014, used the projected unit credit method to estimate the unfunded actuarial liability as of June 30, 2016, and to estimate the District's 2015-16 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent annual discount rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 2 percent per year, an inflation rate of 3 percent per year, and an annual healthcare cost trend rate of 7.5 percent initially for the 2015-16 fiscal year, reduced by 0.5 percent per year, until an ultimate rate of 4.5 percent is reached. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis.

F. Significant Commitments

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

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The following is a schedule of encumbrances at June 30, 2016:

<u>Major Funds</u>					
<u>General</u>	<u>Special Revenue - Other</u>	<u>Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax</u>	<u>Capital Projects - Other</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$644,414	\$ 193,403	\$ 1,382,659	\$ 4,844,698	\$ 30,801	\$ 7,095,975

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 million, depending on the type of peril coverage. The District's commercial property insurance for wind damage provides for a \$50 million primary limit with a \$5 million sublimit per named windstorm after a deductible of 5 percent of total insured values per location subject to a minimum of \$10 million per occurrence. All other windstorm/hail coverage provides for a \$100,000 deductible per occurrence.

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

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

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A liability in the amount of \$4,066,722 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, 2016.

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

<u>Fiscal Year</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2014-15	\$ 3,545,664	\$ 11,044,651	\$ (10,951,471)	\$ 3,638,844
2015-16	3,638,844	14,912,380	(14,484,502)	4,066,722

H. 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.

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

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JUNE 30, 2016**

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 leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

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

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

On March 30, 2015, the District entered into a Forward Delivery Agreement (Sinking Fund Agreement) among the Trustee for the Series 2010A Certificates of Participation and the Deutsche Bank AG, New York Branch (the Provider). Under the terms of the agreement, the District agreed to purchase Treasury securities on a periodic basis from the Provider at a fixed rate of return for delivery to the Trustee and deposit into the sinking fund. As a result, the District locked in a long-term fixed rate of return for future sinking fund deposits and reduced the amount of their annual sinking fund deposits from \$2,117,647 to \$1,745,563, an annual savings of \$372,084. The Board's total cash flow savings over the remaining life of the Series 2010A Certificates of Participation will be \$4,835,296.

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

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

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,368,781	\$ 310,000	\$ 2,058,781
2018	2,052,000		2,052,000
2019	2,052,000		2,052,000
2020	2,052,000		2,052,000
2021	6,894,000	4,842,000	2,052,000
2022-2026	10,260,000		10,260,000
2027	<u>38,052,000</u>	<u>36,000,000</u>	<u>2,052,000</u>
Total Minimum Lease Payments	<u>\$ 63,730,781</u>	<u>\$ 41,152,000</u>	<u>\$ 22,578,781</u>

2. Bonds Payable

Bonds payable at June 30, 2016, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2014B, Refunding	<u>\$ 8,000</u>	5	2017

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

The 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.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2016, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2017	\$ 8,400	\$ 8,000	\$ 400

3. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Estimated Insurance Claims Payable	\$ 3,638,844	\$ 14,912,380	\$ 14,484,502	\$ 4,066,722	\$ 1,909,077
Bonds Payable	10,430,000		10,422,000	8,000	8,000
Certificates of Participation Payable	43,347,000		2,195,000	41,152,000	310,000
Compensated Absences Payable	6,499,971	282,879	528,792	6,254,058	550,000
Net Pension Liability	22,130,741	22,123,374	11,058,401	33,195,714	627,502
Other Postemployment Benefits Payable	3,535,000	677,000	582,000	3,630,000	
Total Governmental Activities	<u>\$ 89,581,556</u>	<u>\$ 37,995,633</u>	<u>\$ 39,270,695</u>	<u>\$ 88,306,494</u>	<u>\$ 3,404,579</u>

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

I. 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.

J. 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	\$ 865,687	\$
Special Revenue:		
Other		813,566
Capital Projects:		
Section 1011.71(2), F.S., Local Capital Improvement Tax	192,316	
Other		186,969
Nonmajor Governmental		57,468
Total	\$ 1,058,003	\$ 1,058,003

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 Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund from the major Capital Project – Other Fund is for a temporary loan of cash relating to debt service of the Certificates of

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

Participation, Series 2005. The amount due to the Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund from the Capital Projects – Public Education Capital Outlay Fund is to finance authorized capital projects, which are financed on a cost reimbursement basis.

K. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

<u>Source</u>	<u>Amount</u>
Categorical Educational Program - Class Size Reduction	\$ 9,099,494
Florida Education Finance Program	4,169,048
Workforce Development Program	807,080
Voluntary Prekindergarten	537,532
School Recognition	531,931
Motor Vehicle License Tax (Capital Outlay and Debt Service)	340,169
Racing Commission Funds	223,250
Diagnostic and Learning Resources Centers	213,982
Charter School Capital Outlay Funds	162,607
Gross Receipts Tax (Public Education Capital Outlay)	148,681
Food Service Supplement	35,404
Mobile Home License Tax	31,749
Miscellaneous	364,928
Total	\$ 16,665,855

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

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

2. Property Taxes

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

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	1.802	\$ 42,198,542
Basic Discretionary Local Effort	0.748	17,516,376
Voted School Tax		
Additional Operating	0.500	11,708,807
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>0.500</u>	<u>11,708,807</u>
Total	<u><u>3.550</u></u>	<u><u>\$ 83,132,532</u></u>

L. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 4,128,895	\$
Debt Service:		
Other	7,117,555	
ARRA Economic Stimulus	1,948,354	
Capital Projects:		
Section 1011.71(2), F.S., Local		8,310,971
Capital Improvement Tax		
Other		4,721,226
Nonmajor Governmental		<u>162,607</u>
Total	<u><u>\$ 13,194,804</u></u>	<u><u>\$ 13,194,804</u></u>

Interfund transfers represent permanent transfer of moneys between funds. The transfers out of the Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund to the Debt Service – Other Fund and the Debt Service – ARRA Economic Stimulus Fund were to make debt

**MONROE COUNTY
SCHOOL DISTRICT, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**

service payments for the certificates of participation. The transfers out of the Capital Projects – Other Fund to the Debt Service – Other Fund were to make debt service payments for the sales tax revenue bonds. Additionally, the transfers out of the Capital Projects – Section 1011.71, F.S. Local Capital Improvement Tax Fund to the General Fund were to reimburse maintenance, capital expenditures, and property and casualty insurance premiums recorded in the General Fund. The transfers out of the nonmajor governmental funds were to the General Fund for charter school capital outlay expenditures.

M. Subsequent Events

During the 2015-16 fiscal year, the Board approved architect contracts totaling \$3,701,950 for the construction of replacement schools at Plantation Key Elementary and Gerald Adams Elementary schools, with estimated construction costs totaling \$22,000,000 and \$31,000,000, respectively. The Board also approved a \$200,000 construction management contract for pre-construction phase services of the Plantation Key Elementary school. Subsequent to June 30, 2016, the Board further approved a construction management contract for pre-construction phase services of the Gerald Adams Elementary totaling \$261,511; a guaranteed maximum price contract totaling \$3,807,021 for fill and foundations of the Plantation Key Elementary; and increased the estimated construction costs of the Plantation Key Elementary school by \$7,000,000. District personnel indicated that additional construction contracts will be awarded during future fiscal years, as required, to complete construction of the replacement schools.

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

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

Note: (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.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Pension Liability:				
Service Cost	\$	\$	\$	\$ 14,471
Interest	17,690	18,748	19,741	25,601
Demographic Experience	(102,872)			
Changes of Assumptions	12,829		1,610	78,647
Benefit Payments, Including Refunds of Member Contributions	(56,808)	(53,754)	(53,546)	(51,986)
Net Change in Total Pension Liability	<u>(129,161)</u>	<u>(35,006)</u>	<u>(32,195)</u>	<u>66,733</u>
Total Pension Liability, Beginning	<u>616,602</u>	<u>651,608</u>	<u>683,803</u>	<u>617,070</u>
Total Pension Liability, Ending (A)	<u>\$ 487,441</u>	<u>\$ 616,602</u>	<u>\$ 651,608</u>	<u>\$ 683,803</u>
Plan Fiduciary Net Position:				
Employer Contributions	\$ 56,808	\$ 55,152	\$ 53,546	\$ 51,986
Net Investment Income	1,003	923	578	13
Benefit Payments, Including Refunds of Member Contributions	(56,808)	(55,152)	(53,546)	(51,986)
Administrative Expense				
Net Change in Plan Fiduciary Net Position	<u>1,003</u>	<u>923</u>	<u>578</u>	<u>13</u>
Plan Fiduciary Net Position, Beginning	<u>197,126</u>	<u>196,203</u>	<u>195,625</u>	<u>195,612</u>
Plan Fiduciary Net Position, Ending (B)	<u>\$ 198,129</u>	<u>\$ 197,126</u>	<u>\$ 196,203</u>	<u>\$ 195,625</u>
Net Pension Liability, Ending (A)-(B)	<u>\$ 289,312</u>	<u>\$ 419,476</u>	<u>\$ 455,405</u>	<u>\$ 488,178</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	40.65%	31.97%	30.11%	28.61%
Covered Employee Payroll	(1)	(1)	(1)	(1)
Net Pension Liability As a Percentage of Covered Employee Payroll	(1)	(1)	(1)	(1)

Notes:

- (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.
- (2) The Pension Liability decreased significantly during the 2015-16 fiscal year due primarily to changes in demographic experience, expected interest growth, and assumptions.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 14,471	\$ 5,622	\$ 5,621	\$ 12,976	\$ 12,976	\$
25,601	26,920	26,920	31,396	31,395	
			25,826	25,826	177,208
(50,472)	(48,855)	(48,558)	(47,283)	(45,906)	(44,569)
(10,400)	(16,313)	(16,017)	22,915	24,291	132,639
627,470	643,783	659,800	636,885	612,594	479,955
<u>\$ 617,070</u>	<u>\$ 627,470</u>	<u>\$ 643,783</u>	<u>\$ 659,800</u>	<u>\$ 636,885</u>	<u>\$ 612,594</u>
\$ 50,500	\$ 50,000	\$ 63,976	\$ 63,976	\$ 63,976	\$ 51,796
14	11	8	10	2,849	7,276
(50,472)	(48,855)	(48,558)	(47,283)	(45,906)	(44,569)
	(855)	(2,006)	(2,512)	(3,000)	(4,500)
42	301	13,420	14,191	17,919	10,003
195,570	195,269	181,849	167,658	149,739	139,736
<u>\$ 195,612</u>	<u>\$ 195,570</u>	<u>\$ 195,269</u>	<u>\$ 181,849</u>	<u>\$ 167,658</u>	<u>\$ 149,739</u>
<u>\$ 421,458</u>	<u>\$ 431,900</u>	<u>\$ 448,514</u>	<u>\$ 477,951</u>	<u>\$ 469,227</u>	<u>\$ 462,855</u>
31.70%	31.17%	30.33%	27.56%	26.32%	24.44%
(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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$ 47,569	\$ 50,885	\$ 50,885	\$ 49,857
Contributions in Relation to the Actuarially Determined Contribution	79,754	55,152	53,546	51,986
Contributions Deficiency (Excess)	<u>\$ (32,185)</u>	<u>\$ (4,267)</u>	<u>\$ (2,661)</u>	<u>\$ (2,129)</u>
Covered-Employee Payroll	(1)	(1)	(1)	(1)
Contributions as a Percentage of Covered-Employee Payroll	(1)	(1)	(1)	(1)

Notes to Schedule:

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

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Aggregate Cost Method
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	7.62 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	3% per annum
Cost of Living Adjustment	3% per annum
Retirement Age	N/A - All participants in plan are retired.
Mortality	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 49,857	\$ 50,365	\$ 50,365	\$ 63,976	\$ 63,976	\$ 51,796
<u>50,500</u>	<u>50,000</u>	<u>63,976</u>	<u>63,976</u>	<u>63,976</u>	<u>51,796</u>
<u>\$ (643)</u>	<u>\$ 365</u>	<u>\$ (13,611)</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, 2016**

	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.60%	1.93%	1.94%

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

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

District Fiscal Year Ending	Plan Sponsor Measurement Date	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability (1)	District's Covered Employee Payroll (2)	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS plan Fiduciary Net Position as a Percentage of of Total Pension Liability
June 30, 2016	June 30, 2015	0.124639896%	\$ 16,098,914	\$ 51,999,967	30.96%	92.00%
June 30, 2015	June 30, 2014	0.119195080%	7,272,653	48,305,552	15.06%	96.09%
June 30, 2014	June 30, 2013	0.112980889%	19,449,039	45,772,676	42.49%	88.54%

Notes: (1) Changes of Assumptions. As of June 30, 2015, there were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60 percent, the real payroll growth assumption remained at 0.65 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained at 7.65 percent.

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

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

District Fiscal Year Ending	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Employee Payroll (1)	FRS plan Fiduciary Net Position as a Percentage of of Total Pension Liability
June 30, 2016	\$ 3,002,015	\$ 3,002,015	\$ -	\$ 56,592,210	5.30%
June 30, 2015	3,038,827	3,038,827	-	51,999,967	5.84%
June 30, 2014	2,610,878	2,610,878	-	48,305,552	5.40%

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

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

District Fiscal Year Ending	Plan Sponsor Measurement Date	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability (1)	District's Covered Employee Payroll (2)	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS plan Fiduciary Net Position as a Percentage of of Total Pension Liability
June 30, 2016	June 30, 2015	0.167641538%	\$ 17,096,800	\$ 51,999,967	32.88%	0.50%
June 30, 2015	June 30, 2014	0.158905880%	14,858,088	48,305,552	30.76%	0.99%
June 30, 2014	June 30, 2013	0.152803671%	13,303,569	45,772,676	29.06%	1.78%

Notes: (1) Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 4.29 percent to 3.80 percent from the June 30, 2014, measurement date to the June 30, 2015, measurement date causing an increase in the liability.

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

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

District Fiscal Year Ending	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Employee Payroll (1)	HIS plan Fiduciary Net Position as a Percentage of of Total Pension Liability
June 30, 2016	\$ 913,989	\$ 913,989	\$ -	\$ 56,592,210	1.62%
June 30, 2015	640,830	640,830	-	51,999,967	1.23%
June 30, 2014	544,358	544,358	-	48,305,552	1.13%

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

Nonmajor Governmental Funds

Special Revenue Fund

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

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

Debt Service Fund

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

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

Capital Projects Funds

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

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, 2016

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Fund	Food Service Fund
ASSETS			
Cash	\$ 1,700,858	\$ 1,023,778	\$ 1,023,778
Investments	209		
Accounts Receivable	5,295	5,295	5,295
Due from Other Agencies	176,552	118,796	118,796
Inventories	85,086	85,086	85,086
Total Assets	\$ 1,968,000	\$ 1,232,955	\$ 1,232,955
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payroll Deductions and Withholdings Payable	\$ 9,616	\$ 9,616	\$ 9,616
Accounts Payable	1,344	1,344	1,344
Deposits Payable	65,224	65,224	65,224
Due to Other Funds	57,468	52,121	52,121
Due to Other Agencies	1,087	1,087	1,087
Advanced Revenue	2,178		
Total Liabilities	136,917	129,392	129,392
Fund Balances:			
Nonspendable:			
Inventories	85,086	85,086	85,086
Restricted for:			
Capital Projects	727,311		
Debt Service	209		
Food Service	1,018,477	1,018,477	1,018,477
Total Fund Balances	1,831,083	1,103,563	1,103,563
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,968,000	\$ 1,232,955	\$ 1,232,955

Debt Service Fund		Capital Projects Funds		
Total Nonmajor Debt Service Funds	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$ 209	\$ 209	\$ 677,080	\$	\$ 677,080
		57,756	55,578	2,178
<u>\$ 209</u>	<u>\$ 209</u>	<u>\$ 734,836</u>	<u>\$ 55,578</u>	<u>\$ 679,258</u>
\$	\$	\$	\$	\$
		5,347	5,347	
		2,178		2,178
		7,525	5,347	2,178
209	209	727,311	50,231	677,080
<u>209</u>	<u>209</u>	<u>727,311</u>	<u>50,231</u>	<u>677,080</u>
<u>\$ 209</u>	<u>\$ 209</u>	<u>\$ 734,836</u>	<u>\$ 55,578</u>	<u>\$ 679,258</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, 2016**

	Total Nonmajor Governmental Funds	Special Revenue Fund	
		Total Nonmajor Special Revenue Fund	Food Service Fund
REVENUES			
Federal Through State and Local Sources:			
Food Service	\$ 2,539,760	\$ 2,539,760	\$ 2,539,760
State Sources:			
Motor Vehicle License Tax (Capital Outlay and Debt Service)	335,256		
Food Service Supplement	35,404	35,404	35,404
Miscellaneous	311,288		
Total State Sources	681,948	35,404	35,404
Local Sources:			
Food Service	890,261	890,261	890,261
Interest Income	6,792	3,970	3,970
Total Local Sources	897,053	894,231	894,231
Total Revenues	4,118,761	3,469,395	3,469,395

(Continued)

Debt Service Fund		Capital Projects Funds		
Total Nonmajor Debt Service Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund
\$	\$	\$	\$	\$
21,710	21,710	313,546		313,546
		311,288	311,288	
21,710	21,710	624,834	311,288	313,546
		2,822		2,822
		2,822		2,822
21,710	21,710	627,656	311,288	316,368

(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, 2016**

	<u>Special Revenue Fund</u>		
	<u>Total Nonmajor Governmental Funds</u>	<u>Total Nonmajor Special Revenue Fund</u>	<u>Food Service Fund</u>
EXPENDITURES			
Current - Education:			
Facilities Services	\$ 209,613	\$	\$
Food Service	3,276,070	3,276,070	3,276,070
Capital Outlay:			
Facilities Acquisition and Construction			
Other Capital Outlay	65,796	65,796	65,796
Debt Service:			
Principal	21,000		
Interest and Fiscal Charges	1,810		
Total Expenditures	<u>3,574,289</u>	<u>3,341,866</u>	<u>3,341,866</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>544,472</u>	<u>127,529</u>	<u>127,529</u>
OTHER FINANCING USES			
Transfers Out	<u>(162,607)</u>		
Total Other Financing Uses	<u>(162,607)</u>		
Net Change in Fund Balances	381,865	127,529	127,529
Fund Balances, Beginning	<u>1,449,218</u>	<u>976,034</u>	<u>976,034</u>
Fund Balances, Ending	<u>\$ 1,831,083</u>	<u>\$ 1,103,563</u>	<u>\$ 1,103,563</u>

<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>		
<u>Total Nonmajor Debt Service Fund</u>	<u>State Board of Education Bonds Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Public Education Capital Outlay (PECO) Fund</u>	<u>Capital Outlay & Debt Service Fund</u>
\$	\$	\$ 209,613	\$ 209,613	\$
21,000	21,000			
1,574	1,574	236		236
<u>22,574</u>	<u>22,574</u>	<u>209,849</u>	<u>209,613</u>	<u>236</u>
(864)	(864)	417,807	101,675	316,132
		(162,607)	(162,607)	
		(162,607)	(162,607)	
(864)	(864)	255,200	(60,932)	316,132
1,073	1,073	472,111	111,163	360,948
<u>\$ 209</u>	<u>\$ 209</u>	<u>\$ 727,311</u>	<u>\$ 50,231</u>	<u>\$ 677,080</u>

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, 2016
(With Comparative Totals for June 30, 2015)

	Special Revenue Funds				
	Major		Nonmajor	Totals	
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund	2016	2015
ASSETS					
Cash	\$	\$	\$ 1,023,778	\$ 1,023,778	\$ 1,015,190
Accounts Receivable			5,295	5,295	5,125
Due from Other Agencies	867,066		118,796	985,862	977,902
Inventories			85,086	85,086	70,408
Total Assets	<u>\$ 867,066</u>	<u>\$</u>	<u>\$ 1,232,955</u>	<u>\$ 2,100,021</u>	<u>\$ 2,068,625</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll Deductions and Withholdings Payable	\$ 42,596	\$	\$ 9,616	\$ 52,212	\$ 38,907
Accounts Payable			1,344	1,344	126,404
Deposits Payable			65,224	65,224	59,439
Due to Other Funds	813,566		52,121	865,687	859,542
Due to Other Agencies	10,904		1,087	11,991	8,299
Total Liabilities	<u>867,066</u>		<u>129,392</u>	<u>996,458</u>	<u>1,092,591</u>
Fund Balances:					
Nonspendable:					
Inventories			85,086	85,086	70,408
Restricted for:					
Food Service			1,018,477	1,018,477	905,626
Total Fund Balances			<u>1,103,563</u>	<u>1,103,563</u>	<u>976,034</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 867,066</u>	<u>\$ 0</u>	<u>\$ 1,232,955</u>	<u>\$ 2,100,021</u>	<u>\$ 2,068,625</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, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Special Revenue Funds					
	Governmental Funds			Totals		
	Major		Nonmajor			
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund			
REVENUES						
Federal Direct Sources:						
Miscellaneous Federal Direct	\$ 1,189,865	\$	\$	\$ 1,189,865	\$ 1,179,273	
Federal Through State and Local Sources:						
Food Service			2,539,760	2,539,760	2,531,311	
Other Federal Through State Sources	4,982,624	146,042		5,128,666	4,295,345	
Total Federal Through State and Local Sources	4,982,624	146,042	2,539,760	7,668,426	6,826,656	
State Sources:						
Food Service Supplement			35,404	35,404	35,129	
Local Sources:						
Food Service			890,261	890,261	927,114	
Interest Income			3,970	3,970	3,838	
Total Local Sources			894,231	894,231	930,952	
Total Revenues	6,172,489	146,042	3,469,395	9,787,926	8,972,010	

(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, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Special Revenue Funds				
	Governmental Funds				
	Major		Nonmajor	Totals	
	Special Revenue - Other Fund	Special Revenue - Federal Economic Stimulus Fund	Food Service Fund	2016	2015
EXPENDITURES					
Current - Education:					
Instruction	\$ 3,246,760	\$ 131,838	\$	\$ 3,378,598	\$ 2,840,993
Student Support Services	944,000			944,000	912,639
Instruction and Curriculum Development Services	1,105,325			1,105,325	891,306
Instructional Staff Training Services	557,089			557,089	549,648
Instruction Related Technology	12,392			12,392	1,523
General Administration	248,271			248,271	245,478
School Administration	2,976			2,976	879
Food Services			3,276,070	3,276,070	3,207,883
Student Transportation Services					14,652
Operation of Plant	1,551			1,551	1,842
Capital Outlay:					
Other Capital Outlay	54,125	14,204	65,796	134,125	15,658
Total Expenditures	6,172,489	146,042	3,341,866	9,660,397	8,682,501
Excess of Revenues Over Expenditures			127,529	127,529	289,509
Net Change in Fund Balances			127,529	127,529	289,509
Fund Balances, Beginning			976,034	976,034	686,525
Fund Balances, Ending	\$ 0	\$ 0	\$ 1,103,563	\$ 1,103,563	\$ 976,034

**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, 2016**

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local Sources:				
Food Service	\$ 2,463,761	\$ 2,539,759	\$ 2,539,760	\$ 1
State Sources:				
Food Service Supplement	34,500	35,404	35,404	
Local Sources:				
Food Service	953,609	890,316	890,261	(55)
Interest Income	3,559	3,915	3,970	55
Total Local Sources	957,168	894,231	894,231	
Total Revenues	3,455,429	3,469,394	3,469,395	1
EXPENDITURES				
Current - Education:				
Food Services:				
Salaries	1,117,878	1,152,708	1,137,093	15,615
Employee Benefits	562,984	571,179	544,127	27,052
Purchased Services	217,175	191,381	156,540	34,841
Energy Services	140,500	126,750	97,985	28,765
Materials and Supplies	1,559,300	1,472,877	1,280,141	192,736
Capital Outlay	39,900	52,154	41,066	11,088
Other	30,875	35,767	19,118	16,649
Total Food Services	3,668,612	3,602,816	3,276,070	326,746
Capital Outlay:				
Other Capital Outlay		65,796	65,796	
Total Expenditures	3,668,612	3,668,612	3,341,866	326,746
Excess (Deficiency) of Revenues Over Expenditures	(213,183)	(199,218)	127,529	326,747
Net Change in Fund Balances	(213,183)	(199,218)	127,529	326,747
Fund Balances, Beginning	976,034	976,034	976,034	
Fund Balances, Ending	\$ 762,851	\$ 776,816	\$ 1,103,563	\$ 326,747

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, 2016
(With Comparative Totals for June 30, 2015)

	Debt Service Funds				
	Governmental Funds			Totals	
	Major	Debt Service - ARRA Economic Stimulus Fund	Nonmajor State Board of Education Bonds Fund		
Debt Service - Other			2016	2015	
ASSETS					
Cash	\$ 77,343	\$	\$	\$ 77,343	\$ 6,143,509
Investments			209	209	1,698
Restricted Investments	4,778,269	12,280,394		17,058,663	14,667,397
Total Assets	<u>\$ 4,855,612</u>	<u>\$ 12,280,394</u>	<u>\$ 209</u>	<u>\$ 17,136,215</u>	<u>\$ 20,812,604</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	\$ 5,125
Fund Balances:					
Restricted for:					
Debt Service	4,855,612	12,280,394	209	17,136,215	20,807,479
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,855,612</u>	<u>\$ 12,280,394</u>	<u>\$ 209</u>	<u>\$ 17,136,215</u>	<u>\$ 20,812,604</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, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Debt Service Funds				
	Governmental Funds				
	Major	Debt Service - ARRA Economic Stimulus Fund	Nonmajor State Board of Education Bonds Fund	Totals 2016	2015
REVENUES					
Federal Direct:					
Miscellaneous Federal Direct	\$	\$ 1,845,569	\$	\$ 1,845,569	\$ 1,832,123
State Sources:					
Motor Vehicle License Tax (Capital Outlay and Debt Service)			21,710	21,710	226,142
Local Sources:					
Interest Income	117,866	192,302		310,168	275,394
Total Revenues	117,866	2,037,871	21,710	2,177,447	2,333,659
EXPENDITURES					
Debt Service:					
Principal	12,596,000		21,000	12,617,000	12,417,000
Interest and Fiscal Charges	240,796	2,055,250	1,574	2,297,620	2,747,372
Total Expenditures	12,836,796	2,055,250	22,574	14,914,620	15,164,372
Deficiency of Revenues Over Expenditures	(12,718,930)	(17,379)	(864)	(12,737,173)	(12,830,713)
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued					29,000
Premium on Refunding Bonds Issued					1,850
Payments to Refunded Bonds Escrow Agent					(31,425)
Transfers In	7,117,555	1,948,354		9,065,909	15,171,215
Total Other Financing Sources (Uses)	7,117,555	1,948,354		9,065,909	15,170,640
Net Change in Fund Balances	(5,601,375)	1,930,975	(864)	(3,671,264)	2,339,927
Fund Balances, Beginning	10,456,987	10,349,419	1,073	20,807,479	18,467,552
Fund Balances, Ending	\$ 4,855,612	\$ 12,280,394	\$ 209	\$ 17,136,215	\$ 20,807,479

**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, 2016**

	Debt Service - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources:				
Interest Income	\$	\$ 117,866	\$ 117,866	\$
EXPENDITURES				
Debt Service:				
Principal	12,596,000	12,596,000	12,596,000	
Interest and Fiscal Charges	240,796	240,796	240,796	
Total Expenditures	<u>12,836,796</u>	<u>12,836,796</u>	<u>12,836,796</u>	
Deficiency of Revenues Over Expenditures	<u>(12,836,796)</u>	<u>(12,718,930)</u>	<u>(12,718,930)</u>	
OTHER FINANCING SOURCES				
Transfers In	7,117,555	7,117,555	7,117,555	
Net Change in Fund Balances	(5,719,241)	(5,601,375)	(5,601,375)	
Fund Balances, Beginning	10,456,987	10,456,987	10,456,987	
Fund Balances, Ending	<u>\$ 4,737,746</u>	<u>\$ 4,855,612</u>	<u>\$ 4,855,612</u>	<u>\$ 0</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE - ARRA ECONOMIC STIMULUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Debt Service - ARRA Economic Stimulus Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Miscellaneous Federal Direct	\$ 1,832,123	\$ 1,845,569	\$ 1,845,569	\$
Local Sources:				
Interest Income		192,302	192,302	
Total Revenues	<u>1,832,123</u>	<u>2,037,871</u>	<u>2,037,871</u>	
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	2,055,250	2,055,250	2,055,250	
Deficiency of Revenues Over Expenditures	<u>(223,127)</u>	<u>(17,379)</u>	<u>(17,379)</u>	
OTHER FINANCING SOURCES				
Transfers In	1,968,690	1,948,354	1,948,354	
Net Change in Fund Balances	1,745,563	1,930,975	1,930,975	
Fund Balances, Beginning	<u>10,349,419</u>	<u>10,349,419</u>	<u>10,349,419</u>	
Fund Balances, Ending	<u>\$ 12,094,982</u>	<u>\$ 12,280,394</u>	<u>\$ 12,280,394</u>	<u>\$ 0</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, 2016**

	Debt Service - 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)	\$ 16,700	\$ 21,710	\$ 21,710	\$
EXPENDITURES				
Debt Service:				
Principal	16,500	21,000	21,000	
Interest and Fiscal Charges		1,574	1,574	
Total Expenditures	16,500	22,574	22,574	
Excess (Deficiency) of Revenues Over Expenditures	200	(864)	(864)	
Net Change in Fund Balances	200	(864)	(864)	
Fund Balances, Beginning	1,073	1,073	1,073	
Fund Balances, Ending	\$ 1,273	\$ 209	\$ 209	\$ 0



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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

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.

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

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, 2016
(With Comparative Totals for June 30, 2015)

	Capital Projects Funds					
	Major		Nonmajor		Totals	
	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2016	2015
ASSETS						
Cash	\$ 3,110,606	\$ 13,230,540	\$	\$ 677,080	\$ 17,018,226	\$ 7,568,420
Investments		10,274,763			10,274,763	13,210,906
Accounts Receivable						10,392
Due from Other Funds	192,316				192,316	
Due from Other Agencies	217,763	1,365,857	55,578	2,178	1,641,376	1,521,161
Prepaid Items		24,934			24,934	
Total Assets	\$ 3,520,685	\$ 24,896,094	\$ 55,578	\$ 679,258	\$ 29,151,615	\$ 22,310,879
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 121,996	\$ 529,216	\$	\$	\$ 651,212	\$ 205,102
Construction Contracts Payable		196,201			196,201	
Due to Other Funds		186,969	5,347		192,316	
Due to Other Agencies		102,847			102,847	102,847
Advanced Revenue				2,178	2,178	13,579
Total Liabilities	121,996	1,015,233	5,347	2,178	1,144,754	321,528
Fund Balances:						
Nonspendable:						
Prepaid Amounts		24,934			24,934	
Restricted for:						
Capital Projects	3,398,689	20,726,164	50,231	677,080	24,852,164	18,856,117
Assigned for:						
Capital Projects		3,129,763			3,129,763	3,133,234
Total Fund Balances	3,398,689	23,880,861	50,231	677,080	28,006,861	21,989,351
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,520,685	\$ 24,896,094	\$ 55,578	\$ 679,258	\$ 29,151,615	\$ 22,310,879

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

June 30, 2016

(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Capital Projects Funds						
	Major		Nonmajor		Totals		
	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects - Other Fund	Public Education Capital Outlay (PECO) Fund	Capital Outlay & Debt Service Fund	2016	2015	
REVENUES							
State Sources:							
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$	\$	\$	\$ 313,546	\$ 313,546	\$ 86,172	
Miscellaneous			311,288		311,288	423,628	
Total State Sources			311,288	313,546	624,834	509,800	
Local Sources:							
Ad Valorem Taxes	11,219,852				11,219,852	10,511,321	
Sales Taxes		17,375,355			17,375,355	16,442,313	
Interest Income	26,074	100,921		2,822	129,817	71,669	
Miscellaneous	150,891	15,000			165,891	235,123	
Total Local Sources	11,396,817	17,491,276		2,822	28,890,915	27,260,426	
Total Revenues	11,396,817	17,491,276	311,288	316,368	29,515,749	27,770,226	
EXPENDITURES							
Current:							
Facilities Services	2,541,155	4,189,606	209,613		6,940,374	5,249,661	
Capital Outlay:							
Facilities Acquisition and Construction	310,395	1,016,247			1,326,642	390,221	
Other Capital Outlay	882,214	1,153,969			2,036,183	975,845	
Debt Service:							
Principal						13,329	
Interest and Fiscal Charges				236	236	697	
Total Expenditures	3,733,764	6,359,822	209,613	236	10,303,435	6,629,753	
Excess of Revenues Over Expenditures	7,663,053	11,131,454	101,675	316,132	19,212,314	21,140,473	
OTHER FINANCING USES							
Transfers Out	(8,310,971)	(4,721,226)	(162,607)		(13,194,804)	(18,829,607)	
Net Change in Fund Balances	(647,918)	6,410,228	(60,932)	316,132	6,017,510	2,310,866	
Fund Balances, Beginning	4,046,607	17,470,633	111,163	360,948	21,989,351	19,678,485	
Fund Balances, Ending	\$ 3,398,689	\$ 23,880,861	\$ 50,231	\$ 677,080	\$ 28,006,861	\$ 21,989,351	

**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, 2016**

	Capital Projects - 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	\$ 11,340,110	\$ 11,219,852	\$ 11,219,852	\$
Interest Income		26,074	26,074	
Miscellaneous		150,891	150,891	
Total Local Sources	11,340,110	11,396,817	11,396,817	
Total Revenues	11,340,110	11,396,817	11,396,817	
EXPENDITURES				
Current - Education:				
Facilities Services		2,541,155	2,541,155	
Capital Outlay:				
Facilities Acquisition and Construction	6,342,918	3,268,976	310,395	2,958,581
Other Capital Outlay		882,214	882,214	
Total Capital Outlay	6,342,918	4,151,190	1,192,609	2,958,581
Total Expenditures	6,342,918	6,692,345	3,733,764	2,958,581
Excess of Revenues Over Expenditures	4,997,192	4,704,472	7,663,053	2,958,581
OTHER FINANCING USES				
Transfers Out	(9,043,797)	(8,751,079)	(8,310,971)	440,108
Net Change in Fund Balance	(4,046,605)	(4,046,607)	(647,918)	3,398,689
Fund Balance, Beginning	4,046,607	4,046,607	4,046,607	
Fund Balance, Ending	\$ 2	\$ 0	\$ 3,398,689	\$ 3,398,689

**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, 2016**

	Capital Projects - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources:				
Sales Taxes	\$ 17,232,283	\$ 17,375,355	\$ 17,375,355	\$
Interest Income		100,921	100,921	
Miscellaneous		15,000	15,000	
Total Local Sources	17,232,283	17,491,276	17,491,276	
Total Revenues	17,232,283	17,491,276	17,491,276	
EXPENDITURES				
Current - Education:				
Facilities Services		4,189,606	4,189,606	
Operation of Plant:				
Other Capital Outlay		96,866		96,866
Capital Outlay:				
Facilities Acquisition and Construction	20,164,352	17,056,137	1,016,247	16,039,890
Other Capital Outlay		1,153,969	1,153,969	
Total Capital Outlay	20,164,352	18,210,106	2,170,216	16,039,890
Total Expenditures	20,164,352	22,496,578	6,359,822	16,136,756
Excess of Revenues Over Expenditures	(2,932,069)	(5,005,302)	11,131,454	16,136,756
OTHER FINANCING USES				
Transfers Out	(4,726,551)	(4,726,889)	(4,721,226)	5,663
Net Change in Fund Balance	(7,658,620)	(9,732,191)	6,410,228	16,142,419
Fund Balance, Beginning	17,470,633	17,470,633	17,470,633	
Fund Balance, Ending	<u>\$ 9,812,013</u>	<u>\$ 7,738,442</u>	<u>\$ 23,880,861</u>	<u>\$ 16,142,419</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, 2016**

	<u>Capital Projects - Public Education Capital Outlay (PECO) Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Sources:				
Miscellaneous	\$ 316,173	\$ 311,288	\$ 311,288	\$
EXPENDITURES				
Current - Education:				
Facilities Services	259,844	259,844	209,613	50,231
Excess of Revenue Over Expenditures	<u>56,329</u>	<u>51,444</u>	<u>101,675</u>	<u>50,231</u>
OTHER FINANCING USES				
Transfers Out	(167,492)	(162,607)	(162,607)	
Net Change in Fund Balance	(111,163)	(111,163)	(60,932)	50,231
Fund Balance, Beginning	111,163	111,163	111,163	
Fund Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,231</u>	<u>\$ 50,231</u>

**MONROE COUNTY SCHOOL DISTRICT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS - CAPITAL OUTLAY & DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Capital Projects - Capital Outlay & Debt Service Fund</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Sources:				
Motor Vehicle License Tax (Capital Outlay and Debt Service)	\$ 97,292	\$ 313,546	\$ 313,546	\$
Local Sources:				
Interest Income	2,278	2,822	2,822	
Total Revenues	<u>99,570</u>	<u>316,368</u>	<u>316,368</u>	
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges		236	236	
Excess of Revenues Over Expenditures	<u>99,570</u>	<u>316,132</u>	<u>316,132</u>	
Net Change in Fund Balance	99,570	316,132	316,132	
Fund Balance, Beginning	<u>360,948</u>	<u>360,948</u>	<u>360,948</u>	
Fund Balance, Ending	<u>\$ 460,518</u>	<u>\$ 677,080</u>	<u>\$ 677,080</u>	<u>\$ 0</u>



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Internal Service Funds

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

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

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

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Proprietary Funds - Internal Service Funds				
	Governmental Activities				
	Self-Insurance			Totals	
Workers' Compensation/ General Liability	Vista	Health Insurance	2016	2015	
ASSETS					
Current Assets					
Cash	\$ 1,546,250	\$ 466,344	\$ 4,829,161	\$ 6,841,755	\$ 5,067,522
Investments					4,000,024
Due from Insurer	1,566,143		1,199	1,567,342	774,519
Prepaid Items	134,438			134,438	117,878
TOTAL ASSETS	3,246,831	466,344	4,830,360	8,543,535	9,959,943
LIABILITIES					
Current Liabilities:					
Account Payable		501	1,453,462	1,453,963	1,683,170
Estimated Insurance Claims Payable	941,155		967,922	1,909,077	2,358,479
Total Current Liabilities	941,155	501	2,421,384	3,363,040	4,041,649
Noncurrent Liabilities:					
Estimated Insurance Claims Payable	2,157,645			2,157,645	1,280,365
TOTAL LIABILITIES	3,098,800	501	2,421,384	5,520,685	5,322,014
NET POSITION					
Unrestricted	\$ 148,031	\$ 465,843	\$ 2,408,976	\$ 3,022,850	\$ 4,637,929

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Proprietary Funds - Internal Service Funds				
	Governmental Activities				
	Self-Insurance		Health Insurance	Totals	
	Workers' Compensation/ General Liability	Vista		2016	2015
OPERATING REVENUES					
Premium Contributions	\$ 1,540,933	\$ 167,905	\$ 12,247,952	\$ 13,956,790	\$ 13,178,454
Insurance Loss Recoveries	1,147,765	36,811	25,946	1,210,522	903,357
Total Operating Revenues	<u>2,688,698</u>	<u>204,716</u>	<u>12,273,898</u>	<u>15,167,312</u>	<u>14,081,811</u>
OPERATING EXPENSES					
Salaries	88,506		88,506	177,012	179,491
Employees Benefits	51,251	54,950	28,261	134,462	109,695
Purchased Services	287,152	21,040	1,340,799	1,648,991	1,650,563
Materials and Supplies			9,925	9,925	3,538
Capital Outlay			8,796	8,796	
Insurance Claims	2,763,240		12,149,140	14,912,380	11,044,651
Total Operating Expenses	<u>3,190,149</u>	<u>75,990</u>	<u>13,625,427</u>	<u>16,891,566</u>	<u>12,987,938</u>
Operating Income (Loss)	<u>(501,451)</u>	<u>128,726</u>	<u>(1,351,529)</u>	<u>(1,724,254)</u>	<u>1,093,873</u>
NONOPERATING REVENUES					
Interest Revenue	9,802	1,847	22,526	34,175	28,765
Miscellaneous			75,000	75,000	46
Total Nonoperating Revenues	<u>9,802</u>	<u>1,847</u>	<u>97,526</u>	<u>109,175</u>	<u>28,811</u>
Change in Net Position	<u>(491,649)</u>	<u>130,573</u>	<u>(1,254,003)</u>	<u>(1,615,079)</u>	<u>1,122,684</u>
Total Net Position, Beginning	639,680	335,270	3,662,979	4,637,929	3,515,245
Total Net Position, Ending	<u>\$ 148,031</u>	<u>\$ 465,843</u>	<u>\$ 2,408,976</u>	<u>\$ 3,022,850</u>	<u>\$ 4,637,929</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2016

	Proprietary Funds - Internal Service Funds			
	Governmental Activities			Totals
	Self-Insurance			
	Workers' Compensation/ General Liability	Vista	Health Insurance	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Board Funds and Participants	\$ 749,309	\$ 167,904	\$ 12,246,754	\$ 13,163,967
Cash Received from Loss Recoveries	1,147,765	36,811	25,946	1,210,522
Cash Payments to Suppliers for Goods and Services	(303,712)	(21,482)	(1,588,285)	(1,913,479)
Cash Payments to Employees for Services	(139,757)	(54,950)	(116,767)	(311,474)
Cash Payments for Insurance Claims	(2,370,277)		(12,114,225)	(14,484,502)
Net Cash Provided (Used) by Operating Activities	(916,672)	128,283	(1,546,577)	(2,334,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous			75,000	75,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales and Maturities of Investments			4,000,024	4,000,024
Interest Income	9,802	1,847	22,526	34,175
Net Cash Provided by Investing Activities	9,802	1,847	4,022,550	4,034,199
Net Increase (Decrease) in Cash	(906,870)	130,130	2,550,973	1,774,233
Cash, Beginning	2,453,120	336,214	2,278,188	5,067,522
Cash, Ending	\$ 1,546,250	\$ 466,344	\$ 4,829,161	\$ 6,841,755
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (501,451)	\$ 128,726	\$ (1,351,529)	\$ (1,724,254)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Due from Other Agencies	774,519			774,519
Increase in Due from Insurer	(1,566,143)		(1,199)	(1,567,342)
Increase in Prepaid Items	(16,560)			(16,560)
Decrease in Accounts Payable		(443)	(228,764)	(229,207)
Increase in Estimated Insurance Claims Payable	392,963		34,915	427,878
Total Adjustments	(415,221)	(443)	(195,048)	(610,712)
Net Cash Provided (Used) by Operating Activities	\$ (916,672)	\$ 128,283	\$ (1,546,577)	\$ (2,334,966)



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Discretely Presented Component Units

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

Nonmajor Discretely Presented Component Units

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2016

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Key West Montessori Charter School, Inc.	Treasure Village Montessori
ASSETS				
Cash	\$ 73,870	\$ 17,046	\$ 391,589	\$ 294,041
Investments		181,000		
Accounts Receivables	20,829			9,008
Due from Other Agencies		1,873		
Prepaid Items	1,724	9,326	1,442	47,421
Deposits Receivable				19,562
Other Assets	8,638			
Capital Assets:				
Non-Depreciable				
Depreciable (Net)	14,840	38,280	100,662	421,852
TOTAL ASSETS	<u>119,901</u>	<u>247,525</u>	<u>493,693</u>	<u>791,884</u>
LIABILITIES				
Salaries and Benefits Payable	55,321	12,163		150,104
Accounts Payable	31,330	26,400	10,000	9,704
Advanced Revenue				
Compensated Absences Payable	92,310			
LT Liabilities due in one year				
LT Liabilities due in more than one year				
TOTAL LIABILITIES	<u>178,961</u>	<u>38,563</u>	<u>10,000</u>	<u>159,808</u>
NET POSITION				
Investment in Capital Assets	14,840	38,280	100,662	421,852
Unrestricted	(73,900)	170,682	383,031	210,224
TOTAL NET POSITION - COMPONENT UNITS	<u>\$ (59,060)</u>	<u>\$ 208,962</u>	<u>\$ 483,693</u>	<u>\$ 632,076</u>

Charter Schools		
Ocean Studies Charter School, Inc.	Sigsbee Charter School, Inc.	Total Charter Schools
\$ 113,275	\$ 1,240,637	\$ 2,130,458
	495,342	676,342
	5,247	35,084
1,446	31,672	34,991
9,917	174,171	244,001
		19,562
		8,638
	2,859,950	2,859,950
89,432	6,440,723	7,105,789
<u>214,070</u>	<u>11,247,742</u>	<u>13,114,815</u>
62,099	225,902	505,589
2,362	20,380	100,176
	8,192	8,192
		92,310
8,784	3,565	12,349
22,631	14,259	36,890
<u>95,876</u>	<u>272,298</u>	<u>755,506</u>
58,017	9,300,673	9,934,324
60,177	1,674,771	2,424,985
<u>\$ 118,194</u>	<u>\$ 10,975,444</u>	<u>\$ 12,359,309</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
JUNE 30, 2016

	Charter Schools			
	Big Pine Elementary Academy, Inc.	Key West Collegiate School	Key West Montessori Charter School, Inc.	Treasure Village Montessori
Governmental Activities:				
Instruction	\$ 827,830	\$ 259,959	\$ 854,157	\$ 1,230,672
Student Support Services	144,919		60,146	100,080
Instructional Media Services				
Instruction and Curriculum Development Services			14,352	
Instructional Staff Training Services		4,988	28,420	21,358
Instruction Related Technology				
School Board		8,500	14,715	474
General Administration				
School Administration	211,853	206,915	284,401	319,788
Facilities Services			43,756	279,621
Fiscal Services		12,000	55,582	68,986
Food Services	24,548	1,109		
Central Services		20,232	5,860	
Student Transportation Services	42,536		2,705	1,255
Operation of Plant	232,560	123,756	62,444	164,703
Maintenance of Plant	195,881	228		
Administrative Technology Services			5,185	5,434
Community Services	14,610		16,705	
Interest on Long-Term Debt				
Unallocated Depreciation Expense	9,044			58,460
Total Governmental Activities	<u>1,703,781</u>	<u>637,687</u>	<u>1,448,428</u>	<u>2,250,831</u>
Program Revenue				
Charge for Services:				
Instruction				133,747
Food Services				
Community Services			25,712	
Total Charges for Services			<u>25,712</u>	<u>133,747</u>
Operating Grants and Contributions:				
Instruction				18,520
Operation of Plant	232,560			
Community Services	19,518			
Total Operating Grants and Contributions	<u>252,078</u>			<u>18,520</u>
Capital Grants and Contributions:				
Facilities Services				60,968
Operation of Plant		16,592		
Total Capital Grants and Contributions		<u>16,592</u>		<u>60,968</u>
Total Program Revenues	<u>252,078</u>	<u>16,592</u>	<u>25,712</u>	<u>213,235</u>
Net (Expense) Revenue	<u>(1,451,703)</u>	<u>(621,095)</u>	<u>(1,422,716)</u>	<u>(2,037,596)</u>
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs	1,446,593	700,708	1,428,388	1,897,184
Local Sales Tax				
Unrestricted Investment Earnings		7,041		
Miscellaneous	11,633		116,245	142,993
Total General Revenues	<u>1,458,226</u>	<u>707,749</u>	<u>1,544,633</u>	<u>2,040,177</u>
Change in Net Position	6,523	86,654	121,917	2,581
Net Position - Beginning	<u>(65,583)</u>	<u>122,308</u>	<u>361,776</u>	<u>629,495</u>
Net Position - Ending	<u>\$ (59,060)</u>	<u>\$ 208,962</u>	<u>\$ 483,693</u>	<u>\$ 632,076</u>

Charter Schools		
Ocean Studies Charter School, Inc.	Sigsbee Charter School, Inc.	Total Charter Schools
\$ 519,867	\$ 2,722,343	\$ 6,414,828
	45,392	350,537
2,259	230,424	232,683
68,091	73,053	155,496
3,924	208,200	266,890
8,223	93,742	101,965
	13,310	36,999
	55,587	55,587
199,804	370,242	1,593,003
2,713	332,264	658,354
11,967		148,535
	100,998	126,655
		26,092
2,488		48,984
215,805	455,716	1,254,984
36,816	33,040	265,965
		10,619
	46,283	77,598
1,091		1,091
		67,504
<u>1,073,048</u>	<u>4,780,594</u>	<u>11,894,369</u>
		133,747
	81,330	81,330
	8,545	34,257
	<u>89,875</u>	<u>249,334</u>
	252,402	270,922
		232,560
	63,888	83,406
	<u>316,290</u>	<u>586,888</u>
	113,809	174,777
14,873		31,465
<u>14,873</u>	<u>113,809</u>	<u>206,242</u>
14,873	519,974	1,042,464
<u>(1,058,175)</u>	<u>(4,260,620)</u>	<u>(10,851,905)</u>
992,924	4,553,630	11,019,427
	37,260	37,260
	3,855	10,896
70,504	62,695	404,070
<u>1,063,428</u>	<u>4,657,440</u>	<u>11,471,653</u>
5,253	396,820	619,748
<u>112,941</u>	<u>10,578,624</u>	<u>11,739,561</u>
<u>\$ 118,194</u>	<u>\$ 10,975,444</u>	<u>\$ 12,359,309</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 SHEETS
GENERAL FUND
JUNE 30, 2016
(With Comparative Totals for June 30, 2015)

	<u>General Fund</u>	
	<u>Major Governmental Fund</u>	
	<u>Totals</u>	
	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 11,260,580	\$ 3,620,767
Investments	49,394	10,048,820
Accounts Receivable	29,232	61,715
Due from Other Funds	865,687	859,542
Due from Other Agencies	1,976,275	757,312
Prepaid Items	498,088	554,872
Inventories	7,571	9,855
Total Assets	<u>\$ 14,686,827</u>	<u>\$ 15,912,883</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 3,055,828	\$ 2,849,992
Payroll Deductions and Withholdings Payable	190,081	175,292
Accounts Payable	266,845	323,226
Deposits Payable		1,044
Due to Other Agencies	29,171	20,537
Total Liabilities	<u>3,541,925</u>	<u>3,370,091</u>
Fund Balances:		
Nonspendable:		
Inventories	7,571	9,855
Prepaid Amounts	498,088	554,872
Restricted for:		
State Required Carryover Programs	415,440	632,418
Assigned for:		
Carryover/Contractual Agreements	961,312	837,323
Unassigned Fund Balance	9,262,491	10,508,324
Total Fund Balances	<u>11,144,902</u>	<u>12,542,792</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,686,827</u>	<u>\$ 15,912,883</u>

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
June 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	General Fund	
	Major Governmental Fund	
	Totals	
	2016	2015
REVENUES		
Federal Direct Sources:		
Federal Impact, Current Operations	\$ 228,351	\$ 232,262
Miscellaneous Federal Direct	31,480	26,285
Total Federal Direct Sources	<u>259,831</u>	<u>258,547</u>
Federal Through State and Local Sources:		
Medicaid	476,882	418,968
Other Federal Through State Sources	1,500	3,207
Other Federal Through Local Sources	139,485	379,259
Total Federal Through State and Local Sources	<u>617,867</u>	<u>801,434</u>
State Sources:		
Categorical Educational Program - Class Size Reduction	9,099,494	9,121,712
Florida Education Finance Program	4,169,048	3,635,778
Workforce Development Program	807,080	807,080
Workforce Education Performance Incentives		6,272
Voluntary Prekindergarten	537,532	545,192
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,913	4,913
School Recognition	531,931	333,058
Racing Commission Funds	223,250	223,250
Diagnostic and Learning Resources Centers	213,982	210,075
Discretionary Lottery Funds		29,546
Adults with Disabilities		65,858
Mobile Home License Tax	31,749	30,856
Miscellaneous	364,928	118,406
Total State Sources	<u>15,983,907</u>	<u>15,131,996</u>
Local Sources:		
Ad Valorem Taxes	68,562,278	65,705,892
Interest Income	122,789	44,641
Miscellaneous	2,413,032	2,258,940
Total Local Sources	<u>71,098,099</u>	<u>68,009,473</u>
Total Revenues	<u>87,959,704</u>	<u>84,201,450</u>

(Continued)

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
June 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	General Fund	
	Major Governmental Fund	
	Totals	
	2016	2015
EXPENDITURES		
Current - Education:		
Instruction	\$ 61,376,478	\$ 57,521,150
Student Support Services	4,092,098	3,895,863
Instructional Media Services	693,827	636,011
Instruction and Curriculum Development Services	1,536,514	1,421,369
Instructional Staff Training Services	1,026,934	1,001,519
Instruction Related Technology	1,329,487	1,105,499
School Board	553,959	548,763
General Administration	475,253	584,072
School Administration	4,489,895	4,379,902
Facilities Services	404,711	422,301
Fiscal Services	1,104,187	1,117,568
Food Services	26,791	11,804
Central Services	1,651,079	1,500,288
Student Transportation Services	3,507,104	3,349,260
Operation of Plant	7,292,992	6,571,956
Maintenance of Plant	2,513,232	2,191,230
Administrative Technology Services	516,839	409,722
Community Services	745,701	787,462
Capital Outlay:		
Facilities Acquisition and Construction		11,800
Other Capital Outlay	118,057	159,154
Debt Service:		
Interest and Fiscal Charges	37,630	53,100
Total Expenditures	<u>93,492,768</u>	<u>87,679,793</u>
Deficiency of Revenues		
Over Expenditures	<u>(5,533,064)</u>	<u>(3,478,343)</u>
OTHER FINANCING SOURCES		
Sale of Capital Assets		3,511
Insurance Loss Recoveries	6,279	16,303
Transfers In	4,128,895	3,658,392
Total Other Financing Sources	<u>4,135,174</u>	<u>3,678,206</u>
Net Change in Fund Balances	(1,397,890)	199,863
Fund Balances, Beginning	<u>12,542,792</u>	<u>12,342,929</u>
Fund Balances, Ending	<u>\$ 11,144,902</u>	<u>\$ 12,542,792</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
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	School Internal Funds			
	July 1, 2015	Additions	Deletions	June 30, 2016
Assets				
Cash and Cash Equivalents	\$ 1,297,787	\$ 2,514,358	\$ 2,404,501	\$ 1,407,644
Liabilities				
Internal Accounts Payable	\$ 1,297,787	\$ 2,514,358	\$ 2,404,501	\$ 1,407,644



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STATISTICAL SECTION

This part of the Monroe County School District, 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.	138
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	147
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.	154
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.	161
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.	163

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

	Fiscal Year Ended			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Governmental Activities:				
Net Investment in Capital Assets	\$ 162,122,566	\$ 178,648,816	\$ 178,481,969	\$ 188,381,501
Restricted	29,496,456	28,442,734	27,259,547	34,711,052
Unrestricted (Deficit)	3,118,460	297,239	(1,184,440)	(7,161,488)
Total Governmental Activities Net Position	<u>\$ 194,737,482</u>	<u>\$ 207,388,789</u>	<u>\$ 204,557,076</u>	<u>\$ 215,931,065</u>

Source: District Records

Fiscal Year Ended					
June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$ 195,923,231	\$ 200,927,125	\$ 206,453,854	\$ 213,926,467	\$ 221,890,858	\$ 232,226,549
33,718,528	29,278,587	33,456,362	36,209,794	41,272,048	43,532,316
<u>(7,284,973)</u>	<u>(2,946,074)</u>	<u>2,955,000</u>	<u>8,398,228</u>	<u>(18,233,793)</u>	<u>(19,878,795)</u>
<u>\$ 222,356,786</u>	<u>\$ 227,259,638</u>	<u>\$ 242,865,216</u>	<u>\$ 258,534,489</u>	<u>\$ 244,929,113</u>	<u>\$ 255,880,070</u>

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

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Governmental Activities:				
Expenses:				
Instruction	\$ 57,862,484	\$ 61,132,269	\$ 58,322,129	\$ 60,464,426
Student Support Services	5,311,148	5,404,292	5,300,909	5,656,826
Instructional Media Services	883,673	1,054,749	986,821	954,712
Instruction and Curriculum				
Development Services	3,372,727	3,457,546	2,788,699	2,596,069
Instructional Staff Training Services	1,010,817	2,160,182	1,457,881	1,431,370
Instruction Related Technology	1,265,419	1,294,139	1,258,556	1,249,020
School Board	786,519	642,017	835,663	838,991
General Administration	1,164,841	1,078,544	922,472	930,658
School Administration	5,714,947	5,618,028	5,397,130	5,209,039
Facility Services	9,241,969	8,776,504	3,991,982	2,399,134
Fiscal Services	1,214,726	1,210,252	1,167,689	910,079
Food Service	3,714,449	3,164,511	3,061,850	3,156,720
Central Services	1,282,568	1,240,067	1,223,061	3,935,838
Student Transportation Services	4,653,571	4,699,026	4,327,131	4,158,324
Operation of Plant	9,115,710	8,958,820	8,423,865	8,088,266
Maintenance of Plant	2,925,690	2,926,116	3,110,214	3,339,022
Administrative Technology Services	386,113	386,065	379,213	381,442
Community Services	1,051,701	1,259,227	1,046,229	761,908
Unallocated Interest on Long-term Debt	3,312,488	3,779,213	3,980,917	3,433,567
Unallocated Depreciation Expense	5,559,709	6,362,390	10,675,856	6,129,171
Loss on Disposal of Capital Assets			4,627,628	
Total Primary Government Expenses	119,831,269	124,603,957	123,285,895	116,024,582
Program Revenues:				
Charges for Services	2,277,800	2,479,017	2,116,761	1,966,790
Operating Grants and Contributions	2,905,086	2,985,822	3,020,592	2,140,612
Capital Grants and Contributions	3,194,269	4,867,671	982,577	505,155
Total Program Revenues	8,377,155	10,332,510	6,119,930	4,612,557
Net Expense	(111,454,114)	(114,271,447)	(117,165,965)	(111,412,025)
General Revenues:				
Taxes:				
Property taxes, Levied for Operational Purposes (1)	65,798,020	67,685,265	62,829,967	64,150,485
Property Taxes, Levied for Capital Projects (1)	12,819,424	13,772,457	12,944,959	11,110,246
Local Sales Taxes	12,795,765	12,677,932	11,611,512	11,694,939
Grants and Contributions Not Restricted to Specific Programs	22,728,472	24,812,462	24,421,834	23,681,900
Unrestricted Investment Earnings	3,243,012	2,201,974	1,046,244	517,025
Miscellaneous	2,759,952	5,772,664	1,479,736	3,743,776
Special Items				3,260,014
Total General Revenues and Special Items	120,144,645	126,922,754	114,334,252	118,158,385
Changes in Net Position	\$ 8,690,531	\$ 12,651,307	\$ (2,831,713)	\$ 6,746,360

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

Source: District Records

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
\$	62,785,276	\$ 52,496,018	\$ 50,374,881	\$ 54,619,327	\$ 58,457,631	\$ 65,059,767
	4,835,421	4,355,291	4,122,685	4,463,142	4,619,822	5,065,455
	1,082,039	759,919	763,251	700,704	611,896	697,774
	2,564,134	2,185,009	1,976,806	2,253,404	2,221,883	2,656,391
	1,316,912	1,310,010	1,277,434	970,765	1,498,488	1,592,458
	1,102,466	973,501	844,143	999,498	1,059,720	1,350,273
	960,471	1,099,668	761,163	654,142	540,105	555,228
	926,134	860,669	820,602	636,902	807,927	726,648
	4,940,773	4,076,673	3,818,756	3,851,690	4,197,990	4,520,157
	2,139,186	5,589,461	2,459,319	4,035,005	5,665,800	7,346,554
	895,112	817,157	777,885	884,669	1,071,178	1,110,566
	3,246,770	3,265,882	3,101,574	3,214,748	3,158,300	3,312,320
	1,022,265	1,934,048	1,570,726	1,455,853	1,465,561	1,657,789
	3,917,152	5,497,672	3,013,233	3,290,014	3,684,860	3,952,544
	7,153,402	6,007,533	5,453,336	6,109,750	6,559,838	7,296,777
	2,978,823	2,149,658	2,150,849	1,991,606	2,123,140	2,524,839
	389,371	362,414	351,986	457,369	392,591	520,078
	780,800	706,321	633,537	642,095	769,408	748,162
	2,837,095	4,332,292	4,081,382	3,249,827	2,801,169	2,335,486
	6,109,528	8,371,323	8,344,508	5,792,393	5,578,519	5,464,950
			1,173,823	1,519,564	6,431	1,932
	111,983,130	107,150,519	97,871,879	101,792,467	107,292,257	118,496,148
	1,890,693	1,632,279	1,663,856	1,794,616	1,688,266	1,638,555
	2,543,150	2,139,222	2,212,832	2,309,174	2,566,440	2,575,164
	846,360	449,743	418,021	324,190	458,846	484,917
	5,280,203	4,221,244	4,294,709	4,427,980	4,713,552	4,698,636
	(106,702,927)	(102,929,275)	(93,577,170)	(97,364,487)	(102,578,705)	(113,797,512)
	66,966,325	57,990,332	59,476,513	63,577,031	65,705,892	68,562,278
	7,819,121	9,442,181	9,408,793	9,999,768	10,511,321	11,219,852
	11,286,363	13,440,925	15,205,186	15,342,494	16,442,313	17,375,355
	25,667,271	25,298,455	23,437,140	22,391,727	23,129,180	23,624,557
	265,356	370,055	526,302	262,547	395,542	566,744
	1,124,213	1,290,178	1,507,223	1,460,193	2,386,454	3,399,683
	113,128,649	107,832,126	109,561,157	113,033,760	118,570,702	124,748,469
\$	6,425,722	\$ 4,902,851	\$ 15,983,987	\$ 15,669,273	\$ 15,991,997	\$ 10,950,957

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
 (modified accrual basis of accounting)
 (Unaudited)

	Post-GASB 54					
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
General Fund						
Nonspendable	\$ 497,905	\$ 514,349	\$ 493,607	\$ 360,657	\$ 564,727	\$ 505,659
Restricted	193,670	232,386	221,644	551,317	632,418	415,440
Committed	125,278	485,964				
Assigned	112,612	198,109	3,051,513	1,283,879	837,323	961,312
Unassigned	4,534,643	3,946,956	6,006,475	10,147,076	10,508,324	9,262,491
Total General Fund	\$ 5,464,108	\$ 5,377,764	\$ 9,773,239	\$ 12,342,929	\$ 12,542,792	\$ 11,144,902
All Other Governmental Funds						
Nonspendable	\$ 27,921	\$ 36,991	\$ 78,766	\$ 45,170	\$ 70,408	\$ 110,020
Restricted	56,347,818	38,782,078	33,155,952	35,613,307	40,569,222	43,006,856
Committed		4,963,331	3,217,746	3,174,085	3,133,234	3,129,763
Assigned						
Unassigned						
Total All Other Governmental Funds	\$ 56,375,739	\$ 43,782,400	\$ 36,452,464	\$ 38,832,562	\$ 43,772,864	\$ 46,246,639
	Pre-GASB 54					
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010		
General Fund						
Reserved	\$ 1,151,651	\$ 840,119	\$ 707,765	\$ 628,751		
Unreserved	7,450,245	7,242,959	6,310,220	3,407,992		
Total General Fund	\$ 8,601,896	\$ 8,083,078	\$ 7,017,985	\$ 4,036,743		
All Other Governmental Funds						
Reserved	\$ 19,788,675	\$ 16,935,978	\$ 10,157,119	\$ 12,250,789		
Unreserved, reported in:						
Special Revenue Funds	74,136	72,841	190,178	334,121		
Capital Projects Funds	24,229,652	11,397,095	16,999,910	57,233,401		
Total All Other Governmental Funds	\$ 44,092,463	\$ 28,405,914	\$ 27,347,207	\$ 69,818,311		

Source: District Records



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

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Direct Sources: (1)										
Federal Impact, Current Operations	\$ 233,360	\$ 264,839	\$ 229,681	\$ 217,686	\$ 285,845	\$ 205,026	\$ 290,048	\$ 161,368	\$ 232,262	\$ 228,351
ROTC	66,565	40,753	65,529	25,851	20,191	6,791				
Miscellaneous Federal Direct	1,374,942	1,375,378	1,681,053	1,489,815	1,514,753	3,493,911	3,262,283	3,180,127	3,037,681	3,066,914
Total Federal Direct Sources	1,674,867	1,680,970	1,976,263	1,733,352	1,820,789	3,705,728	3,552,331	3,341,495	3,269,943	3,295,265
Federal Through State and Local Sources: (1)										
Medicaid	520,268	543,569	471,583	480,979	393,442	431,862	552,501	359,213	418,968	476,882
Food Service	1,298,561	1,423,724	1,592,861	1,961,554	1,897,414	1,935,833	2,004,571	2,088,487	2,245,569	2,278,955
Donated Foods and Cash in Lieu of Donated Foods	140,961	157,856	160,885	139,379	216,324	175,299	171,041	183,542	285,742	260,805
Other Federal Through State Sources	5,870,542	5,678,105	5,921,514	10,115,545	11,091,642	6,519,701	4,868,913	2,973,242	4,298,552	5,130,166
Other Federal Through Local Sources							120,219		379,259	139,485
Total Federal Through State Sources	7,830,332	7,803,254	8,146,843	12,697,457	13,598,822	9,062,695	7,717,245	5,604,484	7,628,090	8,286,293
State Sources: (1)										
Categorical Educational Program - Class Size Reduction	6,470,086	8,123,406	8,332,927	8,621,368	8,925,079	9,076,199	9,104,181	9,225,944	9,121,712	9,099,494
Florida Education Finance Program	4,700,597	3,599,690	3,579,894	774,408	1,206,970	3,522,545	3,061,267	3,904,893	3,635,778	4,169,048
Workforce Development Program	826,016	921,291	875,818	806,891	847,926	671,534	720,614	711,711	807,080	807,080
Voluntary Prekindergarten	562,415	642,131	529,787	575,200	499,780	491,618	438,925	542,022	545,192	537,532
Motor Vehicle License Tax (Capital Outlay and Debt Service)	333,702	339,158	324,426	323,352	323,363	323,067	331,789	329,103	317,227	340,169
Reading Programs										
School Recognition	566,161	569,024	549,906	370,254	523,011	357,660	518,154	319,695	333,058	531,931
Instructional Materials	812,617	789,308	777,377							
Transportation	1,429,274	1,365,387	1,227,829							
Racing Commission Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Diagnostic and Learning Resources Centers	175,000	181,000	181,000	185,000	188,000	188,000	150,000	198,790	210,075	213,982
Discretionary Lottery Funds	327,390	398,178	198,575	22,389	30,275	26,600		81,201	29,546	
Adults with Disabilities	103,677	95,702	85,290	80,864	71,154	70,796	64,859	64,577	65,858	
Mobile Home License Tax	36,187	33,577	31,893	31,057	30,308	28,558	29,347	28,734	30,856	31,749
Food Service Supplement	39,528	38,854	39,016	39,679	35,970	28,091	37,220	37,145	35,129	35,404
Public Education Capital Outlay	1,578,614	1,949,607	792,848	181,803	522,997				147,157	148,681
Class Size Reduction - Construction		1,688,742								
Public School Technology										
Teacher Training										
Florida Teachers Lead Program	137,379	142,864	110,180							
Excellent Teaching Program	385,915	377,530	228,647		72,767					
Classrooms for Kids		890,164								
Miscellaneous	616,192	813,757	213,234	256,277	136,937	111,080	118,991	412,048	401,149	527,535
Total State Sources	19,324,000	23,182,620	18,301,897	12,491,792	13,637,787	15,118,998	14,798,597	16,079,113	15,903,067	16,665,855
Local Sources: (1)										
Ad Valorem Taxes	78,617,444	81,158,349	75,774,927	75,260,731	74,785,446	67,432,513	68,885,306	73,576,799	76,217,213	79,782,130
Sales Taxes	12,795,765	12,677,932	11,611,512	11,694,939	11,286,363	13,440,925	15,205,186	15,342,494	16,442,313	17,375,355
Food Service Sales	1,418,929	1,472,683	1,324,568	1,251,897	1,159,969	1,064,721	995,349	1,013,615	927,114	890,261
Interest Income and Others	3,020,630	2,094,862	1,043,876	516,994	265,260	292,630	651,519	168,186	395,542	566,744
Miscellaneous	3,092,003	4,668,359	1,881,563	2,566,662	1,846,751	1,634,681	1,964,155	2,318,799	2,494,063	2,578,923
Total Local Sources	98,944,771	102,072,185	91,636,446	91,291,223	89,343,789	83,865,470	87,701,515	92,419,893	96,476,245	101,193,413
Total Revenues	127,773,970	134,739,029	120,061,449	118,213,824	118,401,187	111,752,891	113,769,688	117,444,985	123,277,345	129,440,826

(continued)

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures:										
Current - Education:										
Instruction	\$ 57,230,347	\$ 59,568,562	\$ 57,577,336	\$ 59,789,399	\$ 61,783,207	\$ 55,802,569	\$ 51,818,893	\$ 56,580,555	\$ 60,362,143	\$ 64,755,076
Student Support Services	5,251,586	5,260,255	5,229,212	5,589,639	4,753,620	4,324,635	4,247,431	4,667,117	4,808,502	5,036,098
Instructional Media Services	873,615	1,026,664	973,486	943,144	1,063,177	754,801	785,298	732,305	636,011	693,827
Instruction and Curriculum										
Development Services	3,334,201	3,364,610	2,752,159	2,564,253	2,519,875	2,169,059	2,038,574	2,356,115	2,312,675	2,641,839
Instructional Staff Training Services	1,005,696	2,115,941	1,444,733	1,416,709	1,298,489	1,302,989	1,302,923	1,011,287	1,551,167	1,584,023
Instruction Related Technology	1,250,066	1,256,950	1,240,638	1,233,207	1,082,692	966,100	871,267	1,048,342	1,107,022	1,341,879
School Board	783,372	634,305	831,818	835,134	952,525	1,096,542	768,992	664,034	548,763	553,959
General Administration	1,156,766	1,058,117	913,183	922,399	912,068	855,931	841,729	660,240	829,550	723,524
School Administration	5,645,645	5,457,469	5,318,731	5,142,957	4,852,541	4,046,760	3,938,411	4,033,717	4,380,781	4,492,871
Facilities Services	9,241,969	8,776,504	4,349,173	2,392,469	2,128,696	5,585,861	2,430,274	4,317,531	5,671,962	7,345,085
Fiscal Services	1,201,603	1,180,286	1,152,946	899,982	880,940	811,763	800,029	925,217	1,117,568	1,104,187
Food Service	3,694,260	3,115,184	3,038,784	3,134,928	3,216,494	3,254,769	3,146,209	3,283,184	3,219,687	3,302,861
Central Services	1,272,713	1,216,829	1,211,046	1,140,664	2,015,701	1,929,615	2,787,459	1,484,224	1,500,288	1,651,079
Student Transportation Services	4,261,700	4,227,498	3,862,696	3,669,398	3,416,695	2,840,591	2,704,659	3,108,006	3,363,912	3,507,104
Operation of Plant	9,073,249	8,857,399	8,372,222	8,042,791	7,097,051	6,000,973	5,453,417	6,121,880	6,573,798	7,294,543
Maintenance of Plant	2,905,631	2,873,268	3,071,090	3,319,278	2,932,857	2,136,149	2,201,664	2,064,178	2,191,230	2,513,232
Administrative Technology Services	381,662	375,360	373,558	376,514	382,290	359,612	363,540	476,541	409,722	516,839
Community Services	1,041,368	1,235,559	1,036,970	754,882	772,172	703,188	644,459	656,773	787,462	745,701
Capital Outlay:										
Facilities Acquisition and Construction	50,648,380	24,598,677	3,781,606	1,641,129	13,246,878	13,314,327	11,089,553	897,167	402,021	1,326,642
Other Capital Outlay	4,602,061	4,309,656	239,876	404,998	410,109	316,244	366,163	2,091,882	1,150,657	2,288,365
Debt Service:										
Principal	8,966,079	11,615,301	11,535,278	11,653,695	11,931,859	11,855,335	19,825,000	12,081,832	12,430,329	12,617,000
Interest and Fiscal Charges	3,242,412	3,709,138	3,917,849	3,370,499	2,774,027	4,307,081	4,081,382	3,249,827	2,801,169	2,335,486
Total Expenditures	177,064,381	155,833,532	122,224,390	119,238,068	130,423,963	124,734,894	122,507,326	112,511,954	118,156,419	128,371,220
Excess (Deficiency) of Revenues over (under) Expenditures	(49,290,411)	(21,094,503)	(2,162,941)	(1,024,244)	(12,022,776)	(12,982,003)	(8,737,638)	4,933,031	5,120,926	1,069,606
Other Financing Sources (Uses)										
Bonds Issued	20,500,000									
Sale of Capital Assets	1,000	15,208		4,385,207				16,160	3,511	
Loss Recoveries	322,580	2,392,448	39,140	128,900	7,568	300,479	86,178	596	16,303	6,279
Refunding Bonds						655,000	5,717,000		29,000	
Certificates of Participation				36,000,000						
Inception of Capital Leases	768,355	2,481,480								
Premium on Refunding Bonds Issued						55,082			1,850	
Payments to Refunding Bonds Escrow Agent						(708,241)			(31,425)	
Transfers In	15,840,100	16,629,777	19,237,303	20,555,435	20,604,716	20,390,795	19,469,485	20,076,426	18,829,607	13,194,804
Transfers Out	(17,040,100)	(16,629,777)	(19,237,303)	(20,555,435)	(20,604,716)	(20,390,795)	(19,469,485)	(20,076,426)	(18,829,607)	(13,194,804)
Total Other Financing Sources	20,391,935	4,889,136	39,140	40,514,107	7,568	302,320	5,803,178	16,756	19,239	6,279
Net Change in Fund Balance	\$ (28,898,476)	\$ (16,205,367)	\$ (2,123,801)	\$ 39,489,863	\$ (12,015,208)	\$ (12,679,683)	\$ (2,934,460)	\$ 4,949,787	\$ 5,140,165	\$ 1,075,885
Debt Service as a Percentage of Noncapital Expenditures	10.02%	12.07%	13.07%	12.82%	12.59%	14.55%	21.53%	14.00%	13.06%	11.99%

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

Source: District Records

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

	Fiscal Year Ended									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Revenues										
Federal Direct	\$ 498,305	\$ 410,833	\$ 376,284	\$ 318,015	\$ 380,546	\$ 248,918	\$ 326,038	\$ 194,372	\$ 258,547	\$ 259,831
Federal through State Sources	661,334	744,557	761,244	725,979	563,871	715,639	675,760	359,213	801,434	617,867
Federal through Local Sources										
State Sources	17,375,648	18,280,166	17,149,966	11,817,028	12,759,634	14,694,479	14,345,446	15,382,919	15,131,996	15,983,907
Local	68,755,736	70,737,934	65,711,489	66,773,730	68,970,736	59,888,309	61,607,076	65,837,219	68,009,473	71,098,099
Total Revenues	87,291,023	90,173,490	83,998,983	79,634,752	82,674,787	75,547,345	76,954,320	81,773,723	84,201,450	87,959,704
Expenditures										
Instruction	54,384,841	56,036,833	53,522,965	52,377,413	52,886,051	52,051,842	48,888,305	54,143,968	57,521,150	61,376,478
Student Support Services	4,248,919	4,295,870	4,347,804	4,692,704	3,654,297	3,108,542	3,108,090	4,410,761	3,895,863	4,092,098
Instructional Media Services	858,477	1,017,413	970,477	939,034	1,063,177	674,734	735,380	730,934	636,011	693,827
Instruction and Curriculum Development Services	2,352,068	2,370,799	1,732,378	1,523,488	1,425,926	1,160,922	1,152,722	1,488,103	1,421,369	1,536,514
Instructional Staff Training Services	444,088	1,375,927	783,091	737,159	473,163	358,886	362,637	610,557	1,001,519	1,026,934
Instruction Related Technology	1,234,943	1,243,577	1,227,623	1,173,228	1,055,475	966,100	871,267	1,048,342	1,105,499	1,329,487
School Board	783,372	634,305	831,818	833,311	952,525	1,095,882	759,477	663,380	548,763	553,959
General Administration	981,159	856,170	679,285	680,761	785,563	627,455	684,310	546,541	584,072	475,253
School Administration	5,645,645	5,457,469	5,318,731	5,138,656	4,846,294	4,020,380	3,918,149	4,031,481	4,379,902	4,489,895
Facilities Services	26,207	207,637	323,945	655,983	585,596	1,019,285	124,263	471,480	422,301	404,711
Fiscal Services	1,201,603	1,180,286	1,152,946	899,482	880,940	795,263	800,028	925,217	1,117,568	1,104,187
Food Service	18,984	69,706	22,879	29,137	39,659	17,591	18,730	30,598	11,804	26,791
Central Services	1,272,713	1,216,829	1,211,046	1,136,664	2,015,165	1,929,615	2,787,459	1,482,601	1,500,288	1,651,079
Student Transportation Services	4,260,430	4,204,478	3,787,590	3,601,658	3,397,057	2,792,471	2,694,216	3,084,538	3,349,260	3,507,104
Operation of Plant	9,067,849	8,851,958	8,367,524	8,040,809	7,087,651	5,995,862	5,453,307	6,120,978	6,571,956	7,292,992
Maintenance of Plant	2,905,631	2,873,268	3,071,090	3,317,996	2,932,523	2,133,810	2,201,664	2,064,178	2,191,230	2,513,232
Administrative Technology Services	381,662	375,360	369,173	376,514	382,290	359,612	363,540	476,541	409,722	516,839
Community Services	1,041,368	1,235,559	1,036,970	754,590	771,384	601,001	644,459	656,773	787,462	745,701
Capital Outlay:										
Facilities Acquisition and Construction	45,479				5,250	1,500	85,986		11,800	
Other Capital Outlay	162,072	48,165	35,927	67,054	47,399	35,892	84,586	60,282	159,154	118,057
Debt Service:										
Principal										
Interest and Fiscal Charges		403,173	446,510	150,123	58,395	44,320	63,376	104,834	53,100	37,630
Total Expenditures	91,317,510	93,954,782	89,239,772	87,125,764	85,345,780	79,790,965	75,801,951	83,152,087	87,679,793	93,492,768
Excess (Deficiency) of Revenues over Expenditures	(4,026,487)	(3,781,292)	(5,240,789)	(7,491,012)	(2,670,993)	(4,243,620)	1,152,369	(1,378,364)	(3,478,343)	(5,533,064)
Total Other Financing Sources (Uses)	2,071,359	3,262,474	4,175,696	4,509,770	4,098,358	4,157,276	3,243,106	3,948,054	3,678,206	4,135,174
Net Change in Fund Balances	(1,955,128)	(518,818)	(1,065,093)	(2,981,242)	1,427,365	(86,344)	4,395,475	2,569,690	199,863	(1,397,890)
Beginning Fund Balance	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	12,542,792
Ending Fund Balance	\$ 8,601,896	\$ 8,083,078	\$ 7,017,985	\$ 4,036,743	\$ 5,464,108	\$ 5,377,764	\$ 9,773,239	\$ 12,342,929	\$ 12,542,792	\$ 11,144,902

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, 2017	17,750,000
June 30, 2018	17,750,000
June 30, 2019	17,750,000
June 30, 2020	17,775,000
June 30, 2021	17,775,000

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

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

Fiscal Year Ended June 30	Just Value (1)		Less: Exemptions	Net Assessed Taxable Value (2)	Total Direct Rate
	Real Property	Personal Property			
2016	\$ 30,730,378,081	\$ 729,104,179	\$ 8,041,867,555	\$ 23,417,614,705	3.5500
2015	28,683,662,702	719,993,296	7,437,380,121	21,966,275,877	3.6260
2014	26,616,428,610	740,963,901	6,986,640,765	20,370,751,746	3.6810
2013	25,619,313,512	760,488,508	6,828,495,669	19,551,306,351	3.6600
2012	25,558,799,632	798,092,402	7,009,112,330	19,347,779,704	3.5650
2011	26,540,872,618	828,515,769	7,291,527,525	20,077,860,862	3.8235
2010	30,948,868,141	847,780,599	8,887,064,408	22,909,584,332	3.3870
2009	36,544,684,798	843,984,940	10,673,636,368	26,715,033,370	2.9220
2008	39,857,204,003	829,566,470	12,253,253,703	28,433,516,770	2.9460
2007	38,579,528,369	827,502,950	12,998,330,104	26,408,701,215	3.0610

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

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

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			
	2007	2008	2009	2010
District School Board:				
Required Local Effort	1.5190	1.4080	1.3940	1.6880
Discretionary Local	0.5100	0.5100	0.4980	0.6990
Critical Operating Needs				
Supplemental Discretionary	0.0320	0.0280	0.0300	
Additional Voted Operating	0.5000	0.5000	0.5000	0.5000
Capital Improvement	0.5000	0.5000	0.5000	0.5000
Total District School Board	3.0610	2.9460	2.9220	3.3870
Other County-Wide:				
Board of County Commissioners	2.5609	2.2656	2.6883	3.0837
Other	1.2475	1.0415	1.0038	1.0502
Total County-Wide	3.8084	3.3071	3.6921	4.1339
Total Direct & Overlapping Rates	6.8694	6.2531	6.6141	7.5209
Other Includes:				
Monroe County Mosquito Control				
South Florida Water Management				
Okeechobee Basin Fund				
Big Cypress Fund				
Everglades Construction Project				
Monroe County Road Patrol Law Enforcement				

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

Sources: Monroe County Property Appraiser
District Records

For the Fiscal Year Ended June 30					
2011	2012	2013	2014	2015	2016
1.9440	1.8170	1.9120	1.9330	1.8780	1.8020
0.7295	0.7480	0.7480	0.7480	0.7480	0.7480
0.2500					
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.4000	0.5000	0.5000	0.5000	0.5000	0.5000
3.8235	3.5650	3.6600	3.6810	3.6260	3.5500
3.3445	3.9833	3.8045	3.8262	3.7432	3.5582
1.0836	0.9199	0.9460	0.9179	0.8666	0.8570
4.4281	4.9032	4.7505	4.7441	4.6098	4.4152
8.2516	8.4682	8.4105	8.4251	8.2358	7.9652

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

Taxpayer	For the Fiscal Year Ended June 30					
	2016			2007		
	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)	Rank	Assessed Taxable Value	Percentage of Total Taxable Value (1)
Southeast Housing LLC	1	\$ 144,357,797	0.616%			
Florida Keys Electric Cooperative Association, Inc.	2	110,491,528	0.472%	3	\$ 76,002,338	0.288%
Sunset City LLC	3	93,314,407	0.398%			
CWI Keys Hotel LLC	4	90,190,607	0.385%			
Ocean Reef Club Inc.	5	81,926,690	0.350%			
Casa Marina Owner Inc.	6	79,953,408	0.341%	1	79,262,930	0.300%
Galleon Condominium Association, Inc.	7	64,894,805	0.277%	5	69,741,964	0.264%
NWCL LLC	8	58,847,703	0.251%			
Tannex Development LLC	9	56,302,067	0.240%			
Windward Pointe II LLC	10	55,004,227	0.235%	8	48,686,354	0.184%
BellSouth/Southern Bell				2	78,220,595	0.296%
Hyatt Key West				4	72,028,980	0.273%
City of Key West				6	66,575,757	0.252%
CSC Holiday LTD				7	66,418,178	0.252%
Keys Marina Sombrero LLC				9	47,807,644	0.181%
JLW Key West 1 LLC				10	43,709,517	0.166%
Total		\$ 835,283,239	3.567%		\$ 648,454,257	2.455%

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

Sources: Monroe County Tax Collector
Monroe County Property Appraiser

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of The Levy		Collections In Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount (1)	Percentage of Levy
2016	\$ 83,132,532	\$ 79,589,614	95.74%	N/A	\$ 79,589,614	95.74%
2015	79,649,716	76,016,117	95.44%	192,516	76,208,633	95.68%
2014	75,215,392	72,592,727	96.51%	201,096	72,793,823	96.78%
2013	71,739,827	68,658,744	95.71%	208,139	68,866,883	96.00%
2012	68,974,835	66,911,669	97.01%	316,110	67,227,779	97.47%
2011	77,593,445	74,388,457	95.87%	370,370	74,758,827	96.35%
2010	78,740,144	75,260,732	95.58%	399,629	75,660,361	96.09%
2009	78,061,328	75,435,457	96.64%	728,771	76,164,228	97.57%
2008	83,765,140	81,158,349	96.89%	369,819	81,528,168	97.33%
2007	80,837,035	78,365,646	96.94%	200,444	78,566,090	97.19%

Note: (1) Net of allowable discounts.

N/A: Information is not yet available for the 2016 fiscal year.

Sources: Monroe County Tax Collector
District Records

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

Fiscal Year Ended June 30	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income (1)	Debt Per Capita (1)
2016	\$ 8,000	\$ 41,152,000	\$	\$ 41,160,000	N/A	554
2015	29,000	43,347,000	10,401,000	53,777,000	N/A	726
2014	250,000	45,452,000	20,493,000	66,195,000	0.0012%	858
2013	495,000	47,477,000	30,292,000	78,264,000	0.0018%	1,025
2012	755,000	49,427,000	42,190,000	92,372,000	0.0021%	1,234
2011	1,010,000	51,307,000	51,860,000	104,177,000	0.0025%	1,407
2010	1,220,000	53,117,000	61,215,000	115,552,000	0.0029%	1,578
2009	1,420,000	18,852,000	70,265,000	90,537,000	0.0023%	1,247
2008	1,615,000	20,532,000	79,035,000	101,182,000	0.0023%	1,391
2007	1,800,000	22,167,000	87,610,000	111,577,000	0.0025%	1,530

Note: (1) Total Primary Government Debt divided by Personal Income and Population from Schedule 18.
N/A: Information is not yet available for the 2015 and 2016 calendar years.

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

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

Fiscal Year Ended June 30	Taxable Assessed Value (1)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (2)
2016	\$ 23,417,614,705	\$ 4,307,206	0.194 mills
2015	21,966,275,877	4,305,950	0.206 mills
2014	20,370,751,746	4,308,550	0.223 mills
2013	19,551,306,351	4,310,613	0.232 mills
2012	19,347,779,704	4,452,497	0.242 mills
2011	20,077,860,862	4,452,467	0.233 mills
2010	22,909,584,332	2,266,644	0.104 mills
2009	26,715,033,370	2,273,713	0.090 mills
2008	28,433,516,770	2,278,438	0.084 mills
2007	26,408,701,215	2,274,838	0.091 mills

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

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

Sources: District Records
Monroe County Property Appraiser

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

HISTORICAL SALES SURTAX COLLECTIONS

District Revenue Bonds						
Fiscal Year Ending June 30,	Actual Sales Tax Revenues Received by the School District (1)		Debt Service		Other	Debt Service
		Interest Revenue	Principal	Interest	Dues & Fees	Coverage
2016	\$ 17,375,355	\$ 100,921	\$ 10,401,000	\$ 176,602	\$ 350	1.65
2015	16,442,313	46,421	10,092,000	510,160	2,100	1.55
2014	15,342,494	32,275	9,799,000	814,222	350	1.45
2013	15,205,186	79,909	11,898,000	1,563,698	46,490	1.13
2012	13,440,925	472	9,670,000	1,769,335	350	1.17
2011	11,286,363	264	9,355,000	2,088,628	350	0.99
2010	11,694,939	88	9,050,000	2,394,433	356	1.02
2009	11,611,512	549	8,770,000	2,684,528	5,675	1.01
2008	12,677,932	423,421	8,575,000	2,453,589	33,210	1.18
2007	12,795,765	233,927	6,390,000	2,328,269	36,665	1.49

HISTORICAL CAPITAL OUTLAY AD VALOREM TAX COLLECTIONS

Certificates of Participation						
Fiscal Year Ending June 30,	Actual Capital Outlay Taxes Received by the School District		Debt Service		Other	Debt Service
		Interest Revenue	Principal (2)	Interest	Dues & Fees	Coverage
2016	\$ 11,219,852	\$ 26,074	\$ 4,247,000	\$ 60,206	\$ 7,000	2.61
2015	10,511,321	23,696	4,157,000	148,950	24,000	2.43
2014	9,999,768	41,275	5,045,344	449,451	18,603	1.82
2013	9,408,793	190,579	4,408,655	470,186	10,225	1.96
2012	9,442,181	17,178	4,338,655	454,850	5,000	1.97
2011	7,819,122	79,735	4,268,655	524,820	12,917	1.64
2010	11,110,246	229,981	2,076,008	531,644	164,209	4.09
2009	12,944,959	357	2,021,008	593,713	4,850	4.94
2008	13,772,457	266,952	1,976,008	643,438	3,600	5.35
2007	12,819,425	412,127	1,911,008	704,838	8,953	5.04

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

Source: District Records

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
June 30, 2016
(Unaudited)

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Other Debt Outstanding</u>	<u>Direct Debt</u>		<u>Direct and Overlapping Debt</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	\$	\$	0%	\$	0%	\$
District School Board of Monroe County Direct Debt						
Bonds Payable		8,000	100%	8,000	100%	8,000
Certificates of Participation Payable		41,152,000	100%	41,152,000	100%	41,152,000
Total Direct and Overlapping Debt	<u>\$</u>	<u>\$ 41,160,000</u>		<u>\$ 41,160,000</u>		<u>\$ 41,160,000</u>

Sources: Monroe County, Florida Comprehensive Annual Financial Report as of September 30, 2015
District Records

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

	Fiscal Year Ending June 30				
	2007	2008	2009	2010	2011
Assessed Value (1)	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862
Debt Limit on Assessed Value (2)	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862
Amount of Debt Applicable to Debt Limit					
Bonds Payable (3)	\$	\$	\$	\$	\$
Less: Amount Available for Debt Service					
Total Debt Application to the Debt Limit					
Legal Debt Margin	\$ 26,408,701,215	\$ 28,433,516,770	\$ 26,715,033,370	\$ 22,909,584,332	\$ 20,077,860,862
Total Net Debt Application to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year Ending June 30				
	2012	2013	2014	2015	2016
Assessed Value (1)	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705
Debt Limit on Assessed Value (2)	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705
Amount of Debt Applicable to Debt Limit					
Bonds Payable (3)	\$	\$	\$	\$	\$
Less: Amount Available for Debt Service					
Total Debt Application to the Debt Limit					
Legal Debt Margin	\$ 19,347,779,704	\$ 19,551,306,351	\$ 20,370,751,746	\$ 21,966,275,877	\$ 23,417,614,705
Total Net Debt Application to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Notes: (1) Assessed value is as of January 1.

(2) The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.

(3) Includes General Obligation Bonds only.

Source: Monroe County Property Appraiser

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
Direct Non-General Obligation Debt
June 30, 2016
(Unaudited)

State of Florida School Bonds:
Series 2014B, Refunding

\$ 8,000

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
(Unaudited)

Population (2016)	74,270
Total taxable valuation (2016 Fiscal Year)	\$ 23,417,614,705
Direct non-general obligation debt and certificates of participation at June 30, 2016	\$ 41,160,000
(a) As a percent of taxable valuation	0.18%
(b) Per capita	\$ 554.19

Sources: District Records
Population obtained from the University of Florida, Bureau of Economic and
Business Research, Florida Population Studies Bulletin 174, January 2016

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (A)</u>	<u>Unemployment Rate (B)</u>
2016	74,270	N/A	N/A	3.1%
2015	74,101	N/A	N/A	3.5%
2014	77,136	5,368,160,000	69,593	3.7%
2013	76,351	4,415,284,000	57,829	3.5%
2012	74,849	4,373,456,000	58,430	4.7%
2011	74,028	4,126,047,000	55,736	6.4%
2010	73,209	4,053,020,000	55,362	8.0%
2009	72,627	3,900,911,000	53,712	7.3%
2008	72,730	4,370,463,000	60,092	4.0%
2007	72,906	4,517,398,000	61,962	3.0%

Note: (1) Personal Income is in thousands.

N/A: Information is not yet available for the 2015 and 2016 calendar years.

Sources:

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

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

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

Note: (1) Information is not yet available for the 2015-16 fiscal year.

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

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

Fiscal Year Ended June 30	Number of Schools (1) (2)	Number of Classroom Instructors	Unweighted Full-Time Equivalent Students (1) (2)	Average General Fund Expenditures Per Student
2016	16	573	8,102	\$ 11,539
2015	16	567	8,090	10,838
2014	16	532	8,064	10,312
2013	17	593	7,947	9,538
2012	17	644	8,031	9,935
2011	15	615	7,964	10,716
2010	14	637	7,896	11,034
2009	14	635	7,919	11,269
2008	14	638	8,044	11,680
2007	14	690	8,082	11,299

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

Sources: Florida Department of Education
District Records

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

	Placed in Service (1)	Square Footage (2)	Full-Time Equivalent Enrollment Data Fiscal Year Ended June 30		
			2007	2008	2009
Elementary Schools					
Gerald Adams Elementary	1974	70,755	454.41	452.13	444.67
Glynn Archer Elementary	1926	11,039	258.75	244.76	245.95
Poinciana Elementary	2005	90,997	536.97	590.83	588.55
Stanley Switlik Elementary	1971	102,886	569.58	564.66	457.69
Total Elementary			1,819.71	1,852.38	1,736.86
K-8 Schools					
Horace O'Bryant Middle	1998	188,132	744.12	761.00	699.77
Key Largo Middle	2007	204,833	958.21	888.64	908.26
Plantation Key Middle	1976	76,376	596.62	564.53	540.32
Sugarloaf Middle	1997	191,600	729.64	683.91	659.36
Total K-8 Schools			3,028.59	2,898.08	2,807.71
Combination Middle High Schools					
Marathon Middle High	2005	241,676	552.44	567.07	621.99
High Schools					
Coral Shores High	2003	229,009	734.59	778.46	751.01
Key West High	2003	263,862	1,363.90	1,338.69	1,368.47
Total High Schools			2,098.49	2,117.15	2,119.48
Charter Schools					
Big Pine Academy, Inc.	1980	13,713	56.50	81.00	91.05
Key West Collegiate School			74.95	73.00	83.00
Montessori Elementary Charter School, Inc.			148.00	151.50	162.00
Treasure Village Montessori School	1949	10,000	222.16	221.97	229.68
Ocean Studies Charter School, Inc.					
Sigsbee Charter School, Inc.	1959	50,239			
Total Charter Schools			501.61	527.47	565.73
Other Programs					
Pace Upper Keys	Included above		18.44	1.54	
Pace Lower Keys	Included above		37.64	31.90	
May Sands School	1974	35,960		20.90	24.31
Hurricane Island Outward Bound	Included above		5.00	8.00	12.56
Academic Connections for Excellence	Included above				
Florida Department of Juvenile Justice	Included above		3.18	5.38	6.09
Keys Center Academy	Included above				17.61
McKay Scholarship	Included above		16.50	14.50	6.50
District Virtual Instruction					
Monroe Virtual Franchise					
Monroe Virtual Instruction					
Monroe Virtual Academy					
Total Other Programs			80.76	82.22	67.07
Total District			8,081.60	8,044.37	7,918.84

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**

2010	2011	2012	2013	2014	2015	2016
440.90	442.83	461.56	477.75	466.48	477.27	487.50
257.33	272.05	310.96	336.78			
611.98	608.56	591.34	590.23	620.53	622.33	597.08
469.12	492.05	479.26	474.04	484.96	517.98	527.76
<u>1,779.33</u>	<u>1,815.49</u>	<u>1,843.12</u>	<u>1,878.80</u>	<u>1,571.97</u>	<u>1,617.58</u>	<u>1,612.34</u>
710.33	712.73	702.84	642.08	964.33	984.85	1,018.32
897.20	884.99	851.66	818.97	821.97	794.90	799.40
505.56	522.18	485.66	475.60	461.32	443.03	427.54
659.20	614.26	576.80	552.86	537.65	511.99	531.19
<u>2,772.29</u>	<u>2,734.16</u>	<u>2,616.96</u>	<u>2,489.51</u>	<u>2,785.27</u>	<u>2,734.77</u>	<u>2,776.45</u>
619.49	606.51	621.60	625.31	614.48	654.16	663.37
745.99	764.38	765.05	731.25	710.33	724.40	703.09
1,343.78	1,304.18	1,213.90	1,183.45	1,167.14	1,167.21	1,145.65
<u>2,089.77</u>	<u>2,068.56</u>	<u>1,978.95</u>	<u>1,914.70</u>	<u>1,877.47</u>	<u>1,891.61</u>	<u>1,848.74</u>
95.52	116.56	142.00	144.18	150.27	138.16	134.50
		35.27	49.00	65.77	76.44	78.45
93.50	93.50	103.58	106.70	114.59	145.20	145.10
171.00	172.09	188.50	196.00	97.47	191.00	200.50
		38.50	68.50	483.07	104.00	106.00
227.90	285.50	378.50	428.60	199.92	474.50	481.00
<u>587.92</u>	<u>667.65</u>	<u>886.35</u>	<u>992.98</u>	<u>1,111.09</u>	<u>1,129.30</u>	<u>1,145.55</u>
13.00	5.00	15.00	12.00	8.94	10.50	5.00
	34.11	35.42	4.25	11.03	10.45	
5.84	6.64	6.17	4.67	3.75	3.02	0.51
17.45	20.49	21.60	15.35	16.42	12.86	11.33
6.00	3.50	4.00	5.00	8.73	19.00	30.50
5.00	1.61	0.84	0.01			2.83
		1.18	0.92	0.79	1.84	2.75
			3.00	1.90	3.65	0.84
					1.08	1.84
<u>47.29</u>	<u>71.35</u>	<u>84.21</u>	<u>45.20</u>	<u>51.56</u>	<u>62.40</u>	<u>55.60</u>
<u>7,896.09</u>	<u>7,963.72</u>	<u>8,031.19</u>	<u>7,946.50</u>	<u>8,011.84</u>	<u>8,089.82</u>	<u>8,102.05</u>

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

Full-Time Equivalent Students										
For The Fiscal Year Ended June 30										
Grade/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Grades K-3	1,739.02	1,739.50	1,786.09	1,765.41	1,862.52	1,968.44	1,994.09	2,078.35	1,982.94	1,914.38
Grades 4-8	2,210.75	2,115.32	2,039.69	2,132.89	2,183.38	2,212.65	2,151.49	2,125.93	2,197.88	2,198.22
Grades 9-12	1,661.57	1,672.66	1,656.17	1,602.64	1,589.00	1,607.35	1,651.29	1,582.35	1,608.66	1,576.97
Exceptional Ed	1,824.24	1,862.23	1,839.89	1,758.60	1,708.07	1,646.80	1,608.00	1,589.89	1,559.95	1,621.69
Vocational Ed	276.29	240.63	217.61	187.88	183.08	140.71	43.48	176.37	209.11	229.09
At-Risk Programs										
Dropout Prevention										
Education Alt										
ESOL	369.73	414.03	379.39	448.67	437.67	455.24	498.15	458.95	531.28	561.70
Total	8,081.60	8,044.37	7,918.84	7,896.09	7,963.72	8,031.19	7,946.50	8,011.84	8,089.82	8,102.05

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

MONROE COUNTY SCHOOL DISTRICT, FLORIDA
NUMBER OF PERSONNEL
LAST 10 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
2016	652	51	435	1,138	12.43	12.78
2015	586	50	418	1,054	13.81	11.72
2014	607	43	386	1,036	13.20	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

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

(A) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists,
Other Professional Instructional Staff

(B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors
Directors, Managers, Coordinators

(C) Paraprofessionals, Bus Drivers, Maintenance, Clerical, Etc.

Source: District Records

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

<u>Fiscal Year Ended June 30</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>District Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2016	\$ 46,000	\$ 80,800	\$ 58,389	\$ 48,179
2015	45,300	77,400	58,309	47,950
2014	44,906	73,544	56,202	47,780
2013	43,177	71,669	53,631	46,583
2012	43,824	72,744	53,808	46,479
2011	42,330	70,264	57,798	45,723
2010	42,330	70,264	56,674	46,696
2009	42,330	70,264	56,272	46,938
2008	41,500	68,886	54,083	46,922
2007	40,291	66,880	50,775	45,296

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

(2) 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 District School Board
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass - Through Grantor Number</u>	<u>Amount of Expenditures</u>
United States Department of Agriculture:			
Indirect:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	15002	\$ 431,359.12
National School Lunch Program	10.555	15001, 15003	1,985,534.12
Summer Food Service Program for Children	10.559	14006, 14007, 15006, 15007	<u>67,666.63</u>
Total Child Nutrition Cluster			<u>2,484,559.87</u>
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4374	<u>55,198.87</u>
Total United States Department of Agriculture			<u>2,539,758.74</u>
United States Department of Interior:			
Indirect:			
Monroe County Board of County Commissioners:			
National Wildlife Refuge Fund	15.659	None	<u>139,485.12</u>
United States Department of Education:			
Direct:			
Impact Aid	84.041	N/A	228,350.87
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	<u>31,480.00</u>
Total Direct			<u>259,830.87</u>
Indirect:			
Special Education Cluster:			
Special Education - Grants to States:			
Florida Department of Education	84.027	263	1,951,135.32
University of South Florida		None	<u>1,500.00</u>
Total Special Education - Grants to States	84.027		<u>1,952,635.32</u>
Florida Department of Education:			
Special Education - Preschool Grants	84.173	267	<u>47,279.71</u>
Total Special Education Cluster			<u>1,999,915.03</u>
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 192, 193	157,179.44
Title I Grants to Local Educational Agencies	84.010	212, 226	1,557,418.44
Career and Technical Education - Basic Grants to States	84.048	161	77,798.94
Education for Homeless Children and Youth	84.196	127	42,534.46
Charter Schools	84.282	298	192,755.97
Twenty-First Century Community Learning Centers	84.287	244	369,390.34
Rural Education	84.358	110	118,121.58
English Language Acquisition State Grants	84.365	102, 104	91,354.82
Improving Teacher Quality State Grants	84.367	224	377,655.18
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RA111, RL111	<u>146,042.07</u>
Total Indirect			<u>5,130,166.27</u>
Total United States Department of Education			<u>5,389,997.14</u>
United States Department of Health and Human Services:			
Direct:			
Head Start	93.600	N/A	<u>1,189,865.24</u>
Total Expenditures of Federal Awards			<u>\$ 9,259,106.24</u>

The accompanying notes are an integral part of this schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Monroe County District School Board under programs of the Federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Account Policies. Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance: National School Lunch Program - Includes cash in lieu of donated foods of \$219,697.00 and \$37,143.63 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start. Expenditures include \$59,813.84 for grant number/program year 04CH4752/01 and \$1,130,051.40 for grant number/program year 04CH4752/02.



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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monroe County District School Board, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2016, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial

statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 6, 2016
Audit Report No. 2017-061



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



Phone: (850) 412-2722
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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for the Major Federal Program

We have audited the Monroe County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2016. The District's major Federal program is 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 Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

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

Opinion on the 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 its major Federal program for the fiscal year ended June 30, 2016.

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 the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 6, 2016
Audit Report No. 2017-061

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: 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 Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major program:

CFDA Numbers: 10.553, 10.555, and 10.559 Name of Federal Program or Cluster: Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? Yes

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in our report No. 2016-093.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

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
2016-093 (2015-001)	Title I Grants to Local Educational Agencies (CFDA No. 84.010)	District did not properly allocate Title I Schoolwide Program resources, resulting in \$25,181.64 in questioned costs	Partially Corrected	In a letter dated October 21, 2016, the Florida Department of Education decided that \$21,703.50 and \$3,478.14 should be restored to Gerald Adams Elementary and Stanley Switlik Elementary, respectively. Subject to Board amendment of the 2016-17 fiscal year budget, the District will restore the funds.