

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT’S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2016**

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| Return completed form to: Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Suite 824 Tallahassee, FL 32399-0400 |
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**Minimum
Reporting**

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The Superintendent’s Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2016, was submitted in accordance with rule 6A-1.0071, F.A.C. (section 1001.51(12)(b), F.S.). This report was approved by the school board on September 6, 2016.

District Superintendent’s Signature

September 6, 2016
Date

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

The School District of Hillsborough County's (the "District") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements (beginning on page 2).

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances in a manner similar to the corporate private sector. Governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The Statement of Net Position details information on all of the Districts assets, deferred outflows, liabilities, and deferred inflows, with the assets plus deferred outflows minus liabilities plus deferred inflows being reported as net position. This statement combines governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District has changed.

The Statement of Activities (see page 3) presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying obligation/event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The government-wide financial statements include not only the District but its component unit as well. The Hillsborough School Board Leasing Corporation, although legally separate, functions for all practical purposes, as a department of the District, and therefore has been included as an integral part of the primary government. The District has other component units that, due to the timing of the issuance of the Superintendent's Annual Financial Report, are not included in the basic financial statements. The Hillsborough County Education Foundation and several separate public charter schools for which the District is financially accountable are not included.

Key financial highlights included assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources by \$747,475,900.96 (net position). Of this amount \$(822,180,497.31) represents a deficit unrestricted net position. This deficit balance was attributed to the effects of the long term liabilities for pensions, other post employment benefits, and compensated absences. See notes 11, 17, 18, and 19 to the financial statements for additional information.

The government-wide financial statements can be found on pages 2 - 3 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

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. Funds are established for various purposes and the Fund Financial Statements allow for the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 4). All funds of the District can be divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

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, the governmental funds focus on the sources and uses of liquid resources and balances of spendable resources available at the end of the fiscal year.

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government entity. Because the focus is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers can better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 5 and 7). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column in the Government-wide statements.

The District maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund – Other, Other Debt Service, Capital Improvement, and Other Capital Projects Fund that are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for all of its governmental funds.

Proprietary Funds

The District maintains an internal service fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its group health insurance, workers compensation, and liability self-insurance activities. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund statements can be found on pages 8 – 10.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

Fiduciary Funds

The District is the trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. The District is liable for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance any of its ongoing operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 18.1 – 18.61 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entities financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$747,475,900.96 at the end of the current fiscal year.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt and deferred outflows used to acquire those assets that is still outstanding. The District uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt and deferred outflows, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

| | Governmental Activities 2016 | Governmental Activities 2015 |
|-----------------------------------|---|---|
| Current and other assets | \$ 478,096,216.36 | \$ 571,058,539.73 |
| Capital assets | <u>2,294,400,783.98</u> | <u>2,314,407,692.02</u> |
| Total assets | <u>2,772,497,000.33</u> | <u>2,885,466,231.75</u> |
| Deferred outflows | <u>380,678,768.22</u> | <u>182,266,823.47</u> |
| | | |
| Long-term liabilities outstanding | 2,066,181,311.20 | 1,831,420,401.88 |
| Other liabilities | <u>120,112,374.39</u> | <u>122,939,642.97</u> |
| Total liabilities | <u>2,186,293,685.60</u> | <u>1,954,360,044.85</u> |
| Deferred inflows | <u>219,406,182.00</u> | <u>282,447,401.00</u> |
| | | |
| Net position: | | |
| Net Investment in Capital Assets | 1,334,058,551.36 | 1,294,026,186.42 |
| Restricted | 235,597,846.91 | 289,209,864.51 |
| Unrestricted | <u>(822,180,497.31)</u> | <u>(752,310,441.56)</u> |
| Total Net Position | <u>\$ 747,475,900.96</u> | <u>\$ 830,925,609.37</u> |

An additional portion of the District's Net Position represents resources that are subject to external restrictions on how they may be used. The District's net position decreased by \$83,449,708.41 from last year, due to current year operations. The decrease attributed to current year operations was primarily due to salary increases, and an increase in pension liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

Governmental Activities

Governmental activities decreased the District's net position by \$83,449,708.41. Key elements of this decrease are as follows:

| | Governmental Activities <u>2016</u> | Governmental Activities <u>2015</u> |
|---|--|--|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 51,993,169.75 | \$ 50,039,928.82 |
| Operating grants and contributions | 93,302,020.74 | 85,978,990.03 |
| Capital grants and contributions | 11,186,445.66 | 11,642,876.89 |
| General revenues: | | |
| Property taxes, levied for operational Purposes | 446,798,976.36 | 422,316,780.42 |
| Property taxes, levied for capital projects | 116,622,967.88 | 108,238,030.63 |
| Local sales taxes | 29,660,622.37 | 27,601,924.82 |
| Grants and contributions not restricted to specific programs | 1,298,735,266.16 | 1,261,657,090.46 |
| Investment earnings | 3,621,747.44 | 344,573.34 |
| Miscellaneous | 82,027,094.48 | 75,493,689.03 |
| Total revenues | <u>\$ 2,133,948,310.84</u> | <u>2,043,313,884.44</u> |
| Expenses: | | |
| Instruction | 1,205,857,776.47 | 1,172,491,514.91 |
| Pupil personnel services | 84,580,027.17 | 83,732,223.04 |
| Instructional media services | 24,274,018.17 | 23,768,158.98 |
| Instruction and curriculum development | 60,775,235.19 | 56,514,620.45 |
| Instructional staff training services | 43,942,164.73 | 42,691,179.11 |
| Instruction related technology | 36,720,376.11 | 35,794,268.92 |
| Board | 2,625,558.98 | 1,560,017.95 |
| General administration | 15,605,390.40 | 11,829,414.05 |
| School administration | 107,622,311.84 | 103,373,945.21 |
| Facilities acquisition and construction | 128,843,091.44 | 116,885,644.69 |
| Fiscal services | 6,839,665.97 | 7,356,254.93 |
| Food services | 119,177,056.01 | 111,631,414.79 |
| Central services | 47,495,112.44 | 41,052,639.34 |
| Pupil transportation services | 67,078,396.48 | 75,442,447.31 |
| Operation of plant | 114,069,102.15 | 112,604,499.89 |
| Maintenance of plant | 28,186,328.22 | 27,655,466.40 |
| Administrative Technology Services | 404,408.97 | 210,513.82 |
| Community services | 88,341,868.96 | 87,042,522.76 |
| Interest on long-term debt | 34,731,964.65 | 42,039,562.03 |
| Unallocated depreciation | 228,164.90 | 242,380.23 |
| Total expense | <u>2,217,398,019.25</u> | <u>2,153,918,688.81</u> |
| Change in net position | (83,449,708.41) | (110,604,804.37) |
| Net position beginning of year | 830,925,609.37 | 941,530,413.74 |
| Net position end of year | <u>\$ 747,475,900.96</u> | <u>830,925,609.37</u> |

The increase in unrestricted grants and contributions revenue of \$37,078,175.70 is a result of an increase in grants awarded to the District. Property taxes increased \$32,867,133.19 during the year as a result of an increase in assessed values.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

For the most part the increase in expenses was due to the increase in OPEB, compensated absences, increase in salaries due to implementation of the empowering effective teacher's evaluation system, and an increase of retirement costs.

Financial Analysis of the District's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$372,849,409.97, a decrease of \$59,088,797.11 as compared to the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$99,053,366.00, while total fund balance was \$146,074,969.30. The fund balance of the District's General Fund increased by \$52,100.79 during the current fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents six percent of total General Fund expenditures, while total fund balance represents nine percent of that same amount. The fund balance increase of \$52,100.79 in the current year was the outcome of a review of both trend data and ongoing initiatives.

We completed an in-depth review of the General Fund revenues and expenditures. The expenses were researched, documented, and totaled. The result includes the transfer-in of revenue to the General Fund from the Capital Fund and the transfer-out of expenditures from the General Fund into Food Services Fund, and other federal grants;

We concluded that it was not sustainable for the General Fund to continue to support other areas of the budget. We are working to identify and implement the adjustments required so that the General Fund no longer pays expenses that should be carried by the Capital Outlay, Food Service Fund and other budget area funds;

We continued to update our computers/technology infrastructure for the ongoing State Accountability Standards along with escalating online testing requirements;

The continued Legislative mandate for the "Additional Hour of Intensive Reading" each instructional day for the One Hundred Lowest Performing Elementary Schools in the State (based on the State Reading Assessment). This mandate requires an additional hour of intensive reading instruction beyond the normal school day for all students in these schools. Our district had 29 schools included in this category;

Increased expenditures due to more than 1,200 aging school buses. As the capital dollars have diminished in the last nine years the General Fund was responsible for paying these expenditures;

Additionally, services for our exceptional students have grown and the funding for these programs has not kept pace with the expenditure increases;

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

The Special Revenues Fund (Other Federal Programs) revenue and expenditures remain equal to the prior year.

The Other Debt Service Fund shows nearly the same fund balance as the prior year because debt service payments are equal over the years.

The Capital Improvement Fund's ending fund balance of \$18,347,576.15 dropped \$56,373,085.26 from the prior year. Taxes for capital outlay were \$8,384,937.25 more this year and expenditures for various projects were \$4,674,542.63 higher than last year, due to additional maintenance of schools and the building of an elementary school that opened this fiscal year.

Other Capital Projects Fund had an increase in fund balance of \$8,308,584.91 from a prior year fund balance of \$56,094,322.06 to a current year fund balance of \$64,402,906.97. This change was due to an increase in school renovations.

General Fund Budgetary Highlights

During the fiscal year, the District revises its budget and brings amendments to the Board on a monthly basis. These amendments are needed to adjust to actual revenues and direct resources where needed. The Board approves the final amendment to the budget after year-end.

Budgeted expenditures increased \$3.4 million from the original budget to the final amended budget. The increases were due in part to, the increase in salaries as a result of the empowering effective teacher's evaluation system.

Actual expenditures were \$57.3 million below the final amended expenditure budget. Unexpended appropriations of \$57.3 million were composed of the following: (1) \$24.8 million in restricted programs, (2) \$17.9 million in other earmarked assigned funds and (3) \$14.5 million in other unexpended budget items. The \$14.5 million reflects less than 1.0% of the final budget. In the normal course of business, some of the budget is left unspent, primarily due to temporarily unfilled positions.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

Capital Asset and Debt Administration

Capital Assets

The Districts investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$2,294,400,783.98 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, improvements other than buildings, buildings and systems, furniture, fixtures and equipment, motor vehicles, and computer equipment.

| | Governmental Activities <u>2016</u> | Governmental Activities <u>2015</u> |
|-----------------------------------|--|--|
| Land | \$ 161,410,563.66 | \$ 160,441,219.85 |
| Land improvements | 94,735,627.01 | 92,440,490.94 |
| Construction in progress | 34,839,037.05 | 31,200,084.86 |
| Improvements other than buildings | 77,340,116.72 | 80,073,535.84 |
| Buildings and systems | 1,865,122,710.80 | 1,904,015,054.61 |
| Furniture, fixtures and equipment | 25,512,905.67 | 28,310,966.56 |
| Motor vehicles | 34,175,229.57 | 16,830,038.15 |
| Computer software | <u>1,264,593.50</u> | <u>1,096,301.21</u> |
| Total capital assets | <u>\$ 2,294,400,783.98</u> | <u>\$ 2,314,407,692.02</u> |

This year's additions of \$75,456,421.06, excluding transfers from construction in progress, included several renovation projects. The total of capital assets decreased due to the fact that deletions and depreciation charges were higher than additions.

See note #5 to the financial statements for more information on the District's capital assets.

Long Term Debt

At the end of the current fiscal year the District had borrowed and bonded debt outstanding of \$985,040,353.17, which is net of un-amortized bond premiums of (\$48,512,353.16).

| | <u>2016</u> | <u>2015</u> |
|-------------------------------|--------------------------|----------------------------|
| Bonds payable | 205,176,921.89 | 225,117,336.62 |
| Certificates of participation | <u>779,863,431.28</u> | <u>819,059,319.45</u> |
| Total long term debt | <u>\$ 985,040,353.17</u> | <u>\$ 1,044,176,656.07</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

The District's total borrowed and bonded debt decreased by \$59,136,302.90 (net of repayment of principal on outstanding debt) during the current fiscal year. The decrease is approximately equal to the payment of principal.

The District has been given the following bond ratings:

| | <u>Sales Tax Revenue Bonds</u> |
|------------------|--------------------------------|
| | <u>Underlying</u> |
| Moody's | A2 |
| Standard & Poors | A- |
| Fitch IBCA | A- |

| | <u>Certificates of Participation</u> |
|------------------|--------------------------------------|
| | <u>Underlying</u> |
| Moody's | Aa2 |
| Standard & Poors | AA- |
| Fitch IBCA | AA |

See notes 7-11 to the financial statements for more information on the District's long-term debt.

Requests for Information

This financial report is designed to provide a general overview of the School District of Hillsborough County's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Department, 901 E. Kennedy Blvd., Tampa, Florida, 33602 or call 813-272-4292.

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF NET POSITION
June 30, 2016

| | Account Number | Primary Government | | |
|---|----------------|-------------------------|--------------------------|-------------------------|
| | | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | | |
| Cash and Cash Equivalents | 1110 | 87,857,581.81 | | 87,857,581.81 |
| Investments | 1160 | 332,355,314.99 | | 332,355,314.99 |
| Taxes Receivable, Net | 1120 | | | 0.00 |
| Accounts Receivable, Net | 1131 | 3,352,747.35 | | 3,352,747.35 |
| Interest Receivable on Investments | 1170 | | | 0.00 |
| Due From Other Agencies | 1220 | 49,354,021.45 | | 49,354,021.45 |
| Due From Insurer | 1180 | | | 0.00 |
| Deposits Receivable | 1210 | | | 0.00 |
| Internal Balances | | | | 0.00 |
| Cash with Fiscal/Service Agents | 1114 | | | 0.00 |
| Section 1011.13, F.S. Loan Proceeds | 1420 | | | 0.00 |
| Inventory | 1150 | 5,176,550.76 | | 5,176,550.76 |
| Prepaid Items | 1230 | | | 0.00 |
| Long-Term Investments | 1460 | | | 0.00 |
| Prepaid Insurance Costs | 1430 | | | 0.00 |
| Other Postemployment Benefits Asset | 1410 | | | 0.00 |
| Pension Asset | 1415 | | | 0.00 |
| <i>Capital Assets</i> | | | | |
| Land | 1310 | 161,410,563.66 | | 161,410,563.66 |
| Land Improvements - Nondepreciable | 1315 | 94,735,627.01 | | 94,735,627.01 |
| Construction in Progress | 1360 | 34,839,037.05 | | 34,839,037.05 |
| Nondepreciable Capital Assets | | 290,985,227.72 | 0.00 | 290,985,227.72 |
| Improvements Other Than Buildings | 1320 | 218,355,192.42 | | 218,355,192.42 |
| Less Accumulated Depreciation | 1329 | (141,015,075.70) | | (141,015,075.70) |
| Buildings and Fixed Equipment | 1330 | 2,746,146,442.33 | | 2,746,146,442.33 |
| Less Accumulated Depreciation | 1339 | (881,023,731.53) | | (881,023,731.53) |
| Furniture, Fixtures and Equipment | 1340 | 145,812,350.02 | | 145,812,350.02 |
| Less Accumulated Depreciation | 1349 | (120,299,444.35) | | (120,299,444.35) |
| Motor Vehicles | 1350 | 119,387,053.88 | | 119,387,053.88 |
| Less Accumulated Depreciation | 1359 | (85,211,824.31) | | (85,211,824.31) |
| Property Under Capital Leases | 1370 | | | 0.00 |
| Less Accumulated Depreciation | 1379 | | | 0.00 |
| Audiovisual Materials | 1381 | | | 0.00 |
| Less Accumulated Depreciation | 1388 | | | 0.00 |
| Computer Software | 1382 | 21,531,616.02 | | 21,531,616.02 |
| Less Accumulated Amortization | 1389 | (20,267,022.52) | | (20,267,022.52) |
| Depreciable Capital Assets, Net | | 2,003,415,556.26 | 0.00 | 2,003,415,556.26 |
| Total Capital Assets | | 2,294,400,783.98 | 0.00 | 2,294,400,783.98 |
| Total Assets | | 2,772,497,000.34 | 0.00 | 2,772,497,000.34 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 1910 | 18,736,575.00 | | 18,736,575.00 |
| Net Carrying Amount of Debt Refunding | 1920 | 24,698,120.55 | | 24,698,120.55 |
| Pension | 1940 | 337,244,072.67 | | 337,244,072.67 |
| Other Postemployment Benefits | 1950 | | | 0.00 |
| Total Deferred Outflows of Resources | | 380,678,768.22 | 0.00 | 380,678,768.22 |
| LIABILITIES | | | | |
| Cash Overdraft | 2125 | | | 0.00 |
| Accrued Salaries and Benefits | 2110 | 2,146,445.52 | | 2,146,445.52 |
| Payroll Deductions and Withholdings | 2170 | 4,145,191.77 | | 4,145,191.77 |
| Accounts Payable | 2120 | 43,897,343.49 | | 43,897,343.49 |
| Sales Tax Payable | 2260 | 8,911.50 | | 8,911.50 |
| Current Notes Payable | 2250 | | | 0.00 |
| Accrued Interest Payable | 2210 | 13,004,070.15 | | 13,004,070.15 |
| Deposits Payable | 2220 | 2,813,150.80 | | 2,813,150.80 |
| Due to Other Agencies | 2230 | 8,714,636.49 | | 8,714,636.49 |
| Due to Fiscal Agent | 2240 | | | 0.00 |
| Pension Liability | 2115 | | | 0.00 |
| Other Postemployment Benefits Liability | 2116 | | | 0.00 |
| Judgments Payable | 2130 | | | 0.00 |
| Construction Contracts Payable | 2140 | | | 0.00 |
| Construction Contracts Payable - Retained Percentage | 2150 | 3,001,563.71 | | 3,001,563.71 |
| Estimated Unpaid Claims - Self Insurance Program | 2271 | | | 0.00 |
| Estimated Liability for Claims Adjustment | 2272 | | | 0.00 |
| Estimated Liability for Arbitrage Rebate | 2280 | | | 0.00 |
| Unearned Revenues | 2410 | 17,529,942.96 | | 17,529,942.96 |
| <i>Noncurrent Liabilities</i> | | | | |
| <i>Portion Due Within One Year:</i> | | | | |
| Notes Payable | 2310 | | | 0.00 |
| Obligations Under Capital Leases | 2315 | | | 0.00 |
| Bonds Payable | 2320 | 18,606,000.00 | | 18,606,000.00 |
| Liability for Compensated Absences | 2330 | 13,695,536.49 | | 13,695,536.49 |
| Lease-Purchase Agreements Payable | 2340 | 32,410,000.00 | | 32,410,000.00 |
| Estimated Liability for Long-Term Claims | 2350 | 12,719,477.04 | | 12,719,477.04 |
| Net Other Postemployment Benefits Obligation | 2360 | | | 0.00 |
| Net Pension Liability | 2365 | | | 0.00 |
| Estimated PECO Advance Payable | 2370 | | | 0.00 |
| Other Long-Term Liabilities | 2380 | | | 0.00 |
| Derivative Instrument | 2390 | 24,851,118.00 | | 24,851,118.00 |
| Estimated Liability for Arbitrage Rebate | 2280 | | | 0.00 |
| Due Within One Year | | 102,282,131.53 | 0.00 | 102,282,131.53 |
| <i>Portion Due After One Year:</i> | | | | |
| Notes Payable | 2310 | | | 0.00 |
| Obligations Under Capital Leases | 2315 | | | 0.00 |
| Bonds Payable | 2320 | 186,570,921.89 | | 186,570,921.89 |
| Liability for Compensated Absences | 2330 | 149,498,298.53 | | 149,498,298.53 |
| Lease-Purchase Agreements Payable | 2340 | 747,453,431.28 | | 747,453,431.28 |
| Estimated Liability for Long-Term Claims | 2350 | 11,198,881.96 | | 11,198,881.96 |
| Net Other Postemployment Benefits Obligation | 2360 | 140,458,864.02 | | 140,458,864.02 |
| Net Pension Liability | 2365 | 753,569,900.00 | | 753,569,900.00 |
| Estimated PECO Advance Payable | 2370 | | | 0.00 |
| Other Long-Term Liabilities | 2380 | | | 0.00 |
| Derivative Instrument | 2390 | | | 0.00 |
| Estimated Liability for Arbitrage Rebate | 2280 | | | 0.00 |
| Due in More than One Year | | 1,988,750,297.68 | 0.00 | 1,988,750,297.68 |
| Total Long-Term Liabilities | | 2,091,032,429.21 | 0.00 | 2,091,032,429.21 |
| Total Liabilities | | 2,186,293,685.60 | 0.00 | 2,186,293,685.60 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 2610 | | | 0.00 |
| Deficit Net Carrying Amount of Debt Refunding | 2620 | | | 0.00 |
| Deferred Revenue | 2630 | | | 0.00 |
| Pension | 2640 | 219,406,182.00 | | 219,406,182.00 |
| Other Postemployment Benefits | 2650 | | | 0.00 |
| Total Deferred Inflows of Resources | | 219,406,182.00 | 0.00 | 219,406,182.00 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 2770 | 1,334,058,551.36 | | 1,334,058,551.36 |
| <i>Restricted For:</i> | | | | |
| Categorical Carryover Programs | 2780 | 17,647,734.46 | | 17,647,734.46 |
| Food Service | 2780 | 29,334,565.04 | | 29,334,565.04 |
| Debt Service | 2780 | 95,913,353.87 | | 95,913,353.87 |
| Capital Projects | 2780 | 85,520,887.90 | | 85,520,887.90 |
| Other Purposes | 2780 | 7,181,305.64 | | 7,181,305.64 |
| Unrestricted | 2790 | (822,180,497.31) | | (822,180,497.31) |
| Total Net Position | | 747,475,900.96 | 0.00 | 747,475,900.96 |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

| FUNCTIONS | Account Number | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|----------------|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|--------------------|-----------------|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | | Governmental Activities | Business-Type Activities | Total | |
| <i>Governmental Activities:</i> | | | | | | | | | |
| Instruction | 5000 | 1,205,857,776.47 | 26,663,746.39 | | | (1,179,194,030.08) | | (1,179,194,030.08) | |
| Student Support Services | 6100 | 84,580,027.17 | | | | (84,580,027.17) | | (84,580,027.17) | |
| Instructional Media Services | 6200 | 24,274,018.17 | | | | (24,274,018.17) | | (24,274,018.17) | |
| Instruction and Curriculum Development Services | 6300 | 60,775,235.19 | | | | (60,775,235.19) | | (60,775,235.19) | |
| Instructional Staff Training Services | 6400 | 43,942,164.73 | | | | (43,942,164.73) | | (43,942,164.73) | |
| Instruction-Related Technology | 6500 | 36,720,376.11 | | | | (36,720,376.11) | | (36,720,376.11) | |
| Board | 7100 | 2,625,558.98 | | | | (2,625,558.98) | | (2,625,558.98) | |
| General Administration | 7200 | 15,605,390.40 | | | | (15,605,390.40) | | (15,605,390.40) | |
| School Administration | 7300 | 107,622,311.84 | | | | (107,622,311.84) | | (107,622,311.84) | |
| Facilities Acquisition and Construction | 7400 | 128,843,091.44 | | | 5,079,339.76 | (123,763,751.68) | | (123,763,751.68) | |
| Fiscal Services | 7500 | 6,839,665.97 | | | | (6,839,665.97) | | (6,839,665.97) | |
| Food Services | 7600 | 119,177,056.01 | 22,523,449.90 | 93,302,020.74 | | (3,351,585.37) | | (3,351,585.37) | |
| Central Services | 7700 | 47,495,112.44 | | | | (47,495,112.44) | | (47,495,112.44) | |
| Student Transportation Services | 7800 | 67,078,396.48 | 2,805,973.46 | | | (64,272,423.02) | | (64,272,423.02) | |
| Operation of Plant | 7900 | 114,069,102.15 | | | | (114,069,102.15) | | (114,069,102.15) | |
| Maintenance of Plant | 8100 | 28,186,328.22 | | | | (28,186,328.22) | | (28,186,328.22) | |
| Administrative Technology Services | 8200 | 404,408.97 | | | | (404,408.97) | | (404,408.97) | |
| Community Services | 9100 | 88,341,868.96 | | | | (88,341,868.96) | | (88,341,868.96) | |
| Interest on Long-Term Debt | 9200 | 34,731,964.65 | | | 6,107,105.90 | (28,624,858.75) | | (28,624,858.75) | |
| Unallocated Depreciation/Amortization Expense | | 228,164.90 | | | | (228,164.90) | | (228,164.90) | |
| Total Governmental Activities | | 2,217,398,019.25 | 51,993,169.75 | 93,302,020.74 | 11,186,445.66 | (2,060,916,383.10) | | (2,060,916,383.10) | |
| <i>Business-type Activities:</i> | | | | | | | | | |
| Self-Insurance Consortium | | | | | | | 0.00 | 0.00 | |
| Daycare Operations | | | | | | | 0.00 | 0.00 | |
| Other Business-Type Activity | | | | | | | 0.00 | 0.00 | |
| Total Business-Type Activities | | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| Total Primary Government | | 2,217,398,019.25 | 51,993,169.75 | 93,302,020.74 | 11,186,445.66 | (2,060,916,383.10) | 0.00 | (2,060,916,383.10) | |
| <i>Component Units:</i> | | | | | | | | | |
| Major Component Unit Name | | 0.00 | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Major Component Unit Name | | 0.00 | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Total Nonmajor Component Units | | 0.00 | 0.00 | 0.00 | 0.00 | | | | 0.00 |
| Total Component Units | | 0.00 | 0.00 | 0.00 | 0.00 | | | | 0.00 |

General Revenues:

Taxes:

| | |
|---|--|
| Property Taxes, Levied for Operational Purposes | |
| Property Taxes, Levied for Debt Service | |
| Property Taxes, Levied for Capital Projects | |
| Local Sales Taxes | |
| Grants and Contributions Not Restricted to Specific Programs | |
| Investment Earnings | |
| Miscellaneous | |
| Special Items | |
| Extraordinary Items | |
| Transfers | |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | |
| Change in Net Position | |
| Net Position, July 1, 2015 | |
| Adjustments to Net Position | |
| Net Position, June 30, 2016 | |

| | | | |
|------------------|------|------------------|------|
| 446,798,976.36 | | 446,798,976.36 | 0.00 |
| 0.00 | | 0.00 | 0.00 |
| 116,622,967.88 | | 116,622,967.88 | 0.00 |
| 29,660,622.37 | | 29,660,622.37 | 0.00 |
| 1,298,735,266.16 | | 1,298,735,266.16 | 0.00 |
| 3,621,747.44 | | 3,621,747.44 | 0.00 |
| 82,027,094.48 | | 82,027,094.48 | 0.00 |
| 0.00 | | 0.00 | 0.00 |
| 0.00 | | 0.00 | 0.00 |
| 0.00 | | 0.00 | 0.00 |
| 1,977,466,674.69 | 0.00 | 1,977,466,674.69 | 0.00 |
| (83,449,708.41) | 0.00 | (83,449,708.41) | 0.00 |
| 830,925,609.37 | | 830,925,609.37 | 0.00 |
| | | 0.00 | 0.00 |
| 747,475,900.96 | 0.00 | 747,475,900.96 | 0.00 |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

| | Account Number | General 100 | Other Federal Programs 420 | Other Debt Service 290 | Nonvoted Capital Improvement Fund 370 | Other Capital Projects 390 |
|---|----------------|----------------|----------------------------|------------------------|---------------------------------------|----------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | 1110 | 84,589,754.17 | 118,184.05 | 2,713,519.03 | 96,062.86 | 1,349.39 |
| Investments | 1160 | 11,473,675.47 | 96,129.03 | 99,642,755.11 | 58,132,945.55 | 47,798,379.86 |
| Taxes Receivable, Net | 1120 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts Receivable, Net | 1131 | 2,785,287.71 | 35,856.67 | 0.00 | 0.00 | 0.00 |
| Interest Receivable on Investments | 1170 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Due From Other Agencies | 1220 | 7,667,635.31 | 13,026,406.12 | 2,231,475.57 | 71,922.01 | 18,685,945.21 |
| Due From Budgetary Funds | 1141 | 69,750,781.61 | 1,350,601.69 | 0.00 | 327,520.13 | 5,201,120.55 |
| Due From Insurer | 1180 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits Receivable | 1210 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Due From Internal Funds | 1142 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash with Fiscal/Service Agents | 1114 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Inventory | 1150 | 4,253,299.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prepaid Items | 1230 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Long-Term Investments | 1460 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Assets | | 180,520,433.94 | 14,627,177.56 | 104,587,749.71 | 58,628,450.55 | 71,686,795.01 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 1910 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Deferred Outflows of Resources | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Assets and Deferred Outflows of Resources | | 180,520,433.94 | 14,627,177.56 | 104,587,749.71 | 58,628,450.55 | 71,686,795.01 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Cash Overdraft | 2125 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accrued Salaries and Benefits | 2110 | 2,122,855.62 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payroll Deductions and Withholdings | 2170 | 4,145,191.77 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts Payable | 2120 | 16,537,074.79 | 4,224,751.14 | 4,400.00 | 4,383,295.88 | 2,064,542.74 |
| Sales Tax Payable | 2260 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Notes Payable | 2250 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accrued Interest Payable | 2210 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deposits Payable | 2220 | 19,809.00 | 0.00 | 2,792,211.03 | 0.00 | 1,130.77 |
| Due to Other Agencies | 2230 | 8,722,801.22 | 746.77 | 0.00 | 0.00 | 0.00 |
| Due to Budgetary Funds | 2161 | 1,655,354.77 | 10,070,994.50 | 5,186,028.37 | 35,897,578.52 | 5,218,214.53 |
| Due to Internal Funds | 2162 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Due to Fiscal Agent | 2240 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pension Liability | 2115 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Postemployment Benefits Liability | 2116 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Judgments Payable | 2130 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction Contracts Payable | 2140 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction Contracts Payable - Retained Percentage | 2150 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Matured Bonds Payable | 2180 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Matured Interest Payable | 2190 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unearned Revenue | 2410 | 1,242,377.47 | 330,685.15 | 0.00 | 0.00 | 0.00 |
| Unavailable Revenue | 2410 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Liabilities | | 34,445,464.64 | 14,627,177.56 | 7,982,639.40 | 40,280,874.40 | 7,283,888.04 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 2610 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred Revenues | 2630 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Deferred Inflows of Resources | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FUND BALANCES | | | | | | |
| <i>Nonspendable:</i> | | | | | | |
| Inventory | 2711 | 4,253,299.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prepaid Amounts | 2712 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Permanent Fund Principal | 2713 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Not in Spendable Form | 2719 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Nonspendable Fund Balances | 2710 | 4,253,299.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Restricted for:</i> | | | | | | |
| Economic Stabilization | 2721 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Federal Required Carryover Programs | 2722 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| State Required Carryover Programs | 2723 | 22,848,734.68 | 0.00 | 0.00 | 0.00 | 0.00 |
| Local Sales Tax and Other Tax Levy | 2724 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Service | 2725 | 0.00 | 0.00 | 96,605,110.31 | 0.00 | 0.00 |
| Capital Projects | 2726 | 0.00 | 0.00 | 0.00 | 18,347,576.15 | 64,402,906.97 |
| Restricted for Local Carryover | 2729 | 1,980,305.42 | 0.00 | 0.00 | 0.00 | 0.00 |
| Restricted for _____ | 2729 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Restricted Fund Balances | 2720 | 24,829,040.10 | 0.00 | 96,605,110.31 | 18,347,576.15 | 64,402,906.97 |
| <i>Committed to:</i> | | | | | | |
| Economic Stabilization | 2731 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contractual Agreements | 2732 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Committed for _____ | 2739 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Committed for _____ | 2739 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Committed Fund Balances | 2730 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Assigned to:</i> | | | | | | |
| Special Revenue | 2741 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Service | 2742 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital Projects | 2743 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Permanent Fund | 2744 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assigned for District Operations | 2749 | 17,939,263.53 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assigned for _____ | 2749 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Assigned Fund Balances | 2740 | 17,939,263.53 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Unassigned Fund Balances | 2750 | 99,053,366.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fund Balances | 2700 | 146,074,969.30 | 0.00 | 96,605,110.31 | 18,347,576.15 | 64,402,906.97 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | | 180,520,433.94 | 14,627,177.56 | 104,587,749.71 | 58,628,450.55 | 71,686,795.01 |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

| | Account Number | Other Governmental Funds | Total Governmental Funds |
|---|----------------|--------------------------|--------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| ASSETS | | | |
| Cash and Cash Equivalents | 1110 | 77,703.35 | 87,596,572.85 |
| Investments | 1160 | 40,423,202.90 | 257,567,087.92 |
| Taxes Receivable, Net | 1120 | 0.00 | 0.00 |
| Accounts Receivable, Net | 1131 | 326,169.01 | 3,147,313.39 |
| Interest Receivable on Investments | 1170 | 0.00 | 0.00 |
| Due From Other Agencies | 1220 | 7,041,670.12 | 48,725,054.34 |
| Due From Budgetary Funds | 1141 | 2,144,982.94 | 78,775,006.92 |
| Due From Insurer | 1180 | 0.00 | 0.00 |
| Deposits Receivable | 1210 | 0.00 | 0.00 |
| Due From Internal Funds | 1142 | 0.00 | 0.00 |
| Cash with Fiscal/Service Agents | 1114 | 0.00 | 0.00 |
| Inventory | 1150 | 923,251.09 | 5,176,550.76 |
| Prepaid Items | 1230 | 0.00 | 0.00 |
| Long-Term Investments | 1460 | 0.00 | 0.00 |
| Total Assets | | 50,936,979.41 | 480,987,586.18 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 1910 | 0.00 | 0.00 |
| Total Deferred Outflows of Resources | | 0.00 | 0.00 |
| Total Assets and Deferred Outflows of Resources | | 50,936,979.41 | 480,987,586.18 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Cash Overdraft | 2125 | 0.00 | 0.00 |
| Accrued Salaries and Benefits | 2110 | 19,189.90 | 2,142,045.52 |
| Payroll Deductions and Withholdings | 2170 | 0.00 | 4,145,191.77 |
| Accounts Payable | 2120 | 1,123,560.82 | 28,337,625.37 |
| Sales Tax Payable | 2260 | 0.00 | 0.00 |
| Current Notes Payable | 2250 | 0.00 | 0.00 |
| Accrued Interest Payable | 2210 | 0.00 | 0.00 |
| Deposits Payable | 2220 | 0.00 | 2,813,150.80 |
| Due to Other Agencies | 2230 | 0.00 | 8,723,547.99 |
| Due to Budgetary Funds | 2161 | 1,051,876.23 | 59,080,046.92 |
| Due to Internal Funds | 2162 | 0.00 | 0.00 |
| Due to Fiscal Agent | 2240 | 0.00 | 0.00 |
| Pension Liability | 2115 | 0.00 | 0.00 |
| Other Postemployment Benefits Liability | 2116 | 0.00 | 0.00 |
| Judgments Payable | 2130 | 0.00 | 0.00 |
| Construction Contracts Payable | 2140 | 0.00 | 0.00 |
| Construction Contracts Payable - Retained Percentage | 2150 | 0.00 | 0.00 |
| Matured Bonds Payable | 2180 | 0.00 | 0.00 |
| Matured Interest Payable | 2190 | 0.00 | 0.00 |
| Unearned Revenue | 2410 | 1,323,505.22 | 2,896,567.84 |
| Unavailable Revenue | 2410 | 0.00 | 0.00 |
| Total Liabilities | | 3,518,132.17 | 108,138,176.21 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 2610 | 0.00 | 0.00 |
| Deferred Revenues | 2630 | 0.00 | 0.00 |
| Total Deferred Inflows of Resources | | 0.00 | 0.00 |
| FUND BALANCES | | | |
| <i>Nonspendable:</i> | | | |
| Inventory | 2711 | 923,251.09 | 5,176,550.76 |
| Prepaid Amounts | 2712 | 0.00 | 0.00 |
| Permanent Fund Principal | 2713 | 0.00 | 0.00 |
| Other Not in Spendable Form | 2719 | 0.00 | 0.00 |
| Total Nonspendable Fund Balances | 2710 | 923,251.09 | 5,176,550.76 |
| <i>Restricted for:</i> | | | |
| Economic Stabilization | 2721 | 0.00 | 0.00 |
| Federal Required Carryover Programs | 2722 | 28,411,313.95 | 28,411,313.95 |
| State Required Carryover Programs | 2723 | 0.00 | 22,848,734.68 |
| Local Sales Tax and Other Tax Levy | 2724 | 0.00 | 0.00 |
| Debt Service | 2725 | 12,312,313.71 | 108,917,424.02 |
| Capital Projects | 2726 | 5,771,968.49 | 88,522,451.61 |
| Restricted for Local Carryover | 2729 | 0.00 | 1,980,305.42 |
| Restricted for _____ | 2729 | 0.00 | 0.00 |
| Total Restricted Fund Balances | 2720 | 46,495,596.15 | 250,680,229.68 |
| <i>Committed to:</i> | | | |
| Economic Stabilization | 2731 | 0.00 | 0.00 |
| Contractual Agreements | 2732 | 0.00 | 0.00 |
| Committed for _____ | 2739 | 0.00 | 0.00 |
| Committed for _____ | 2739 | 0.00 | 0.00 |
| Total Committed Fund Balances | 2730 | 0.00 | 0.00 |
| <i>Assigned to:</i> | | | |
| Special Revenue | 2741 | 0.00 | 0.00 |
| Debt Service | 2742 | 0.00 | 0.00 |
| Capital Projects | 2743 | 0.00 | 0.00 |
| Permanent Fund | 2744 | 0.00 | 0.00 |
| Assigned for District Operations | 2749 | 0.00 | 17,939,263.53 |
| Assigned for _____ | 2749 | 0.00 | 0.00 |
| Total Assigned Fund Balances | 2740 | 0.00 | 17,939,263.53 |
| Total Unassigned Fund Balances | 2750 | 0.00 | 99,053,366.00 |
| Total Fund Balances | 2700 | 47,418,847.24 | 372,849,409.97 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | | 50,936,979.41 | 480,987,586.18 |

The notes to financial statements are an integral part of this statement.
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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(amounts expressed in thousands)**

| | | |
|---|---------------------------------------|------------------------------|
| Total Fund Balances - Governmental Funds | | 372,849,409.97 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 2,294,400,783.98 |
| Deferred outflows are applicable to future periods and therefore are not reported in the funds | | 380,678,768.22 |
| Deferred inflows are applicable to future periods and therefore are not reported in the funds | | (219,406,182.00) |
| Derivative instrument liability is not due and payable in the current period and therefore is not reported in the funds. | | (24,851,118.00) |
| Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | 2,072,824.85 |
| Long-term liabilities, including unamortized bonds premiums, are not due and payable in the current period and therefore, are not reported in the funds. | | |
| | Post Employment Benefits | 140,458,864 |
| | Pension | 753,569,900 |
| | Compensated Absences Payable | 163,193,835 |
| | Certificates of Participation Payable | 779,863,431 |
| | Bonds Payable | <u>205,176,922</u> |
| | | (2,042,262,952.20) |
| Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds. | | (13,004,070.15) |
| Accrued construction retainage payable is not due and payable in the current period and therefore, is not reported in the funds. | | <u>(3,001,563.71)</u> |
| Total Net Position - Governmental Activities | | <u><u>747,475,900.96</u></u> |

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

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016**

| | Account Number | General 100 | Other Federal Programs 420 | Other Debt Service 290 | Nonvoted Capital Improvement Fund 370 | Other Capital Projects 390 |
|---|------------------|------------------|----------------------------|------------------------|---------------------------------------|----------------------------|
| REVENUES | | | | | | |
| Federal Direct | 3100 | 2,704,523.16 | 23,669,022.84 | 0.00 | 0.00 | 0.00 |
| Federal Through State and Local | 3200 | 11,440,632.06 | 187,135,576.68 | 0.00 | 0.00 | 0.00 |
| State Sources | 3300 | 1,068,522,894.37 | 1,131,682.96 | 0.00 | 0.00 | 2,833,891.00 |
| <i>Local Sources:</i> | | | | | | |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes | 3411, 3421, 3423 | 446,850,709.98 | 0.00 | 0.00 | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service | 3412, 3421, 3423 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects | 3413, 3421, 3423 | 0.00 | 0.00 | 0.00 | 116,622,967.88 | 0.00 |
| Local Sales Taxes | 3418, 3419 | 0.00 | 0.00 | 17,474,594.00 | 0.00 | 12,186,028.37 |
| Charges for Service - Food Service | 345X | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Impact Fees | 3496 | 0.00 | 0.00 | 0.00 | 0.00 | 25,188,599.75 |
| Other Local Revenue | | 81,773,325.68 | 2,271,260.76 | 825,271.17 | 2,937,768.90 | 450,982.19 |
| Total Local Sources | 3400 | 528,624,035.66 | 2,271,260.76 | 18,299,865.17 | 119,560,736.78 | 37,825,610.31 |
| Total Revenues | | 1,611,292,085.25 | 214,207,543.24 | 18,299,865.17 | 119,560,736.78 | 40,659,501.31 |
| EXPENDITURES | | | | | | |
| <i>Current:</i> | | | | | | |
| Instruction | 5000 | 1,099,422,848.89 | 80,672,879.08 | 0.00 | 0.00 | 0.00 |
| Student Support Services | 6100 | 64,901,517.74 | 18,424,028.66 | 0.00 | 0.00 | 0.00 |
| Instructional Media Services | 6200 | 21,195,531.51 | 2,730,918.38 | 0.00 | 0.00 | 0.00 |
| Instruction and Curriculum Development Services | 6300 | 29,235,149.57 | 30,551,697.89 | 0.00 | 0.00 | 0.00 |
| Instructional Staff Training Services | 6400 | 24,680,641.97 | 17,022,161.10 | 0.00 | 0.00 | 0.00 |
| Instruction-Related Technology | 6500 | 30,349,369.12 | 5,024,709.80 | 0.00 | 0.00 | 0.00 |
| Board | 7100 | 2,562,737.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| General Administration | 7200 | 6,556,628.92 | 8,050,680.18 | 0.00 | 0.00 | 0.00 |
| School Administration | 7300 | 101,467,477.41 | 1,741,893.36 | 0.00 | 0.00 | 0.00 |
| Facilities Acquisition and Construction | 7410 | 1,081,792.52 | 0.00 | 0.00 | 39,797.41 | 173,848.61 |
| Fiscal Services | 7500 | 6,377,907.49 | 546,213.82 | 0.00 | 0.00 | 0.00 |
| Food Services | 7600 | 400,973.16 | 0.00 | 0.00 | 0.00 | 0.00 |
| Central Services | 7700 | 40,932,339.51 | 5,505,828.33 | 0.00 | 0.00 | 0.00 |
| Student Transportation Services | 7800 | 62,854,674.02 | 1,080,507.05 | 0.00 | 0.00 | 0.00 |
| Operation of Plant | 7900 | 109,875,104.55 | 217,343.49 | 0.00 | 0.00 | 0.00 |
| Maintenance of Plant | 8100 | 26,909,208.46 | 0.00 | 0.00 | 0.00 | 0.00 |
| Administrative Technology Services | 8200 | 399,416.87 | 0.00 | 0.00 | 0.00 | 0.00 |
| Community Services | 9100 | 46,933,888.24 | 41,173,396.82 | 0.00 | 0.00 | 0.00 |
| <i>Debt Service: (Function 9200)</i> | | | | | | |
| Redemption of Principal | 710 | 0.00 | 0.00 | 52,790,000.00 | 0.00 | 0.00 |
| Interest | 720 | 0.00 | 0.00 | 34,873,115.58 | 0.00 | 0.00 |
| Dues and Fees | 730 | 0.00 | 0.00 | 2,514,068.56 | 0.00 | 0.00 |
| Miscellaneous | 790 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Capital Outlay:</i> | | | | | | |
| Facilities Acquisition and Construction | 7420 | 145,119.01 | 53,470.63 | 0.00 | 69,215,302.76 | 29,343,176.79 |
| Other Capital Outlay | 9300 | 3,761,071.98 | 1,437,747.43 | 0.00 | 0.00 | 0.00 |
| Total Expenditures | | 1,680,043,398.09 | 214,233,476.02 | 90,177,184.14 | 69,255,100.17 | 29,517,025.40 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (68,751,312.84) | (25,932.78) | (71,877,318.97) | 50,305,636.61 | 11,142,475.91 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Issuance of Bonds | 3710 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium on Sale of Bonds | 3791 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Discount on Sale of Bonds | 891 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | 0.00 | 0.00 | 231,680,637.19 | 0.00 | 0.00 |
| Premium on Lease-Purchase Agreements | 3793 | 0.00 | 0.00 | 22,964,225.65 | 0.00 | 0.00 |
| Discount on Lease-Purchase Agreements | 893 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Loans | 3720 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sale of Capital Assets | 3730 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Loss Recoveries | 3740 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Proceeds from Special Facility Construction Account | 3770 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Face Value of Refunding Bonds | 3715 | 0.00 | 0.00 | 118,955,000.00 | 0.00 | 0.00 |
| Premium on Refunding Bonds | 3792 | 0.00 | 0.00 | 10,270,066.70 | 0.00 | 0.00 |
| Discount on Refunding Bonds | 892 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Refunding Lease-Purchase Agreements | 3755 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium on Refunding Lease-Purchase Agreements | 3794 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Discount on Refunding Lease-Purchase Agreements | 894 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payments to Refunding Escrow Agent (Function 9299) | 760 | 0.00 | 0.00 | (384,981,590.81) | 0.00 | 0.00 |
| Transfers In | 3600 | 68,829,346.41 | 25,932.78 | 113,944,095.47 | 0.00 | 0.00 |
| Transfers Out | 9700 | (25,932.78) | 0.00 | (50,825,379.16) | (106,678,721.87) | (2,833,891.00) |
| Total Other Financing Sources (Uses) | | 68,803,413.63 | 25,932.78 | 62,007,055.04 | (106,678,721.87) | (2,833,891.00) |
| SPECIAL ITEMS | | | | | | |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EXTRAORDINARY ITEMS | | | | | | |
| | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Change in Fund Balances | | 52,100.79 | (0.00) | (9,870,263.93) | (56,373,085.26) | 8,308,584.91 |
| Fund Balances, July 1, 2015 | 2800 | 146,022,868.51 | 0.00 | 106,475,374.24 | 74,720,661.41 | 56,094,322.06 |
| Adjustments to Fund Balances | 2891 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fund Balances, June 30, 2016 | 2700 | 146,074,969.30 | (0.00) | 96,605,110.31 | 18,347,576.15 | 64,402,906.97 |

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016**

| | Account Number | Other Governmental Funds | Total Governmental Funds |
|---|------------------|--------------------------|--------------------------|
| REVENUES | | | |
| Federal Direct | 3100 | 0.00 | 26,373,546.00 |
| Federal Through State and Local | 3200 | 92,823,573.98 | 291,399,782.72 |
| State Sources | 3300 | 12,961,935.51 | 1,085,450,403.84 |
| <i>Local Sources:</i> | | | |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes | 3411, 3421, 3423 | 0.00 | 446,850,709.98 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service | 3412, 3421, 3423 | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects | 3413, 3421, 3423 | 0.00 | 116,622,967.88 |
| Local Sales Taxes | 3418, 3419 | 0.00 | 29,660,622.37 |
| Charges for Service - Food Service | 345X | 22,523,449.90 | 22,523,449.90 |
| Impact Fees | 3496 | 0.00 | 25,188,599.75 |
| Other Local Revenue | | 931,695.35 | 89,190,304.05 |
| Total Local Sources | 3400 | 23,455,145.25 | 730,036,653.93 |
| Total Revenues | | 129,240,654.74 | 2,133,260,386.49 |
| EXPENDITURES | | | |
| <i>Current:</i> | | | |
| Instruction | 5000 | 0.00 | 1,180,095,727.97 |
| Student Support Services | 6100 | 0.00 | 83,325,546.40 |
| Instructional Media Services | 6200 | 0.00 | 23,926,449.89 |
| Instruction and Curriculum Development Services | 6300 | 46.51 | 59,786,893.97 |
| Instructional Staff Training Services | 6400 | 953,184.25 | 42,655,987.32 |
| Instruction-Related Technology | 6500 | 0.00 | 35,374,078.92 |
| Board | 7100 | 0.00 | 2,562,737.15 |
| General Administration | 7200 | 161.33 | 14,607,470.43 |
| School Administration | 7300 | 0.00 | 103,209,370.77 |
| Facilities Acquisition and Construction | 7410 | 0.00 | 1,295,438.54 |
| Fiscal Services | 7500 | 0.00 | 6,924,121.31 |
| Food Services | 7600 | 115,156,401.20 | 115,557,374.36 |
| Central Services | 7700 | 0.00 | 46,438,167.84 |
| Student Transportation Services | 7800 | 0.00 | 63,935,181.07 |
| Operation of Plant | 7900 | 0.00 | 110,092,448.04 |
| Maintenance of Plant | 8100 | 0.00 | 26,909,208.46 |
| Administrative Technology Services | 8200 | 0.00 | 399,416.87 |
| Community Services | 9100 | 0.00 | 88,107,285.06 |
| <i>Debt Service: (Function 9200)</i> | | | |
| Redemption of Principal | 710 | 5,250,000.00 | 58,040,000.00 |
| Interest | 720 | 1,696,544.37 | 36,569,659.95 |
| Dues and Fees | 730 | 17,172.32 | 2,531,240.88 |
| Miscellaneous | 790 | 0.00 | 0.00 |
| <i>Capital Outlay:</i> | | | |
| Facilities Acquisition and Construction | 7420 | 6,766,580.25 | 105,523,649.44 |
| Other Capital Outlay | 9300 | 4,745,251.69 | 9,944,071.10 |
| Total Expenditures | | 134,585,341.92 | 2,217,811,525.74 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (5,344,687.18) | (84,551,139.25) |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of Bonds | 3710 | 0.00 | 0.00 |
| Premium on Sale of Bonds | 3791 | 0.00 | 0.00 |
| Discount on Sale of Bonds | 891 | 0.00 | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | 0.00 | 231,680,637.19 |
| Premium on Lease-Purchase Agreements | 3793 | 0.00 | 22,964,225.65 |
| Discount on Lease-Purchase Agreements | 893 | 0.00 | 0.00 |
| Loans | 3720 | 0.00 | 0.00 |
| Sale of Capital Assets | 3730 | 0.00 | 0.00 |
| Loss Recoveries | 3740 | 0.00 | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | 0.00 | 0.00 |
| Proceeds from Special Facility Construction Account | 3770 | 0.00 | 0.00 |
| Face Value of Refunding Bonds | 3715 | 0.00 | 118,955,000.00 |
| Premium on Refunding Bonds | 3792 | 0.00 | 10,270,066.70 |
| Discount on Refunding Bonds | 892 | 0.00 | 0.00 |
| Refunding Lease-Purchase Agreements | 3755 | 0.00 | 0.00 |
| Premium on Refunding Lease-Purchase Agreements | 3794 | 0.00 | 0.00 |
| Discount on Refunding Lease-Purchase Agreements | 894 | 0.00 | 0.00 |
| Payments to Refunding Escrow Agent (Function 9299) | 760 | 0.00 | (384,981,590.81) |
| Transfers In | 3600 | 4,138,553.56 | 186,937,928.22 |
| Transfers Out | 9700 | 0.00 | (160,363,924.81) |
| Total Other Financing Sources (Uses) | | 4,138,553.56 | 25,462,342.14 |
| SPECIAL ITEMS | | | |
| | | 0.00 | 0.00 |
| EXTRAORDINARY ITEMS | | | |
| | | 0.00 | 0.00 |
| Net Change in Fund Balances | | (1,206,133.62) | (59,088,797.11) |
| Fund Balances, July 1, 2015 | 2800 | 48,624,980.86 | 431,938,207.08 |
| Adjustments to Fund Balances | 2891 | 0.00 | 0.00 |
| Fund Balances, June 30, 2016 | 2700 | 47,418,847.24 | 372,849,409.97 |

The notes to financial statements are an integral part of this statement.
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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(amounts expressed in thousands)**

Net Change in Fund Balances - Total Governmental Funds (59,088,797.13)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$75,696,515.65) was less than depreciation expense (\$95,620,611.38) during the current period. (19,924,095.73)

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs by the cost of assets sold. 186,132.19

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 130,855.40

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments of bond principal (\$58,040,000) and payments to refunding agent (\$384,981,590.81) was more proceeds of (\$350,635,637.19) in the current year. 92,386,590.81

Governmental funds report certain bond transaction as resources or uses. However, in the statement of activities these transactions are reported over the life of the debt as (\$33,234,292 bond premium). (33,234,292.35)

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:

Postemployment health care benefits (19,322,356.02)

Interest expense 2,607,818.46

Compensated absences (28,237,959.21)

Pension 18,969,849.00

Amortization of bond discount and premium 887,666.41

Amortization of investment derivative 873,506.00

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. (39,684,626.24)

Change in Net Position of Governmental Activities (83,449,708.41)

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

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

| | Account Number | Governmental Activities - Internal Service Funds |
|---|----------------|--|
| ASSETS | | |
| Cash and Cash Equivalents | 1110 | 261,008.95 |
| Investments | 1160 | 74,788,227.07 |
| Accounts Receivable, Net | 1131 | 205,433.96 |
| Interest Receivable on Investments | 1170 | 0.00 |
| Due From Other Agencies | 1220 | 628,967.11 |
| Due From Insurer | 1180 | 0.00 |
| Due From Budgetary Funds | 1141 | 0.00 |
| Deposits Receivable | 1210 | 0.00 |
| Cash with Fiscal/Service Agents | 1114 | 0.00 |
| Section 1011.13, F.S., Loan Proceeds | 1420 | 0.00 |
| Inventory | 1150 | 0.00 |
| Prepaid Items | 1230 | 0.00 |
| Long-Term Investments | 1460 | 0.00 |
| Prepaid Insurance Costs | 1430 | 0.00 |
| Other Postemployment Benefits Asset | 1410 | 0.00 |
| Pension Asset | 1415 | 0.00 |
| <i>Capital Assets:</i> | | |
| Land | 1310 | 0.00 |
| Land Improvements - Nondepreciable | 1315 | 0.00 |
| Construction in Progress | 1360 | 0.00 |
| <i>Nondepreciable Capital Assets</i> | | |
| Improvements Other Than Buildings | 1320 | 0.00 |
| Accumulated Depreciation | 1329 | 0.00 |
| Buildings and Fixed Equipment | 1330 | 0.00 |
| Accumulated Depreciation | 1339 | 0.00 |
| Furniture, Fixtures and Equipment | 1340 | 0.00 |
| Accumulated Depreciation | 1349 | 0.00 |
| Motor Vehicles | 1350 | 0.00 |
| Accumulated Depreciation | 1359 | 0.00 |
| Property Under Capital Leases | 1370 | 0.00 |
| Accumulated Depreciation | 1379 | 0.00 |
| Computer Software | 1382 | 0.00 |
| Accumulated Amortization | 1389 | 0.00 |
| Depreciable Capital Assets, Net | | 0.00 |
| Total Capital Assets | | 0.00 |
| Total Assets | | 75,883,637.09 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 1910 | 0.00 |
| Net Carrying Amount of Debt Refunding | 1920 | 0.00 |
| Pension | 1940 | 0.00 |
| Other Postemployment Benefits | 1950 | 0.00 |
| Total Deferred Outflows of Resources | | 0.00 |
| LIABILITIES | | |
| Cash Overdraft | 2125 | 0.00 |
| Accrued Salaries and Benefits | 2110 | 0.00 |
| Payroll Deductions and Withholdings | 2170 | 0.00 |
| Accounts Payable | 2120 | 15,564,118.12 |
| Sales Tax Payable | 2260 | 0.00 |
| Accrued Interest Payable | 2210 | 0.00 |
| Deposits Payable | 2220 | 0.00 |
| Due to Other Agencies | 2230 | 0.00 |
| Due to Budgetary Funds | 2161 | 19,694,960.00 |
| Pension Liability | 2115 | 0.00 |
| Other Postemployment Benefits Liability | 2116 | 0.00 |
| Judgments Payable | 2130 | 0.00 |
| Estimated Unpaid Claims - Self-Insurance Program | 2271 | 0.00 |
| Estimated Liability for Claims Adjustment | 2272 | 0.00 |
| Unearned Revenues | 2410 | 14,633,375.12 |
| <i>Noncurrent Liabilities</i> | | |
| <i>Portion Due Within One Year:</i> | | |
| Obligations Under Capital Leases | 2315 | 0.00 |
| Liability for Compensated Absences | 2330 | 0.00 |
| Estimated Liability for Long-Term Claims | 2350 | 11,198,881.96 |
| Net Other Postemployment Benefits Obligation | 2360 | 0.00 |
| Net Pension Liability | 2365 | 0.00 |
| Other Long-Term Liabilities | 2380 | 0.00 |
| Due Within One Year | | 11,198,881.96 |
| <i>Portion Due After One Year:</i> | | |
| Obligations Under Capital Leases | 2315 | 0.00 |
| Liability for Compensated Absences | 2330 | 0.00 |
| Estimated Liability for Long-Term Claims | 2350 | 12,719,477.04 |
| Net Other Postemployment Benefits Obligation | 2360 | 0.00 |
| Net Pension Liability | 2365 | 0.00 |
| Other Long-Term Liabilities | 2380 | 0.00 |
| Due in More Than One Year | | 12,719,477.04 |
| Total Long-Term Liabilities | | 23,918,359.00 |
| Total Liabilities | | 73,810,812.24 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 2610 | 0.00 |
| Deficit Net Carrying Amount of Debt Refunding | 2620 | 0.00 |
| Deferred Revenues | 2630 | 0.00 |
| Pension | 2640 | 0.00 |
| Other Postemployment Benefits | 2650 | 0.00 |
| Total Deferred Inflows of Resources | | 0.00 |
| NET POSITION | | |
| Net Investment in Capital Assets | 2770 | 0.00 |
| Restricted for | 2780 | 2,072,824.85 |
| Unrestricted | 2790 | 0.00 |
| Total Net Position | | 2,072,824.85 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

| | Account Number | Governmental Activities - Internal Service Funds |
|---|----------------|--|
| OPERATING REVENUES | | |
| Charges for Services | 3481 | 0.00 |
| Charges for Sales | 3482 | 0.00 |
| Premium Revenue | 3484 | 181,913,580.34 |
| Other Operating Revenues | 3489 | 723,091.98 |
| Total Operating Revenues | | 182,636,672.32 |
| OPERATING EXPENSES | | |
| Salaries | 100 | 438,340.44 |
| Employee Benefits | 200 | 171,612.89 |
| Purchased Services | 300 | 324,325.69 |
| Energy Services | 400 | 0.00 |
| Materials and Supplies | 500 | 0.00 |
| Capital Outlay | 600 | 0.00 |
| Other | 700 | 195,183,315.70 |
| Depreciation and Amortization Expense | 780 | 0.00 |
| Total Operating Expenses | | 196,117,594.72 |
| Operating Income (Loss) | | (13,480,922.40) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment Income | 3430 | 346,917.40 |
| Gifts, Grants and Bequests | 3440 | 0.00 |
| Other Miscellaneous Local Sources | 3495 | 23,382.17 |
| Loss Recoveries | 3740 | 0.00 |
| Gain on Disposition of Assets | 3780 | 0.00 |
| Interest | 720 | 0.00 |
| Miscellaneous | 790 | 0.00 |
| Loss on Disposition of Assets | 810 | 0.00 |
| Total Nonoperating Revenues (Expenses) | | 370,299.57 |
| Income (Loss) Before Operating Transfers | | (13,110,622.83) |
| Transfers In | 3600 | 0.00 |
| Transfers Out | 9700 | (26,574,003.41) |
| SPECIAL ITEMS | | 0.00 |
| EXTRAORDINARY ITEMS | | 0.00 |
| Change In Net Position | | (39,684,626.24) |
| Net Position, July 1, 2015 | 2880 | 41,757,451.09 |
| Adjustments to Net Position | 2896 | 0.00 |
| Net Position, June 30, 2016 | 2780 | 2,072,824.85 |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

| | Governmental Activities - Internal Service Funds |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | 48,273.83 |
| Receipts from interfund services provided | 184,339,834.48 |
| Payments to suppliers | (189,669,834.96) |
| Payments to employees | (609,953.33) |
| Payments for interfund services used | 0.00 |
| Other receipts (payments) | 825,093.49 |
| Net cash provided (used) by operating activities | (5,066,586.49) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Subsidies from operating grants | 0.00 |
| Transfers from other funds | 0.00 |
| Transfers to other funds | (6,878,978.41) |
| Net cash provided (used) by noncapital financing activities | (6,878,978.41) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from capital debt | 0.00 |
| Capital contributions | 0.00 |
| Proceeds from disposition of capital assets | 0.00 |
| Acquisition and construction of capital assets | 0.00 |
| Principal paid on capital debt | 0.00 |
| Interest paid on capital debt | 0.00 |
| Net cash provided (used) by capital and related financing activities | 0.00 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sales and maturities of investments | 14,991,104.32 |
| Interest and dividends received | 346,917.40 |
| Purchase of investments | (3,339,995.64) |
| Net cash provided (used) by investing activities | 11,998,026.08 |
| Net increase (decrease) in cash and cash equivalents | 52,461.18 |
| Cash and cash equivalents - July 1, 2015 | 208,612.77 |
| Cash and cash equivalents - June 30, 2016 | 261,073.95 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | (13,457,540.23) |
| <i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i> | |
| Depreciation/Amortization expense | 0.00 |
| Commodities used from USDA program | 0.00 |
| <i>Change in assets and liabilities:</i> | |
| (Increase) decrease in accounts receivable | 126,893.17 |
| (Increase) decrease in interest receivable | 0.00 |
| (Increase) decrease in due from insurer | 0.00 |
| (Increase) decrease in deposits receivable | 0.00 |
| (Increase) decrease in due from other funds | 0.00 |
| (Increase) decrease in due from other agencies | (18,368.57) |
| (Increase) decrease in inventory | 0.00 |
| (Increase) decrease in prepaid items | 0.00 |
| (Increase) decrease in pension | 0.00 |
| Increase (decrease) in salaries and benefits payable | 0.00 |
| Increase (decrease) in payroll tax liabilities | 0.00 |
| Increase (decrease) in accounts payable | 937,370.00 |
| Increase (decrease) in cash overdraft | 0.00 |
| Increase (decrease) in judgments payable | 0.00 |
| Increase (decrease) in sales tax payable | 0.00 |
| Increase (decrease) in accrued interest payable | 0.00 |
| Increase (decrease) in deposits payable | 0.00 |
| Increase (decrease) in due to other funds | 0.00 |
| Increase (decrease) in due to other agencies | 0.00 |
| Increase (decrease) in unearned revenues | 2,426,254.14 |
| Increase (decrease) in pension | 0.00 |
| Increase (decrease) in other postemployment benefits | 0.00 |
| Increase (decrease) in estimated unpaid claims - Self-Insurance Prog. | 4,918,805.00 |
| Increase (decrease) in estimated liability for claims adjustment | 0.00 |
| Total adjustments | 8,390,953.74 |
| Net cash provided (used) by operating activities | (5,066,586.49) |
| Noncash investing, capital and financing activities: | |
| Borrowing under capital lease | 0.00 |
| Contributions of capital assets | 0.00 |
| Purchase of equipment on account | 0.00 |
| Capital asset trade-ins | 0.00 |
| Net Increase/(Decrease) in the fair value of investments | 0.00 |
| Commodities received through USDA program | 0.00 |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

| | Account Number | Total Pension Trust Funds 87X | Total Agency Funds 89X |
|---|----------------|----------------------------------|---------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | 1110 | 11,792,840.98 | 16,331,992.89 |
| Investments | 1160 | 0.00 | 41,064,153.02 |
| Accounts Receivable, Net | 1131 | 40,141.62 | 0.00 |
| Pension Contributions Receivable | 1132 | 0.00 | |
| Interest Receivable on Investments | 1170 | 0.00 | 0.00 |
| Due From Budgetary Funds | 1141 | 0.00 | 0.00 |
| Due From Other Agencies | 1220 | 0.00 | 0.00 |
| Inventory | 1150 | | 104,333.35 |
| Total Assets | | 11,832,982.60 | 57,500,479.26 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Accumulated Decrease in Fair Value of Hedging Derivatives | 1910 | 0.00 | |
| Pension | 1940 | 0.00 | |
| Other Postemployment Benefits | 1950 | 0.00 | |
| Total Deferred Outflows of Resources | | 0.00 | |
| LIABILITIES | | | |
| Cash Overdraft | 2125 | 0.00 | 0.00 |
| Accrued Salaries and Benefits | 2110 | 0.00 | 0.00 |
| Payroll Deductions and Withholdings | 2170 | 0.00 | 39,685,240.59 |
| Accounts Payable | 2120 | 0.00 | 1,448,706.63 |
| Internal Accounts Payable | 2290 | 0.00 | 16,366,532.04 |
| Due to Other Agencies | 2230 | 0.00 | |
| Due to Budgetary Funds | 2161 | 0.00 | 0.00 |
| Total Liabilities | | 0.00 | 57,500,479.26 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | 2610 | 0.00 | |
| Pension | 2640 | 0.00 | |
| Other Postemployment Benefits | 2650 | 0.00 | |
| Total Deferred Inflows of Resources | | 0.00 | |
| NET POSITION | | | |
| Held in Trust for Pension Benefits | 2785 | 11,832,982.60 | |
| Held in Trust for Other Purposes | 2785 | 0.00 | |
| Total Net Position | | 11,832,982.60 | |

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2016

| | Account Number | Total Pension Trust Funds 87X |
|--|----------------|----------------------------------|
| ADDITIONS | | |
| <i>Contributions:</i> | | |
| Employer | | 1,114,742.00 |
| Plan Members | | 0.00 |
| Gifts, Grants and Bequests | 3440 | 0.00 |
| <i>Investment Income:</i> | | |
| Interest on Investments | 3431 | 158,569.99 |
| Gain on Sale of Investments | 3432 | 0.00 |
| Net Increase (Decrease) in the Fair Value of Investments | 3433 | 102,071.78 |
| Total Investment Income | | 260,641.77 |
| Less Investment Expense | | 30,238.77 |
| Net Investment Income | | 230,403.00 |
| Total Additions | | 1,345,145.00 |
| DEDUCTIONS | | |
| Salaries | 100 | 0.00 |
| Employee Benefits | 200 | 1,958,863.78 |
| Purchased Services | 300 | 12,185.98 |
| Other | 700 | 0.00 |
| Refunds of Contributions | | 0.00 |
| Administrative Expenses | | 0.00 |
| Total Deductions | | 1,971,049.76 |
| Change In Net Position | | (625,904.76) |
| Net Position Held In Trust, July 1, 2015 | 2885 | 12,458,887.36 |
| Adjustments to Net Position | 2896 | 0.00 |
| Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2016 | 2785 | 11,832,982.60 |

The notes to financial statements are an integral part of this statement.
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NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The School District of Hillsborough County, Florida (District) has direct responsibility for the operation, control, and supervision of the District schools and is considered a primary government for financial reporting purposes. The District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board (Board) that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The accompanying financial statements present the activities of the Board and its component units. Criteria for determining if other entities are potential component units, which should be reported within the District's financial statements, are identified and described in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units and GASB Statement No. 61, The Financial Reporting Entity - Omnibus. The application of these criteria provide for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

Blended Component Unit. The Hillsborough School Board Leasing Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note 7. The governing board of the Corporation is the same as the District School Board. Financial records for the Corporation are maintained by the District and District staff is responsible for the day-to-day operation of the Corporation. Due to the substantive economic relationship between the Hillsborough County District

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

School Board and the Corporation, the financial activities of the Corporation are included in the accompanying financial statements of the School Board in the Other Capital Projects Fund. Separate financial statements of the Corporation are not published.

Discretely Presented Component Units

For the purpose of presentation of this report, the Superintendent's Annual Financial Report (SAFR), there are no discretely presented component units reported.

The SAFR is required by the Department of Education to report certain financial aspects of the District to them. At the time this report was due to the State no component units had provided financial data.

When the audit of the district is completed, the Comprehensive Annual Financial Report (CAFR) will be published. In the CAFR, the inclusion of discretely presented component units will be determined by the application of appropriate criteria of the GASB.

B. Basis of Presentation

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

Government-Wide Financial Statements

Government-wide financial statements include a Statement of Net Position and a Statement of Activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund activities. The effect of interfund activities has not been eliminated in the Statement of Activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds and to employees for workers compensation and insurance. Operating expenses for the internal service funds include the cost of services and administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Financial Statements – The fund financial statements provide information about the District School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *government 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 non-major funds. Because the focus of the governmental fund financial statements differs from the focus of the government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Fund-Other - to account for financial resources of certain federal grant program resources.

Other Debt Service Fund – Accounts for and reports on various bond revenue and principal and interest payments, including the Certificates of Participation.

Local Capital Improvement – Accounts for and reports on the revenues generated from the local capital outlay property taxes.

Other Capital Projects Fund – Accounts for and reports on other miscellaneous funds from various sources.

Additionally, the District reports the following fund types:

Internal Service Funds – to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund – to account for resources used to finance the early retirement program.

Agency Funds – to account for resources held by the District as custodian for others primarily for the benefit of various schools and their activity funds.

C. Measurement Focus and Basis of Accounting

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Statements – The government-wide statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Cash

Cash consists of petty cash funds and deposits held by banks qualified as public depositories under Florida law. All deposits are fully insured by Federal depository insurance and a multiple financial institution collateral pool required by Chapter 280 Florida Statutes. The statement of cash flows for the Proprietary Funds considers cash as those accounts used as demand deposit accounts.

E. Investments

Investments of the general government consist of amounts placed with the State Board of Administration for participation in the State investment pool, those made by the State Board of Administration from the District's bond proceeds held and administered by the State Board of Education, and those made locally.

District monies placed with the State Board of Administration for participation in the State investment pool represent an interest in the pool rather than ownership of specific securities. Such investments are stated at fair value. Investments of the early retirement program are reported at fair value.

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

F. Inventory

Inventories consist of expendable supplies and equipment held for consumption in the course of District operations. Inventories at the central warehouse, maintenance, technology repair, and the bus garage are stated at cost basis on a moving average. Food service inventories are stated at cost based on the first-in, first-out basis, except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the time of donation to the District's food service program by the Florida Department of Health and Rehabilitative Services, Food Distribution Center. All other inventories are stated at cost on the last invoice price method, which approximates the first-in, first-out basis. The cost of inventories is recorded as expenditures when used rather than purchased.

G. 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 acquired are recorded at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets purchased after July 1, 2004 are defined as those costing more than \$1,000 and having a useful life of more than one year. Donated assets are recorded at fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest costs incurred during construction are not capitalized as part of the cost of construction. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Asset Class Description | Estimated Useful Lives |
|--|------------------------|
| Buildings | 15-50 years |
| Improvements other than Buildings | 10-25 years |
| Building Improvements | 10-25 years |
| Furniture, Fixtures and Equipment | 5-10 years |
| Motor Vehicles | 4-10 years |
| Audio Visual Materials and Computer Software | 3-5 years |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported in the government-wide statement of net position. Bond premiums, discounts and losses on refunding issuances, are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on refunding issuances are netted and reported as deferred outflows of resources.

In governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums, discounts and losses on refunding issuances during the current period. The face amount of debt issued, as well as any related premium is reported as an other financing source while discounts on debt issuances and losses on refunding issuances are reported as an other financing use.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

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

I. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the Board determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

amend its original reporting for a period of nine (9) months following the date of original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions of or additions to revenues in the year when the adjustments are made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. The money not expended or encumbered as of the close of the fiscal year is usually carried forward into the following year to be expended for the same programs. The Department requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved for the unencumbered balance of categorical educational program resources.

J. 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 taxes are assessed by the Hillsborough County Property Appraiser and are collected by the Hillsborough County Tax Collector.

The School Board adopted the 2015 tax levy for fiscal year 2016 on September 8, 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 with discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the 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-

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

bearing tax certificates to satisfy unpaid taxes. These procedures result in the collection of essentially all taxes prior to June 30 of the year following the assessment.

Property tax revenues are recognized in the government-wide financial statements in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Hillsborough County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

K. Federal Revenue Sources

The District receives Federal financial assistance for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal financial assistance 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.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

In the government-wide financial statements the District records deferred outflows of resources which represent the consumption of net position by the District that is applicable to a future reporting period. At June 30, 2016 deferred outflows of resources represent activity associated with a swap agreement as discussed in note 8, the deferred charge on refunding as discussed in note 10, and pension related items as discussed in note 17.

In addition to liabilities on the government-wide financial statements, the District records deferred inflows of resources which represent an acquisition of net position that applies to future periods. At June 30, 2016 deferred inflows of resources represent activity associated with pension related items as discussed in note 17.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Use of Estimates

The preparation of the financial statements requires management of the District to make a number of assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

N. Accounting Standards

During the fiscal year ended June 30, 2016, the District adopted GASB Statement Number 72, Fair Value Measurement and Application, which addresses accounting and financial reporting issues related to fair value measurements.

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The School Board follows the procedures established by State statutes and State Board of Education rules in establishing final budget balances reported in the financial statements:

1. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules. Original budgets are submitted to the State Commissioner of Education for approval.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

2. BUDGET COMPLIANCE AND ACCOUNTABILITY (continued)

2. The budget is prepared by fund, function, object and department. Management may make transfers of appropriations between departments and object. The functional level is the legal level of budgetary control and may only be amended by resolution of the Board at any Board meeting prior to the due date for the Superintendent's Annual Financial Report (State Report). Budgetary disclosure in the accompanying financial statements reflects the original and final budget including all amendments approved for the fiscal year through September 6, 2016.

3. Budgets are prepared using the modified accrual basis as is used to account for actual transactions in the governmental funds.

4. 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 year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

All budget amounts presented in the basic statements and the accompanying supplementary information reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions of the annual budget during the year).

At the governmental fund level, outstanding encumbrances are re-appropriated in the subsequent year. Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

3. CASH AND INVESTMENTS

At June 30, 2016, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

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

| Investment | Maturities | Fair Value |
|------------------------------------|-------------------------|--------------------------|
| United States Treasuries | 12/31/2016 - 05/31/2020 | \$ 972,004.39 |
| United States Agencies | 07/26/2016 - 05/15/2020 | 16,304,053.76 |
| State Board of Administration | | |
| Florida PRIME | 39 Days | 326,347,022.58 |
| Debt Service Account | 39 Days | 557,465.59 |
| Certificates of Deposit | 07/07/2016 - 05/05/2017 | 40,627,600.68 |
| Wells Fargo Advantage Treasury | | |
| Plus Money Market | N/A | 404,161.98 |
| Total Investments Reporting Entity | | <u>\$ 385,212,308.98</u> |

Investments are reflected in the financial statement as follows:

| | |
|--------------------------|--------------------------|
| Governmental funds | \$ 257,567,087.91 |
| Internal service funds | 74,788,227.07 |
| Fiduciary funds | |
| Pension trust | 11,792,840.98 |
| Agency | 41,064,153.02 |
| Total Primary Government | <u>\$ 385,212,308.98</u> |

Interest Rate Risk

The District has a formal investment policy that the investment objectives are safety of capital, liquidity of funds, and investment income, in that order. The performance measurement objective shall be to exceed the State Board of Administration's Florida PRIME yield. The policy limits the type of investments and the length of investments of idle funds. The weighted average duration of the investment portfolio shall not exceed five years.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

Credit Risk

Section 218.415(17) Florida Statutes, authorizes the District to invest or reinvest any surplus public funds in their control or possession in:

- (a) The State Board of Administration (SBA) Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided by F.S. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the U.S. Treasury.
- (e). Obligations of Federal agencies, government sponsored enterprises, and instrumentalities.
- (f) Securities of, or other interest in, any open-end or closed-end management type investment company or trust registered under the Investment Company Act of 1940, 15 U.S. C 80a-1.
- (g) Short-term obligations commonly referred to as "money market instruments" including but not limited to commercial paper, provided such obligations carry the highest credit rating from a nationally recognized rating agency.
- (h) Asset-backed securities when either a) the underlying asset is guaranteed by the issuer or b) the security carries the highest quality rating by a nationally recognized rating agency.

The District's investment in the SBA consists of Florida PRIME.

Florida PRIME is an external investment pool that is not registered with the Securities Exchange Commission (SEC), but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District's investment in the Florida PRIME is reported at the account balance which is considered fair value. Florida PRIME is rated AAAM by Standard & Poors.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

The District's investments in United States Agencies or Treasuries for the Pension Trust Fund were rated either AA+ by Standard and Poors or AAA by Moody's Investors Services. The remaining government securities were rated either AA+/A-1 by Standard and Poors or Aaa by Moody's Investors Services.

The District's investments in Certificates of Deposits were in qualified public depositories.

Investments in the State Board of Administration Debt Service Account totaling \$557,465.59 to provide for debt service payments on bonded debt issued by the State Board of Administration for the benefit of the District. These investments consist of United States Treasury securities, with maturity dates of six months or less and are reported at fair value. The District has no formal policy for managing interest rate risk or credit risk for this account, but relies on policies developed by the State Board of Administration.

Custodial Credit Risk

The District's investment policy requires that securities purchased or otherwise acquired by the District shall be properly designated as an asset of the District. Also, Florida Statute, Section 218.415(18) requires every security purchased under this section on behalf of the District to be properly earmarked and:

1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the District's interest in the security;
2. If in book entry form, must be held for the credit of the District 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 Florida as defined in Section 658.12, 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 Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

3. If physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

Of The District's investments, \$972,004.39 in U. S. Treasuries and \$16,304,053.76 in U.S.

Agencies are not registered in the name of the District, are held by the counterparty's trust department or agent and are not insured.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District had no investment excluding amounts held with the State Board of that made up more than 5% of total investments.

Foreign Currency Risk

The District has no investments which are exposed to foreign currency risk as of June 30, 2016. The District does not have a formal investment policy that limits its investment in foreign currency.

Fair Value Measurement

The District categorizes its fair value measurement within the hierarchy established by generally accepted accounting principles. The hierarchy is based on 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

The District has the following fair value measurements as of June 30, 2016:

- U.S. Treasury securities of \$972,004.39 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- U.S. Agency securities of \$ 16,304,053.76 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).
- Money markets of \$404,161.98 are valued using the quoted market prices (Level 1 inputs).
- Certificates of deposit of \$40,627,600.68 are valued using the quoted market prices (Level 1 inputs).
- State board of administration \$326,904,488.17 are valued using the quoted market prices (Level 1 inputs).
- Interest rate swap derivative of \$24,851,118.00 is valued using the zero coupon method (Level 2 inputs).

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

3. CASH AND INVESTMENTS (continued)

| | Fair Value Measurement Using | | |
|---|-------------------------------------|--------------------------|---------------------|
| | Quoted Prices in | Significant Other | Significant |
| | Active Markets | Observable | Unobservable |
| | for Identical | Inputs | Inputs |
| | Assets | (Level 2) | (Level 3) |
| 6/30/2016 | (Level 1) | | |
| Investments by fair value level | | | |
| Debt securities | | | |
| U.S. Treasuries | 972,004.39 | 972,004.39 | - |
| U.S. Agencies | 16,304,053.76 | 16,304,053.76 | - |
| Total debt securities | <u>17,276,058.15</u> | <u>17,276,058.15</u> | - |
| | | | |
| Money market | 404,161.98 | 404,161.98 | - |
| Certificates of deposit | 40,627,600.68 | 40,627,600.68 | - |
| Total investments by fair value | <u>58,307,820.81</u> | <u>41,031,762.66</u> | - |
| Investments measure at the net asset value (NAV) | | | |
| State Board of Administration | <u>326,904,488.17</u> | <u>326,904,488.17</u> | |
| Total investments measured at fair value | <u>385,212,308.98</u> | <u>326,904,488.17</u> | |
| Liabilities by fair value level | | | |
| Derivative instrument - liability | | <u>24,851,118.00</u> | |
| Total liabilities by fair value level | | <u>24,851,118.00</u> | |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

4. DUE FROM OTHER AGENCIES

Amount due from other governmental agencies as of June 30, 2016 are shown below:

| | General Fund | Other Special Revenue Fund | Other Debt Service | Local Capital Improvement | Other Capital Projects Fund | Non-Major and Other Funds | Total |
|---|-----------------------|----------------------------|-----------------------|---------------------------|-----------------------------|---------------------------|------------------------|
| Federal Government: | | | | | | | |
| Miscellaneous | \$4,816,470.36 | \$2,419,734.33 | - | - | - | - | \$7,236,204.69 |
| State Government: | | | | | | | |
| Food Reimbursement | - | - | - | - | - | 3,888,584.12 | 3,888,584.12 |
| Miscellaneous | 2,113,785.08 | 586,128.66 | - | - | - | 3,782,053.11 | 6,481,966.85 |
| Local Government: | | | | | | | |
| Hillsborough County Board of County Commissioners | 327,959.10 | 9,871,749.09 | 2,231,475.57 | 71,922.01 | 18,651,987.75 | - | 31,155,093.52 |
| Miscellaneous | 409,420.77 | 148,794.04 | - | - | 33,957.46 | - | 592,172.27 |
| Total: | \$7,667,635.31 | \$13,026,406.12 | \$2,231,475.57 | \$71,922.01 | \$18,685,945.21 | \$7,670,637.23 | \$49,354,021.45 |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

| <u>Description</u> | <u>Beginning Balances</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balances</u> |
|---|-------------------------------|------------------------|----------------------|----------------------------|
| <u>Capital Assets Not Being Depreciated:</u> | | | | |
| Land | \$160,441,219.85 | 969,343.81 | - | \$161,410,563.66 |
| Land Improvements-Non Depreciable | 92,440,490.94 | 2,295,136.07 | - | 94,735,627.01 |
| Construction in Progress | 31,200,084.86 | 47,496,940.14 | 43,857,987.95 | 34,839,037.05 |
| Total Capital Assets Not Being Depreciated | \$284,081,795.65 | 50,761,420.02 | 43,857,987.95 | \$290,985,227.72 |
| <u>Capital Assets Being Depreciated:</u> | | | | |
| Improvements Other Than Buildings | 214,617,306.92 | 4,451,653.25 | 713,767.75 | 218,355,192.42 |
| Buildings and Systems | 2,711,231,231.13 | 35,611,199.52 | 695,988.32 | 2,746,146,442.33 |
| Furniture, Fixtures and Equipment | 152,378,908.80 | 5,888,104.56 | 12,454,663.34 | 145,812,350.02 |
| Motor Vehicles | 102,394,717.30 | 21,601,241.16 | 4,608,904.58 | 119,387,053.88 |
| Audio Visual Materials | 12,681.97 | - | 12,681.97 | 0.00 |
| Computer Software | 22,245,827.28 | 1,000,790.50 | 1,715,001.76 | 21,531,616.02 |
| Total Capital Assets Being Depreciated | 3,202,880,673.40 | 68,552,988.99 | 20,201,007.72 | 3,251,232,654.67 |
| Less Accumulated Depreciation for: | | | | |
| Improvements Other Than Buildings | 134,543,771.08 | 7,088,197.45 | 616,892.83 | 141,015,075.70 |
| Buildings & Systems | 807,216,176.52 | 75,094,054.24 | 1,286,499.23 | 881,023,731.53 |
| Furniture, Fixtures, And Equipment | 124,067,942.24 | 8,443,928.45 | 12,212,426.34 | 120,299,444.35 |
| Motor Vehicles | 85,564,679.15 | 4,248,845.65 | 4,601,700.49 | 85,211,824.31 |
| Audio Visual Materials | 12,681.97 | - | 12,681.97 | 0.00 |
| Computer Software | 21,149,526.07 | 745,585.59 | 1,628,089.14 | 20,267,022.52 |
| Total Accumulated Depreciation | 1,172,554,777.03 | 95,620,611.38 | 20,358,290.00 | 1,247,817,098.41 |
| Total Capital Assets Being Depreciated (Net) | 2,030,325,896.37 | (27,067,622.39) | (157,282.28) | 2,003,415,556.26 |
| Governmental Activities Capital Assets (Net) | \$2,314,407,692.02 | \$23,693,797.63 | \$43,700,705.67 | \$2,294,400,783.98 |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

5. CAPITAL ASSETS (continued)

Depreciation expense charged to governmental functions are:

| | |
|---|-------------------------|
| Instructional Services | \$ 3,937,491.16 |
| Instructional Support Services | 1,693,703.36 |
| Pupil Transportation Services | 434,591.95 |
| Operation and Maintenance of Plant | 566,846.59 |
| Facilities Acquisition and Construction | 87,661,823.60 |
| School Administration | 182,529.74 |
| General Administration | 201,659.07 |
| Food Services | 664,685.52 |
| Community Services and Other | 49,115.49 |
| Un-Allocated Depreciation | <u>228,164.90</u> |
| Total Depreciation Expense | <u>\$ 95,620,611.38</u> |

6. REVOLVING LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, on April 21, 2015 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2016, in the amount of \$100,000,000 with Wells Fargo Bank of Florida. The outstanding principal amount of the Note shall bear interest at one month London Interbank Offered Rate (LIBOR) plus 80 basis points adjusted monthly. This line-of-credit allows the Board to borrow funds if established revenues (cash) are lagging behind expenditures such as weekly payrolls and weekly vendor payments. The Note is secured by a pledge of anticipated ad valorem tax proceeds. This Note would be repaid in full in ninety days from the first draw. The Note shall not exceed \$100,000,000 at any time. For the year ended June 30, 2016, no funds had been borrowed or utilized under this line-of-credit, and therefore no amounts are outstanding at June 30, 2016.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION

The District entered into various financing arrangements each of which was characterized as a lease-purchase agreement, with the Hillsborough School Board Leasing Corporation (Corporation), whereby the District secured financing of various education facilities through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Hillsborough School Board Leasing Corporation, with a rental fee of \$10 per year. 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 to the Trustee for the benefit of the securers of the Certificates to the end of the ground lease term.

Certificates of Participation that are still part of the District's debt obligation are as follows:

| Certificates | Date of Certificates | Original Amount of Certificates | Ground Lease Term |
|---------------------------|----------------------|---------------------------------|-------------------|
| Series 1998 Project | March 1, 1998 | \$336,930,000 | June 30, 2023 |
| Series 2004A Project | February 19, 2004 | 27,305,000 | June 30, 2017 |
| Series 2004 QZAB Project | June 8, 2004 | 6,131,000 | June 7, 2020 |
| Series 2005 QZAB Project | December 20, 2005 | 3,002,000 | December 20, 2020 |
| Series 2006A Project | January 31, 2006 | 86,435,000 | June 30, 2031 |
| Series 2006B Project | January 26, 2007 | 77,900,000 | June 30, 2026 |
| Series 2007 Project | April 24, 2007 | 84,685,000 | June 30, 2031 |
| Series 2008A Projects | July 1, 2008 | 109,830,000 | June 23, 2023 |
| Series 2010A Projects | April 15, 2010 | 97,545,000 | June 30, 2025 |
| Series 2010 QSCB Projects | December 21, 2010 | 37,935,000 | December 1, 2028 |
| Series 2012A Projects | April 3, 2012 | 124,565,000 | June 30, 2029 |
| Series 2014A Projects | April 2, 2014 | 39,950,000 | June 30, 2026 |
| Series 2015A Projects | August 20, 2015 | 100,625,000 | June 30, 2031 |
| Series 2015B Projects | September 30, 2015 | 77,705,000 | June 30, 2030 |
| Series 2016A Projects | March 31, 2016 | 53,350,000 | June 30, 2031 |
| Total | | <u>\$1,263,893,000</u> | |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION (continued)

The Series 1998 Certificates of Participation were issued, in part, in order to provide the funds necessary to advance refund the Series 1994 and the Series 1995 Certificates of Participation and refinance the educational facilities which the School Board acquired, constructed and installed from the proceeds of the Series 1994 and Series 1995 Certificates of Participation. The Series 2004A Certificates of Participation were issued in order to provide funds necessary to advance refund the Series 1996 Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 1996 Certificates of Participation. The Series 2006A Certificates of Participation were issued in order to provide funds necessary to construct a high school, two middle schools, and an elementary school. The Series 2006B Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 1998B and 2001B Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 1998B and 2001B Certificates of Participation. The Series 2007 Certificates of Participation were issued in order to construct a high school, complete construction of an existing high school, two middle schools, and an elementary school. The Series 2008A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 1998A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 1998A Certificates of Participation. The Series 2010A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 2001A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 2001A Certificates of Participation. The Series 2012A Certificates of Participation were issued in order to provide funds necessary to partially advance refund the Series 2002 Certificates of Participation and fully refund the Series 2003B Certificates of Participation and refinance the educational facilities that the

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION (continued)

School Board acquired, constructed and installed from the proceeds of the Series 2002 and Series 2003B Certificates of Participation. The Series 2014A Certificates of Participation were issued in order to provide funds necessary to fully advance refund the Series 2002 Certificates of Participation and partially advance refund the Series 2004B Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 2002 and Series 2004B Certificates of Participation. The Series 2015A Certificates of Participation were issued in order to refund the Series 2005A and advance refund the Series 2006A Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2005A and 2006A Certificates of Participation. The Series 2015B Certificates of Participation were issued in order to refund the Series 2004C Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2004C Certificates of Participation. The Series 2016A Certificates of Participation were issued in order to advance refund the Series 2007 Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2007 Certificates of Participation. See Note 10 for current issuances.

Due to the economic substance of the issuances of the Certificates of Participation as a financing arrangement on behalf of the Board, the financial activities of the Corporation have been blended in with the financial statements of the District. For accounting purposes, due to the blending of the Corporation within the District's financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders.

The lease payments for the Series 1998, Series 2004A, Series 2006A, Series 2006B, Series 2007, Series 2010A, Series 2012A, Series 2014A, Series 2015A, and Series 2016A Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates of 3.60 to 5.50 percent, 5.25 percent, 3.50 to 5.00 percent, 3.50 to 5.00 percent, 3.75 to 5.00 percent, 3.00 to 5.00 percent, 4.00 to

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION (continued)

5.00 percent 2.56 percent, 2.00 to 5.00 percent and 5.00 percent, respectively. The lease payments for the Series 2008A and Series 2015B Certificates are payable by the District semi-annually on July 1 and January 1. The interest is paid monthly based on a daily rate set by the remarketing agent that is expected to approximate the Securities Industry and Financial Markets Associations (SIFMA) Municipal Swap index over the life of the Bonds. The lease payments for the Series 2004-QZAB, 2005-QZAB and 2010-QSCB Certificates are due June 7, 2020, December 20, 2020 and December 1, 2028, respectively. There is no interest to be paid on the QZABs or QSCB, as the certificate holders receive Federal Tax Credits in lieu of interest payments. The District is required to reserve a portion of the lease payments each year. The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30:

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|------------------------------|------------------|------------------|------------------|
| 2017 | 60,296,496.04 | 32,410,000.00 | 27,886,496.04 |
| 2018 | 60,990,566.83 | 33,895,000.00 | 27,095,566.83 |
| 2019 | 60,584,202.44 | 35,075,000.00 | 25,509,202.44 |
| 2020 | 66,299,423.87 | 42,926,000.00 | 23,373,423.87 |
| 2021 | 63,176,694.75 | 41,547,000.00 | 21,629,694.75 |
| 2022 - 2026 | 302,411,914.45 | 221,535,000.00 | 80,876,914.45 |
| 2027 - 2032 | 362,218,931.44 | 333,515,000.00 | 28,703,931.44 |
| Total Minimum Lease Payments | \$975,978,229.82 | \$740,903,000.00 | \$235,075,229.82 |

8. INTEREST RATE SWAP:

| Type | Objective | Notional Amount | Effective Date | Maturity Date | Fair Value | Cash Flow |
|------------------------------|---|-----------------|----------------|---------------|----------------|---------------|
| Pay fixed interest rate swap | Hedge in changes in cash flows on Series 2008A COPS | \$109,625,000 | 7/1/2008 | 7/1/2023 | (\$24,851,118) | (\$5,345,736) |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

8. INTEREST RATE SWAP (continued)

The District entered into a swaption contract on February 19, 2003 that provided the District an up-front payment of \$5,006,500. This payment was reduced by \$1,800,000 at which time the swaption was amended on April 19, 2005 to reduce the original notional amount from \$177,195,000 to \$109,830,000. The swaption was exercised on July 1, 2008 commencing a pay-fixed, interest rate swap that provided for payment of a fixed rate of 4.97% and receiving a variable rate of municipal swap index (defined as the bond market association municipal swap index). Prior to the exercise date, the swaption was considered an investment derivative instrument. Accordingly, the negative fair value at the exercise date in the amount of \$13,102,591 is being amortized as an increase to the deferred outflow balance and a decrease to interest expense over the remaining life of the swap agreement. Such amortization amounted to \$873,506 for the year ended June 30, 2016. The fair value of the interest rate swap is estimated using the zero coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement on the swaps. The fair value of the derivative instruments was recorded as derivative instrument – liability in the Statement of Net Position at June 30, 2016.

During the year ended June 30, 2016, the change in the fair value of the derivative instrument, which were recorded as a decrease to deferred outflows in the Statement of Net Position, was \$711,308.

Risks

Credit risk – The credit rating for the counterparty of the derivative is A+ by Standard and Poors.

Interest rate risk – The District is exposed to interest rate risk on its pay fixed, receive variable interest rate swaps. As the municipal swap index decreases, the District's net payment on the swap increases.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

8. INTEREST RATE SWAP (continued)

Termination risk – The District or the counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

9. BONDS PAYABLE

Bonds payable at June 30, 2016 were as follows:

| Bond Type | Amount Outstanding | Interest Rates (Percent) | Annual Maturity to: |
|--|-----------------------|-----------------------------|------------------------|
| State School Bonds | | | |
| Series 2006-A | 2,350,000.00 | 5.5 | 2026 |
| Series 2008-A | 4,120,000.00 | 3.25 - 5.0 | 2028 |
| Series 2009-A | 1,610,000.00 | 2.0 - 5.0 | 2029 |
| Series 2010-A | 3,010,000.00 | 3.0 - 5.0 | 2030 |
| Series 2011-A | 1,310,000.00 | 3.0 - 5.0 | 2023 |
| Series 2014-A | 2,144,000.00 | 2.0 - 5.0 | 2025 |
| Series 2014-B | 8,981,000.00 | 2.0 - 5.0 | 2021 |
| District Revenue Bonds | | | |
| Series 2015 Capital Improvement & Racetrack Revenue Refunding | 5,630,000.00 | 2.0 - 4.0 | 2033 |
| Series 2007 Sales Tax Refunding | 47,515,000.00 | 3.5 - 5.0 | 2024 |
| Series 2015A Sales Tax Refunding | 53,760,000.00 | 1.4 | 2020 |
| Series 2015B Sales Tax Refunding | 65,195,000.00 | 3.0 - 5.0 | 2027 |
| Total Bonds Payable | 195,625,000.00 | | |

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

State School Bonds

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially and are secured by a pledge of part of the District's portion of State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these issues. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

9. BONDS PAYABLE (continued)

DISTRICT REVENUE BONDS

Series 2015 Capital Improvement and Racetrack Revenue Refunding Bonds

These bonds are authorized by Chapter 71-680, Laws of Florida, which authorized the Board to pledge all of the portion of racetrack funds accruing annually to Hillsborough County, under the provisions of Chapters 550 and 551, Florida Statutes, as allocated to the Board pursuant to law, and Chapter 132, Florida Statutes, which authorized the refunding of the District Revenue Bonds of 1985. As required by the bond resolution the Board established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

Sales Tax Revenue Bonds, Series 2007, 2015A and 2015B

These bonds are authorized by the Constitution and Laws of the State of Florida, including, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to the Interlocal Agreement from the levy and collection by the County of the one-half cent local infrastructure sales surtax.

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

TOTAL SBE BONDS

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|-----------------------------|-----------------|-----------------|----------------|
| 2017 | 6,295,757.50 | 5,186,000.00 | 1,109,757.50 |
| 2018 | 6,287,617.50 | 5,434,000.00 | 853,617.50 |
| 2019 | 2,610,192.50 | 2,027,000.00 | 583,192.50 |
| 2020 | 2,200,648.75 | 1,715,000.00 | 485,648.75 |
| 2021 | 1,721,528.75 | 1,305,000.00 | 416,528.75 |
| 2022 - 2026 | 7,153,365.00 | 5,978,000.00 | 1,175,365.00 |
| 2027 - 2030 | 2,036,450.00 | 1,880,000.00 | 156,450.00 |
| Total Debt Service Payments | \$28,305,560.00 | \$23,525,000.00 | \$4,780,560.00 |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

9. BONDS PAYABLE (continued)

TOTAL DISTRICT REVENUE BONDS

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|-----------------------------|-------------------------|-------------------------|------------------------|
| 2017 | 19,505,463.76 | 13,420,000.00 | 6,085,463.76 |
| 2018 | 19,504,678.76 | 13,610,000.00 | 5,894,678.76 |
| 2019 | 19,504,818.76 | 13,805,000.00 | 5,699,818.76 |
| 2020 | 19,500,783.76 | 14,000,000.00 | 5,500,783.76 |
| 2021 | 18,926,643.76 | 13,870,000.00 | 5,056,643.76 |
| 2022 - 2026 | 95,763,693.80 | 81,825,000.00 | 13,938,693.80 |
| 2027 - 2031 | 21,351,490.66 | 20,740,000.00 | 611,490.66 |
| 2032 - 2033 | 857,925.00 | 830,000.00 | 27,925.00 |
| Total Debt Service Payments | <u>\$214,915,498.26</u> | <u>\$172,100,000.00</u> | <u>\$42,815,498.26</u> |

10. DEFEASED DEBT

On July 17, 2015 the District issued \$53,760,000 Sales Tax Revenue Refunding Bonds, Series 2015A with an interest rate of 1.40%. The proceeds were used to refund \$41,460,000 of the District's outstanding Sales Tax Revenue Refunding Bonds, Series 2005 maturing in the years 2016-2019 and advance refund \$11,315,000 of the District's outstanding Sales Tax Revenue Bonds, Series 2006 maturing in the years 2016-2019, \$54,252,802.51 of the net proceeds (after payment of \$132,012.81 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2005 and 2006 Sales Tax Revenue Refunding Bonds.

As a result \$41,460,000 of the Series 2005 and \$11,315,000 of the Series 2006 are considered defeased and the liability for these certificates have been removed from long term debt. Accordingly the trust account assets and liability for that portion of the Series 2005 and Series 2006 Sales Tax Revenue Refunding Bonds are not included in the District's financial statements.

As a result of the refunding, the District reduced its total debt service requirements by \$3,859,563.50 which resulted in an economic gain (difference between the present value of debt service payment on the old and new debt) of \$500,647.05.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

10. DEFEASED DEBT (continued)

On August 20, 2015 the District issued \$100,625,000 Refunding Certificates of Participation, Series 2015A at a net premium, with an interest rate of 2.00% to 5.00%. The proceeds were used to fully refund \$43,495,000 of the Certificates of Participation, Series 2005A and advance refund \$66,200,000 of the Certificates of Participation, Series 2006A maturing in the years 2017-2031, \$113,257,034.44 of the net proceeds (after payment of \$755,073.25 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2005A and 2006A Certificates of Participation.

As a result \$43,495,000 of the Series 2005A and \$66,200,000 of the Series 2006A are considered defeased and the liability for these certificates have been removed from long term debt. Accordingly the trust account assets and liability for that portion of the Series 2005A and Series 2006A Certificates of Participation are not included in the District's financial statements.

As a result of the refunding the District reduced its total debt service requirements by \$11,927,643.94 which resulted in an economic loss (difference between the present value of debt service payment on the old and new debt) of \$1,578,134.72.

On August 20, 2015 the District issued \$65,195,000 Sales Tax Revenue Refunding Bonds, Series 2015B at a net premium, with an interest rate of 3.00% to 5.00%. The proceeds were used to refund \$50,155,000 of the Sales Tax Revenue Refunding Bonds, Series 2005 maturing in the years 2020-2023 and advance refund \$23,720,000 of the Sales Tax Revenue Refunding Bonds, Series 2006 maturing in the years 2020-2026, \$76,072,667.51 of the net proceeds (after payment of \$662,158.39 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2005 and 2006 Sales Tax Revenue Refunding Bonds.

As a result \$50,155,000 of the Series 2005 and \$23,720,000 of the Series 2006 are considered defeased and the liability for these certificates have been removed from long term debt. Accordingly the trust account assets and liability for that portion of the Series 2005 and Series 2006 Sales Tax Revenue Refunding Bonds are not included in the District's financial statements.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

10. DEFEASED DEBT (continued)

As a result of the refunding, the District reduced its total debt service requirements by \$8,743,441.39 which resulted in an economic gain (difference between the present value of debt service payment on the old and new debt) of \$318,982.55.

On September 30, 2015 the District issued \$77,705,000 Refunding Certificates of Participation, Series 2015B, with an interest rate of .535%. The proceeds were used to fully refund \$77,525,000 of the Certificates of Participation, Series 2004C maturing in the years 2016-2030, \$77,525,637.19 of the net proceeds (after payment of \$169,472.09 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2004C Certificates of Participation.

As a result \$77,525,000 of the Series 2004C are considered defeased and the liability for these certificates have been removed from long term debt. Accordingly the trust account assets and liability for that portion of the Series 2004C Certificates of Participation are not included in the District's financial statements.

As a result of the refunding, the District reduced its total debt service which resulted in no economic gain or loss.

On March 31, 2016 the District issued \$53,350,000 Refunding Certificates of Participation, Series 2016A at a net premium, with a variable interest rate of 70% of 1-Month LIBOR plus 0.39%. The proceeds were used to advance refund \$60,400,000 of the Certificates of Participation, Series 2007 maturing in the years 2018-2031, \$64,048,132.82 of the net proceeds (after payment of \$437,222.34 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2007 Certificates of Participation.

As a result \$60,400,000 of the Series 2007 are considered defeased and the liability for these certificates have been removed from long term debt. Accordingly the trust account assets and liability for that portion of the Series 2007 Certificates of Participation are not included in the District's financial statements.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

10. DEFEASED DEBT (continued)

As a result of the refunding the District reduced its total debt service requirements by \$6,951,185.72 which resulted in an economic loss (difference between the present value of debt service payment on the old and new debt) of \$2,772,691.74.

11. CHANGES IN LONG TERM DEBT

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

| | Balance July 1, 2015 | Additions | Deletions | Balance | Due in One |
|--|---------------------------|-------------------------|-------------------------|--------------------------------|------------------------|
| Estimated Liability for Long Term claims | \$18,999,554.00 | \$17,688,574.01 | \$12,769,769.01 | \$23,918,359.00 | \$12,719,477.04 |
| Post Employment Benefits | 121,136,508.00 | 24,797,246.00 | 5,474,890.00 | 140,458,864.00 | - |
| Compensated Absences Payable | 134,955,875.81 | 76,361,707.45 | 48,123,748.24 | 163,193,835.02 | 13,695,536.40 |
| Net Pension Liability | | | | | - |
| State - FRS | 163,259,770.00 | 193,656,151.00 | - | 356,915,921.00 | - |
| State - HIS | 334,898,541.00 | 46,446,899.00 | - | 381,345,440.00 | - |
| Early Retirement Program | 13,993,497.00 | 1,315,042.00 | - | 15,308,539.00 | - |
| Certificate of Participation | 797,863,000.00 | 231,680,000.00 | 288,640,000.00 | 740,903,000.00 | 32,410,000.00 |
| Bonds Payable | 220,340,000.00 | 118,955,000.00 | 143,670,000.00 | 195,625,000.00 | 18,606,000.00 |
| TOTAL | <u>\$1,805,446,745.81</u> | <u>\$710,900,619.46</u> | <u>\$498,678,407.25</u> | <u>\$2,017,668,958.02</u> | <u>\$77,431,013.44</u> |
| Plus unamortized bond premium | | | | | |
| Certificates of Participation | | | | 38,960,431.28 | |
| Bonds payable | | | | <u>9,551,921.89</u> | |
| Total Long-Term Debt | | | | <u><u>2,066,181,311.19</u></u> | |

Internal service funds predominately serve the governmental funds and, accordingly, long-term liabilities of those funds are included in the governmental activities. For the governmental activities, compensated absences, net pension liability, and other postemployment benefits are generally liquidated with resources of the General and Special Revenue Funds. The estimated liability for long term claims are generally liquidated with

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

11. CHANGES IN LONG TERM DEBT (continued)

resources of the Worker's Compensation and the General and Automobile liability programs Internal Service Funds.

12. FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions (GASB 54). The intention of GASB 54 is to provide more structured classification of fund balance reporting. The reporting standards established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or are legally or contractually required to remain intact. Examples of this classification are prepaid item, inventories, and principal of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any other nonspendable fund balances.

The GASB 54 statement provides a hierarchy of spendable fund balances, based on spending constraints:

Restricted – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – fund balance that contain self-imposed constraints by the Board, (the district's highest level of decision-making authority). The Board has not established a policy to commit fund balance, therefore no such balance is reported.

Assigned – fund balances that contain self imposed constraints of the government to be used for a particular purpose. The District has a policy No. 6100 approved by the Board that

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

12. FUND BALANCE REPORTING (continued)

designates administrative staff (the Superintendent and Chief Business Officer) to determine the assignments.

Unassigned – fund balance of the general fund that is not constrained for a particular purpose.

The District has classified its fund balances based on the GASB 54 hierarchy as follows:

Nonspendable – The Districts has inventories totaling \$5,176,550.76 that are classified as nonspendable.

Spendable – The District has classified the spendable fund balances as restricted, assigned and unassigned. The District currently has no funds classified as committed.

Restricted for Federal, State and Local Programs, Debt Service and Capital Projects:

Federal Laws, Florida Statutes and local constraints require that certain revenues be specifically used for certain expenditures. These funds have been included in the restricted category of fund balances. The restricted fund balances totals \$250,680,229.38 and represent \$28,411,313.95 for Federal programs, \$22,848,734.68 for State programs, and \$1,980,305.42 for Local programs, \$108,917,424.02 for Debt Service and \$88,522,451.31 for Capital Projects.

Assigned for School Operations:

The District has set aside certain spendable fund balances in the amount of \$17,939,263 for local instructional programs (district operations) which include:

| | |
|--|----------------------------|
| Teacher educational recognition supplement | \$3,213,860 |
| Property and casualty insurance | 10,725,403.00 |
| Excess insurance | <u>4,000,000.00</u> |
| Total | <u><u>\$17,939,263</u></u> |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

12. FUND BALANCE REPORTING (continued)

Unassigned:

The District has a policy that requires it to maintain a contingency fund balance in its operating fund of no less than 5 percent of the annual revenues. The district has \$99,053,366.00 in unassigned fund balance. At the end of the fiscal year the unassigned fund balance in the general fund is 6.15% of total general fund revenues.

The District applies resources for expenditures to restricted, then assigned and then unassigned, when expenditures are incurred which could use any of the fund balance classifications.

13. INTERFUND RECEIVABLES AND PAYABLES

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

| <u>Funds</u> | <u>Receivables</u> | <u>Payables</u> |
|----------------------------------|-------------------------|-------------------------|
| Major Funds: | | |
| General | \$ 69,750,781.61 | \$ 1,655,354.77 |
| Contracted Services - Spec. Rev. | 1,350,601.69 | 10,070,994.50 |
| Other Debt Service | - | 5,186,028.37 |
| Local Capital Improvement | 327,520.13 | 35,897,578.52 |
| Other Capital Projects | 5,201,120.55 | 5,218,214.53 |
| Non-Major Governmental Funds | | |
| Non-major | \$ 2,144,982.94 | \$ 1,051,876.23 |
| Internal Service | | 19,694,960.00 |
| Total | <u>\$ 78,775,006.92</u> | <u>\$ 78,775,006.92</u> |

The majority of interfund receivables and payables are established during the closing period. The receivable in the general fund is for payback of direct/indirect charges for June. The amounts in local capital improvement, other capital project funds and non-major funds is mostly due to the movements of expenditures between capital project funds. The amount in the internal service fund is due to movement of revenue to other funds. The amounts payable are expected to be paid within a reasonable period of time.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

14. 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 Funds: | | |
| General | \$ 68,829,346.41 | \$ 25,932.78 |
| Contracted Services | 25,932.78 | - |
| Other Debt Service | 113,944,095.47 | 50,825,379.16 |
| Local Capital Improvement | - | 106,678,721.87 |
| Other Capital Projects | - | 2,833,891.00 |
| Non-Major Governmental Funds | 4,138,553.56 | - |
| Internal Service Funds | | 26,574,003.41 |
| Total | <u>\$ 186,937,928.22</u> | <u>\$ 186,937,928.22</u> |

The largest amount of interfund transfers is to move money to the debt service funds for the bond principal and interest payments. The remainder is the charging of direct and indirect costs.

15. STATE REVENUE SOURCES

The following is a schedule of the Districts state revenue for the 2016 fiscal year:

| <u>Sources</u> | <u>Amount</u> |
|--|----------------------------|
| Florida Education Finance Program | \$ 767,172,914.00 |
| Workforce Development | 27,631,396.00 |
| Categorical Education Programs | 267,200,569.26 |
| Capital Outlay and Debt Service | 11,162,137.39 |
| Food Service Supplement | 1,445,999.00 |
| Mobile Home License Tax | 682,762.67 |
| State Board of Education Bond Interest | 24,308.27 |
| Pari-Mutuel Tax | 446,500.00 |
| Miscellaneous | <u>9,683,817.25</u> |
| Total | <u>\$ 1,085,450,403.84</u> |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

16. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2015 tax roll for the fiscal year 2016:

| <u>General Fund</u> | <u>Millage Levied</u> | <u>Taxes Levied</u> |
|-----------------------------------|-----------------------|--------------------------|
| Non-voted School Tax: | | |
| Required Local Effort | 4.999 | \$ 439,119,927.53 |
| Discretionary Local Effort | 0.748 | 65,705,482.25 |
| <u>Capital Projects Funds</u> | | |
| Non-voted Tax: | | |
| Local Capital Improvements | 1.500 | 131,762,330.72 |
| Total | <u>7.247</u> | <u>\$ 636,587,740.50</u> |

17. STATE RETIREMENT PROGRAMS

a. Summary of Significant Accounting Policies

Pensions. 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) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS and HIS's fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

b. General Information about the Pension Plan

Plan description. All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan.

Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Employees in the Pension Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011 requires eight years of service to vest. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For enrollees prior to July 1, 2011, pension plan benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011 have benefit payments based on the member's highest 8 year average annual salary. The annual final compensation (regardless of whether it is the highest five or highest eight) is multiplied by a percentage ranging from 1.60 percent at either 62 or with 30 years of service to 1.68 percent at age 65 or with 33 years of service. Members are eligible for early retirement after 6 years of service, however, normal benefits are reduced by 5 percent for each year a member retires before age 62. As described in note 18, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

The Plan provides retirement, disability, and death benefits and annual cost-of-living-adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Eligible FRS members may elect to participate in FRS Investment Plan in lieu of the Defined Benefit Plan. District employees participating in DROP are not eligible to participate in the Investment Plan. This plan is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.) Contributions are directed to individual member accounts, and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS Investment Plan vest after one year of service.

The benefit provisions and all other requirements of the Plan are established by Florida Statutes.

The contribution rates for the Plan are established by section 121.71 of the Florida State Statutes, and may be amended, by the State of Florida. As of June 30, 2016, the contribution rates were as follows:

| <u>Class or Plan</u> | <u>Employee</u> | <u>Employer (A)</u> |
|---|-----------------|---------------------|
| Florida Retirement System, Regular (HA) | 3.00 | 7.26 |
| Florida Retirement System, County Elected Officers (HI) | 3.00 | 42.27 |
| Florida Retirement System, Senior Management Service Class (HM) | 3.00 | 21.43 |
| Florida Retirement System, Special Risk (HB) | 3.00 | 22.04 |
| Teachers' Retirement System, Plan E (IE) | 6.25 | 11.50 |
| Florida Retirement System, Reemployed Retiree (UA) | 3.00 | 4.31 |

Notes: (A)
Employer rates include the post-retirement health insurance supplement, which was increased on July 1, 2015 to 1.66 percent.

The District's contributions to the FRS Pension Plan, net of employee contributions, for the fiscal year ending June 30, 2016, totaled \$62,297,485.98. This represented a percentage of covered payroll of 6.70 percent, and is equal to the required contributions for the fiscal year. Effective July 1, 2011, all members of FRS, except for DROP participants and

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

reemployed retirees who are not eligible for renewed membership, are required to contribute 3 percent of their compensation to FRS. Amounts collected by the District, and remitted to the Plan for employee contributions, are not considered employer contributions for the Plan.

c. 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 \$356,915,921 for its proportionate share of the FRS Pension Plan 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 a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2015. At June 30, 2015, the District's proportionate share was 2.76 percent, which was an increase of 0.08 percent from its proportionate share of 2.68 percent measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$28,966,142 for the FRS Pension Plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 37,679,753 | \$ 8,464,959 |
| Changes in Assumptions | \$ 23,689,707 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | \$ 125,715,673 | \$ 210,941,223 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | \$ 16,997,307 | \$ - |
| District contributions subsequent to the measurement date | \$ 62,297,486 | \$ - |
| Total | \$ 266,379,926 | \$ 219,406,182 |

The deferred outflows of resources related to pensions totaling \$62,297,485.98 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported for the FRS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending June 30 | Amount Recognized |
|-------------------------------|----------------------|
| 2017 | \$ (24,786,090) |
| 2018 | (24,786,090) |
| 2019 | (24,786,090) |
| 2020 | 45,527,651 |
| 2021 | 10,723,701 |
| Thereafter | 2,783,177 |
| Total | \$ (15,323,741) |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

Actuarial assumptions. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

| | |
|---|--|
| Valuation date | July 1, 2015 |
| Measurement date | June 30, 2015 |
| Discount rate | 7.65% |
| Long-term expected rate of return, Net of investment expense | 7.65% |
| Inflation | 2.60% |
| Salary increase, including inflation | 3.25% |
| Mortality | Generational RP-2000 with Projection Scale BB |
| Actuarial cost method | Entry Age |

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Long-term expected rate of return. To develop an analytical basis for the selection of the long-term expected rate of return assumption for the FRS Pension Plan, the

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

2014 FRS Actuarial Assumptions conference reviews long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The expected real rate of return is presented in arithmetic means.

| Asset Class | Target Allocation | Long-Term Arithmetic Expected Real Rate of Return |
|------------------------|-------------------|--|
| Cash | 1.00% | 3.2% |
| Fixed Income | 18.00% | 4.8% |
| Global Equity | 53.00% | 8.5% |
| Real Estate (Property) | 10.00% | 6.8% |
| Private Equity | 6.00% | 11.9% |
| Strategic Investments | 12.00% | 6.7% |
| Total | <u>100%</u> | |

Discount rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65 percent and is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

Based on those assumptions, the FRS Pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net position liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65 percent. Also presented is what the District's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

| | 1% Decrease (6.65%) | Current Discount Rate (7.65%) | 1% Increase (8.65%) |
|--|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of the FRS Pension Plan net pension liability | \$924,849,873 | \$356,915,921 | \$(115,698,413) |

Pension plan fiduciary net position. Detailed information about FRS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (<http://www.dms.myflorida.com>).

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

d. General Information about the Health Insurance Subsidy (HIS)

HIS plan description. The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system, or beneficiary entitled to receive benefits.

HIS benefits provided. The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services within the Florida Retirement System. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

For fiscal year ended June 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at a minimum of \$30 but not more than \$150 monthly per Florida Statutes 112.363.

HIS contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll per Florida Statutes 112.363. Employees do not contribute to this plan. The District's contributions to the HIS Pension Plan totaled \$19,004,270.69 for the fiscal year ended June 30, 2016.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pensions

At June 30, 2016, the District reported a liability of \$381,345,440 for its proportional share of the HIS Pension Plan 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, 2014. The District's proportionate share of the net pension liability was based on a projection of the District's long term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2015. At June 30, 2015, the District's proportionate share was 3.74 percent, which was an increase of 0.16 percent from its proportionate share of 3.58 percent measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$32,129,982 for the FRS Pension Plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes in Assumptions | 30,001,933.00 | - |
| Net difference between projected and actual earnings on pension plan investments | 206,433.00 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 21,315,113.00 | - |
| District contributions subsequent to the measurement date | 19,004,270.69 | - |
| Total | <u>\$ 70,527,749.69</u> | <u>\$ -</u> |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

The deferred outflows of resources related to pensions totaling \$19,004,270.69 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported for the HIS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending June 30 | Amount Recognized |
|-------------------------------|----------------------|
| 2017 | \$ 8,944,562 |
| 2018 | 8,944,562 |
| 2019 | 8,944,562 |
| 2020 | 8,902,604 |
| 2021 | 8,882,464 |
| Thereafter | <u>6,904,727</u> |
| Total | <u>\$ 51,523,481</u> |

Actuarial assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

| | |
|---|--|
| Valuation date | July 1, 2014 |
| Measurement date | June 30, 2015 |
| Discount rate | 3.80% |
| Long-term expected rate of return, Net of investment expense | 3.80% |
| Inflation | 2.60% |
| Salary increase, including inflation | 3.25% |
| Mortality | Generational RP-2000 with Projection Scale BB |
| Actuarial cost method | Entry Age |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The only changes were discount rate and long-term expected rate of return. The discount rate and long-term expected rate of return, net of investment expense decreased from 4.29% to 3.80%. This change will continue to allow FRS to meet or exceed its assumed investment return in future years.

The mortality assumption was changed to incorporate Projection Scale BB in the July 1, 2014 actuarial valuation, in place of the Projection Scale AA previously used. The use of Scale BB allowed FRS to use a standard Society of Actuaries mortality table for each membership class/gender group without additional comment.

Long-term expected rate of return. Because the HIS pension Plan is funded on a pay-as-you-go basis funding structure, a municipal bond rate of 3.80 percent was used to determine the total pension liability for the program.

Discount rate. Because the HIS Pension Plan uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.80 percent. Also presented is what the District's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

| | 1% Decrease (2.80%) | Current Discount Rate (3.8%) | 1% Increase (4.80%) |
|---|---------------------------|------------------------------------|---------------------------|
| District's proportionate share of the HIS Pension Plan net pension liability | \$434,525,377 | \$381,345,440 | \$337,001,355 |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. STATE RETIREMENT PROGRAMS (continued)

Pension plan fiduciary net position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (<http://www.dms.myflorida.com>).

18. EARLY RETIREMENT PROGRAM

a. Summary of Significant Accounting Policies

Pension. The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a "capital maintenance" measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

Plan assets are valued at fair value, based on quoted market prices, for financial statement purposes. Separate Statements are not issued for the Plan.

b. General Information about the Early Retirement Program

Plan Description: As authorized by Section 1012.985, Florida Statutes, the Board implemented an Early Retirement Plan (Plan), effective August 1, 1984. The Plan is a single-employer defined benefit plan. The purpose of the Plan is to provide eligible District employees, who elect to retire under the early retirement provisions of the Florida

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

Retirement System, described in Note 17, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. The School Board entered into an agreement with Wells Fargo Bank, N.A., designating the Bank as the Investment Manager and Custodian (Trustee) for the Plan assets. The Agreement also provides that monthly benefits be paid by the Trustee.

Eligibility. A member of the Plan was eligible upon attainment of age 55 to 59, completion of 25 but not more than 28 years of creditable service, at least 5 consecutive and uninterrupted years of service immediately preceding early retirement, and having applied for retirement under The Florida Retirement System. The Board approved to eliminate new participants to the Early Retirement Program on June 30, 2008. Certain employees were eligible to enter the plan before July 1, 2010. As of July 1, 2010 the plan was closed to any new participants.

Benefits provided. The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the Florida Retirement System due to early retirement. The benefit amount will be based on the initial benefit amount determined by the Florida Retirement System prior to any cost of living adjustments and once established will remain unchanged, unless a specific increase is authorized by the Board.

Employees covered by benefit terms. Based on an actuarial report as of June 30, 2016 employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits
Active Plan Participants: There are no longer any active plan participants.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

Contributions. The District's Early Retirement Program was established by the Board on August 1, 1984. On July 1, 2010, the plan was closed to any new participants. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. The District's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarial determined contributions. The board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution is designed to accumulate sufficient assets to pay benefits when due. As of July 1, 2016, the actuarial study shows a deficit of \$15.3 million in accordance with GASB 68. Total contributions to the Plan in fiscal year 2016 amounted to \$1,114,742.

b. Net Pension Liability

In fiscal year ending in 2016, the net pension liability increased by \$1,315,042 for a liability in the amount of \$15,308,539.

| | |
|---|-------------------------|
| Total pension liability | \$ 27,141,522.00 |
| Plan fiduciary net position | <u>11,832,983.00</u> |
| Net pension liability | <u>\$ 15,308,539.00</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 43.60% |

The Net Pension Liability of \$15,308,539 was added as a long term liability on the Statement of Net Position in the Government-wide Financial Statements. The plan fiduciary net position represents 43.60% of the total pension liability.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

The computation of the total pension liability for fiscal 2016 was based on the same (a) benefit provisions, (b) actuarial funding method, and (c) other significant factors as used to determine annual required contributions in the previous year.

Actuarial assumptions. Significant assumptions and other inputs used to measure the annual required contribution are:

| | |
|------------------------|---------------|
| Valuation Date | July 1, 2015 |
| Measurement Date | June 30, 2016 |
| Actuarial Cost Method | Aggregate |
| Asset Valuation Method | Market Value |

Actuarial Assumptions:

| | |
|------------------------------|------|
| Investment Rate of Return | 2.5% |
| Projected Salary Increases | 0% |
| Rate of Inflation Adjustment | 2.5% |

Mortality rates were based on the RP-2000 Generational, 100% Annuitant White Collar-Female, Scale BB, 50% Annuitant White Collar/ 50% Annuitant Blue Collar – Male, Scale BB.

Investments. The District oversees the management of the District's Early Retirement Plan. The Superintendent has established procedures to ensure that idle funds are invested as authorized by Florida Statute, to earn the maximum interest. Investments are reported at fair value. The primary objectives, in priority order, in investment activities shall be safety, liquidity, and yield.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

The Plan's investments at June 30, 2016, consisted of the following:

| | Balance June 30, 2016 | Percentage of Plan Net Position |
|-----------------------------------|--------------------------|------------------------------------|
| U.S. Treasury Notes and Bonds | \$ 959,974.00 | 8.11% |
| U.S. Agencies | 10,428,705.00 | 88.13% |
| Federation Prime Obligations Fund | 404,161.98 | 3.42% |
| Accued Income | 40,141.62 | 0.34% |
| Total | <u>\$ 11,832,982.60</u> | 100% |

Long-term expected rate of return. The long-term expected rate of return on pension plan investment was confirmed appropriate using Aon's (The District's actuary) e-tool model assuming general inflation of 2.5%, which is a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target allocation</u> | <u>Long-term Expected real rate of return</u> |
|-------------------------|------------------------------|---|
| Government Fixed Income | 97% | 0.2% |
| Cash | 3% | 0.2% |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

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 2.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables. The pension plan does not have receivables from long-term contracts with the District contribution.

Allocated insurance contracts. The pension plan has not allocated insurance contracts that are excluded from pension plan assets.

Reserves. The pension plan has no reserves that are required to be disclosed under paragraph 30e of GASB Statement No. 67, Financial Reporting for Pension Plans.

Deferred Retirement Option Program (DROP). The District does not offer DROP to employees in the Early Retirement Program.

c. Total Pension Liability

The District's total pension liability for the Early Retirement Program for the current fiscal year were as follows:

| <u>Total Pension Liability</u> | <u>2016</u> |
|--|-----------------------------|
| Service cost | \$ - |
| Interest cost | 891,553 |
| Changes of benefit terms | - |
| Differences between expected and actual | (89,247) |
| Changes of assumptions | 1,845,696 |
| Benefit payments, including refunds of contributions | <u>(1,958,864)</u> |
| Net change in total pension liability | <u>689,138</u> |
| Total pension liability (beginning) | <u>26,452,384</u> |
| Total pension liability (ending) | <u><u>\$ 27,141,522</u></u> |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

Discount rate. The discount rate used to measure the total pension liability was 2.50 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the District, calculated using the discount rate of 2.50 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.50 percent) and 1-percentage point higher (3.50 percent) than the current rate.

| | 1% Decrease (1.50%) | Current Discount Rate (2.50%) | 1% Increase (3.50%) |
|----------------------------------|---------------------------|--|---------------------------|
| District's net pension liability | \$18,480,868 | \$15,308,539 | \$12,878,418 |

d. 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 \$15,308,539 for the Early Retirement Plan net pension liability. The liability was measured as of June 30, 2016 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 net pension liability was based on a projection of the pension plan relative to the projected contributions during the fiscal year ended June 30, 2016.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

18. EARLY RETIREMENT PROGRAM (continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between actual and expected experience | \$ - | \$ - |
| Assumption changes | \$ - | \$ - |
| Net difference between expected and actual earnings on pension plan investments | \$ 336,343 | \$ - |
| Total | <u>\$ 336,343</u> | <u>\$ -</u> |

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

| | Year Ending June 30 |
|------------|---------------------|
| 2017 | \$ 100,154 |
| 2018 | 100,154 |
| 2019 | 100,152 |
| 2020 | 35,883 |
| Thereafter | - |
| Total | <u>\$ 336,343</u> |

19. POST EMPLOYMENT HEALTH CARE BENEFITS

a. Plan Description

The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical, and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. Separate financial statements are not issued.

b. Funding Policy

The District via the Board can establish and amend funding requirements. The District has designated fund balance in the general fund for the net Other Post Employment Benefits (OPEB), but has not advanced-funded the OPEB costs or the net OPEB obligation. For the 2016 fiscal year, retirees and eligible dependents received postemployment health care benefits, which are funded by the District on a pay as you go basis. The District provided required contributions of \$5,474,890 toward annual OPEB costs, comprised of benefit payments made on behalf of the retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums and net of retiree contributions totaling \$9,562,444, which is about 0.84 percent of covered payroll.

c. Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC), and amount actuarially determined in accordance with the parameters of the Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that is 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

| Descriptions | 6/30/2016 |
|--|--------------------------|
| Interest Rate | 2.0% |
| Annual OPEB Cost (AOC) | |
| Annual required contribution of Employer (ARC) | \$ 26,412,400.00 |
| Less Amortization of Net OPEB Obligation (NOO) | (4,037,884) |
| Plus Interest on Net OPEB Obligation (NOO) | 2,422,730 |
| Total Annual Required Contributions (AOC) | <u>24,797,246</u> |
| End of Year Net OPEB Obligation (NOO) | |
| Actual Beginning of Year (NOO) | 121,136,508 |
| Plus Actual Annual Required Contribution (AOC) | 24,797,246 |
| Minus Contributions | 5,474,890 |
| Estimated End of Year | <u>\$ 140,458,864.00</u> |

The District's annual OPEB cost, the Percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2016 was as follows:

| Fiscal Year | Annual OPEB Cost | Annual Contributed | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------|---------------------|-----------------------|---|------------------------|
| 2016 | 24,797,246 | 5,474,890 | 22.08% | 140,458,864 |
| 2015 | 30,151,078 | 4,463,384 | 14.80% | 121,136,508 |
| 2014 | 24,534,131 | 4,217,776 | 17.19% | 95,448,814 |

d. Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability for benefits was \$208,556,503, all of which was unfunded. The covered payroll (annual payroll for active participating employees) was \$1,145,023,748.32 for the 2016 fiscal year, and the ratio of the unfunded

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

actuarial accrued liability to the covered payroll was 18.2%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of planned assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

f. Actuarial Methods and Assumptions

Actuarial methods and assumptions used for the OPEB calculations are as follows:

1. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.
2. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposed does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.
3. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

19. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

4. The actuarial methods and significant assumptions used in calculating the ARC for the current year and the funding status of the plan are from the actuarial valuation as of July 1, 2015:

| | |
|---------------------------|------------|
| Actuarial cost method | Entry Age |
| Actuarial value of assets | Fair Value |
| Investment Rate of Return | 2.0% |
| Salary scale | 4.0% |

Healthcare cost trend rate is 7.25% for pre-65 and 8.00% for post-65 for fiscal year 2016. This rate grades to 5.0 percent for fiscal year ending June 30, 2024.

Past service liability is amortized over a closed 30-year period as a level percentage of projected payroll assumed to grow 3.0% per year.

| | |
|---------------------------|-------|
| Inflation rate adjustment | 2.50% |
|---------------------------|-------|

20. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage are being provided on a self-insured basis up to specified limits. Prior to July 18, 2007 the District entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis. Effective July 18, 2007, the district chose not to purchase excess coverage. As of June 30, 2016, \$ 4,000,000 has been set aside to cover any excess claims. The Board has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past five fiscal years.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

20. RISK MANAGEMENT (continued)

A liability in the amount of \$23,918,359.00 was actuarially determined using a discount rate of 2.0% to cover reported and unreported insurance claims payable at June 30, 2016. It is estimated that \$12,719,477.04 of the liability is current and due within one year. The remaining \$11,198,881.96 will be due in future years.

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

| | Beginning-of-Fiscal-Year Liability | Current-Year Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year-End |
|-------------|------------------------------------|--|-------------------|----------------------------|
| 2014 – 2015 | \$17,224,246.00 | \$11,766,604.74 | \$(9,991,296.74) | \$18,999,554.00 |
| 2015—2016 | \$18,999,554.00 | \$17,688,574.01 | \$(12,769,769.01) | \$23,918,359.00 |

Claims and judgments are generally liquidated by the internal service funds that are funded by the general fund and special revenue funds.

21. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2016:

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

| Description | Project Authorization | Expended 6/30/16 | Committed |
|--------------|--------------------------|-------------------------|-------------------------|
| Additions | \$ 24,390,303.31 | \$ 9,175,869.82 | \$ 15,214,433.49 |
| Elementary | 11,726,752.21 | 2,427,108.24 | \$ 9,299,643.97 |
| Middle | 8,642,125.05 | 1,591,150.89 | \$ 7,050,974.16 |
| Senior High | 25,082,512.36 | 7,061,937.04 | \$ 18,020,575.32 |
| Other | 7,079,685.87 | 580,080.78 | \$ 6,499,605.09 |
| Renovations | 30,667,477.77 | 12,678,647.76 | \$ 17,988,830.01 |
| Improvements | 3,582,996.67 | 1,324,242.52 | \$ 2,258,754.15 |
| Total | <u>\$ 111,171,853.24</u> | <u>\$ 34,839,037.05</u> | <u>\$ 76,332,816.19</u> |

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

21. COMMITMENTS AND CONTINGENCIES (continued)

Litigation

The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

Grants and Contracts

The District participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the District.

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
June 30, 2016**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percent of Covered Payroll [(b-a)/c] |
|--------------------------------|-------------------------------------|--|------------------------------|-----------------------|---------------------------|--|
| 6/30/2016 | 0 | 190,146,916.00 | 190,146,916.00 | 0% | 1,145,023,748.32 | 16.60% |
| 6/30/2015 | 0 | 188,420,178.00 | 188,420,178.00 | 0% | 1,134,992,341.00 | 15.90% |
| 6/30/2014 | 0 | 191,669,324.00 | 191,669,324.00 | 0% | 1,064,282,519.00 | 18.00% |
| 6/30/2013 | 0 | 194,788,495.00 | 194,788,495.00 | 0% | 998,616,019.00 | 19.50% |
| 6/30/2012 | 0 | 156,271,280.00 | 156,271,280.00 | 0% | 979,901,112.00 | 15.90% |
| 6/30/2011 | 0 | 144,887,062.00 | 144,887,062.00 | 0% | 991,177,970.00 | 14.60% |
| 6/30/2010 | 0 | 122,763,693.00 | 122,763,693.00 | 0% | 964,984,023.00 | 12.70% |
| 6/30/2009 | 0 | 139,930,959.00 | 139,930,959.00 | 0% | 990,757,415.00 | 14.10% |
| 6/30/2008 | 0 | 142,851,161.00 | 142,851,161.00 | 0% | 984,347,938.00 | 14.50% |

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2016
(UNAUDITED)

The following are relevant to the supplemental early retirement pension:

1) Change in plan eligibility

As of July 1, 2010 the Supplemental Early Retirement Pension Plan was closed to any new participants.

2) There were method and assumption changes since the prior fiscal year. The actuarial cost method changed from entry age to aggregate, and the assumption changes used an updated mortality assumption going from RP-2000 generational with scale AA to RP-2014 generational with scale MP for funding and financial accounting valuations.

Method and assumptions used in calculation of actuarially determined contribution:

Actuarial cost method

Aggregate: This method spreads the excess of the present value of benefits minus the actuarial value of the assets over the average total life expectancy of the remaining participants. This amount is recalculated each year.

Actuarial assumptions

| | |
|------------------------------|------------|
| Valuation Date | 07/01/15 |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions: | |
| Investment Rate of Return | 2.5% |
| Projected Salary Increases | 0% |
| Rate of Inflation Adjustment | 2.5% |

The following is relevant to the post employment health care benefits:

3) Actuarial assumptions

- (a). Entry age actuarial cost method
- (b). Actuarial value of assets - fair value
- (c). Investment rate of return - 2.0%
- (d). Salary scale - 4.0%
- (e). Healthcare cost trend rate is 7.25% for pre 65 and 8.00% for post 65 for fiscal year ended June 30, 2016. This rate grades to 5.0% for fiscal year ending June 30, 2024.
through fiscal years ending June 30, 2024
- (f). Past service liability is amortized over a closed 30-year period as a level percentage of projected payroll assumed to grow 3.0% per year
- (g). Inflation rate adjustment - 2.5%

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2016
(UNAUDITED)

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

- 1) Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually, whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2014 for the period July 1, 2008 through June 30, 2013.
- 2) Method and assumptions used in calculation of actuarially determined contribution:

FRS Pension Plan

| | |
|-----------------------|-----------|
| Valuation Date | 07/01/15 |
| Actuarial Cost Method | Entry Age |

Actuarial Assumptions:

| | |
|------------------------------|-------|
| Discount Rate | 7.65% |
| Investment Rate of Return | 7.65% |
| Projected Salary Increases | 3.25% |
| Rate of Inflation Adjustment | 2.60% |

Mortality assumption:

Generational RP-2000 with Projection Scale BB Tables

HIS Program

| | |
|-----------------------|-----------|
| Valuation Date | 07/01/14 |
| Actuarial Cost Method | Entry Age |

Actuarial Assumptions:

| | |
|------------------------------|-------|
| Discount Rate | 3.80% |
| Investment Rate of Return | 3.80% |
| Projected Salary Increases | 3.25% |
| Rate of Inflation Adjustment | 2.60% |

Mortality assumption:

Generational RP-2000 with Projection Scale BB Tables

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2016

| | Account Number | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|------------------|------------------|------------------|--|
| | | Original | Final | | |
| REVENUES | | | | | |
| Federal Direct | 3100 | 2,690,967.15 | 2,797,095.88 | 2,704,523.16 | (92,572.72) |
| Federal Through State and Local | 3200 | 9,735,969.14 | 11,440,632.06 | 11,440,632.06 | 0.00 |
| State Sources | 3300 | 1,080,013,540.71 | 1,072,323,321.60 | 1,068,522,894.37 | (3,800,427.23) |
| <i>Local Sources:</i> | | | | | |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes | 3411, 3421, 3423 | 444,379,583.00 | 446,798,976.36 | 446,850,709.98 | 51,733.62 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service | 3412, 3421, 3423 | | | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects | 3413, 3421, 3423 | | | 0.00 | 0.00 |
| Local Sales Taxes | 3418, 3419 | | | 0.00 | 0.00 |
| Charges for Service - Food Service | 345X | | | 0.00 | 0.00 |
| Impact Fees | 3496 | | | 0.00 | 0.00 |
| Other Local Revenue | | 91,372,970.51 | 91,881,626.75 | 81,773,325.68 | (10,108,301.07) |
| Total Local Sources | 3400 | 535,752,553.51 | 538,680,603.11 | 528,624,035.66 | (10,056,567.45) |
| Total Revenues | | 1,628,193,030.51 | 1,625,241,652.65 | 1,611,292,085.25 | (13,949,567.40) |
| EXPENDITURES | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | 5000 | 1,088,574,982.95 | 1,146,510,245.30 | 1,099,422,848.89 | 47,087,396.41 |
| Student Support Services | 6100 | 62,238,504.12 | 65,176,761.77 | 64,901,517.74 | 275,244.03 |
| Instructional Media Services | 6200 | 20,382,756.23 | 21,628,387.14 | 21,195,531.51 | 432,855.63 |
| Instruction and Curriculum Development Services | 6300 | 34,308,624.49 | 29,766,589.79 | 29,235,149.57 | 531,440.22 |
| Instructional Staff Training Services | 6400 | 25,591,468.02 | 26,702,340.76 | 24,680,641.97 | 2,021,698.79 |
| Instruction-Related Technology | 6500 | 28,456,561.50 | 31,912,656.44 | 30,349,369.12 | 1,563,287.32 |
| Board | 7100 | 1,415,605.45 | 2,562,737.15 | 2,562,737.15 | 0.00 |
| General Administration | 7200 | 4,396,250.60 | 7,079,523.61 | 6,556,628.92 | 522,894.69 |
| School Administration | 7300 | 96,571,163.39 | 101,748,113.64 | 101,467,477.41 | 280,636.23 |
| Facilities Acquisition and Construction | 7410 | 1,446,884.26 | 1,558,911.90 | 1,081,792.52 | 477,119.38 |
| Fiscal Services | 7500 | 6,179,674.57 | 6,415,619.66 | 6,377,907.49 | 37,712.17 |
| Food Services | 7600 | 607,178.21 | 400,973.16 | 400,973.16 | 0.00 |
| Central Services | 7700 | 38,001,148.66 | 41,251,018.19 | 40,932,339.51 | 318,678.68 |
| Student Transportation Services | 7800 | 67,403,663.10 | 62,969,471.84 | 62,854,674.02 | 114,797.82 |
| Operation of Plant | 7900 | 100,887,063.68 | 110,830,179.51 | 109,875,104.55 | 955,074.96 |
| Maintenance of Plant | 8100 | 25,224,076.27 | 27,458,397.85 | 26,909,208.46 | 549,189.39 |
| Administrative Technology Services | 8200 | 385,720.07 | 405,041.20 | 399,416.87 | 5,624.33 |
| Community Services | 9100 | 39,609,606.33 | 52,983,252.39 | 46,933,888.24 | 6,049,364.15 |
| <i>Debt Service: (Function 9200)</i> | | | | | |
| Redemption of Principal | 710 | | | 0.00 | 0.00 |
| Interest | 720 | | | 0.00 | 0.00 |
| Due and Fees | 730 | | | 0.00 | 0.00 |
| Miscellaneous | 790 | | | 0.00 | 0.00 |
| <i>Capital Outlay:</i> | | | | | |
| Facilities Acquisition and Construction | 7420 | | | 145,119.01 | (145,119.01) |
| Other Capital Outlay | 9300 | | | 3,761,071.98 | (3,761,071.98) |
| Total Expenditures | | 1,641,680,931.90 | 1,737,360,221.30 | 1,680,043,398.09 | 57,316,823.21 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (13,487,901.39) | (112,118,568.65) | (68,751,312.84) | 43,367,255.81 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Issuance of Bonds | 3710 | | | 0.00 | 0.00 |
| Premium on Sale of Bonds | 3791 | | | 0.00 | 0.00 |
| Discount on Sale of Bonds | 891 | | | 0.00 | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | | | 0.00 | 0.00 |
| Premium on Lease-Purchase Agreements | 3793 | | | 0.00 | 0.00 |
| Discount on Lease-Purchase Agreements | 893 | | | 0.00 | 0.00 |
| Loans | 3720 | | | 0.00 | 0.00 |
| Sale of Capital Assets | 3730 | | | 0.00 | 0.00 |
| Loss Recoveries | 3740 | | | 0.00 | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | | | 0.00 | 0.00 |
| Face Value of Refunding Bonds | 3715 | | | 0.00 | 0.00 |
| Premium on Refunding Bonds | 3792 | | | 0.00 | 0.00 |
| Discount on Refunding Bonds | 892 | | | 0.00 | 0.00 |
| Refunding Lease-Purchase Agreements | 3755 | | | 0.00 | 0.00 |
| Premium on Refunding Lease-Purchase Agreements | 3794 | | | 0.00 | 0.00 |
| Discount on Refunding Lease-Purchase Agreements | 894 | | | 0.00 | 0.00 |
| Payments to Refunding Escrow Agent (Function 9299) | 760 | | | 0.00 | 0.00 |
| Transfers In | 3600 | 18,372,429.50 | 69,175,909.50 | 68,829,346.41 | (346,563.09) |
| Transfers Out | 9700 | (4,000,000.00) | (4,026,843.78) | (25,932.78) | 4,000,911.00 |
| Total Other Financing Sources (Uses) | | 14,372,429.50 | 65,149,065.72 | 68,803,413.63 | 3,654,347.91 |
| SPECIAL ITEMS | | | | 0.00 | 0.00 |
| EXTRAORDINARY ITEMS | | | | 0.00 | 0.00 |
| Net Change in Fund Balances | | 884,528.11 | (46,969,502.93) | 52,100.79 | 47,021,603.72 |
| Fund Balances, July 1, 2015 | 2800 | 146,022,868.51 | 146,022,868.51 | 146,022,868.51 | 0.00 |
| Adjustments to Fund Balances | 2891 | | | 0.00 | 0.00 |
| Fund Balances, June 30, 2016 | 2700 | 146,907,396.62 | 99,053,365.58 | 146,074,969.30 | 47,021,603.72 |

PAGE 23 INTENTIONALLY OMITTED

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2016

| | Account Number | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|------------------|----------------|----------------|--|
| | | Original | Final | | |
| REVENUES | | | | | |
| Federal Direct | 3100 | 21,590,714.24 | 35,422,936.94 | 23,669,022.84 | (11,753,914.10) |
| Federal Through State and Local | 3200 | 191,172,378.78 | 205,274,382.54 | 187,135,576.68 | (18,138,805.86) |
| State Sources | 3300 | 848,378.09 | 1,849,957.96 | 1,131,682.96 | (718,275.00) |
| <i>Local Sources:</i> | | | | | |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes | 3411, 3421, 3423 | | | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service | 3412, 3421, 3423 | | | 0.00 | 0.00 |
| Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects | 3413, 3421, 3423 | | | 0.00 | 0.00 |
| Local Sales Taxes | 3418, 3419 | | | 0.00 | 0.00 |
| Charges for Service - Food Service | 345X | | | 0.00 | 0.00 |
| Impact Fees | 3496 | | | 0.00 | 0.00 |
| Other Local Revenue | | 601,527.79 | 3,391,172.56 | 2,271,260.76 | (1,119,911.80) |
| Total Local Sources | 3400 | 601,527.79 | 3,391,172.56 | 2,271,260.76 | (1,119,911.80) |
| Total Revenues | | 214,212,998.90 | 245,938,450.00 | 214,207,543.24 | (31,730,906.76) |
| EXPENDITURES | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | 5000 | 94,264,080.20 | 94,516,942.33 | 80,672,879.08 | 13,844,063.25 |
| Student Support Services | 6100 | 20,492,799.47 | 19,101,900.70 | 18,424,028.66 | 677,872.04 |
| Instructional Media Services | 6200 | 2,746,643.34 | 3,708,244.08 | 2,730,918.38 | 977,325.70 |
| Instruction and Curriculum Development Services | 6300 | 24,929,093.75 | 32,985,501.30 | 30,551,697.89 | 2,433,803.41 |
| Instructional Staff Training Services | 6400 | 13,450,336.90 | 22,128,288.18 | 17,022,161.10 | 5,106,127.08 |
| Instruction-Related Technology | 6500 | 3,211,400.98 | 5,374,924.31 | 5,024,709.80 | 350,214.51 |
| Board | 7100 | | 0.00 | 0.00 | 0.00 |
| General Administration | 7200 | 5,929,469.15 | 8,949,882.61 | 8,050,680.18 | 899,202.43 |
| School Administration | 7300 | 2,352,103.24 | 1,758,696.48 | 1,741,893.36 | 16,803.12 |
| Facilities Acquisition and Construction | 7410 | 479,050.56 | 123,970.63 | 0.00 | 123,970.63 |
| Fiscal Services | 7500 | 520,492.65 | 552,370.14 | 546,213.82 | 6,156.32 |
| Food Services | 7600 | | | 0.00 | 0.00 |
| Central Services | 7700 | 1,418,124.22 | 13,022,099.11 | 5,505,828.33 | 7,516,270.78 |
| Student Transportation Services | 7800 | 1,106,233.87 | 1,141,848.24 | 1,080,507.05 | 61,341.19 |
| Operation of Plant | 7900 | 197,188.71 | 256,995.44 | 217,343.49 | 39,651.95 |
| Maintenance of Plant | 8100 | | | 0.00 | 0.00 |
| Administrative Technology Services | 8200 | | | 0.00 | 0.00 |
| Community Services | 9100 | 43,115,981.86 | 42,343,630.23 | 41,173,396.82 | 1,170,233.41 |
| <i>Debt Service: (Function 9200)</i> | | | | | |
| Redemption of Principal | 710 | | | 0.00 | 0.00 |
| Interest | 720 | | | 0.00 | 0.00 |
| Dues and Fees | 730 | | | 0.00 | 0.00 |
| Miscellaneous | 790 | | | 0.00 | 0.00 |
| <i>Capital Outlay:</i> | | | | | |
| Facilities Acquisition and Construction | 7420 | | | 53,470.63 | (53,470.63) |
| Other Capital Outlay | 9300 | | | 1,437,747.43 | (1,437,747.43) |
| Total Expenditures | | 214,212,998.90 | 245,965,293.78 | 214,233,476.02 | 31,731,817.76 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | 0.00 | (26,843.78) | (25,932.78) | 911.00 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Issuance of Bonds | 3710 | | | 0.00 | 0.00 |
| Premium on Sale of Bonds | 3791 | | | 0.00 | 0.00 |
| Discount on Sale of Bonds | 891 | | | 0.00 | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | | | 0.00 | 0.00 |
| Premium on Lease-Purchase Agreements | 3793 | | | 0.00 | 0.00 |
| Discount on Lease-Purchase Agreements | 893 | | | 0.00 | 0.00 |
| Loans | 3720 | | | 0.00 | 0.00 |
| Sale of Capital Assets | 3730 | | | 0.00 | 0.00 |
| Loss Recoveries | 3740 | | | 0.00 | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | | | 0.00 | 0.00 |
| Face Value of Refunding Bonds | 3715 | | | 0.00 | 0.00 |
| Premium on Refunding Bonds | 3792 | | | 0.00 | 0.00 |
| Discount on Refunding Bonds | 892 | | | 0.00 | 0.00 |
| Refunding Lease-Purchase Agreements | 3755 | | | 0.00 | 0.00 |
| Premium on Refunding Lease-Purchase Agreements | 3794 | | | 0.00 | 0.00 |
| Discount on Refunding Lease-Purchase Agreements | 894 | | | 0.00 | 0.00 |
| Payments to Refunding Escrow Agent (Function 9299) | 760 | | | 0.00 | 0.00 |
| Transfers In | 3600 | 0.00 | 26,843.78 | 25,932.78 | (911.00) |
| Transfers Out | 9700 | | | 0.00 | 0.00 |
| Total Other Financing Sources (Uses) | | 0.00 | 26,843.78 | 25,932.78 | (911.00) |
| SPECIAL ITEMS | | | | | |
| EXTRAORDINARY ITEMS | | | | | |
| | | | | 0.00 | 0.00 |
| Net Change in Fund Balances | | 0.00 | 0.00 | (0.00) | 0.00 |
| Fund Balances, July 1, 2015 | 2800 | | | 0.00 | 0.00 |
| Adjustments to Fund Balances | 2891 | | | 0.00 | 0.00 |
| Fund Balances, June 30, 2016 | 2700 | 0.00 | 0.00 | (0.00) | (0.00) |

**FLORIDA DEPARTMENT OF EDUCATION
 REPORT OF FINANCIAL DATA TO THE
 COMMISSIONER OF EDUCATION (ESE 348)
 DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 For the Fiscal Year Ended June 30, 2016**

| |
|--|
| Return completed form to: Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Suite 824 Tallahassee, FL 32399-0400 |
|--|

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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2016, was submitted in accordance with rule 6A-1.0071, F.A.C. (section 1001.51(12)(b), F.S.). This report was approved by the school board on September 6, 2016.

 District Superintendent's Signature

September 6, 2016
 Date

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2016

Exhibit K-1
FDOE Page 1
Fund 100

| REVENUES | Account Number | |
|--|----------------|-------------------------|
| <i>Federal Direct:</i> | | |
| Federal Impact, Current Operations | 3121 | 406,738.93 |
| Reserve Officers Training Corps (ROTC) | 3191 | 2,097,945.80 |
| Miscellaneous Federal Direct | 3199 | 199,838.43 |
| Total Federal Direct | 3100 | 2,704,523.16 |
| <i>Federal Through State and Local:</i> | | |
| Medicaid | 3202 | 11,440,632.06 |
| National Forest Funds | 3255 | |
| Federal Through Local | 3280 | |
| Miscellaneous Federal Through State | 3299 | |
| Total Federal Through State and Local | 3200 | 11,440,632.06 |
| <i>State:</i> | | |
| Florida Education Finance Program (FEFP) | 3310 | 767,172,914.00 |
| Workforce Development | 3315 | 27,238,415.00 |
| Workforce Development Capitalization Incentive Grant | 3316 | |
| Workforce Education Performance Incentive | 3317 | 392,981.00 |
| Adults with Disabilities | 3318 | |
| CO&DS Withheld for Administrative Expenditure | 3323 | 117,009.15 |
| Diagnostic and Learning Resources Centers | 3335 | |
| Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.) | 3341 | |
| State Forest Funds | 3342 | |
| State License Tax | 3343 | 682,762.67 |
| District Discretionary Lottery Funds | 3344 | |
| <i>Categorical Programs:</i> | | |
| Class Size Reduction Operating Funds | 3355 | 232,498,117.00 |
| Florida School Recognition Funds | 3361 | 8,914,088.00 |
| Voluntary Prekindergarten Program | 3371 | 25,788,364.26 |
| Preschool Projects | 3372 | |
| <i>Other State:</i> | | |
| Reading Programs | 3373 | |
| Full-Service Schools Program | 3378 | |
| State Through Local | 3380 | |
| Other Miscellaneous State Revenues | 3399 | 5,718,243.29 |
| Total State | 3300 | 1,068,522,894.37 |
| <i>Local:</i> | | |
| District School Taxes | 3411 | 446,798,976.36 |
| Tax Redemptions | 3421 | |
| Payment in Lieu of Taxes | 3422 | |
| Excess Fees | 3423 | 51,733.62 |
| Tuition | 3424 | |
| Rent | 3425 | 546,550.00 |
| Interest on Investments | 3431 | 1,459,469.26 |
| Gain on Sale of Investments | 3432 | |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | |
| Gifts, Grants and Bequests | 3440 | 13,854,046.56 |
| <i>Student Fees:</i> | | |
| Adult General Education Course Fees | 3461 | 427,662.84 |
| Postsec Career Cert-Appl Tech Diploma Course Fees | 3462 | 2,461,644.01 |
| Continuing Workforce Education Course Fees | 3463 | |
| Capital Improvement Fees | 3464 | |
| Postsecondary Lab Fees | 3465 | |
| Lifelong Learning Fees | 3466 | 192,402.41 |
| GED® Testing Fees | 3467 | |
| Financial Aid Fees | 3468 | |
| Other Student Fees | 3469 | |
| <i>Other Fees:</i> | | |
| Preschool Program Fees | 3471 | 2,892,362.67 |
| Prekindergarten Early Intervention Fees | 3472 | |
| School-Age Child Care Fees | 3473 | 19,488,443.37 |
| Other Schools, Courses and Classes Fees | 3479 | 1,128,726.61 |
| <i>Miscellaneous Local:</i> | | |
| Bus Fees | 3491 | |
| Transportation Services Rendered for School Activities | 3492 | 2,805,973.46 |
| Sale of Junk | 3493 | 405,103.52 |
| Receipt of Federal Indirect Cost Rate | 3494 | 8,070,511.32 |
| Other Miscellaneous Local Sources | 3495 | 25,096,106.23 |
| Impact Fees | 3496 | |
| Refunds of Prior Year's Expenditures | 3497 | |
| Collections for Lost, Damaged and Sold Textbooks | 3498 | 68,852.83 |
| Receipt of Food Service Indirect Costs | 3499 | 2,875,470.59 |
| Total Local | 3400 | 528,624,035.66 |
| Total Revenues | 3000 | 1,611,292,085.25 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
 For the Fiscal Year Ended June 30, 2016

| EXPENDITURES | Account Number | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Totals |
|--|----------------|------------------|-------------------|--------------------|-----------------|------------------------|----------------|---------------|------------------|
| | | Salaries | Employee Benefits | Purchased Services | Energy Services | Materials and Supplies | Capital Outlay | Other | |
| <i>Current:</i> | | | | | | | | | |
| Instruction | 5000 | 728,737,034.16 | 190,735,907.63 | 146,509,045.98 | 27,669.45 | 21,082,718.86 | 7,245,799.89 | 5,084,672.92 | 1,099,422,848.89 |
| Student Support Services | 6100 | 50,993,590.20 | 13,046,036.82 | 232,661.87 | | 608,766.87 | 3,665.48 | 16,796.50 | 64,901,517.74 |
| Instructional Media Services | 6200 | 14,144,192.66 | 3,612,815.50 | 521,407.57 | | 1,434,831.12 | | 7,259.58 | 21,195,531.51 |
| Instruction and Curriculum Development Services | 6300 | 20,690,241.49 | 4,778,058.02 | 1,101,160.48 | 7,078.03 | 276,960.80 | | 57,702.01 | 29,235,149.57 |
| Instructional Staff Training Services | 6400 | 15,748,208.37 | 3,650,304.35 | 3,422,064.04 | | 630,622.75 | | 1,177,483.59 | 24,680,641.97 |
| Instruction-Related Technology | 6500 | 14,157,141.22 | 3,724,382.60 | 10,790,829.95 | 34,924.92 | 899,664.05 | | 716,120.57 | 30,349,369.12 |
| Board | 7100 | 507,258.34 | 229,458.46 | 1,633,065.18 | | 2,566.55 | | 190,388.62 | 2,562,737.15 |
| General Administration | 7200 | 3,711,818.21 | 886,285.39 | 663,219.02 | | 159,938.27 | 9,494.48 | 1,125,873.55 | 6,556,628.92 |
| School Administration | 7300 | 77,757,768.84 | 20,761,908.46 | 978,541.26 | | 1,273,928.22 | 352,340.86 | 342,989.77 | 101,467,477.41 |
| Facilities Acquisition and Construction | 7410 | 654,306.18 | 146,977.45 | 41,769.11 | | 5,723.92 | 229,313.99 | 3,701.87 | 1,081,792.52 |
| Fiscal Services | 7500 | 4,366,914.13 | 1,171,545.21 | 711,027.02 | | 30,701.63 | 6,594.19 | 91,125.31 | 6,377,907.49 |
| Food Services | 7600 | 369,354.32 | 28,398.25 | | | 737.50 | | 2,483.09 | 400,973.16 |
| Central Services | 7700 | 25,745,064.54 | 7,567,976.57 | 5,750,084.17 | 39,813.35 | 697,529.79 | 206,611.84 | 925,259.25 | 40,932,339.51 |
| Student Transportation Services | 7800 | 37,839,607.46 | 13,988,831.27 | 3,766,878.16 | 5,602,938.30 | 907,262.91 | 8,380.71 | 740,775.21 | 62,854,674.02 |
| Operation of Plant | 7900 | 38,449,590.66 | 15,405,641.83 | 20,827,165.78 | 31,209,861.01 | 2,667,909.35 | 15,923.21 | 1,299,012.71 | 109,875,104.55 |
| Maintenance of Plant | 8100 | 13,905,654.00 | 4,191,331.89 | 2,272,472.77 | 341,927.46 | 5,668,423.51 | 450,279.87 | 79,118.96 | 26,909,208.46 |
| Administrative Technology Services | 8200 | 248,658.23 | 58,171.83 | 24,157.78 | | 68,429.03 | | | 399,416.87 |
| Community Services | 9100 | 13,833,588.30 | 1,217,315.91 | 26,520,461.64 | 7,243.73 | 1,699,699.29 | 145,459.28 | 3,510,120.09 | 46,933,888.24 |
| <i>Capital Outlay:</i> | | | | | | | | | |
| Facilities Acquisition and Construction | 7420 | | | | | | 145,119.01 | | 145,119.01 |
| Other Capital Outlay | 9300 | | | | | | 3,761,071.98 | | 3,761,071.98 |
| <i>Debt Service: (Function 9200)</i> | | | | | | | | | |
| Redemption of Principal | 710 | | | | | | | | 0.00 |
| Interest | 720 | | | | | | | | 0.00 |
| Total Expenditures | | 1,061,859,991.31 | 285,201,347.44 | 225,766,011.78 | 37,271,456.25 | 38,116,414.42 | 14,880,861.32 | 16,947,315.57 | 1,680,043,398.09 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | | | (68,751,312.84) |

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND (Continued)**

Exhibit K-1
FDOE Page 3

For the Fiscal Year Ended June 30, 2016

Fund 100

| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES | Account Number | |
|--|---------------------------|----------------|
| Loans | 3720 | |
| Sale of Capital Assets | 3730 | |
| Loss Recoveries | 3740 | |
| <i>Transfers In:</i> | | |
| From Debt Service Funds | 3620 | |
| From Capital Projects Funds | 3630 | 44,137,306.00 |
| From Special Revenue Funds | 3640 | |
| From Permanent Funds | 3660 | |
| From Internal Service Funds | 3670 | 24,692,040.41 |
| From Enterprise Funds | 3690 | |
| Total Transfers In | 3600 | 68,829,346.41 |
| <i>Transfers Out: (Function 9700)</i> | | |
| To Debt Service Funds | 920 | |
| To Capital Projects Funds | 930 | |
| To Special Revenue Funds | 940 | (25,932.78) |
| To Permanent Funds | 960 | |
| To Internal Service Funds | 970 | |
| To Enterprise Funds | 990 | |
| Total Transfers Out | 9700 | (25,932.78) |
| Total Other Financing Sources (Uses) | | 68,803,413.63 |
| Net Change In Fund Balance | | 52,100.79 |
| Fund Balance, July 1, 2015 | 2800 | 146,022,868.51 |
| Adjustments to Fund Balance | 2891 | |
| <i>Ending Fund Balance:</i> | | |
| Nonspendable Fund Balance | 2710 | 4,253,299.67 |
| Restricted Fund Balance | 2720 | 22,848,734.68 |
| Committed Fund Balance | 2730 | |
| Assigned Fund Balance | 2740 | 19,919,568.95 |
| Unassigned Fund Balance | 2750 | 99,053,366.00 |
| Total Fund Balances, June 30, 2016 | 2700 | 146,074,969.30 |

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES**

Exhibit K-2

FDOE Page 4

Fund 410

For the Fiscal Year Ended June 30, 2016

| REVENUES | Account Number | |
|--|-------------------|-----------------------|
| <i>Federal Through State and Local:</i> | | |
| School Lunch Reimbursement | 3261 | 56,020,330.08 |
| School Breakfast Reimbursement | 3262 | 21,750,813.05 |
| Afterschool Snack Reimbursement | 3263 | 109,723.32 |
| Child Care Food Program | 3264 | 3,897,113.26 |
| USDA-Donated Commodities | 3265 | 6,928,499.04 |
| Cash in Lieu of Donated Foods | 3266 | 301,739.52 |
| Summer Food Service Program | 3267 | 1,418,420.17 |
| Fresh Fruit and Vegetable Program | 3268 | 1,429,383.30 |
| Other Food Services | 3269 | |
| Federal Through Local | 3280 | |
| Miscellaneous Federal Through State | 3299 | |
| Total Federal Through State and Local | 3200 | 91,856,021.74 |
| <i>State:</i> | | |
| School Breakfast Supplement | 3337 | 698,667.00 |
| School Lunch Supplement | 3338 | 747,332.00 |
| State Through Local | 3380 | |
| Other Miscellaneous State Revenues | 3399 | |
| Total State | 3300 | 1,445,999.00 |
| <i>Local:</i> | | |
| Interest on Investments | 3431 | 87,789.90 |
| Gain on Sale of Investments | 3432 | |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | |
| Gifts, Grants and Bequests | 3440 | 25,000.00 |
| Student Lunches | 3451 | 9,339,782.87 |
| Student Breakfasts | 3452 | |
| Adult Breakfasts/Lunches | 3453 | 1,057,311.29 |
| Student and Adult á la Carte Fees | 3454 | 9,935,637.57 |
| Student Snacks | 3455 | |
| Other Food Sales | 3456 | 2,190,718.17 |
| Other Miscellaneous Local Sources | 3495 | 703,647.50 |
| Refunds of Prior Year's Expenditures | 3497 | |
| Total Local | 3400 | 23,339,887.30 |
| Total Revenues | 3000 | 116,641,908.04 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE
 FUNDS - FOOD SERVICES (Continued)
 For the Fiscal Year Ended June 30, 2016

Exhibit K-2
 FDOE Page 5
 Fund 410

| EXPENDITURES (Function 7600/9300) | Account Number | |
|--|----------------|----------------------|
| Salaries | 100 | 33,865,935.35 |
| Employee Benefits | 200 | 15,676,641.38 |
| Purchased Services | 300 | 3,053,288.81 |
| Energy Services | 400 | 2,122,260.37 |
| Materials and Supplies | 500 | 54,519,706.85 |
| Capital Outlay | 600 | 1,489,783.74 |
| Other | 700 | 4,428,784.70 |
| Other Capital Outlay (Function 9300) | 600 | 4,731,091.54 |
| Total Expenditures | | 119,887,492.74 |
| Excess (Deficiency) of Revenues Over Expenditures | | (3,245,584.70) |
| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES | | |
| Loans | 3720 | |
| Sale of Capital Assets | 3730 | |
| Loss Recoveries | 3740 | |
| <i>Transfers In:</i> | | |
| From General Fund | 3610 | |
| From Debt Service Funds | 3620 | |
| From Capital Projects Funds | 3630 | |
| Interfund | 3650 | |
| From Permanent Funds | 3660 | |
| From Internal Service Funds | 3670 | 1,881,963.00 |
| From Enterprise Funds | 3690 | |
| Total Transfers In | 3600 | 1,881,963.00 |
| <i>Transfers Out: (Function 9700)</i> | | |
| To General Fund | 910 | |
| To Debt Service Funds | 920 | |
| To Capital Projects Funds | 930 | |
| Interfund | 950 | |
| To Permanent Funds | 960 | |
| To Internal Service Funds | 970 | |
| To Enterprise Funds | 990 | |
| Total Transfers Out | 9700 | 0.00 |
| Total Other Financing Sources (Uses) | | 1,881,963.00 |
| Net Change in Fund Balance | | (1,363,621.70) |
| Fund Balance, July 1, 2015 | 2800 | 30,698,186.74 |
| Adjustments to Fund Balance | 2891 | |
| <i>Ending Fund Balance:</i> | | |
| Nonspendable Fund Balance | 2710 | |
| Restricted Fund Balance | 2720 | 29,334,565.04 |
| Committed Fund Balance | 2730 | |
| Assigned Fund Balance | 2740 | |
| Unassigned Fund Balance | 2750 | |
| Total Fund Balances, June 30, 2016 | 2700 | 29,334,565.04 |

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - OTHER FEDERAL PROGRAMS**

Exhibit K-3

FDOE Page 6

Fund 420

For the Fiscal Year Ended June 30, 2016

| REVENUES | Account Number | |
|--|-------------------|-----------------------|
| <i>Federal Direct:</i> | | |
| Head Start | 3130 | |
| Workforce Innovation and Opportunity Act | 3170 | |
| Community Action Programs | 3180 | |
| Reserve Officers Training Corps (ROTC) | 3191 | |
| Pell Grants | 3192 | 3,084,905.32 |
| Miscellaneous Federal Direct | 3199 | 20,584,117.52 |
| Total Federal Direct | 3100 | 23,669,022.84 |
| <i>Federal Through State and Local:</i> | | |
| Career and Technical Education | 3201 | 2,882,934.07 |
| Medicaid | 3202 | |
| Individuals with Disabilities Education Act (IDEA) | 3230 | 45,150,648.89 |
| <i>Workforce Innovation and Opportunity Act:</i> | | |
| Adult General Education | 3221 | 1,687,409.86 |
| English Literacy and Civics Education | 3222 | 382,316.25 |
| Adult Migrant Education | 3223 | 349,742.34 |
| Other WIOA Programs | 3224 | |
| <i>NCLB - Elementary and Secondary Education Act:</i> | | |
| Elementary and Secondary Education Act - Title I | 3240 | 70,281,425.57 |
| Teacher and Principal Training and Recruiting - Title II, Part A | 3225 | 7,722,182.92 |
| Math and Science Partnerships - Title II, Part B | 3226 | 742,363.22 |
| Language Instruction - Title III | 3241 | 2,939,348.93 |
| Twenty-First Century Schools - Title IV | 3242 | |
| Federal Through Local | 3280 | 51,420,334.11 |
| Emergency Immigrant Education Program | 3293 | 1,649,645.60 |
| Miscellaneous Federal Through State | 3299 | 1,927,224.92 |
| Total Federal Through State and Local | 3200 | 187,135,576.68 |
| <i>State:</i> | | |
| State Through Local | 3380 | |
| Other Miscellaneous State Revenues | 3399 | 1,131,682.96 |
| Total State | 3300 | 1,131,682.96 |
| <i>Local:</i> | | |
| Interest on Investments | 3431 | |
| Gain on Sale of Investments | 3432 | |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | |
| Gifts, Grants and Bequests | 3440 | 1,488.84 |
| Adult General Education Course Fees | 3461 | 72,504.48 |
| Sale of Junk | 3493 | |
| Other Miscellaneous Local Sources | 3495 | 2,197,267.44 |
| Refunds of Prior Year's Expenditures | 3497 | |
| Total Local | 3400 | 2,271,260.76 |
| Total Revenues | 3000 | 214,207,543.24 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS (Continued)
 For the Fiscal Year Ended June 30, 2016

| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES | Account Number | |
|--|-------------------|------------------|
| Loans | 3720 | |
| Sale of Capital Assets | 3730 | |
| Loss Recoveries | 3740 | |
| <i>Transfers In:</i> | | |
| From General Fund | 3610 | 25,932.78 |
| From Debt Service Funds | 3620 | |
| From Capital Projects Funds | 3630 | |
| Interfund | 3650 | |
| From Permanent Funds | 3660 | |
| From Internal Service Funds | 3670 | |
| From Enterprise Funds | 3690 | |
| Total Transfers In | 3600 | 25,932.78 |
| <i>Transfers Out: (Function 9700)</i> | | |
| To the General Fund | 910 | |
| To Debt Service Funds | 920 | |
| To Capital Projects Funds | 930 | |
| Interfund | 950 | |
| To Permanent Funds | 960 | |
| To Internal Service Funds | 970 | |
| To Enterprise Funds | 990 | |
| Total Transfers Out | 9700 | 0.00 |
| Total Other Financing Sources (Uses) | | 25,932.78 |
| Net Change in Fund Balance | | 0.00 |
| Fund Balance, July 1, 2015 | 2800 | 0.00 |
| Adjustments to Fund Balance | 2891 | |
| <i>Ending Fund Balance:</i> | | |
| Nonspendable Fund Balance | 2710 | |
| Restricted Fund Balance | 2720 | 0.00 |
| Committed Fund Balance | 2730 | |
| Assigned Fund Balance | 2740 | |
| Unassigned Fund Balance | 2750 | |
| Total Fund Balances, June 30, 2016 | 2700 | 0.00 |

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
 FEDERAL ECONOMIC STIMULUS PROGRAMS**
 For the Fiscal Year Ended June 30, 2016

Exhibit K-4
 FDOE Page 8
Funds 430

| REVENUES | Account Number | Targeted ARRA Stimulus Funds 432 | Other ARRA Stimulus Grants 433 | ARRA Race to the Top 434 | Totals |
|--|----------------|-------------------------------------|-----------------------------------|-----------------------------|-------------------|
| <i>Federal Direct:</i> | | | | | |
| Workforce Innovation and Opportunity Act (WIOA) | 3170 | | | | 0.00 |
| Community Action Programs | 3180 | | | | 0.00 |
| Reserve Officers Training Corps (ROTC) | 3191 | | | | 0.00 |
| Miscellaneous Federal Direct | 3199 | | | | 0.00 |
| Total Federal Direct: | 3100 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Federal Through State and Local:</i> | | | | | |
| Career and Technical Education | 3201 | | | | 0.00 |
| Race to the Top | 3214 | | | 967,552.24 | 967,552.24 |
| Individuals with Disabilities Education Act (IDEA) | 3230 | | | | 0.00 |
| Elementary and Secondary Education Act - Title I | 3240 | | | | 0.00 |
| Other Food Services | 3269 | | | | 0.00 |
| Federal Through Local | 3280 | | | | 0.00 |
| Miscellaneous Federal Through State | 3299 | | | | 0.00 |
| Total Federal Through State and Local | 3200 | 0.00 | 0.00 | 967,552.24 | 967,552.24 |
| <i>State:</i> | | | | | |
| State Through Local | 3380 | | | | 0.00 |
| Other Miscellaneous State Revenues | 3399 | | | | 0.00 |
| Total State | 3300 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Local:</i> | | | | | |
| Interest on Investments | 3431 | | | | 0.00 |
| Gain on Sale of Investments | 3432 | | | | 0.00 |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | | | | 0.00 |
| Gifts, Grants and Bequests | 3440 | | | | 0.00 |
| Other Miscellaneous Local Sources | 3495 | | | | 0.00 |
| Refunds of Prior Year's Expenditures | 3497 | | | | 0.00 |
| Total Local | 3400 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenues | 3000 | 0.00 | 0.00 | 967,552.24 | 967,552.24 |

DOE PAGE 9 INTENTIONALLY OMITTED

**THE SCHOOL DISTRICT HAS NO SPECIAL REVENUE
FUNDS – TARGETED ARRA STIMULUS FUNDS**

DOE PAGE 10 INTENTIONALLY OMITTED

**THE SCHOOL DISTRICT HAS NO SPECIAL REVENUE
FUNDS – OTHER ARRA STIMULUS GRANTS**

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - ARRA RACE TO THE TOP (Continued)
 For the Fiscal Year Ended June 30, 2016

| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES | Account Number | |
|--|-------------------|-------------|
| Loans | 3720 | |
| Sale of Capital Assets | 3730 | |
| Loss Recoveries | 3740 | |
| <i>Transfers In:</i> | | |
| From General Fund | 3610 | |
| From Debt Service Funds | 3620 | |
| From Capital Projects Funds | 3630 | |
| Interfund | 3650 | |
| From Permanent Funds | 3660 | |
| From Internal Service Funds | 3670 | |
| From Enterprise Funds | 3690 | |
| Total Transfers In | 3600 | 0.00 |
| <i>Transfers Out: (Function 9700)</i> | | |
| To the General Fund | 910 | |
| To Debt Service Funds | 920 | |
| To Capital Projects Funds | 930 | |
| Interfund | 950 | |
| To Permanent Funds | 960 | |
| To Internal Service Funds | 970 | |
| To Enterprise Funds | 990 | |
| Total Transfers Out | 9700 | 0.00 |
| Total Other Financing Sources (Uses) | | 0.00 |
| Net Change in Fund Balance | | 0.00 |
| Fund Balance, July 1, 2015 | 2800 | |
| Adjustments to Fund Balance | 2891 | |
| <i>Ending Fund Balance:</i> | | |
| Nonspendable Fund Balance | 2710 | |
| Restricted Fund Balance | 2720 | 0.00 |
| Committed Fund Balance | 2730 | |
| Assigned Fund Balance | 2740 | |
| Unassigned Fund Balance | 2750 | |
| Total Fund Balances, June 30, 2016 | 2700 | 0.00 |

DOE PAGE 12 INTENTIONALLY OMITTED

**THE SCHOOL DISTRICT HAS NO SPECIAL REVENUE
FUNDS - MISCELLANEOUS**

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2016

| REVENUES | Account Number | SBE/COBI Bonds 210 | Special Act Bonds 220 | Sections 1011.14 & 1011.15, F.S., Loans 230 | Motor Vehicle Revenue Bonds 240 | District Bonds 250 | Other Debt Service 290 | ARRA Economic Stimulus Debt Service 299 | Totals |
|--|----------------|---------------------|-----------------------|---|---------------------------------|--------------------|------------------------|---|------------------------|
| <i>Federal:</i> | | | | | | | | | |
| Miscellaneous Federal Direct | 3199 | | | | | | | | 0.00 |
| Miscellaneous Federal Through State | 3299 | | | | | | | | 0.00 |
| <i>State:</i> | | | | | | | | | |
| CO&DS Withheld for SBE/COBI Bonds | 3322 | 6,105,944.37 | | | | | | | 6,105,944.37 |
| SBE/COBI Bond Interest | 3326 | 1,161.53 | | | | | | | 1,161.53 |
| Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.) | 3341 | | 446,500.00 | | | | | | 446,500.00 |
| Other Miscellaneous State Revenues | 3399 | | | | | | | | 0.00 |
| Total State Sources | 3300 | 6,107,105.90 | 446,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,553,605.90 |
| <i>Local:</i> | | | | | | | | | |
| District Debt Service Taxes | 3412 | | | | | | | | 0.00 |
| County Local Sales Tax | 3418 | | | | | | 17,474,594.00 | | 17,474,594.00 |
| School District Local Sales Tax | 3419 | | | | | | | | 0.00 |
| Tax Redemptions | 3421 | | | | | | | | 0.00 |
| Payment in Lieu of Taxes | 3422 | | | | | | | | 0.00 |
| Excess Fees | 3423 | | | | | | | | 0.00 |
| Interest on Investments | 3431 | | 4,186.77 | | | | 825,271.17 | 60,120.36 | 889,578.30 |
| Gain on Sale of Investments | 3432 | | | | | | | | 0.00 |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | | | | | | | | 0.00 |
| Gifts, Grants and Bequests | 3440 | | | | | | | | 0.00 |
| Other Miscellaneous Local Sources | 3495 | | | | | | | | 0.00 |
| Impact Fees | 3496 | | | | | | | | 0.00 |
| Refunds of Prior Year's Expenditures | 3497 | | | | | | | | 0.00 |
| Total Local Sources | 3400 | 0.00 | 4,186.77 | 0.00 | 0.00 | 0.00 | 18,299,865.17 | 60,120.36 | 18,364,172.30 |
| Total Revenues | 3000 | 6,107,105.90 | 450,686.77 | 0.00 | 0.00 | 0.00 | 18,299,865.17 | 60,120.36 | 24,917,778.20 |
| EXPENDITURES | | | | | | | | | |
| <i>Debt Service (Function 9200)</i> | | | | | | | | | |
| Redemption of Principal | 710 | 4,880,000.00 | 370,000.00 | | | | 52,790,000.00 | 0.00 | 58,040,000.00 |
| Interest | 720 | 1,398,138.32 | 154,465.49 | | | | 34,873,115.58 | 143,940.56 | 36,569,659.95 |
| Dues and Fees | 730 | 1,895.34 | 4,500.00 | | | | 2,514,068.56 | 5,150.00 | 2,525,613.90 |
| Miscellaneous | 790 | | | | | | | | 0.00 |
| Total Expenditures | | 6,280,033.66 | 528,965.49 | 0.00 | 0.00 | 0.00 | 90,177,184.14 | 149,090.56 | 97,135,273.85 |
| Excess (Deficiency) of Revenues Over Expenditures | | (172,927.76) | (78,278.72) | 0.00 | 0.00 | 0.00 | (71,877,318.97) | (88,970.20) | (72,217,495.65) |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2016

| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE | Account Number | SBE/COBI Bonds 210 | Special Act Bonds 220 | Sections 1011.14 & 1011.15, F.S., Loans 230 | Motor Vehicle Revenue Bonds 240 | District Bonds 250 | Other Debt Service 290 | ARRA Economic Stimulus Debt Service 299 | Totals |
|--|-------------------|--------------------------|-----------------------------|---|---------------------------------------|--------------------------|------------------------------|---|------------------|
| Issuance of Bonds | 3710 | | | | | | | | 0.00 |
| Premium on Sale of Bonds | 3791 | | | | | | | | 0.00 |
| Discount on Sale of Bonds (Function 9299) | 891 | | | | | | | | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | | | | | | 231,680,637.19 | | 231,680,637.19 |
| Premium on Lease-Purchase Agreements | 3793 | | | | | | 22,964,225.65 | | 22,964,225.65 |
| Discount on Lease-Purchase Agreements (Function 9299) | 893 | | | | | | | | 0.00 |
| Loans | 3720 | | | | | | | | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | | | | | | | | 0.00 |
| Face Value of Refunding Bonds | 3715 | | | | | | 118,955,000.00 | | 118,955,000.00 |
| Premium on Refunding Bonds | 3792 | | | | | | 10,270,066.70 | | 10,270,066.70 |
| Discount on Refunding Bonds (Function 9299) | 892 | | | | | | | | 0.00 |
| Payments to Refunded Bonds Escrow Agent (Function 9299) | 761 | | | | | | (384,981,590.81) | | (384,981,590.81) |
| Refunding Lease-Purchase Agreements | 3755 | | | | | | | | 0.00 |
| Premium on Refunding Lease-Purchase Agreements | 3794 | | | | | | | | 0.00 |
| Discount on Refunding Lease-Purchase Agmts (Function 9299) | 894 | | | | | | | | 0.00 |
| Payments to Refunded Lease-Purchase Escrow Agent (Function 9299) | 762 | | | | | | | | 0.00 |
| <i>Transfers In:</i> | | | | | | | | | |
| From General Fund | 3610 | | | | | | | | 0.00 |
| From Capital Projects Funds | 3630 | | | | | | 63,118,716.31 | 2,256,590.56 | 65,375,306.87 |
| From Special Revenue Funds | 3640 | | | | | | | | 0.00 |
| Interfund | 3650 | | | | | | 50,825,379.16 | | 50,825,379.16 |
| From Permanent Funds | 3660 | | | | | | | | 0.00 |
| From Internal Service Funds | 3670 | | | | | | | | 0.00 |
| From Enterprise Funds | 3690 | | | | | | | | 0.00 |
| Total Transfers In | 3600 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 113,944,095.47 | 2,256,590.56 | 116,200,686.03 |
| <i>Transfers Out: (Function 9700)</i> | | | | | | | | | |
| To General Fund | 910 | | | | | | | | 0.00 |
| To Capital Projects Funds | 930 | | | | | | | | 0.00 |
| To Special Revenue Funds | 940 | | | | | | | | 0.00 |
| Interfund | 950 | | | | | | (50,825,379.16) | | (50,825,379.16) |
| To Permanent Funds | 960 | | | | | | | | 0.00 |
| To Internal Service Funds | 970 | | | | | | | | 0.00 |
| To Enterprise Funds | 990 | | | | | | | | 0.00 |
| Total Transfers Out | 9700 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (50,825,379.16) | 0.00 | (50,825,379.16) |
| Total Other Financing Sources (Uses) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 62,007,055.04 | 2,256,590.56 | 64,263,645.60 |
| Net Change in Fund Balances | | (172,927.76) | (78,278.72) | 0.00 | 0.00 | 0.00 | (9,870,263.93) | 2,167,620.36 | (7,953,850.05) |
| Fund Balance, July 1, 2015 | 2800 | 730,393.35 | 1,201,048.11 | | | | 106,475,374.24 | 8,464,458.37 | 116,871,274.07 |
| Adjustments to Fund Balances | 2891 | | | | | | | | 0.00 |
| <i>Ending Fund Balance:</i> | | | | | | | | | |
| Nonspendable Fund Balance | 2710 | | | | | | | | 0.00 |
| Restricted Fund Balance | 2720 | 557,465.59 | 1,122,769.39 | | | | 96,605,110.31 | 10,632,078.73 | 108,917,424.02 |
| Committed Fund Balance | 2730 | | | | | | | | 0.00 |
| Assigned Fund Balance | 2740 | | | | | | | | 0.00 |
| Unassigned Fund Balance | 2750 | | | | | | | | 0.00 |
| Total Fund Balances, June 30, 2016 | 2700 | 557,465.59 | 1,122,769.39 | 0.00 | 0.00 | 0.00 | 96,605,110.31 | 10,632,078.73 | 108,917,424.02 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended June 30, 2016

| REVENUES | Account Number | Capital Outlay/Dond Issues (COBI) | Special Act Bonds | Sections 1011.14 & 1011.15, F.S., Loans | Public Education Capital Outlay (PECO) | District Bonds | Capital Outlay and Debt Service Program (CO&DS) | Nonvoted Cap. Improvement Section 1011.71(2), F.S. | Voted Capital Improvement Fund | Other Capital Projects | ARRA Economic Stimulus Capital Projects | Totals |
|--|----------------|-----------------------------------|-----------------------|---|--|----------------|---|--|--------------------------------|------------------------|---|-----------------------|
| | | 310 | 320 | 330 | 340 | 350 | 360 | 370 | 380 | 390 | 399 | |
| <i>Federal:</i> | | | | | | | | | | | | |
| Miscellaneous Federal Direct | 3199 | | | | | | | | | | | 0.00 |
| Miscellaneous Federal Through State | 3299 | | | | | | | | | | | 0.00 |
| <i>State:</i> | | | | | | | | | | | | |
| CO&DS Distributed | 3321 | | | | | | 1,443,132.87 | | | | | 1,443,132.87 |
| Interest on Undistributed CO&DS | 3325 | | | | | | 23,146.74 | | | | | 23,146.74 |
| Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.) | 3341 | | | | | | | | | | | 0.00 |
| State Through Local | 3380 | | | | | | | | | | | 0.00 |
| Public Education Capital Outlay (PECO) | 3391 | | | | 3,496,051.00 | | | | | | | 3,496,051.00 |
| Classrooms First Program | 3392 | | | | | | | | | | | 0.00 |
| SMART Schools Small County Assistance Program | 3395 | | | | | | | | | | | 0.00 |
| Class Size Reduction Capital Outlay | 3396 | | | | | | | | | | | 0.00 |
| Charter School Capital Outlay Funding | 3397 | | | | | | | | | 2,833,891.00 | | 2,833,891.00 |
| Other Miscellaneous State Revenues | 3399 | | | | | | | | | | | 0.00 |
| Total State Sources | 3300 | 0.00 | 0.00 | 0.00 | 3,496,051.00 | 0.00 | 1,466,279.61 | 0.00 | 0.00 | 2,833,891.00 | 0.00 | 7,796,221.61 |
| <i>Local:</i> | | | | | | | | | | | | |
| District Local Capital Improvement Tax | 3413 | | | | | | | 116,622,967.88 | | | | 116,622,967.88 |
| County Local Sales Tax | 3418 | | | | | | | | | 12,186,028.37 | | 12,186,028.37 |
| School District Local Sales Tax | 3419 | | | | | | | | | | | 0.00 |
| Tax Redemptions | 3421 | | | | | | | | | | | 0.00 |
| Payment in Lieu of Taxes | 3422 | | | | | | | | | | | 0.00 |
| Excess Fees | 3423 | | | | | | | | | | | 0.00 |
| Interest on Investments | 3431 | | | | 7,035.16 | | 43,915.66 | 543,353.57 | | 243,051.00 | | 837,355.39 |
| Gain on Sale of Investments | 3432 | | | | | | | | | | | 0.00 |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | | | | | | | | | | | 0.00 |
| Gifts, Grants and Bequests | 3440 | | | | | | | | | | | 0.00 |
| Other Miscellaneous Local Sources | 3495 | | | | | | | 2,394,413.33 | | 207,931.19 | | 2,602,346.52 |
| Impact Fees | 3496 | | | | | | | | | 25,188,599.75 | | 25,188,599.75 |
| Refunds of Prior Year's Expenditures | 3497 | | | | | | | | | | | 0.00 |
| Total Local Sources | 3400 | 0.00 | 0.00 | 0.00 | 7,035.16 | 0.00 | 43,915.66 | 119,560,736.78 | 0.00 | 37,825,610.31 | 0.00 | 157,437,297.91 |
| Total Revenues | 3000 | 0.00 | 0.00 | 0.00 | 3,503,086.16 | 0.00 | 1,510,195.27 | 119,560,736.78 | 0.00 | 40,659,501.31 | 0.00 | 165,233,519.52 |
| EXPENDITURES | | | | | | | | | | | | |
| <i>Capital Outlay: (Function 7400)</i> | | | | | | | | | | | | |
| Library Books | 610 | | | | | | | 39,797.41 | | 160,344.33 | | 200,141.74 |
| Audiovisual Materials | 620 | | | | | | | | | 13,504.28 | | 13,504.28 |
| Buildings and Fixed Equipment | 630 | | | | | | | 8,337,118.47 | | 15,432,017.47 | | 23,769,135.94 |
| Furniture, Fixtures and Equipment | 640 | | | | | | | 2,366,638.97 | | 1,577,946.99 | | 3,944,579.96 |
| Motor Vehicles (Including Buses) | 650 | | | | | | | 14,326,618.80 | | 12,173,979.12 | | 26,500,597.92 |
| Land | 660 | | | | | | | 3,235,129.93 | | 2,500.00 | | 3,237,629.93 |
| Improvements Other Than Buildings | 670 | | | | 48,402.29 | | 235,553.45 | 5,121,649.19 | | 3,979.50 | | 5,409,584.43 |
| Remodeling and Renovations | 680 | | 2,091,528.68 | | 1,099,144.20 | | 291,951.63 | 35,828,147.40 | | 152,759.71 | | 42,463,531.62 |
| Computer Software | 690 | | | | | | | | | | | 0.00 |
| <i>Debt Service: (Function 9200)</i> | | | | | | | | | | | | |
| Redemption of Principal | 710 | | | | | | | | | | | 0.00 |
| Interest | 720 | | | | | | | | | | | 0.00 |
| Dues and Fees | 730 | | | | | | 5,626.98 | | | | | 5,626.98 |
| Miscellaneous | 790 | | | | | | | | | | | 0.00 |
| Total Expenditures | | 0.00 | 2,091,528.68 | 0.00 | 4,147,546.49 | 0.00 | 533,132.96 | 69,255,160.17 | 0.00 | 29,517,025.40 | 0.00 | 105,544,332.80 |
| Excess (Deficiency) of Revenues Over Expenditures | | 0.00 | (2,091,528.68) | 0.00 | (644,460.33) | 0.00 | 977,063.21 | 50,305,636.61 | 0.00 | 11,142,475.91 | 0.00 | 59,689,186.72 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2016

| OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE | Account Number | Capital Outlay Bond Issues (COBI) 310 | Special Act Bonds 320 | Sections 1011.14 & 1011.15, F.S., Loans 330 | Public Education Capital Outlay (PECO) 340 | District Bonds 350 | Capital Outlay and Debt Service Program (CO&DS) 360 | Nonvoted Cap. Improvement Section 1011.71(2), F.S. 370 | Voted Capital Improvement Fund 380 | Other Capital Projects 390 | ARRA Economic Stimulus Capital Projects 399 | Totals |
|---|-------------------|---|--------------------------|---|--|--------------------------|---|--|---------------------------------------|----------------------------------|---|------------------|
| Issuance of Bonds | 3710 | | | | | | | | | | | 0.00 |
| Premium on Sale of Bonds | 3791 | | | | | | | | | | | 0.00 |
| Discount on Sale of Bonds (Function 9299) | 891 | | | | | | | | | | | 0.00 |
| Proceeds of Lease-Purchase Agreements | 3750 | | | | | | | | | | | 0.00 |
| Premium on Lease-Purchase Agreements | 3793 | | | | | | | | | | | 0.00 |
| Discount on Lease-Purchase Agreements (Function 9299) | 893 | | | | | | | | | | | 0.00 |
| Loans | 3720 | | | | | | | | | | | 0.00 |
| Sale of Capital Assets | 3730 | | | | | | | | | | | 0.00 |
| Loss Recoveries | 3740 | | | | | | | | | | | 0.00 |
| Proceeds of Forward Supply Contract | 3760 | | | | | | | | | | | 0.00 |
| Proceeds from Special Facility Construction Account | 3770 | | | | | | | | | | | 0.00 |
| Transfers In: | | | | | | | | | | | | |
| From General Fund | 3610 | | | | | | | | | | | 0.00 |
| From Debt Service Funds | 3620 | | | | | | | | | | | 0.00 |
| From Special Revenue Funds | 3640 | | | | | | | | | | | 0.00 |
| Interfund | 3650 | | | | | | | | | | | 0.00 |
| From Permanent Funds | 3660 | | | | | | | | | | | 0.00 |
| From Internal Service Funds | 3670 | | | | | | | | | | | 0.00 |
| From Enterprise Funds | 3690 | | | | | | | | | | | 0.00 |
| Total Transfers In | 3600 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers Out: (Function 9700) | | | | | | | | | | | | |
| To General Fund | 910 | | | | | | | (41,303,415.00) | | (2,833,891.00) | | (44,137,306.00) |
| To Debt Service Funds | 920 | | | | | | | (65,375,306.87) | | | | (65,375,306.87) |
| To Special Revenue Funds | 940 | | | | | | | | | | | 0.00 |
| Interfund | 950 | | | | | | | | | | | 0.00 |
| To Permanent Funds | 960 | | | | | | | | | | | 0.00 |
| To Internal Service Funds | 970 | | | | | | | | | | | 0.00 |
| To Enterprise Funds | 990 | | | | | | | | | | | 0.00 |
| Total Transfers Out | 9700 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (106,678,721.87) | 0.00 | (2,833,891.00) | 0.00 | (109,512,612.87) |
| Total Other Financing Sources (Uses) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (106,678,721.87) | 0.00 | (2,833,891.00) | 0.00 | (109,512,612.87) |
| Net Change in Fund Balances | | 0.00 | (2,091,528.68) | 0.00 | (644,460.33) | 0.00 | 977,063.21 | (56,373,085.26) | 0.00 | 8,308,584.91 | 0.00 | (49,823,426.15) |
| Fund Balance, July 1, 2015 | 2800 | | 2,091,528.68 | | 3,265,637.33 | | 2,173,708.28 | 74,720,661.41 | | 56,094,322.06 | | 138,345,877.76 |
| Adjustments to Fund Balances | 2891 | | | | | | | | | | | 0.00 |
| Ending Fund Balances: | | | | | | | | | | | | |
| Nonspendable Fund Balance | 2710 | | | | | | | | | | | 0.00 |
| Restricted Fund Balance | 2720 | | 0.00 | | 2,621,197.00 | | 3,150,771.49 | 18,347,576.15 | | 64,402,906.97 | | 88,522,451.61 |
| Committed Fund Balance | 2730 | | | | | | | | | | | 0.00 |
| Assigned Fund Balance | 2740 | | | | | | | | | | | 0.00 |
| Unassigned Fund Balance | 2750 | | | | | | | | | | | 0.00 |
| Total Fund Balances, June 30, 2016 | 2700 | 0.00 | 0.00 | 0.00 | 2,621,197.00 | 0.00 | 3,150,771.49 | 18,347,576.15 | 0.00 | 64,402,906.97 | 0.00 | 88,522,451.61 |

DOE PAGES 16 AND 17 INTENTIONALLY OMITTED

**THE SCHOOL DISTRICT HAS NO PERMANENT OR
ENTERPRISE FUNDS**

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2016

| INCOME OR (LOSS) | Account Number | Self-Insurance 711 | Self-Insurance 712 | Self-Insurance 713 | Self-Insurance 714 | Self-Insurance 715 | Consortium Programs 731 | Other Internal Service 791 | Totals |
|--|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|----------------------------|-----------------|
| OPERATING REVENUES | | | | | | | | | |
| Charges for Services | 3481 | | | | | | | | 0.00 |
| Charges for Sales | 3482 | | | | | | | | 0.00 |
| Premium Revenue | 3484 | | | | | | | 181,913,580.34 | 181,913,580.34 |
| Other Operating Revenues | 3489 | 723,091.98 | | | | | | | 723,091.98 |
| Total Operating Revenues | | 723,091.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 181,913,580.34 | 182,636,672.32 |
| OPERATING EXPENSES (Function 9900) | | | | | | | | | |
| Salaries | 100 | 438,340.44 | | | | | | | 438,340.44 |
| Employee Benefits | 200 | 171,612.89 | | | | | | | 171,612.89 |
| Purchased Services | 300 | 294,031.37 | 30,294.32 | | | | | | 324,325.69 |
| Energy Services | 400 | | | | | | | | 0.00 |
| Materials and Supplies | 500 | | | | | | | | 0.00 |
| Capital Outlay | 600 | | | | | | | | 0.00 |
| Other | 700 | 11,281,415.90 | 1,988,319.46 | | | | | 181,913,580.34 | 195,183,315.70 |
| Depreciation and Amortization Expense | 780 | | | | | | | | 0.00 |
| Total Operating Expenses | | 12,185,400.60 | 2,018,613.78 | 0.00 | 0.00 | 0.00 | 0.00 | 181,913,580.34 | 196,117,594.72 |
| Operating Income (Loss) | | (11,462,308.62) | (2,018,613.78) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (13,480,922.40) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | | |
| Interest on Investments | 3431 | 283,258.53 | 63,658.87 | | | | | | 346,917.40 |
| Gain on Sale of Investments | 3432 | | | | | | | | 0.00 |
| Net Increase (Decrease) in Fair Value of Investments | 3433 | | | | | | | | 0.00 |
| Gifts, Grants and Bequests | 3440 | | | | | | | | 0.00 |
| Other Miscellaneous Local Sources | 3495 | | 23,382.17 | | | | | | 23,382.17 |
| Loss Recoveries | 3740 | | | | | | | | 0.00 |
| Gain on Disposition of Assets | 3780 | | | | | | | | 0.00 |
| Interest (Function 9900) | 720 | | | | | | | | 0.00 |
| Miscellaneous (Function 9900) | 790 | | | | | | | | 0.00 |
| Loss on Disposition of Assets (Function 9900) | 810 | | | | | | | | 0.00 |
| Total Nonoperating Revenues (Expenses) | | 283,258.53 | 87,041.04 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 370,299.57 |
| Income (Loss) Before Operating Transfers | | (11,179,050.09) | (1,931,572.74) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (13,110,622.83) |
| TRANSFERS and CHANGES IN NET POSITION | | | | | | | | | |
| <i>Transfers In:</i> | | | | | | | | | |
| From General Fund | 3610 | | | | | | | | 0.00 |
| From Debt Service Funds | 3620 | | | | | | | | 0.00 |
| From Capital Projects Funds | 3630 | | | | | | | | 0.00 |
| From Special Revenue Funds | 3640 | | | | | | | | 0.00 |
| Interfund | 3650 | | | | | | | | 0.00 |
| From Permanent Funds | 3660 | | | | | | | | 0.00 |
| From Enterprise Funds | 3690 | | | | | | | | 0.00 |
| Total Transfers In | 3600 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Transfers Out: (Function 9700)</i> | | | | | | | | | |
| To General Fund | 910 | (21,813,062.00) | (2,878,978.41) | | | | | | (24,692,040.41) |
| To Debt Service Funds | 920 | | | | | | | | 0.00 |
| To Capital Projects Funds | 930 | | | | | | | | 0.00 |
| To Special Revenue Funds | 940 | (1,881,963.00) | | | | | | | (1,881,963.00) |
| Interfund | 950 | | | | | | | | 0.00 |
| To Permanent Funds | 960 | | | | | | | | 0.00 |
| To Enterprise Funds | 990 | | | | | | | | 0.00 |
| Total Transfers Out | 9700 | (23,695,025.00) | (2,878,978.41) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (26,574,003.41) |
| Change in Net Position | | (34,874,075.09) | (4,810,551.15) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (39,684,626.24) |
| Net Position, July 1, 2015 | 2880 | 36,446,187.94 | 5,311,263.15 | | | | | | 41,757,451.09 |
| Adjustments to Net Position | 2896 | | | | | | | | 0.00 |
| Net Position, June 30, 2016 | 2780 | 1,572,112.85 | 500,712.00 | | | | | | 2,072,824.85 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 SCHOOL INTERNAL FUNDS
 June 30, 2016

Exhibit K-11
 FDOE Page 19
Fund 891

| ASSETS | Account Number | Beginning Balance July 1, 2015 | Additions | Deductions | Ending Balance June 30, 2016 |
|-------------------------------------|----------------|-----------------------------------|----------------------|----------------------|---------------------------------|
| Cash | 1110 | 16,019,701.76 | 16,302,525.89 | 16,019,701.76 | 16,302,525.89 |
| Investments | 1160 | 1,878,306.01 | 14,044.85 | 513,438.43 | 1,378,912.43 |
| Accounts Receivable, Net | 1131 | | | | 0.00 |
| Interest Receivable on Investments | 1170 | | | | 0.00 |
| Due From Budgetary Funds | 1141 | | | | 0.00 |
| Due From Other Agencies | 1220 | | | | 0.00 |
| Inventory | 1150 | 110,339.91 | 104,333.35 | 110,339.91 | 104,333.35 |
| Total Assets | | 18,008,347.68 | 16,420,904.09 | 16,643,480.10 | 17,785,771.67 |
| LIABILITIES | | | | | |
| Cash Overdraft | 2125 | | | | 0.00 |
| Accrued Salaries and Benefits | 2110 | | | | 0.00 |
| Payroll Deductions and Withholdings | 2170 | | | | 0.00 |
| Accounts Payable | 2120 | 1,294,696.82 | 1,419,239.63 | 1,294,696.82 | 1,419,239.63 |
| Internal Accounts Payable | 2290 | 16,713,650.86 | 25,041,171.57 | 25,388,290.39 | 16,366,532.04 |
| Due to Budgetary Funds | 2161 | | | | 0.00 |
| Total Liabilities | | 18,008,347.68 | 26,460,411.20 | 26,682,987.21 | 17,785,771.67 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 SCHEDULE OF LONG-TERM LIABILITIES
 June 30, 2016

| | Account Number | Governmental Activities Total Balance [1] June 30, 2016 | Business-Type Activities Total Balance [1] June 30, 2016 | Total | Governmental Activities - Debt Principal Payments 2015-16 | Governmental Activities - Principal Due Within One Year 2016-17 | Governmental Activities - Debt Interest Payments 2015-16 | Governmental Activities - Interest Due Within One Year 2016-17 |
|--|----------------|---|--|-------------------------|---|---|--|--|
| Notes Payable | 2310 | | | 0.00 | | | | |
| Obligations Under Capital Leases | 2315 | | | 0.00 | | | | |
| Bonds Payable | | | | | | | | |
| SBE/COBI Bonds Payable | 2321 | 23,525,000.00 | | 23,525,000.00 | 4,880,000.00 | 5,186,000.00 | 1,398,138.32 | 1,109,757.50 |
| District Bonds Payable | 2322 | | | 0.00 | | | | |
| Special Act Bonds Payable | 2323 | | | 0.00 | | | | |
| Motor Vehicle License Revenue Bonds Payable | 2324 | 5,810,455.00 | | 5,810,455.00 | 370,000.00 | 260,000.00 | 154,465.49 | 174,868.76 |
| Sales Surtax Bonds Payable | 2326 | 175,841,466.89 | | 175,841,466.89 | 11,770,000.00 | 13,160,000.00 | 4,806,313.50 | 5,910,595.00 |
| Total Bonds Payable | 2320 | 205,176,921.89 | 0.00 | 205,176,921.89 | 17,020,000.00 | 18,606,000.00 | 6,358,917.31 | 7,195,221.26 |
| Liability for Compensated Absences | 2330 | 163,193,835.02 | | 163,193,835.02 | | | | |
| Lease-Purchase Agreements Payable | | | | | | | | |
| Certificates of Participation (COPS) Payable | 2341 | 732,795,431.25 | | 732,795,431.25 | 31,420,000.00 | 32,410,000.00 | 30,066,807.08 | 27,886,496.04 |
| Qualified Zone Academy Bonds (QZAB) Payable | 2342 | 9,133,000.00 | | 9,133,000.00 | 9,600,000.00 | | | |
| Qualified School Construction Bonds (QSCB) Payable | 2343 | 37,935,000.00 | | 37,935,000.00 | | | 154,465.49 | |
| Build America Bonds (BAB) Payable | 2344 | | | 0.00 | | | | |
| Other Lease-Purchase Agreements Payable | 2349 | | | 0.00 | | | | |
| Total Lease-Purchase Agreements Payable | 2340 | 779,863,431.25 | 0.00 | 779,863,431.25 | 41,020,000.00 | 32,410,000.00 | 30,221,272.57 | 27,886,496.04 |
| Estimated Liability for Long-Term Claims | 2350 | 23,918,359.00 | | 23,918,359.00 | | | | |
| Net Other Postemployment Benefits Obligation | 2360 | 140,458,864.00 | | 140,458,864.00 | | | | |
| Net Pension Liability | 2365 | 753,569,900.00 | | 753,569,900.00 | | | | |
| Estimated PECO Advance Payable | 2370 | | | 0.00 | | | | |
| Other Long-Term Liabilities | 2380 | | | 0.00 | | | | |
| Derivative Instrument | 2390 | | | 0.00 | | | | |
| Total Long-term Liabilities | | 2,066,181,311.16 | 0.00 | 2,066,181,311.16 | 58,040,000.00 | 51,016,000.00 | 36,580,189.88 | 35,081,717.30 |

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2016, including discounts and premiums.

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF CATEGORICAL PROGRAMS
REPORT OF EXPENDITURES AND AVAILABLE FUNDS**

For the Fiscal Year Ended June 30, 2016

Exhibit K-13

FDOE Page 21

| CATEGORICAL PROGRAMS (Revenue Number) [Footnote] | Grant Number | Unexpended June 30, 2015 | Returned To FDOE | Revenues [1] 2015-16 | Expenditures 2015-16 | Flexibility [2] 2015-16 | Unexpended June 30, 2016 |
|--|-----------------|-----------------------------|---------------------|-------------------------|-------------------------|----------------------------|-----------------------------|
| Class Size Reduction Operating Funds (3355) | 94740 | | | 232,498,117.00 | 232,498,117.00 | | 0.00 |
| Excellent Teaching Program (3363) | 90570 | | | | | | 0.00 |
| Florida Digital Classrooms (FEFP Earmark) | 98250 | 1.66 | | 3,418,666.00 | 2,150,100.85 | | 1,268,566.81 |
| Florida School Recognition Funds (3361) | 92040 | 600,917.93 | 0.00 | 8,914,088.00 | 9,020,566.65 | | 494,439.28 |
| Instructional Materials (FEFP Earmark) [3] | 90880 | 1,968,797.29 | 0.00 | 15,725,201.00 | 5,570,440.35 | | 12,123,557.94 |
| Library Media (FEFP Earmark) [3] | 90881 | 26,917.76 | 0.00 | 887,988.00 | 884,595.65 | | 30,310.11 |
| Preschool Projects (3372) | 97950 | | | | | | 0.00 |
| Public School Technology | 90320 | | | | | | 0.00 |
| Research-Based Reading Instruction (FEFP Earmark) [4] | 90800 | 3,537,222.47 | 0.00 | 9,296,419.00 | 9,774,771.44 | | 3,058,870.03 |
| Safe Schools (FEFP Earmark) [5] | 90803 | | | 3,465,142.00 | 3,465,142.00 | | 0.00 |
| Salary Bonus Outstanding Teachers in D and F Schools | 94030 | | | | | | 0.00 |
| Student Transportation (FEFP Earmark) | 90830 | | | 33,539,908.00 | 33,539,908.00 | | 0.00 |
| Supplemental Academic Instruction (FEFP Earmark) [4] | 91280 | | | 40,210,908.00 | 39,538,917.71 | | 671,990.29 |
| Teacher Training | 91290 | | | | | | 0.00 |
| Teachers Classroom Supply Assistance (FEFP Earmark) | 97580 | | | 3,426,541.00 | 3,426,541.00 | | 0.00 |
| Voluntary Prekindergarten - School Year Program (3371) | 96440 | | | 24,175,022.29 | 24,175,022.29 | | 0.00 |
| Voluntary Prekindergarten - Summer Program (3371) | 96441 | | | 1,613,341.97 | 1,613,341.97 | | 0.00 |

[1] Include both state and local revenue sources.

[2] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

[3] Report the Library Media portion of the Instructional Materials allocation on the line "Library Media."

[4] Expenditures for designated low-performing elementary schools should be included in expenditures.

[5] Combine all programs funded from the Safe Schools allocation on one line, "Safe Schools."

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
 For the Fiscal Year Ended June 30, 2016

Exhibit K-14
 FDOE Page 22

| | Subobject | General Fund 100 | Special Revenue Food Services 410 | Special Revenue Other Federal Programs 420 | Special Revenue Federal Economic Stimulus Programs 430 | Total |
|--|-----------|---------------------|---|--|--|---------------|
| ENERGY EXPENDITURES: | | | | | | |
| Natural Gas | 411 | | | | | 0.00 |
| Bottled Gas | 421 | | | | | 0.00 |
| Electricity | 430 | 30,626,293.66 | 2,031,008.02 | 51,873.05 | | 32,709,174.73 |
| Heating Oil | 440 | | | | | 0.00 |
| Total | | 30,626,293.66 | 2,031,008.02 | 51,873.05 | 0.00 | 32,709,174.73 |
| ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION: | | | | | | |
| Compressed Natural Gas | 412 | | | | | 0.00 |
| Liquefied Petroleum Gas | 422 | 80,769.89 | | | | 80,769.89 |
| Gasoline | 450 | 19,339.20 | | 3,529.73 | | 22,868.93 |
| Diesel Fuel | 460 | 5,502,829.21 | | | | 5,502,829.21 |
| Oil and Grease | 540 | 140,284.35 | | | | 140,284.35 |
| Total | | 5,743,222.65 | | 3,529.73 | 0.00 | 5,746,752.38 |

| | Subobject | General Fund 100 | Special Revenue Other Federal Programs 420 | Special Revenue Federal Economic Stimulus Programs 430 | Capital Projects Funds 3XX | Total |
|---|-----------|---------------------|--|--|-------------------------------|---------------|
| EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS: | | | | | | |
| Buses | 651 | | | | 26,233,459.27 | 26,233,459.27 |

| | Subobject | General Fund 100 | Special Revenue Food Services 410 | Special Revenue Other Federal Programs 420 | Special Revenue Federal Economic Stimulus Programs 430 | Total |
|---|-----------|---------------------|---|--|--|---------------|
| SUBAWARDS FOR INDIRECT COST RATE: | | | | | | |
| <i>Professional and Technical Services:</i> | | | | | | |
| Subawards Under Subagreements - First \$25,000 | 311 | | | | | 0.00 |
| Subawards Under Subagreements - In Excess of \$25,000 | 312 | 9,468,938.75 | 3,629,180.29 | | | 13,098,119.04 |
| <i>Other Purchased Services:</i> | | | | | | |
| Subawards Under Subagreements - First \$25,000 | 391 | | | | | 0.00 |
| Subawards Under Subagreements - In Excess of \$25,000 | 392 | | | | | 0.00 |

| | Subobject | Special Revenue Food Services 410 |
|--|-----------|---|
| FOOD SERVICE SUPPLIES SUBOBJECT | | |
| Supplies | 510 | 153,846.19 |
| Food | 570 | 42,084,315.24 |
| Donated Foods | 580 | 6,928,499.04 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2016

| | Subobject | General Fund 100 | Special Revenue Other Federal Programs 420 | Special Revenue Federal Economic Stimulus Programs 430 | Total |
|---|-----------|---------------------|--|--|----------------|
| TEACHER SALARIES | | | | | |
| Basic Programs 101, 102 and 103 (Function 5100) | 120 | 530,724,380.64 | 28,246,134.14 | | 558,970,514.78 |
| Basic Programs 101, 102 and 103 (Function 5100) | 140 | | | | 0.00 |
| Basic Programs 101, 102 and 103 (Function 5100) | 750 | 81,585.46 | | | 81,585.46 |
| Total Basic Program Salaries | | 530,805,966.10 | 28,246,134.14 | 0.00 | 559,052,100.24 |
| Other Programs 130 (ESOL) (Function 5100) | 120 | 9,123,828.20 | 649,948.85 | | 9,773,777.05 |
| Other Programs 130 (ESOL) (Function 5100) | 140 | | | | 0.00 |
| Other Programs 130 (ESOL) (Function 5100) | 750 | | | | 0.00 |
| Total Other Program Salaries | | 9,123,828.20 | 649,948.85 | 0.00 | 9,773,777.05 |
| ESE Programs 111, 112, 113, 254 and 255 (Function 5200) | 120 | 112,165,745.30 | 1,472,866.03 | | 113,638,611.33 |
| ESE Programs 111, 112, 113, 254 and 255 (Function 5200) | 140 | | | | 0.00 |
| ESE Programs 111, 112, 113, 254 and 255 (Function 5200) | 750 | 189.60 | | | 189.60 |
| Total ESE Program Salaries | | 112,165,934.90 | 1,472,866.03 | 0.00 | 113,638,800.93 |
| Career Program 300 (Function 5300) | 120 | 22,779,639.57 | 149,482.84 | | 22,929,122.41 |
| Career Program 300 (Function 5300) | 140 | | | | 0.00 |
| Career Program 300 (Function 5300) | 750 | | | | 0.00 |
| Total Career Program Salaries | | 22,779,639.57 | 149,482.84 | 0.00 | 22,929,122.41 |
| Total | | 674,875,368.77 | 30,518,431.86 | 0.00 | 705,393,800.63 |

| | Subobject | General Fund 100 | Special Revenue Other Federal Programs 420 | Special Revenue Federal Economic Stimulus Programs 430 | Total |
|---|-----------|---------------------|--|--|--------------|
| TEXTBOOKS (used for classroom instruction) | | | | | |
| Textbooks (Function 5000) | 520 | 6,860,503.99 | 167,732.49 | | 7,028,236.48 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
 For the Fiscal Year Ended June 30, 2016

| CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND EXPENDITURES | Account Number | Safe Schools | Student Transportation | Supplemental Academic Instruction | Research-Based Reading Instruction | Instructional Materials | Instructional Materials / Library Media | Totals |
|--|-------------------|-----------------|---------------------------|---|---------------------------------------|----------------------------|---|--------|
| <i>Instruction:</i> | | | | | | | | |
| Basic | 5100 | | | | | | | 0.00 |
| Exceptional | 5200 | | | | | | | 0.00 |
| Career Education | 5300 | | | | | | | 0.00 |
| Adult General | 5400 | | | | | | | 0.00 |
| Prekindergarten | 5500 | | | | | | | 0.00 |
| Other Instruction | 5900 | | | | | | | 0.00 |
| Total Flexible Spending Instructional Expenditures | 5000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| DISTRIBUTIONS TO CHARTER SCHOOLS (Charter school information is used in federal reporting) | Fund Number | Direct Payment (Object 393) | Amount Withheld for Administration | Payments and Services on Behalf of Charter Schools | Total Amount |
|---|----------------|--------------------------------|---------------------------------------|---|----------------|
| <i>Expenditures:</i> | | | | | |
| General Fund | 100 | 114,804,344.00 | 2,376,651.00 | | 117,180,995.00 |
| Food Service Special Revenue Fund | 410 | | | | 0.00 |
| Other Federal Programs Special Revenue Fund | 420 | 1,922,865.00 | | | 1,922,865.00 |
| Federal Economic Stimulus Special Revenue Funds | 430 | | | | 0.00 |
| Capital Projects Funds | 3XX | | | | 0.00 |
| Total Charter School Distributions | | 116,727,209.00 | 2,376,651.00 | 0.00 | 119,103,860.00 |

| LIFELONG LEARNING (Lifelong Learning expenditures are used in federal reporting) | Account Number | Amount |
|---|----------------|--------------|
| <i>Expenditures:</i> | | |
| General Fund | 5900 | 850,131.98 |
| Other Federal Programs Special Revenue Fund | 5900 | 1,983,108.27 |
| Federal Economic Stimulus Special Revenue Funds | 5900 | |
| Total | 5900 | 2,833,240.25 |

| MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting) | Unexpended June 30, 2015 | Earnings 2015-16 | Expenditures 2015-16 | Unexpended June 30, 2016 |
|--|-----------------------------|---------------------|-------------------------|-----------------------------|
| Earnings, Expenditures and Carryforward Amounts: | | 11,440,632.06 | 11,440,632.06 | 0.00 |
| <i>Expenditure Program or Activity:</i> | | | | |
| Exceptional Student Education | | | 11,440,632.06 | |
| School Nurses and Health Care Services | | | | |
| Occupational Therapy, Physical Therapy and Other Therapy Services | | | | |
| ESE Professional and Technical Services | | | | |
| Gifted Student Education | | | | |
| Staff Training and Curriculum Development | | | | |
| Medicaid Administration and Billing Services | | | | |
| Student Services | | | | |
| Consultants | | | | |
| Other | | | | |
| Total Expenditures | | | 11,440,632.06 | |

| General Fund Balance Sheet Information (This information is used in state reporting) | Fund Number | Amount |
|---|----------------|----------------|
| <i>Balance Sheet Amount, June 30, 2016:</i> | | |
| Total Assets and Deferred Outflows of Resources | 100 | 180,520,433.94 |
| Total Liabilities and Deferred Inflows of Resources | 100 | 34,445,464.64 |

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
 VOLUNTARY PREKINDERGARTEN (VPIK) PROGRAM
 For the Fiscal Year Ended June 30, 2016

| VOLUNTARY PREKINDERGARTEN PROGRAM [1] GENERAL FUND EXPENDITURES | Account Number | 100 | 200 | 300 | 400 | 500 | 600 | 700 | Totals |
|--|----------------|------------|-------------------|--------------------|-----------------|------------------------|----------------|-------|---------------|
| | | Salaries | Employee Benefits | Purchased Services | Energy Services | Materials and Supplies | Capital Outlay | Other | |
| <i>Current:</i> | | | | | | | | | |
| Prekindergarten | 5500 | 160,562.14 | 47,164.47 | 58,381.70 | 1,535.66 | 3,264.06 | 3,490.47 | | 274,398.50 |
| Student Support Services | 6100 | | | | | | | | 0.00 |
| Instructional Media Services | 6200 | | | | | | | | 0.00 |
| Instruction and Curriculum Development Services | 6300 | | | 1,710.51 | | | | | 1,710.51 |
| Instructional Staff Training Services | 6400 | | | | | | | | 0.00 |
| Instruction-Related Technology | 6500 | | | | | | | | 0.00 |
| Board | 7100 | 131,243.29 | 47,093.62 | | | | | | 178,336.91 |
| General Administration | 7200 | | | | | | | | 0.00 |
| School Administration | 7300 | | | | | | | | 0.00 |
| Facilities Acquisition and Construction | 7410 | | | | | | | | 0.00 |
| Fiscal Services | 7500 | | | | | | | | 0.00 |
| Food Services | 7600 | | | | | | | | 0.00 |
| Central Services | 7700 | | | | | | | | 0.00 |
| Student Transportation Services | 7800 | | | | | | | | 0.00 |
| Operation of Plant | 7900 | 198.93 | 75.72 | | | | | | 274.65 |
| Maintenance of Plant | 8100 | | | | | | | | 0.00 |
| Administrative Technology Services | 8200 | | | | | | | | 0.00 |
| Community Services | 9100 | | | 25,333,643.69 | | | | | 25,333,643.69 |
| <i>Capital Outlay:</i> | | | | | | | | | |
| Facilities Acquisition and Construction | 7420 | | | | | | | | 0.00 |
| Other Capital Outlay | 9300 | | | | | | | | 0.00 |
| <i>Debt Service: (Function 9200)</i> | | | | | | | | | |
| Redemption of Principal | 710 | | | | | | | | 0.00 |
| Interest | 720 | | | | | | | | 0.00 |
| Total Expenditures | | 292,004.36 | 94,333.81 | 25,393,735.90 | 1,535.66 | 3,264.06 | 3,490.47 | 0.00 | 25,788,364.26 |

[1] Include expenditures for the summer program (section 1002.61, F.S.) and the school-year program (section 1002.63, F.S.).

DOE PAGES 26 AND 27 INTENTIONALLY OMITTED

SCHEDULE 5
SUPPLEMENTAL SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2016

| Federal Grantor/Pass -Through Grantor/Program Title | Catalog of Federal Domestic Assistance Number | Pass-Through Grantor Number | Amount of Expenditures | Amount Provided to Subrecipients |
|---|---|-----------------------------|------------------------|----------------------------------|
| United States Department of Agriculture | | | | |
| School Breakfast Program | 10.553 | | 21,750,813.05 | |
| National School Lunch Program | 10.555 | NSLP | 56,130,053.40 | |
| National School Lunch Program(Comm) | 10.555 | | 6,928,499.04 | |
| Child and Adult Care Program | 10.558 | | 4,198,852.78 | |
| Summer Food Service Program for Children | 10.559 | NSLP | 1,418,420.17 | |
| Fresh Fruit and Vegetable Program | 10.582 | | 1,429,383.30 | |
| Total for United States Department of Agriculture | | | 91,856,021.74 | |
| United States Department of Labor | | | | |
| National Farmworker Jobs Program | 17.264 | Various | 349,742.34 | |
| Disability Employment Policy Development | 17.720 | Various | 21,741.79 | |
| Total for United States Department of Labor | | | 371,484.13 | |
| National Aeronautics and Space Administration | | | | |
| National Aeronautics and Space Administration | 43.008 | Various | 4,225.04 | |
| Total for National Aeronautics and Space Administration | | | 4,225.04 | |
| National Science Foundation | | | | |
| Education and Human Resources | 47.076 | Various | 11,810.18 | |
| Total for National Science Foundation | | | 11,810.18 | |
| United States Department of Education | | | | |
| Adult Education - Basic Grants to States | 84.002 | Various | 2,069,726.11 | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | Various | 45,201.00 | |
| Title I Grants to Local Educational Agencies | 84.010 | Various | 65,231,598.21 | |
| Migrant Education_State Grant Program | 84.011 | Various | 3,992,986.05 | |
| Special Education - Grants to States | 84.027 | Various | 44,252,953.79 | |
| Federal Work-Study Program | 84.033 | Various | 43,633.35 | |
| Impact Aid | 84.041 | Various | 406,738.93 | |
| Career and Technical Education -- Basic Grants to States | 84.048 | Various | 2,535,112.41 | |
| Indian Education_Grants to Local Educational Agencies | 84.060 | Various | 13,144.62 | |
| Federal Pell Grant Program | 84.063 | Various | 3,084,905.32 | |
| Special Education - Preschool Grants | 84.173 | Various | 897,695.10 | |
| Safe and Drug-Free Schools and Communities National Programs | 84.184 | Various | 1,811,793.64 | |
| Education for Homeless Children and Youth | 84.196 | Various | 124,081.03 | |
| Charter Schools | 84.282 | Various | 667,930.66 | 667930.66 |
| Special Education State Personnel Development | 84.323 | Various | 5,773.99 | |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | Various | 476,047.21 | |
| Transition to Teaching | 84.350 | Various | 714,425.95 | |
| English Language Acquisition Grants | 84.365 | Various | 2,939,348.93 | |
| Math and Science Partnerships | 84.366 | Various | 1,105,717.51 | |
| Improving Teacher Quality State Grants | 84.367 | Various | 7,722,182.92 | |
| Teacher Incentive Fund | 84.374 | Various | 16,941,200.80 | |
| School Improvement Grants | 84.377 | Various | 1,056,841.31 | |
| State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395 | Various | 967,552.24 | |
| Investing in Innovation (i3) Fund | 84.411 | Various | 495,164.58 | |
| Total for United States Department of Education | | | 157,601,755.66 | 667,930.66 |
| United States Department of Health and Human Services | | | | |
| Mental Health Research Grants | 93.242 | Various | 24,878.03 | |
| Substance Abuse and Mental Health Services_Projects of Regional and National Significance | 93.243 | Various | 43,506.37 | |
| Temporary Assistance for Needy Families | 93.558 | Various | 11,905,056.21 | |
| Refugee and Entrant Assistance_State Administered Programs | 93.566 | Various | 1,764,325.18 | |
| Social Services Block Grant | 93.567 | Various | 35,524.29 | |
| Child Care and Development Block Grant | 93.575 | Various | 14,995,145.15 | |
| Refugee and Entrant Assistance-Discretionary Grants | 93.576 | Various | 435,979.69 | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | Various | 13,045,307.44 | |
| Head Start | 93.600 | Various | 11,517,121.32 | |
| Children's Health Insurance Program | 93.767 | Various | 422,772.00 | |
| Total for United States Department of Health and Human Services | | | 54,189,615.68 | |
| ROTC | | ROTC | 2,097,945.80 | |
| Total for United States ROTC | | | 2,097,945.80 | |
| Grand Total | | | 306,132,858.23 | 667,930.66 |