

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2017**

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Office of Funding and
Financial Reporting
325 W. Gaines St., Suite 824
Tallahassee, FL 32399-0400

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**Minimum
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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2017, 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 12, 2017.

District Superintendent's Signature

September 12, 2017
Date

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

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 District's 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 \$621,092,132.22 (net position). Of this amount \$(956,004,001.42) 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, 2017

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, 2017

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 – 18.63 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 \$621,092,186.85 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 2017	Governmental Activities 2016
Current and other assets	\$ 465,713,101.29	\$ 478,096,216.36
Capital assets	<u>2,272,759,581.95</u>	<u>2,294,400,783.98</u>
Total assets	<u>2,738,472,683.24</u>	<u>2,772,497,000.34</u>
Deferred outflows	<u>726,226,397.70</u>	<u>380,678,768.22</u>
Long-term liabilities outstanding	2,709,213,951.37	2,066,181,311.20
Other liabilities	<u>98,598,465.37</u>	<u>120,112,374.39</u>
Total liabilities	<u>2,807,812,416.72</u>	<u>2,186,293,685.59</u>
Deferred inflows	<u>35,794,532.00</u>	<u>219,406,182.00</u>
Net position:		
Net Investment in Capital Assets	1,323,826,048.83	1,334,058,551.36
Restricted	253,270,084.81	235,597,846.91
Unrestricted	<u>(956,004,001.42)</u>	<u>(822,180,497.31)</u>
Total Net Position	<u>\$ 621,092,132.22</u>	<u>\$ 747,475,900.96</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 \$126,383,768.74 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, 2017

Governmental Activities

Governmental activities decreased the District's net position by \$126,383,768.74. Key elements of this decrease are as follows:

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 52,943,666.52	\$ 51,993,169.75
Operating grants and contributions	93,721,866.78	93,302,020.74
Capital grants and contributions	12,962,778.28	11,186,445.66
General revenues:		
Property taxes, levied for operational Purposes	453,097,176.43	446,798,976.36
Property taxes, levied for capital projects	125,707,135.42	116,622,967.88
Local sales taxes	30,717,925.03	29,660,622.37
Grants and contributions not restricted to specific programs	1,303,194,275.45	1,298,735,266.16
Investment earnings	3,567,656.58	3,621,747.44
Miscellaneous	79,301,523.36	82,027,094.48
Total revenues	\$ <u>2,155,214,003.85</u>	<u>2,133,948,310.84</u>
Expenses:		
Instruction	1,294,842,155.64	1,205,857,776.47
Pupil personnel services	90,552,194.13	84,580,027.17
Instructional media services	26,768,110.40	24,274,018.17
Instruction and curriculum development	61,387,234.12	60,775,235.19
Instructional staff training services	44,740,201.78	43,942,164.73
Instruction related technology	37,702,453.06	36,720,376.11
Board	1,752,328.56	2,625,558.98
General administration	15,400,529.00	15,605,390.40
School administration	114,527,764.27	107,622,311.84
Facilities acquisition and construction	116,950,049.47	128,843,091.44
Fiscal services	7,867,397.77	6,839,665.97
Food services	121,827,931.99	119,177,056.01
Central services	30,976,993.94	47,495,112.44
Pupil transportation services	71,438,578.07	67,078,396.48
Operation of plant	120,378,033.95	114,069,102.15
Maintenance of plant	29,251,957.51	28,186,328.22
Administrative Technology Services	129,698.36	404,408.97
Community services	65,737,887.78	88,341,868.96
Interest on long-term debt	29,140,738.62	34,731,964.65
Unallocated depreciation	225,534.17	228,164.90
Total expense	<u>2,281,597,772.59</u>	<u>2,217,398,019.25</u>
Change in net position	(126,383,768.74)	(83,449,708.41)
Net position beginning of year	747,475,900.96	830,925,609.37
Net position end of year	\$ <u>621,092,132.22</u>	<u>747,475,900.96</u>

The increase in unrestricted grants and contributions revenue of \$4,459,009.29 is a result of an increase in grants awarded to the District. Property taxes increased \$15,382,367.61 during the year as a result of an increase in assessed values.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

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 \$374,805,043.79, an increase of \$1,955,633.82 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 \$140,774,024.64. The fund balance of the District's General Fund decreased by \$5,300,944.66 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 eight percent of that same amount. The fund balance decrease of \$5,300,944.66 in the current year was primarily due to revenues from the state not keeping pace with student growth and workforce related expenditures.

A portion of the reduced revenues comes from the recalibration process which was implemented in FY 2013-2014 to reduce the amount of funding for each student to 1.0 Full Time Equivalent (FTE). Students can take course loads greater than 1.0 FTE by accessing virtual schools and other acceleration opportunities. Acceleration is encouraged by Florida Statutes, and the district is prohibited from denying those opportunities. In FY 2013-2014 the Legislature decided that although the Legislature requires districts to allow enrollment beyond one FTE for each student, the Legislature would no longer pay for the extra enrollment. The projected district enrollment was reduced 2,325 UFTE that year because of recalibration. The average annual impact of recalibration for the past several years has reduced the total enrollment counts by about 1.5%.

Additionally, we experienced a decrease in Capital Projects Funds and Public Education Capital Outlay (PECO) Maintenance dollars coming from the State. With these decreasing revenues the General Fund was required to pay for more of the needed operational repairs and technology needs at our school sites.

Actual expenses were \$10,150,778 less than the prior fiscal year. Salaries and benefits represent the most significant expenditures of the District specifically as it relates to school level expenditures. This year we continued the effort to meet the financial challenges by creating efficiencies which reduced salaries, and ongoing review of requests for purchases of goods and services and equipment. In the review process the requests were deemed essential or non-essential. Also, work continued with energy efficiency strategies, and the next year of the 15-year school

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

bus replacement plan, with the purchase of 100 new school buses and the sale of 100 old and inefficient yellow school buses.

Expenses continued with the ongoing Legislative Mandate for the "Additional hour of reading for the 300 lowest performing elementary schools." This mandate requires an additional hour of reading instruction beyond the normal school day for all students attending these schools.

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

The Other Debt Service Fund decreased this year over last year due to transfers back to the capital funds

The Capital Improvement Fund's ending fund balance of \$419,729.81 dropped \$17,927,846.34 from the prior year. Taxes for capital outlay were \$9,084,167.84 more this year while operational expenditures for various projects were \$27,921,840.00 less than last year. However transfers out totaled \$103,578,750.68 to cover expenditures related to Capital Improvement, but not recorded in those funds.

Other Capital Projects Fund had an increase in fund balance of \$48,227,336.69 from a prior year fund balance of \$64,402,906.97 to a current year fund balance of \$112,630,243.66. This change was due to an increase in revenue for those funds.

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 \$59.5 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 \$47.6 million below the final amended expenditure budget. Unexpended appropriations of \$47.6 million were composed of the following: (1) \$34.1 million in restricted programs, (2) \$2.8 million in other earmarked assigned funds and (3) \$10.6 million in other unexpended budget items. The \$10.6 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, 2017

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$2,272,759,581.95 (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>2017</u>	Governmental Activities <u>2016</u>
Land	\$ 161,410,563.66	\$ 161,410,563.66
Land improvements	96,077,620.44	94,735,627.01
Construction in progress	40,551,727.46	34,839,037.05
Improvements other than buildings	77,302,893.37	77,340,116.72
Buildings and systems	1,833,765,605.44	1,865,122,710.80
Furniture, fixtures and equipment	23,807,054.76	25,512,905.67
Motor vehicles	39,129,015.78	34,175,229.57
Computer software	715,101.04	1,264,593.50
Total capital assets	\$ <u>2,272,759,581.95</u>	\$ <u>2,294,400,783.98</u>

This year's additions of \$74,703,218.74, 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 \$948,933,533.12, which is net of un-amortized bond premiums of (\$48,619,533.12).

	<u>2017</u>	<u>2016</u>
Bonds payable	205,079,468.41	205,176,921.89
Certificates of participation	743,854,064.71	779,863,431.28
Total long term debt	\$ <u>948,933,533.12</u>	\$ <u>985,040,353.17</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

The District's total borrowed and bonded debt decreased by \$36,106,820.05 (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 8-12 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 Services, 901 E. Kennedy Blvd., Tampa, Florida, 33602 or call 813-272-4292.

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF NET POSITION
June 30, 2017

	Account Number	Primary Government		
		Governmental Activities	Business-Type Activities	Total
ASSETS				
Cash and Cash Equivalents	1110	135,933,440.85		135,933,440.85
Investments	1160	225,816,346.24		225,816,346.24
Taxes Receivable, Net	1120			0.00
Accounts Receivable, Net	1131	5,072,970.04		5,072,970.04
Interest Receivable on Investments	1170			0.00
Due From Other Agencies	1220	93,247,909.00		93,247,909.00
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	5,642,435.16		5,642,435.16
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	96,077,620.44		96,077,620.44
Construction in Progress	1360	40,551,727.46		40,551,727.46
Nondepreciable Capital Assets		298,039,911.56	0.00	298,039,911.56
Improvements Other Than Buildings	1320	225,474,309.30		225,474,309.30
Less Accumulated Depreciation	1329	(148,171,415.93)		(148,171,415.93)
Buildings and Fixed Equipment	1330	2,789,408,467.86		2,789,408,467.86
Less Accumulated Depreciation	1339	(955,642,862.42)		(955,642,862.42)
Furniture, Fixtures and Equipment	1340	145,863,136.67		145,863,136.67
Less Accumulated Depreciation	1349	(122,056,081.91)		(122,056,081.91)
Motor Vehicles	1350	121,940,585.30		121,940,585.30
Less Accumulated Depreciation	1359	(82,811,569.52)		(82,811,569.52)
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	19,913,241.19		19,913,241.19
Less Accumulated Amortization	1389	(19,198,140.15)		(19,198,140.15)
Depreciable Capital Assets, Net		1,974,719,670.39	0.00	1,974,719,670.39
Total Capital Assets		2,272,759,581.95	0.00	2,272,759,581.95
Total Assets		2,738,472,683.24	0.00	2,738,472,683.24
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	12,718,714.00		12,718,714.00
Net Carrying Amount of Debt Refunding	1920	22,306,221.33		22,306,221.33
Pension	1940	691,201,462.37		691,201,462.37
Other Postemployment Benefits	1950			0.00
Total Deferred Outflows of Resources		726,226,397.70	0.00	726,226,397.70
LIABILITIES				
Cash Overdraft	2125			0.00
Accrued Salaries and Benefits	2110	709,029.24		709,029.24
Payroll Deductions and Withholdings	2170	2,859,848.56		2,859,848.56
Accounts Payable	2120	37,795,050.84		37,795,050.84
Sales Tax Payable	2260			0.00
Current Notes Payable	2250			0.00
Accrued Interest Payable	2210	12,613,940.91		12,613,940.91
Deposits Payable	2220	2,897,982.85		2,897,982.85
Due to Other Agencies	2230	6,038,369.42		6,038,369.42
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	2,345,872.86		2,345,872.86
Estimated Unpaid Claims - Self-Insurance Program	2271			0.00
Estimated Liability for Claims Adjustment	2272			0.00
Derivative Instrument	2390	17,959,751.00		17,959,751.00
Unearned Revenues	2410	15,378,619.69		15,378,619.69
<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	19,016,000.00		19,016,000.00
Liability for Compensated Absences	2330	13,691,120.52		13,691,120.52
Lease-Purchase Agreements Payable	2340	33,895,000.00		33,895,000.00
Estimated Liability for Long-Term Claims	2350	13,619,840.83		13,619,840.83
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			0.00
Estimated Liability for Arbitrage Rebate	2280			0.00
Due Within One Year		80,221,961.35	0.00	80,221,961.35
<i>Portion Due After One Year:</i>				
Notes Payable	2310			0.00
Obligations Under Capital Leases	2315			0.00
Bonds Payable	2320	186,063,468.41		186,063,468.41
Liability for Compensated Absences	2330	152,607,571.64		152,607,571.64
Lease-Purchase Agreements Payable	2340	709,959,064.71		709,959,064.71
Estimated Liability for Long-Term Claims	2350	10,828,098.17		10,828,098.17
Net Other Postemployment Benefits Obligation	2360	157,956,970.00		157,956,970.00
Net Pension Liability	2365	1,411,576,817.07		1,411,576,817.07
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		2,628,991,990.00	0.00	2,628,991,990.00
Total Long-Term Liabilities		2,709,213,951.35	0.00	2,709,213,951.35
Total Liabilities		2,807,812,416.72	0.00	2,807,812,416.72
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	35,794,532.00		35,794,532.00
Other Postemployment Benefits	2650			0.00
Total Deferred Inflows of Resources		35,794,532.00	0.00	35,794,532.00
NET POSITION				
Net Investment in Capital Assets	2770	1,323,826,048.83		1,323,826,048.83
<i>Restricted For:</i>				
Categorical Carryover Programs	2780	28,516,277.11		28,516,277.11
Food Service	2780	23,049,751.76		23,049,751.76
Debt Service	2780	78,037,001.38		78,037,001.38
Capital Projects	2780	117,984,452.24		117,984,452.24
Other Purposes	2780	5,682,602.32		5,682,602.32
Unrestricted	2790	(956,004,001.42)		(956,004,001.42)
Total Net Position		621,092,132.22	0.00	621,092,132.22

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units
						Governmental Activities	Business-Type Activities		
<i>Governmental Activities:</i>									
Instruction	5000	1,294,842,155.64	26,241,468.11			(1,268,600,687.53)		(1,268,600,687.53)	
Student Support Services	6100	90,552,194.13				(90,552,194.13)		(90,552,194.13)	
Instructional Media Services	6200	26,768,110.40				(26,768,110.40)		(26,768,110.40)	
Instruction and Curriculum Development Services	6300	61,387,234.12				(61,387,234.12)		(61,387,234.12)	
Instructional Staff Training Services	6400	44,740,201.78				(44,740,201.78)		(44,740,201.78)	
Instruction-Related Technology	6500	37,702,453.06				(37,702,453.06)		(37,702,453.06)	
Board	7100	1,752,328.56				(1,752,328.56)		(1,752,328.56)	
General Administration	7200	15,400,529.00				(15,400,529.00)		(15,400,529.00)	
School Administration	7300	114,527,764.27				(114,527,764.27)		(114,527,764.27)	
Facilities Acquisition and Construction	7400	116,950,049.47			6,793,195.72	(110,156,853.75)		(110,156,853.75)	
Fiscal Services	7500	7,867,397.77				(7,867,397.77)		(7,867,397.77)	
Food Services	7600	121,827,931.99	24,291,531.97	93,721,866.78		(3,814,533.24)		(3,814,533.24)	
Central Services	7700	30,976,993.94				(30,976,993.94)		(30,976,993.94)	
Student Transportation Services	7800	71,438,578.07	2,410,666.44			(69,027,911.63)		(69,027,911.63)	
Operation of Plant	7900	120,378,033.95				(120,378,033.95)		(120,378,033.95)	
Maintenance of Plant	8100	29,251,957.51				(29,251,957.51)		(29,251,957.51)	
Administrative Technology Services	8200	129,698.36				(129,698.36)		(129,698.36)	
Community Services	9100	65,737,887.78				(65,737,887.78)		(65,737,887.78)	
Interest on Long-Term Debt	9200	29,140,738.62			6,169,582.56	(22,971,156.06)		(22,971,156.06)	
Unallocated Depreciation/Amortization Expense		225,534.17				(225,534.17)		(225,534.17)	
Total Governmental Activities		2,281,597,772.59	52,943,666.52	93,721,866.78	12,962,778.28	(2,121,969,461.01)		(2,121,969,461.01)	
<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		2,281,597,772.59	52,943,666.52	93,721,866.78	12,962,778.28	(2,121,969,461.01)	0.00	(2,121,969,461.01)	
<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, 2016

Adjustments to Net Position

Net Position, June 30, 2017

453,097,176.43		453,097,176.43	0.00
		0.00	0.00
125,707,135.42		125,707,135.42	0.00
30,717,925.03		30,717,925.03	0.00
1,303,194,275.45		1,303,194,275.45	0.00
3,567,656.58		3,567,656.58	0.00
79,301,523.36		79,301,523.36	0.00
		0.00	0.00
		0.00	0.00
		0.00	0.00
1,995,585,692.27	0.00	1,995,585,692.27	0.00
(126,383,768.74)	0.00	(126,383,768.74)	0.00
747,475,900.96		747,475,900.96	0.00
		0.00	0.00
621,092,132.22	0.00	621,092,132.22	0.00

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	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	69,028,613.29	714,794.68	25,331,506.36	4,071,142.79	10,014,813.71
Investments	1160	27,786,400.91	0.35	75,017,510.21	17,058,705.24	31,484,036.33
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	3,517,520.67	0.00	0.00	133.81	0.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	7,118,342.38	24,384,118.97	1,960,846.51	51,281.62	53,213,236.82
Due From Budgetary Funds	1141	53,463,155.07	774,455.04	500.00	7,500,045.31	27,379,472.35
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	4,754,011.93	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		165,668,044.25	25,873,369.04	102,310,363.08	28,681,308.77	122,091,559.21
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		165,668,044.25	25,873,369.04	102,310,363.08	28,681,308.77	122,091,559.21
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	707,682.48	0.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	2,859,848.56	0.00	0.00	0.00	0.00
Accounts Payable	2120	12,451,065.06	4,297,847.05	500.00	1,592,273.76	2,567,883.68
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	17,184.68	311,821.44	2,566,500.32	0.00	2,476.41
Due to Other Agencies	2230	6,037,226.50	1,142.92	0.00	0.00	0.00
Due to Budgetary Funds	2161	2,611,194.78	20,748,515.28	27,369,497.64	26,669,305.20	6,890,955.46
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	209,817.55	514,042.35	0.00	0.00	0.00
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00
Total Liabilities		24,894,019.61	25,873,369.04	29,936,497.96	28,261,578.96	9,461,315.55
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	4,754,011.93	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	4,754,011.93	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	31,172,560.29	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	72,373,865.12	0.00	0.00
Capital Projects	2726	0.00	0.00	0.00	419,729.81	112,630,243.66
Restricted for Local Carryover	2729	3,026,319.14	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	34,198,879.43	0.00	72,373,865.12	419,729.81	112,630,243.66
<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	2749	0.00	0.00	0.00	0.00	0.00
Assigned for District Operations	2749	2,767,767.28	0.00	0.00	0.00	0.00
Total Assigned Fund Balances	2740	2,767,767.28	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	140,774,024.64	0.00	72,373,865.12	419,729.81	112,630,243.66
Total Liabilities, Deferred Inflows of Resources and Fund Balances		165,668,044.25	25,873,369.04	102,310,363.08	28,681,308.77	122,091,559.21

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	Account Number	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Cash Equivalents	1110	12,251,276.42	121,412,147.25
Investments	1160	31,376,385.15	182,723,038.19
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1131	1,384,717.10	4,902,371.58
Interest Receivable on Investments	1170	0.00	0.00
Due From Other Agencies	1220	5,870,532.34	92,598,358.64
Due From Budgetary Funds	1141	697,254.21	89,814,881.98
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	888,423.23	5,642,435.16
Prepaid Items	1230	0.00	0.00
Long-Term Investments	1460	0.00	0.00
Total Assets		52,468,588.45	497,093,232.80
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		52,468,588.45	497,093,232.80
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	1,346.76	709,029.24
Payroll Deductions and Withholdings	2170	0.00	2,859,848.56
Accounts Payable	2120	1,615,297.25	22,524,866.80
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	2,897,982.85
Due to Other Agencies	2230	0.00	6,038,369.42
Due to Budgetary Funds	2161	1,934,994.46	86,224,462.82
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	309,769.42	1,033,629.32
Unavailable Revenue	2410	0.00	0.00
Total Liabilities		3,861,407.89	122,288,189.01
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	888,423.23	5,642,435.16
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	888,423.23	5,642,435.16
<i>Restricted for:</i>			
Economic Stabilization	2721	0.00	0.00
Federal Required Carryover Programs	2722	22,161,328.53	22,161,328.53
State Required Carryover Programs	2723	0.00	31,172,560.29
Local Sales Tax and Other Tax Levy	2724	0.00	0.00
Debt Service	2725	18,277,077.17	90,650,942.29
Capital Projects	2726	7,280,351.63	120,330,325.10
Restricted for Local Carryover	2729	0.00	3,026,319.14
Restricted for	2729	0.00	0.00
Total Restricted Fund Balances	2720	47,718,757.33	267,341,475.35
<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	2749	0.00	0.00
Assigned for District Operations	2749	0.00	2,767,767.28
Total Assigned Fund Balances	2740	0.00	2,767,767.28
Total Unassigned Fund Balances	2750	0.00	99,053,366.00
Total Fund Balances	2700	48,607,180.56	374,805,043.79
Total Liabilities, Deferred Inflows of Resources and Fund Balances		52,468,588.45	497,093,232.80

The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2017

Total Fund Balances - Governmental Funds \$ 374,805,043.79

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 2,272,759,581.95

Deferred outflows are not available to pay for current period expenditures and therefore are deferred in the funds 726,226,397.70

Deferred inflows are not available to pay for current period expenditures and therefore are deferred in the funds (35,794,532.00)

Derivative instrument liability is not due and payable in the current period and therefore is not reported in the funds. (17,959,751.00)

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. 781,217.90

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.

Post Employment Benefits	157,956,970.00	
Pension	1,411,576,817.07	
Compensated Absences Payable	166,298,692.16	
Certificates of Participation	743,854,064.71	
Bonds Payable	205,079,468.41	(2,684,766,012.35)

Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds. (12,613,940.91)

Accrued retainage payable is not due and payable in the current period and therefore is not reported in the funds. (2,345,872.86)

Total Net Position - Governmental Activities \$ 621,092,132.22

The notes to 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, 2017

	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	3,403,927.71	19,055,279.10	0.00	0.00	0.00
Federal Through State and Local	3200	9,381,802.85	186,828,461.23	0.00	0.00	0.00
State Sources	3300	1,077,889,305.94	1,260,622.25	0.00	0.00	5,047,432.00
<i>Local Sources:</i>						
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	453,153,110.88	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	125,707,135.42	0.00
Local Sales Taxes	3418, 3419	0.00	0.00	20,346,198.03	0.00	10,371,727.00
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	31,274,116.60
Other Local Revenue		73,021,070.46	2,586,471.42	705,218.18	1,277,028.98	1,215,337.38
Total Local Sources	3400	526,174,181.34	2,586,471.42	21,051,416.21	126,984,164.40	42,861,180.98
Total Revenues		1,616,849,217.84	209,730,834.00	21,051,416.21	126,984,164.40	47,908,612.98
EXPENDITURES						
<i>Current:</i>						
Instruction	5000	1,126,182,322.53	73,539,376.52	0.00	0.00	0.00
Student Support Services	6100	66,022,722.47	17,404,126.47	0.00	0.00	0.00
Instructional Media Services	6200	21,744,666.06	3,117,314.19	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	26,586,848.32	30,413,690.69	0.00	0.00	0.00
Instructional Staff Training Services	6400	19,485,127.12	22,213,098.14	0.00	0.00	0.00
Instruction-Related Technology	6500	32,312,250.03	2,521,506.51	0.00	0.00	0.00
Board	7100	1,593,896.32	0.00	0.00	0.00	0.00
General Administration	7200	6,861,583.27	7,640,312.28	0.00	0.00	0.00
School Administration	7300	103,443,414.28	665,137.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7410	1,774,397.85	0.00	0.00	0.00	0.00
Fiscal Services	7500	6,361,578.57	597,615.68	0.00	0.00	0.00
Food Services	7600	269,407.58	0.00	0.00	0.00	0.00
Central Services	7700	23,121,053.63	4,878,990.31	0.00	0.00	0.00
Student Transportation Services	7800	65,599,695.96	785,393.27	0.00	0.00	0.00
Operation of Plant	7900	114,782,262.89	191,798.40	0.00	0.00	0.00
Maintenance of Plant	8100	27,430,776.74	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	228,508.94	0.00	0.00	0.00	0.00
Community Services	9100	20,756,097.84	44,410,078.96	0.00	0.00	0.00
<i>Debt Service: (Function 9200)</i>						
Redemption of Principal	710	0.00	0.00	45,570,000.00	0.00	0.00
Interest	720	0.00	0.00	34,273,080.39	0.00	0.00
Dues and Fees	730	0.00	0.00	501,993.94	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	22,425.26	36,629.00	0.00	41,333,260.06	41,749,679.93
Other Capital Outlay	9300	2,118,563.31	1,336,720.19	0.00	0.00	0.00
Total Expenditures		1,666,697,598.97	209,751,787.61	80,345,074.33	41,333,260.06	41,749,679.93
Excess (Deficiency) of Revenues Over (Under) Expenditures		(49,848,381.13)	(20,953.61)	(59,293,658.12)	85,650,904.34	6,158,933.05
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	3710	0.00	0.00	0.00	0.00	19,746,338.00
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	0.00	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00	0.00	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	47,664,712.00	0.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	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	32,445,000.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	5,094,857.65	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	(85,694,555.63)	0.00	0.00
Transfers In	3600	47,768,390.08	20,953.61	62,922,657.20	0.00	27,369,497.64
Transfers Out	9700	(3,220,953.61)	0.00	(27,370,258.29)	(103,578,750.68)	(5,047,432.00)
Total Other Financing Sources (Uses)		44,547,436.47	20,953.61	35,062,412.93	(103,578,750.68)	42,068,403.64
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		(5,300,944.66)	(0.00)	(24,231,245.19)	(17,927,846.34)	48,227,336.69
Fund Balances, July 1, 2016	2800	146,074,969.30	0.00	96,605,110.31	18,347,576.15	64,402,906.97
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2017	2700	140,774,024.64	(0.00)	72,373,865.12	419,729.81	112,630,243.66

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, 2017

	Account Number	Other Governmental Funds	Total Governmental Funds
REVENUES			
Federal Direct	3100	0.00	22,459,206.81
Federal Through State and Local	3200	92,304,016.78	288,514,280.86
State Sources	3300	14,708,072.65	1,098,905,432.84
<i>Local Sources:</i>			
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	453,153,110.88
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	125,707,135.42
Local Sales Taxes	3418, 3419	0.00	30,717,925.03
Charges for Service - Food Service	345X	24,291,531.97	24,291,531.97
Impact Fees	3496	0.00	31,274,116.60
Other Local Revenue		566,440.86	79,371,567.28
Total Local Sources	3400	24,857,972.83	744,515,387.18
Total Revenues		131,870,062.26	2,154,394,307.69
EXPENDITURES			
<i>Current:</i>			
Instruction	5000	0.00	1,199,721,699.05
Student Support Services	6100	0.00	83,426,848.94
Instructional Media Services	6200	0.00	24,861,980.25
Instruction and Curriculum Development Services	6300	0.00	57,000,539.01
Instructional Staff Training Services	6400	0.00	41,698,225.26
Instruction-Related Technology	6500	0.00	34,833,756.54
Board	7100	0.00	1,593,896.32
General Administration	7200	0.00	14,501,895.55
School Administration	7300	0.00	104,108,551.28
Facilities Acquisition and Construction	7410	0.00	1,774,397.85
Fiscal Services	7500	0.00	6,959,194.25
Food Services	7600	116,066,015.98	116,335,423.56
Central Services	7700	0.00	28,000,043.94
Student Transportation Services	7800	0.00	66,385,089.23
Operation of Plant	7900	0.00	114,974,061.29
Maintenance of Plant	8100	0.00	27,430,776.74
Administrative Technology Services	8200	0.00	228,508.94
Community Services	9100	0.00	65,166,176.80
<i>Debt Service: (Function 9200)</i>			
Redemption of Principal	710	5,446,000.00	51,016,000.00
Interest	720	1,428,830.39	35,701,910.78
Dues and Fees	730	43,158.14	545,152.08
Miscellaneous	790	0.00	0.00
<i>Capital Outlay:</i>			
Facilities Acquisition and Construction	7420	5,187,937.12	88,329,931.37
Other Capital Outlay	9300	9,123,518.66	12,578,802.16
Total Expenditures		137,295,460.29	2,177,172,861.19
Excess (Deficiency) of Revenues Over (Under) Expenditures		(5,425,398.03)	(22,778,553.50)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	3710	0.00	19,746,338.00
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
Proceeds from Special Facility Construction Account	3770	0.00	0.00
Face Value of Refunding Bonds	3715	5,302,000.00	52,966,712.00
Premium on Refunding Bonds	3792	807,289.76	807,289.76
Discount on Refunding Bonds	892	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	32,445,000.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	5,094,857.65
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	(2,221,873.62)	(87,916,429.25)
Transfers In	3600	2,726,315.21	140,807,813.74
Transfers Out	9700	0.00	(139,217,394.58)
Total Other Financing Sources (Uses)		6,613,731.35	24,734,187.32
SPECIAL ITEMS			
		0.00	0.00
EXTRAORDINARY ITEMS			
		0.00	0.00
Net Change in Fund Balances		1,188,333.32	1,955,633.82
Fund Balances, July 1, 2016	2800	47,418,847.24	372,849,409.97
Adjustments to Fund Balances	2891	0.00	0.00
Fund Balances, June 30, 2017	2700	48,607,180.56	374,805,043.79

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017**

Net Change in Fund Balances - Governmental Funds	1,955,633.82
Amounts reported for <i>governmental activities</i> 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 a depreciation expense. This is the amount by which capital assets (\$75,141,478.72) was less than depreciation expense (\$96,080,169.70) during the current period.	(21,562,658.34)
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 from the change in fund balances by the cost of assets sold.	(229,579.73)
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	806,726.89
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 proceeds exceeded payments of bond principal (\$51,016,000) and payments to refunding agent (\$87,916,429.25) was more than the proceeds of (\$105,327,000) in the current year.	33,605,429.25
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 (\$5,733,197.41 bond premium).	(5,733,197.41)
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	(17,498,106.00)
Interest expense (including arbitrage rebate)	390,129.24
Compensated absences	(3,104,857.16)
Pension	(120,437,877.37)
Amortization of bond discount, premium, loss on refunding	5,842,689.02
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.	(1,291,606.95)
Change in Net Position of Governmental Activities	<u><u>(126,383,768.74)</u></u>

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
ASSETS		
Cash and Cash Equivalents	1110	14,521,293.60
Investments	1160	43,093,308.05
Accounts Receivable, Net	1131	170,598.46
Interest Receivable on Investments	1170	0.00
Due From Other Agencies	1220	649,550.36
Due From Insurer	1180	0.00
Due From Budgetary Funds	1141	1,200,000.00
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
Nondepreciable Capital Assets		0.00
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		59,634,750.47
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	15,270,184.04
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	4,790,419.16
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	14,344,990.37
<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	13,619,840.83
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		13,619,840.83
<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	10,828,098.17
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		10,828,098.17
Total Long-Term Liabilities		24,447,939.00
Total Liabilities		58,853,532.57
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	781,217.90
Unrestricted	2790	0.00
Total Net Position		781,217.90

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, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for Services	3481	0.00
Charges for Sales	3482	0.00
Premium Revenue	3484	194,509,707.82
Other Operating Revenues	3489	748,525.49
Total Operating Revenues		195,258,233.31
OPERATING EXPENSES		
Salaries	100	499,317.99
Employee Benefits	200	188,639.17
Purchased Services	300	291,937.41
Energy Services	400	0.00
Materials and Supplies	500	0.00
Capital Outlay	600	0.00
Other	700	194,222,075.53
Depreciation and Amortization Expense	780	0.00
Total Operating Expenses		195,201,970.10
Operating Income (Loss)		56,263.21
NONOPERATING REVENUES (EXPENSES)		
Investment Income	3430	210,990.90
Gifts, Grants and Bequests	3440	0.00
Other Miscellaneous Local Sources	3495	31,558.10
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)		242,549.00
Income (Loss) Before Operating Transfers		298,812.21
Transfers In	3600	3,200,000.00
Transfers Out	9700	(4,790,419.16)
SPECIAL ITEMS		0.00
EXTRAORDINARY ITEMS		0.00
Change In Net Position		(1,291,606.95)
Net Position, July 1, 2016	2880	2,072,824.85
Adjustments to Net Position	2896	0.00
Net Position, June 30, 2017	2780	781,217.90

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

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	19,891.02
Receipts from interfund services provided	194,221,323.07
Payments to suppliers	(194,252,491.08)
Payments to employees	(687,957.16)
Payments for interfund services used	0.00
Other receipts (payments)	748,568.88
Net cash provided (used) by operating activities	49,334.73
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Subsidies from operating grants	0.00
Transfers from other funds	3,200,000.00
Transfers to other funds	(20,895,025.00)
Net cash provided (used) by noncapital financing activities	(17,695,025.00)
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	31,694,919.02
Interest and dividends received	210,990.90
Purchase of investments	0.00
Net cash provided (used) by investing activities	31,905,909.92
Net increase (decrease) in cash and cash equivalents	14,260,219.65
Cash and cash equivalents - July 1, 2016	261,008.95
Cash and cash equivalents - June 30, 2017	14,521,228.60
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	87,821.31
<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	34,835.50
(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	(20,583.25)
(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	(293,934.08)
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	(288,384.75)
Increase (decrease) in pension	0.00
Increase (decrease) in other postemployment benefits	0.00
Increase (decrease) in estimated unpaid claims - Self-Insurance Prog.	529,580.00
Increase (decrease) in estimated liability for claims adjustment	0.00
Total adjustments	(38,486.58)
Net cash provided (used) by operating activities	49,334.73
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 ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	Account Number	Total Pension Trust Funds 87X	Total Agency Funds 89X
ASSETS			
Cash and Cash Equivalents	1110	0.00	16,226,501.81
Investments	1160	10,995,324.83	41,515,930.30
Accounts Receivable, Net	1131	39,059.35	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		122,922.40
Total Assets		11,034,384.18	57,865,354.51
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	40,439,127.38
Accounts Payable	2120	0.00	1,146,500.93
Internal Accounts Payable	2290	0.00	16,279,726.20
Due to Other Agencies	2230	0.00	
Due to Budgetary Funds	2161	0.00	0.00
Total Liabilities		0.00	57,865,354.51
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	11,034,384.18	
Held in Trust for Other Purposes	2785	0.00	
Total Net Position		11,034,384.18	

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, 2017

	Account Number	Total Pension Trust Funds 87X
ADDITIONS		
<i>Contributions:</i>		
Employer		1,185,000.00
Plan Members		0.00
Gifts, Grants and Bequests	3440	0.00
<i>Investment Income:</i>		
Interest on Investments	3431	163,569.61
Gain on Sale of Investments	3432	0.00
Net Increase (Decrease) in the Fair Value of Investments	3433	(174,616.50)
Total Investment Income		(11,046.89)
Less Investment Expense		28,889.30
Net Investment Income		(39,936.19)
Total Additions		1,145,063.81
DEDUCTIONS		
Salaries	100	0.00
Employee Benefits	200	1,931,650.38
Purchased Services	300	12,011.85
Other	700	0.00
Refunds of Contributions		0.00
Administrative Expenses		0.00
Total Deductions		1,943,662.23
Change In Net Position		(798,598.42)
Net Position Held In Trust, July 1, 2016	2885	11,832,982.60
Adjustments to Net Position	2896	0.00
Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2017	2785	11,034,384.18

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, 2017

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Lease Obligations

The District has operating leases for facility rental. These agreements allow use of a facility that meet specific needs of certain programs. Adult Education pays rental fees out of workforce funding, Early Childhood pays rental fees with federal funding sources, while Student Nutrition Services pays with earned revenue.

J. 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 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

K. 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 2016 tax levy for fiscal year 2017 on September 6, 2016. 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-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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

M. 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, 2017 deferred outflows of resources represent activity associated with a swap agreement as discussed in note 9, the deferred charge on refunding as discussed in note 11, and pension related items as discussed in note 18.

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, 2017 deferred inflows of resources represent activity associated with pension related items as discussed in note 18.

N. 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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.
2. The budget is prepared by fund, function, object and department. Management may make transfers of appropriations between departments and objects. 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 12, 2017.
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).

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

2. BUDGET COMPLIANCE AND ACCOUNTABILITY (continued)

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, 2017, 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 qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

As of June 30, 2017, the District had the following investments and maturities:

Investment	Maturities	Fair Value
United States Treasuries	05/31/2018 - 05/31/2020	\$ 510,167.10
United States Agencies	07/20/2017 - 05/15/2020	16,552,897.65
State Board of Administration		
Florida PRIME	39 Days	219,812,779.70
Debt Service Account	39 Days	4,287,588.74
Certificates of Deposit	11/05/2017 - 07/17/2018	36,931,383.35
Wells Fargo Advantage Treasury		
Plus Money Market	N/A	232,784.83
Total Investments Reporting Entity		<u>\$ 278,327,601.37</u>

Investments are reflected in the financial statement as follows:

Governmental funds	\$ 182,723,038.19
Internal service funds	43,093,308.05
Fiduciary funds	
Pension trust	10,995,324.83
Agency	41,515,930.30
Total Primary Government	<u>\$ 278,327,601.37</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

3. CASH AND INVESTMENTS (continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

3. CASH AND INVESTMENTS (continued)

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.

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

Investments in the State Board of Administration Debt Service Account totaling \$4,287,588.74 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;

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

3. CASH AND INVESTMENTS (continued)

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
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, \$510,167.10 in U. S. Treasuries and \$16,552,897.65 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, 2017. The District does not have a formal investment policy that limits its investment in foreign currency.

Fair Value Measurement

The District categorizes is fair value measurement within the hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

3. CASH AND INVESTMENTS (continued)

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.

The District has the following fair value measurements as of June 30, 2017:

- U.S. Treasury securities of \$510,167.10 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 \$16,552,897.65 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 \$232,784.83 are valued using the quoted market prices (Level 1 inputs).
- Certificates of deposit of \$36,931,383.35 are valued using the quoted market prices (Level 1 inputs).
- State board of administration \$224,100,368.44 are valued using the quoted market prices (Level 1 inputs).
- Interest rate swap derivative of \$15,321,819.00 is valued using the zero coupon method (Level 2 inputs).

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

3. CASH AND INVESTMENTS (continued)

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	6/30/2017		
Investments by fair value level			
Debt securities			
U.S. Treasuries	510,167.10	510,167.10	-
U.S. Agencies	16,552,897.65	16,552,897.65	-
Total debt securities	17,063,064.75	17,063,064.75	-
Money market	232,784.83	232,784.83	-
Certificates of deposit	36,931,383.35	36,931,383.35	-
Total investments by fair value	54,227,232.93	37,164,168.18	17,063,064.75
Investments measure at the net asset value (NAV)			
State Board of Administration	224,100,368.44	224,100,368.44	
Total investments measured at fair value	278,327,601.37	224,100,368.44	
Liabilities by fair value level			
Derivative instrument - liability		15,321,819.00	
Total liabilities by fair value level		15,321,819.00	

DISTRICT SCHOOL BOARD
OF HILLSBOROUGH COUNTY, FLORIDA

Exhibit D-1
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NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

4. DUE FROM OTHER AGENCIES

Amount due from other governmental agencies as of June 30, 2017 are shown below:

	General Fund	Other Special Revenue Fund	Other Debt Service	Local Capital Improve- ment	Other Capital Projects Fund	Non-Major and Other Funds	Total
Federal Government:							
Miscellaneous	\$5,359,874.84	\$13,949,042.67	-	-	-	-	\$19,308,917.51
State Government:							
Food Reimbursement	-	-	-	-	-	1,417,635.17	1,417,635.17
Miscellaneous	503,058.55	592,036.30	-	-	452,016.00	5,102,447.53	6,649,558.38
Local Government:							
Hillsborough County Board of County Commissioners	267,832.41	9,506,750.77	1,960,846.51	51,281.62	52,209,205.82	-	63,995,917.13
Miscellaneous	987,576.58	336,289.23	-	-	552,015.00	-	1,875,880.81
Total:	<u>\$7,118,342.38</u>	<u>\$24,384,118.97</u>	<u>\$1,960,846.51</u>	<u>\$51,281.62</u>	<u>\$53,213,236.82</u>	<u>\$6,520,082.70</u>	<u>\$93,247,909.00</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 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	\$161,410,563.66	-	-	\$161,410,563.66
Land Improvements-Non Depreciable	94,735,627.01	1,352,028.43	10,035.00	96,077,620.44
Construction in Progress	34,839,037.05	58,537,025.46	52,824,335.05	40,551,727.46
Total Capital Assets Not Being Depreciated	\$290,985,227.72	59,889,053.89	52,834,370.05	\$298,039,911.56
<u>Capital Assets Being Depreciated:</u>				
Improvements Other Than Buildings	218,355,192.42	7,119,116.88	-	225,474,309.30
Buildings and Systems	2,746,146,442.33	37,232,217.74	435,473.36	2,782,943,186.71
Furniture, Fixtures and Equipment	145,812,350.02	5,873,438.35	5,822,651.70	145,863,136.67
Leasehold Improvements	-	6,465,281.15	-	6,465,281.15
Motor Vehicles	119,387,053.88	10,852,786.50	8,299,255.08	121,940,585.30
Computer Software	21,531,616.02	95,659.28	1,714,034.11	19,913,241.19
Total Capital Assets Being Depreciated	3,251,232,654.67	67,638,499.90	16,271,414.25	3,302,599,740.32
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	141,015,075.70	7,156,340.23	-	148,171,415.93
Buildings & Systems	881,023,731.53	74,784,174.63	287,884.08	955,520,022.08
Furniture, Fixtures, And Equipment	120,299,444.35	7,474,763.03	5,716,830.47	122,057,376.91
Leasehold Improvements	-	122,840.34	-	122,840.34
Motor Vehicles	85,211,824.31	5,899,000.29	8,299,255.08	82,811,569.52
Computer Software	20,267,022.52	643,051.18	1,713,228.55	19,196,845.15
Total Accumulated Depreciation	1,247,817,098.41	96,080,169.70	16,017,198.18	1,327,880,069.93
Total Capital Assets Being Depreciated (Net)	2,003,415,556.26	(28,441,669.80)	254,216.07	1,974,719,670.39
Governmental Activities Capital Assets (Net)	\$2,294,400,783.98	\$31,447,384.09	\$53,088,586.12	\$2,272,759,581.95

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

5. CAPITAL ASSETS (continued)

Depreciation expense charged to governmental functions are:

Instructional Services	\$ 3,391,718.04
Instructional Support Services	1,420,810.16
Pupil Transportation Services	355,598.24
Operation and Maintenance of Plant	512,253.06
Facilities Acquisition and Construction	88,983,439.97
School Administration	161,694.72
General Administration	202,980.74
Food Services	775,105.75
Community Services and Other	51,034.85
Un-Allocated Depreciation	<u>225,534.17</u>
Total Depreciation Expense	\$ 96,080,169.70

6. REVOLVING LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, on May 10, 2016 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2017, in the amount of \$100,000,000 with Wells Fargo Bank, N.A. The outstanding principal amount of the Note shall bear interest with an indicative rate equal to 70 percent of one month London Interbank Offered Rate (LIBOR) plus 80 basis points. 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, 2017, no funds had been borrowed or utilized under this line-of-credit, and therefore no amounts are outstanding at June 30, 2017.

7. OPERATING LEASES

The District entered into a 3, 10, and 15 year facility lease for Adult Education, Early Childhood, and Student Nutrition Services. The facility lease for Adult Education ended June 30, 2017 but was recently renewed through June 30, 2020. Early Childhood ends September 7, 2018 with an

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

7. OPERATING LEASES (continued)

expected renewal. The facility lease for Student Nutrition Services ends February 28, 2031. Both funding sources are federal funds; however, Student Nutrition Services utilizes earned revenue to pay their lease. The current portion of rental expenditures in Fiscal Year 2017 for Adult Education was \$146,069, Early Child was \$401,253, and Student Nutrition Services was \$222,237. The District does have other operating leases that are not material.

The following is a schedule, by years, of the District's portion of future minimum rental payments required under operating leases that have lease terms in excess of one year.

<u>Fiscal Year Ending June 30</u>	<u>Annual Amount</u>
2018	\$ 604,299
2019	549,544
2020	564,057
2021	414,555
2022	424,919
2023-2027	2,289,353
2028-2032	<u>2,454,210</u>
Total	<u>\$ 7,300,937</u>

8. 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:

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

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 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
Series 2017A Projects	May 25, 2017	32,445,000	June 30, 2026
Total		<u>\$ 1,209,903,000</u>	

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 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

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 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

facilities that the school board acquired, constructed, and installed from the proceeds of the 2007 Certificates of Participation. See Note 10 for current issuances. The Series 2017A Certificates of Participation were issued in order to advance refund the Series 2006B Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2006B Certificates of Participation.

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 2006B, Series 2007, Series 2010A, Series 2012A, Series 2014A, Series 2015A, Series 2016A and 2017A 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, 3.75 to 5.00 percent, 3.00 to 5.00 percent, 4.00 to 5.00 percent 2.56 percent, 2.00 to 5.00 percent, 5.00 percent, and 4.00 to 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

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
2018	\$ 60,355,983.07	\$ 33,895,000.00	\$ 26,460,983.07
2019	60,084,998.68	34,560,000.00	25,524,998.68
2020	65,785,270.11	42,391,000.00	23,394,270.11
2021	62,662,378.49	41,022,000.00	21,640,378.49
2022	59,506,513.29	39,665,000.00	19,841,513.29
2023 - 2027	301,349,965.12	230,040,000.00	71,309,965.12
2028 - 2032	300,720,466.84	282,290,000.00	18,430,466.84
Total Minimum Lease Payments	\$ 910,465,575.60	\$ 703,863,000.00	\$ 206,602,575.60

9. 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	(\$17,959,751)	(\$4,744,181)

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

9. INTEREST RATE SWAP (continued)

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, 2017. 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, 2017.

During the year ended June 30, 2017, 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 \$9,529,299.

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.

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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

10. BONDS PAYABLE

Bonds payable at June 30, 2017 were as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity to:
State School Bonds			
Series 2008-A	\$ 195,000.00	3.25 - 5.0	2028
Series 2009-A	1,235,000.00	2.0 - 5.0	2029
Series 2010-A	2,765,000.00	3.0 - 5.0	2030
Series 2011-A	1,170,000.00	3.0 - 5.0	2023
Series 2014-A	1,948,000.00	2.0 - 5.0	2025
Series 2014-B	5,091,000.00	2.0 - 5.0	2021
Series 2017-A	5,302,000.00	3.0 - 5.0	2028
District Revenue Bonds			
Series 2015 Capital Improvement & Racetrack Revenue Refunding	5,370,000.00	2.0 - 4.0	2033
Series 2015A Sales Tax Refunding	40,600,000.00	1.4	2019
Series 2015B Sales Tax Refunding	65,195,000.00	3.0 - 5.0	2026
Series 2017A Sales Tax Refunding	67,580,000.00	2.49	2027
Total Bonds Payable	\$ 196,451,000.00		

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.

DISTRICT REVENUE BONDS

Series 2015 Capital Improvement and Racetrack Revenue Refunding Bonds

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

10. BONDS PAYABLE (continued)

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 2015A, 2015B and 2017A

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, 2017, are as follows:

TOTAL SBE BONDS				
Fiscal Year Ending June 30	Total	Principal	Interest	
2018	\$ 6,246,623.88	\$ 5,406,000.00	\$ 840,623.88	
2019	2,533,222.50	1,975,000.00	558,222.50	
2020	2,124,122.50	1,662,000.00	462,122.50	
2021	1,640,402.50	1,246,000.00	394,402.50	
2022	1,671,452.50	1,339,000.00	332,452.50	
2023-2027	5,776,942.50	4,952,000.00	824,942.50	
2028-2032	1,191,167.50	1,126,000.00	65,167.50	
Total Debt Service Payments	<u>\$21,183,933.88</u>	<u>\$17,706,000.00</u>	<u>\$3,477,933.88</u>	

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

10. BONDS PAYABLE (continued)

TOTAL DISTRICT REVENUE BONDS

Fiscal Year Ending June 30	Total	Principal	Interest
2018	\$ 18,886,984.46	\$ 13,610,000.00	\$ 5,276,984.46
2019	21,203,515.26	15,895,000.00	5,308,515.26
2020	21,201,754.51	16,145,000.00	5,056,754.51
2021	20,949,473.01	16,395,000.00	4,554,473.01
2022	20,930,840.76	17,145,000.00	3,785,840.76
2023 - 2027	104,972,834.80	97,210,000.00	7,762,834.80
2028 - 2032	2,153,121.90	1,925,000.00	228,121.90
2033	427,087.50	420,000.00	7,087.50
Total Debt Service Payments	<u>\$ 210,725,612.20</u>	<u>\$ 178,745,000.00</u>	<u>\$ 31,980,612.20</u>

11. DEFEASED DEBT

On May 25, 2017 the District issued \$67,580,000 Sales Tax Revenue Refunding Bonds, Series 2017A with an interest rate of 2.49%. The proceeds were used to refund \$47,515,000 of the District's outstanding Sales Tax Revenue Refunding Bonds, Series 2007 maturing in the years 2024-2026, \$47,822,203.75 of the net proceeds (after payment of \$105,592.44 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2007 Sales Tax Revenue Refunding Bonds. Also, proceeds of \$19,746,338 were deposited to a project fund to be used for HVAC replacement/repairs at various schools.

As a result \$47,515,000 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 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, 2017

11. DEFEASED DEBT (continued)

As a result of the refunding, the District reduced its total debt service requirements by \$6,070,063.13 which resulted in an economic gain (difference between the present value of debt service payment on the old and new debt) of \$83,698.71.

On May 25, 2017 the District issued \$32,445,000 Refunding Certificates of Participation, Series 2017A at a net premium, with an interest rate of 4.00% to 5.00%. The proceeds were used to advance refund \$37,075,000 of the Certificates of Participation, Series 2006B maturing in the years 2018-2026, \$37,872,351.88 of the net proceeds (after payment of \$271,781.38 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the refunded amount of the Series 2006B Certificates of Participation.

As a result \$37,075,000 of the Series 2006B 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 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 \$4,153,537.69 which resulted in an economic loss (difference between the present value of debt service payment on the old and new debt) of \$408,127.11.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

12. CHANGES IN LONG TERM DEBT

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

	Balance July 1, 2016	Additions	Deletions	Balance	Due in One
Estimated Liability for Long Term claims	\$23,918,359.00	\$10,252,808.77	\$9,723,228.77	\$24,447,939.00	\$13,619,840.83
Post Employment Benefits	140,458,864.00	23,375,523.00	5,877,417.00	157,956,970.00	-
Compensated Absences Payable	163,193,835.02	38,382,907.07	35,278,049.91	166,298,692.18	13,691,120.52
Net Pension Liability					-
State - FRS	356,915,921.00	607,759,711.07	-	964,675,632.07	-
State - HIS	381,345,440.00	50,804,545.00	-	432,149,985.00	-
Early Retirement Program	15,308,539.00	-	557,339.00	14,751,200.00	-
Certificate of Participation	740,903,000.00	32,445,000.00	69,485,000.00	703,863,000.00	33,895,000.00
Bonds Payable	195,625,000.00	72,882,000.00	72,056,000.00	196,451,000.00	19,016,000.00
TOTAL	<u>\$2,017,668,958.02</u>	<u>\$835,902,494.91</u>	<u>\$192,977,034.68</u>	<u>\$2,660,594,418.25</u>	<u>\$80,221,961.35</u>
Plus unamortized bond premium					
Certificates of Participation				39,991,064.71	
Bonds payable				<u>8,628,468.41</u>	
Total Long-Term Debt				<u><u>2,709,213,951.37</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 resources of the Worker's Compensation and the General and Automobile liability programs Internal Service Funds.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

13. 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 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

13. FUND BALANCE REPORTING (continued)

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

Nonspendable – The Districts has inventories totaling \$5,642,435.16 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 \$267,341,475.35 and represent \$22,161,328.53 for Federal programs, \$31,172,560.29 for State programs, and \$3,026,319.14 for Local programs, \$90,650,942.29 for Debt Service and \$120,330,325.10 for Capital Projects.

Assigned for School Operations:

The District has set aside certain spendable fund balances in the amount of \$2,767,767.28 for local instructional programs (district operations) which consists of teacher educational supplements.

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 6.13% of total general fund revenues.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

13. FUND BALANCE REPORTING (continued)

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.

14. 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	\$ 53,463,155.07	\$ 2,611,194.78
Contracted Services - Spec. Rev.	774,455.04	20,748,515.28
Other Debt Service	500.00	27,369,497.64
Local Capital Improvement	7,500,045.31	26,669,305.20
Other Capital Projects	27,379,472.35	6,890,955.46
Non-Major Governmental Funds		
Non-major	\$ 697,254.21	\$ 1,934,994.46
Internal Service	1,200,000.00	4,790,419.16
Total	<u>\$ 91,014,881.98</u>	<u>\$ 91,014,881.98</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 of the prior fiscal year. 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, 2017

15. 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	\$ 47,768,390.08	\$ 3,220,953.61
Contracted Services	20,953.61	-
Other Debt Service	62,922,657.20	27,370,258.29
Local Capital Improvement	-	103,578,750.68
Other Capital Projects	27,369,497.64	5,047,432.00
Non-Major Governmental Funds	2,726,315.21	-
Internal Service Funds	3,200,000.00	4,790,419.16
Total	<u>\$ 144,007,813.74</u>	<u>\$ 144,007,813.74</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.

16. STATE REVENUE SOURCES

The following is a schedule of the Districts state revenue for the 2017 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 794,840,683.00
Workforce Development	27,038,255.00
Categorical Education Programs	245,786,831.08
Capital Outlay and Debt Service	12,831,514.00
Food Service Supplement	1,417,850.00
Mobile Home License Tax	642,342.50
State Board of Education Bond Interest	131,264.28
Pari-Mutuel Tax	446,500.00
Discretionary Lottery Funds	3,596,820.00
Miscellaneous	<u>12,173,372.98</u>
Total	<u>\$ 1,098,905,432.84</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

17. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2016 tax roll for the fiscal year 2017:

<u>General Fund</u>	<u>Millage Levied</u>	<u>Taxes Levied</u>
Non-voted School Tax:		
Required Local Effort	4.658	\$ 405,537,341.15
Discretionary Local Effort	0.748	65,122,784.71
 <u>Capital Projects Funds</u>		
Non-voted Tax:		
Local Capital Improvements	1.500	130,593,819.60
Total	<u>6.906</u>	<u>\$ 601,253,945.46</u>

18. 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan.

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. For regular class members enrolled before July 1, 2011, the annual final compensation 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. Regular class members enrolled after July 1, 2011 have an annual final compensation multiplied by a percentage ranging from 1.60 at age 65 or with 33 years of service to 1.68 percent at age 68 or with 36 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 19, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

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 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.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

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, 2017, the contribution rates were as follows:

<u>Class or Plan</u>	Percent of Gross Salary	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular (HA)	3.00	7.52
Florida Retirement System, County Elected Officers (HI)	3.00	42.47
Florida Retirement System, Senior Management Service Class (HM)	3.00	21.77
Florida Retirement System, Special Risk (HB)	3.00	22.57
Teachers' Retirement System, Plan E (IE)	6.25	11.90
Florida Retirement System, Reemployed Retiree (UA)	3.00	4.49

Notes: (A)

Employer rates include the post-retirement health insurance supplement, which remained the same from the prior fiscal year. As of July 1, 2016 this amount totaled 1.66 percent.

The District's contributions to the FRS Pension Plan, net of employee contributions, for the fiscal year ending June 30, 2017, totaled \$64,502,458.00. This amount is equal to the required contributions for the fiscal year. Effective July 1, 2011, all members of FRS, except for DROP participants and 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, 2017, the District reported a liability of \$964,675,631 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

was determined by an actuarial valuation as of July 1, 2016. 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, 2016. At June 30, 2016, the District's proportionate share was 2.54 percent, which was a decrease of 0.22 percent from its proportionate share of 2.76 percent measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$165,189,515 for the FRS Pension Plan. At June 30, 2017, 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	\$ 49,144,726	\$ 5,976,027
Changes in Assumptions	311,216,658	
Difference between projected and actual earnings on pension plan investments	147,607,458	
Changes in proportion and differences between District contributions and proportionate share of contributions	13,548,601	26,305,226
District contributions subsequent to the measurement date	64,502,458	-
Total	<u>\$ 586,019,901</u>	<u>\$ 32,281,253</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

The deferred outflows of resources related to pensions totaling \$64,502,458 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, 2018. 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
2018	\$ 78,591,959
2019	78,591,959
2020	143,273,807
2021	111,185,722
2022	56,169,771
Thereafter	21,422,970
Total	<u>\$ 489,236,188</u>

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, 2016
Measurement date	June 30, 2016
Discount rate	7.00%
Long-term expected rate of return, Net of investment expense	7.00%
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, 2017

18. STATE RETIREMENT PROGRAMS (continued)

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan as of June 30, 2017, 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 2016 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%	3.0%
Fixed Income	18.00%	4.7%
Global Equity	53.00%	8.1%
Real Estate (Property)	10.00%	6.4%
Private Equity	6.00%	11.5%
Strategic Investments	12.00%	6.1%
Total	100%	

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

Discount rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00 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.

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the FRS Pension Plan net pension liability	\$1,545,558,004	\$964,675,631	\$481,167,738

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

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>).

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, 2017, 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, 2017, the

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

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 \$19,066,752 for the fiscal year ended June 30, 2017.

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

At June 30, 2017, the District reported a liability of \$432,149,985 for its proportional share of the HIS Pension Plan net pension liability. The net pension 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, 2016. 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, 2016. At June 30, 2016, the District's proportionate share was 3.71 percent, which was a decrease of 0.03 percent from its proportionate share of 3.74 percent measured as of June 30, 2015.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

For the year ended June 30, 2017, the District recognized pension expense of \$39,217,929 for the FRS Pension Plan. At June 30, 2017, 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	\$ -	\$ 984,279
Changes in Assumptions	67,815,319	-
Difference between projected and actual earnings on pension plan investments	218,504	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,595,323	2,529,000
District contributions subsequent to the measurement date	19,066,752	-
Total	<u>\$ 104,695,898</u>	<u>\$ 3,513,279</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. STATE RETIREMENT PROGRAMS (continued)

The deferred outflows of resources related to pensions totaling \$19,066,752 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, 2018. 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
2018	\$ 15,318,179
2019	15,318,179
2020	15,276,572
2021	15,256,601
2022	12,247,800
Thereafter	8,698,536
Total	<u>\$ 82,115,867</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, 2016
Measurement date	June 30, 2016
Discount rate	2.85%
Long-term expected rate of return, Net of investment expense	N/A
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, 2017

18. STATE RETIREMENT PROGRAMS (continued)

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The only change was the discount rate. The discount rate decreased from 3.80% to 2.85%. This change will continue to allow FRS to meet or exceed its assumed investment return in future years.

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 2.85 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 2.85% 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 2.85 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 (1.85 percent) or 1-percentage-point higher (3.85 percent) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the HIS Pension Plan net pension liability	\$495,774,214	\$432,149,985	\$379,345,348

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

18. 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>).

19. 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 an economic 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, 2017

19. 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, 2017 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, 2017

19. 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 June 30, 2017, the actuarial study shows a deficit of \$14.7 million in accordance with GASB 68. Total contributions to the Plan in fiscal year 2017 amounted to \$1,185,000.

c. Net Pension Liability

In fiscal year ending in 2017, the net pension liability decreased by \$557,339 for a liability in the amount of \$14,751,200.

Total pension liability	\$ 25,785,584.00
Plan fiduciary net position	<u>11,034,384.00</u>
Net pension liability	<u>\$ 14,751,200.00</u>
Plan fiduciary net position as a percentage of the total pension liability	42.79%

The Net Pension Liability of \$14,751,200 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 42.79% of the total pension liability.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

19. EARLY RETIREMENT PROGRAM (continued)

The computation of the total pension liability for fiscal 2017 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, 2016
Measurement Date	June 30, 2017
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, 2017

19. EARLY RETIREMENT PROGRAM (continued)

The Plan's investments at June 30, 2017, consisted of the following:

	Balance June 30, 2016	Percentage of Plan Net Position
U.S. Treasury Notes and Bonds	\$ 498,410.00	4.52%
U.S. Agencies	10,264,130.00	93.02%
Federation Prime Obligations Fund	232,784.83	2.11%
Accued Income	39,059.35	0.35%
Total	<u>\$ 11,034,384.18</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, 2017 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	98%	0.5%
Cash	2%	0.3%

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

19. EARLY RETIREMENT PROGRAM (continued)

Rate of return. For the year ended June 30, 2017, 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.

d. Total Pension Liability

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

Total Pension Liability	2017
Service cost	\$ -
Interest cost	654,392
Changes of benefit terms	-
Differences between expected and actual	(78,680)
Changes of assumptions	-
Benefit payments, including refunds of contributions	(1,931,650)
Net change in total pension liability	(1,355,938)
Total pension liability (beginning)	27,141,522
Total pension liability (ending)	<u>\$ 25,785,584</u>

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

19. 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	\$17,397,880	\$14,751,200	\$12,499,160

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

At June 30, 2017, the District reported a liability of \$14,751,200 for the Early Retirement Plan net pension liability. The liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017.

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

19. 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	\$ 485,662	\$ -
Total	<u>\$ 485,662</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	
2018	\$ 162,522
2019	162,522
2020	98,250
2021	62,368
Thereafter	-
Total	<u>\$ 485,662</u>

20. 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

20. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. 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 2017 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 \$5,877,417 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 \$9,653,449, 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

20. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Descriptions	6/30/2017
Interest Rate	2.0%
Annual OPEB Cost (AOC)	
Annual required contribution of Employer (ARC)	\$ 25,248,308
Less Amortization of Net OPEB Obligation (NOO)	(4,681,962)
Plus Interest on Net OPEB Obligation (NOO)	2,809,177
Total Annual Required Contributions (AOC)	<u>23,375,523</u>
End of Year Net OPEB Obligation (NOO)	
Actual Beginning of Year (NOO)	140,458,864
Plus Actual Annual Required Contribution (AOC)	23,375,523
Minus Contributions	5,877,417
Estimated End of Year	<u>\$ 157,956,970</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, 2017 was as follows:

Fiscal Year	Annual OPEB Cost	Annual Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	23,375,523	5,877,417	25.10%	157,956,970
2016	24,797,246	5,474,890	22.08%	140,458,864
2015	30,151,078	4,463,384	14.80%	121,136,508

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

20. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

d. Funded Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability for benefits was \$216,683,705, all of which was unfunded. The covered payroll (annual payroll for active participating employees) was \$1,149,179,153 for the 2017 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.9%. 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.

e. 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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

20. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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 7.20% for pre-65 and 7.60% for post-65 for fiscal year 2018. This rate grades to 4.50 percent for fiscal year ending June 30, 2027.

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%
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21. 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. The District has continued to retain \$ 4,000,000 to cover any excess

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

21. RISK MANAGEMENT (continued)

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 yet to exceeded commercial insurance coverage.

A liability in the amount of \$24,447,939.00 was actuarially determined using a discount rate of 2.0% to cover reported and unreported insurance claims payable at June 30, 2017. It is estimated that \$13,619,840.83 of the liability is current and due within one year. The remaining \$10,828,098.17 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
2015—2016	\$18,999,554.00	\$17,688,574.01	\$(12,769,769.01)	\$23,918,359.00
2016--2017	\$23,918,359.00	\$10,252,808.77	\$(9,723,228.77)	\$24,447,939.00

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

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

22. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2017:

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

Description	Project Authorization	Expended 6/30/17	Committed
Additions	\$ 15,333,678.13	\$ 3,545,370.35	\$ 11,788,307.78
Elementary	15,144,488.65	6,739,341.51	\$ 8,405,147.14
Middle	1,591,150.89	1,591,150.89	\$ -
Senior High	14,344.00	4,602.97	\$ 9,741.03
Other	18,025,428.47	330,793.30	\$ 17,694,635.17
Renovations	23,865,035.05	23,865,035.05	\$ -
Improvements	7,775,708.01	4,475,433.39	\$ 3,300,274.62
Total	<u>\$ 81,749,833.20</u>	<u>\$ 40,551,727.46</u>	<u>\$ 41,198,105.74</u>

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, 2017

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]
6/30/2017	0	216,683,708.00	216,683,705.00	0%	1,149,179,153.00	18.90%
6/30/2016	0	208,556,503.00	208,556,503.00	0%	1,145,023,748.32	18.20%
6/30/2015	0	212,358,525.00	212,358,525.00	0%	1,134,992,341.00	18.70%
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, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	2,783,100.53	3,522,816.65	3,403,927.71	(118,888.94)
Federal Through State and Local	3200	11,440,632.06	9,381,802.85	9,381,802.85	0.00
State Sources	3300	1,095,824,737.64	1,079,351,674.92	1,077,889,305.94	(1,462,368.98)
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	449,865,724.62	453,153,110.88	453,153,110.88	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		93,924,131.00	77,411,359.84	73,021,070.46	(4,390,289.38)
Total Local Sources	3400	543,789,855.62	530,564,470.72	526,174,181.34	(4,390,289.38)
Total Revenues		1,653,838,325.85	1,622,820,765.14	1,616,849,217.84	(5,971,547.30)
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	1,179,377,274.02	1,168,227,951.66	1,126,182,322.53	42,045,629.13
Student Support Services	6100	60,048,965.16	66,343,138.87	66,022,722.47	320,416.40
Instructional Media Services	6200	20,002,007.89	22,244,095.97	21,744,666.06	499,429.91
Instruction and Curriculum Development Services	6300	15,911,416.62	26,994,784.62	26,586,848.32	407,936.30
Instructional Staff Training Services	6400	27,117,910.99	20,232,781.65	19,485,127.12	747,654.53
Instruction-Related Technology	6500	25,200,153.27	32,390,605.93	32,312,250.03	78,355.90
Board	7100	2,511,992.40	1,593,896.32	1,593,896.32	0.00
General Administration	7200	5,978,531.78	7,179,172.19	6,861,583.27	317,588.92
School Administration	7300	96,348,469.55	103,880,253.81	103,443,414.28	436,839.53
Facilities Acquisition and Construction	7410	3,373,569.57	2,253,781.29	1,774,397.85	479,383.44
Fiscal Services	7500	5,282,145.57	6,371,743.85	6,361,578.57	10,165.28
Food Services	7600	474,147.35	269,407.58	269,407.58	0.00
Central Services	7700	20,630,873.30	23,325,430.97	23,121,053.63	204,377.34
Student Transportation Services	7800	53,782,628.02	65,781,496.09	65,599,695.96	181,800.13
Operation of Plant	7900	105,343,914.60	115,186,455.86	114,782,262.89	404,192.97
Maintenance of Plant	8100	25,170,450.15	27,703,495.44	27,430,776.74	272,718.70
Administrative Technology Services	8200	194,193.26	228,508.96	228,508.94	0.02
Community Services	9100	7,998,542.73	24,089,922.56	20,756,097.84	3,333,824.72
<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			22,425.26	(22,425.26)
Other Capital Outlay	9300			2,118,563.31	(2,118,563.31)
Total Expenditures		1,654,747,186.23	1,714,296,923.62	1,666,697,598.97	47,599,324.65
Excess (Deficiency) of Revenues Over (Under) Expenditures		(908,860.38)	(91,476,158.48)	(49,848,381.13)	41,627,777.35
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	2,833,891.00	47,768,390.08	47,768,390.08	0.00
Transfers Out	9700	(2,000,000.00)	(3,221,375.25)	(3,220,953.61)	421.64
Total Other Financing Sources (Uses)		833,891.00	44,547,014.83	44,547,436.47	421.64
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		(74,969.38)	(46,929,143.65)	(5,300,944.66)	41,628,198.99
Fund Balances, July 1, 2016	2800	146,074,969.38	146,074,969.38	146,074,969.30	(0.08)
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	146,000,000.00	99,145,825.73	140,774,024.64	41,628,198.91

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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, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	22,937,744.99	32,990,007.60	19,055,279.10	(13,934,728.50)
Federal Through State and Local	3200	178,223,015.26	201,289,110.95	186,828,461.23	(14,460,649.72)
State Sources	3300	1,128,747.34	2,869,366.00	1,260,622.25	(1,608,743.75)
<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		1,793,211.42	3,540,093.30	2,586,471.42	(953,621.88)
Total Local Sources	3400	1,793,211.42	3,540,093.30	2,586,471.42	(953,621.88)
Total Revenues		204,082,719.01	240,688,577.85	209,730,834.00	(30,957,743.85)
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	92,264,080.20	86,003,463.72	73,539,376.52	12,464,087.20
Student Support Services	6100	20,492,799.47	17,980,949.31	17,404,126.47	576,822.84
Instructional Media Services	6200	2,746,643.34	3,558,823.64	3,117,314.19	441,509.45
Instruction and Curriculum Development Services	6300	24,929,093.75	32,803,733.94	30,413,690.69	2,390,043.25
Instructional Staff Training Services	6400	13,450,336.90	25,597,625.59	22,213,098.14	3,384,527.45
Instruction-Related Technology	6500	3,211,400.98	4,640,200.58	2,521,506.51	2,118,694.07
Board	7100	0.00	0.00	0.00	0.00
General Administration	7200	5,929,469.15	8,609,700.03	7,640,312.28	969,387.75
School Administration	7300	2,352,103.24	753,890.11	665,137.00	88,753.11
Facilities Acquisition and Construction	7410	479,050.56	108,718.00	0.00	108,718.00
Fiscal Services	7500	520,492.65	607,034.60	597,615.68	9,418.92
Food Services	7600	0.00	0.00	0.00	0.00
Central Services	7700	1,418,124.22	12,743,387.59	4,878,990.31	7,864,397.28
Student Transportation Services	7800	1,106,233.87	932,435.27	785,393.27	147,042.00
Operation of Plant	7900	197,188.71	221,383.44	191,798.40	29,585.04
Maintenance of Plant	8100	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00
Community Services	9100	34,985,701.97	46,148,607.28	44,410,078.96	1,738,528.32
<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			36,629.00	(36,629.00)
Other Capital Outlay	9300			1,336,720.19	(1,336,720.19)
Total Expenditures		204,082,719.01	240,709,953.10	209,751,787.61	30,958,165.49
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	(21,375.25)	(20,953.61)	421.64
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		21,375.25	20,953.61	(421.64)
Transfers Out	9700			0.00	0.00
Total Other Financing Sources (Uses)		0.00	21,375.25	20,953.61	(421.64)
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		0.00	(0.00)	(0.00)	0.00
Fund Balances, July 1, 2016	2800	0.00		0.00	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	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, 2017

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

PAGE
NUMBER

DOE

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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2017, 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 12, 2017.

District Superintendent's Signature _____ September 12, 2017
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, 2017

Exhibit K-1
FDOE Page 1
Fund 100

REVENUES	Account Number	
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	366,427.36
Reserve Officers Training Corps (ROTC)	3191	2,202,027.61
Miscellaneous Federal Direct	3199	835,472.74
Total Federal Direct	3100	3,403,927.71
<i>Federal Through State and Local:</i>		
Medicaid	3202	9,381,802.85
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	9,381,802.85
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	794,840,683.00
Workforce Development	3315	26,805,682.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	232,573.00
Adults with Disabilities	3318	
CO&DS Withheld for Administrative Expenditure	3323	119,055.63
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	642,342.50
District Discretionary Lottery Funds	3344	3,596,820.00
<i>Categorical Programs:</i>		
Class Size Reduction Operating Funds	3355	237,454,232.00
Florida School Recognition Funds	3361	6,177,656.00
Voluntary Prekindergarten Program	3371	2,154,943.08
Preschool Projects	3372	
<i>Other State:</i>		
Reading Programs	3373	
Full-Service Schools Program	3378	
State Through Local	3380	117,680.71
Other Miscellaneous State Revenues	3399	5,747,638.02
Total State	3300	1,077,889,305.94
<i>Local:</i>		
District School Taxes	3411	453,097,176.43
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	
Excess Fees	3423	55,934.45
Tuition	3424	
Rent	3425	618,770.57
Interest on Investments	3431	1,483,100.17
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	2,358,063.98
<i>Student Fees:</i>		
Adult General Education Course Fees	3461	426,614.12
Postsec Career Cert-Appl Tech Diploma Course Fees	3462	2,689,195.97
Continuing Workforce Education Course Fees	3463	
Capital Improvement Fees	3464	
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	302,190.34
GED® Testing Fees	3467	
Financial Aid Fees	3468	
Other Student Fees	3469	
<i>Other Fees:</i>		
Preschool Program Fees	3471	2,056,459.35
Prekindergarten Early Intervention Fees	3472	
School-Age Child Care Fees	3473	19,619,756.95
Other Schools, Courses and Classes Fees	3479	1,076,990.50
<i>Miscellaneous Local:</i>		
Bus Fees	3491	
Transportation Services Rendered for School Activities	3492	2,410,666.44
Sale of Junk	3493	379,191.83
Receipt of Federal Indirect Cost Rate	3494	7,670,254.13
Other Miscellaneous Local Sources	3495	28,611,774.70
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	
Collections for Lost, Damaged and Sold Textbooks	3498	67,705.99
Receipt of Food Service Indirect Costs	3499	3,250,335.42
Total Local	3400	526,174,181.34
Total Revenues	3000	1,616,849,217.84

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, 2017

Exhibit K-1
FDOE Page 2
Fund 100

EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
Current:									
Instruction	5000	734,386,051.85	198,646,626.36	151,006,052.36	27,553.00	26,030,778.53	6,826,979.42	9,258,281.01	1,126,182,322.53
Student Support Services	6100	51,421,502.66	13,701,819.45	457,030.57	0.00	423,351.17	18,393.12	625.50	66,022,722.47
Instructional Media Services	6200	14,439,632.80	3,809,637.41	1,660,203.24	0.00	296,891.46	1,525,304.64	12,996.51	21,744,666.06
Instruction and Curriculum Development Services	6300	18,115,665.23	4,357,066.40	1,056,982.06	3,759.19	280,322.94		2,762,808.38	26,586,848.32
Instructional Staff Training Services	6400	13,129,680.08	3,202,394.77	1,785,640.58	0.00	457,615.06	18,405.02	891,391.61	19,485,127.12
Instruction-Related Technology	6500	14,758,614.66	4,055,262.56	12,286,870.48	2,303.58	985,624.26	214,283.99	9,290.50	32,312,250.03
Board	7100	483,749.67	224,387.07	652,963.02	0.00	1,635.21	0.00	231,161.35	1,593,896.32
General Administration	7200	4,565,780.76	1,114,126.89	874,953.13	0.00	115,967.46	7,601.45	183,153.58	6,861,583.27
School Administration	7300	79,462,544.82	21,678,393.57	579,694.09	0.00	1,164,069.38	269,486.03	289,226.39	103,443,414.28
Facilities Acquisition and Construction	7410	1,250,632.07	314,797.99	159,409.05	0.00	7,098.05	41,491.86	968.83	1,774,397.85
Fiscal Services	7500	4,164,232.92	1,118,849.50	997,326.54	0.00	34,339.89	725.70	46,104.02	6,361,578.57
Food Services	7600	249,551.21	18,832.84	0.00	0.00	635.00	0.00	388.53	269,407.58
Central Services	7700	13,810,122.11	5,025,111.84	2,914,738.01	37,156.75	614,623.51	14,523.96	704,777.45	23,121,053.63
Student Transportation Services	7800	37,157,489.60	15,687,229.56	4,053,197.48	4,601,698.33	3,134,393.54	8,723.12	956,964.33	65,599,695.96
Operation of Plant	7900	41,227,719.69	17,820,556.64	19,899,111.47	31,832,861.34	2,643,103.62	136,542.75	1,222,367.38	114,782,262.89
Maintenance of Plant	8100	14,248,430.13	4,689,769.25	2,588,655.31	311,055.88	5,332,200.48	196,663.73	64,001.96	27,430,776.74
Administrative Technology Services	8200	92,783.51	24,431.11	6,697.02	0.00	90,197.30	14,400.00	0.00	228,508.94
Community Services	9100	12,599,402.18	1,263,440.11	1,178,878.05	7,815.51	1,309,634.75	336,320.03	4,060,607.21	20,756,097.84
Capital Outlay:									
Facilities Acquisition and Construction	7420						22,425.26		22,425.26
Other Capital Outlay	9300						2,118,563.31		2,118,563.31
Debt Service: (Function 9200)									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		1,055,563,585.95	296,752,733.32	202,158,402.46	36,824,203.58	42,922,481.61	11,781,077.51	20,695,114.54	1,666,697,598.97
Excess (Deficiency) of Revenues Over Expenditures									(49,848,381.13)

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number	
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
Transfers In:		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	43,447,432.00
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	4,320,958.08
From Enterprise Funds	3690	
Total Transfers In	3600	47,768,390.08
Transfers Out: (Function 9700)		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(20,953.61)
To Permanent Funds	960	
To Internal Service Funds	970	(3,200,000.00)
To Enterprise Funds	990	
Total Transfers Out	9700	(3,220,953.61)
Total Other Financing Sources (Uses)		44,547,436.47
Net Change In Fund Balance		(5,300,944.66)
Fund Balance, July 1, 2016	2800	146,074,969.30
Adjustments to Fund Balance	2891	
Ending Fund Balance:		
Nonspendable Fund Balance	2710	4,754,011.93
Restricted Fund Balance	2720	34,198,879.43
Committed Fund Balance	2730	
Assigned Fund Balance	2740	2,767,767.28
Unassigned Fund Balance	2750	99,053,366.00
Total Fund Balances, June 30, 2017	2700	140,774,024.64

REVENUES	Account Number	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	55,997,417.20
School Breakfast Reimbursement	3262	22,358,033.01
Afterschool Snack Reimbursement	3263	78,727.98
Child Care Food Program	3264	4,159,141.90
USDA-Donated Commodities	3265	6,252,757.43
Cash in Lieu of Donated Foods	3266	302,775.86
Summer Food Service Program	3267	1,816,213.40
Fresh Fruit and Vegetable Program	3268	1,338,950.00
Other Food Services	3269	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	92,304,016.78
<i>State:</i>		
School Breakfast Supplement	3337	681,647.00
School Lunch Supplement	3338	736,203.00
State Through Local	3380	
Other Miscellaneous State Revenues	3399	
Total State	3300	1,417,850.00
<i>Local:</i>		
Interest on Investments	3431	139,270.89
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	11,868,800.36
Student Breakfasts	3452	
Adult Breakfasts/Lunches	3453	895,212.83
Student and Adult á la Carte Fees	3454	9,603,191.41
Student Snacks	3455	
Other Food Sales	3456	1,924,327.37
Other Miscellaneous Local Sources	3495	257,590.64
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	24,713,393.50
Total Revenues	3000	118,435,260.28

EXPENDITURES (Function 7600/9300)	Account Number	
Salaries	100	35,792,589.69
Employee Benefits	200	17,638,642.65
Purchased Services	300	2,802,437.24
Energy Services	400	2,373,065.96
Materials and Supplies	500	52,282,104.96
Capital Outlay	600	5,914.10
Other	700	5,171,261.38
Other Capital Outlay (Function 9300)	600	9,123,518.66
Total Expenditures		125,189,534.64
Excess (Deficiency) of Revenues Over Expenditures		(6,754,274.36)
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
Transfers In:		
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	469,461.08
From Enterprise Funds	3690	
Total Transfers In	3600	469,461.08
Transfers Out: (Function 9700)		
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)		469,461.08
Net Change in Fund Balance		(6,284,813.28)
Fund Balance, July 1, 2016	2800	29,334,565.04
Adjustments to Fund Balance	2891	
Ending Fund Balance:		
Nonspendable Fund Balance	2710	888,423.23
Restricted Fund Balance	2720	22,161,328.53
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Total Fund Balances, June 30, 2017	2700	23,049,751.76

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	3,322,412.95
Miscellaneous Federal Direct	3199	15,732,866.15
Total Federal Direct	3100	19,055,279.10
<i>Federal Through State and Local:</i>		
Career and Technical Education	3201	2,444,943.10
Medicaid	3202	
Individuals with Disabilities Education Act (IDEA)	3230	45,115,692.78
<i>Workforce Innovation and Opportunity Act:</i>		
Adult General Education	3221	1,678,239.22
English Literacy and Civics Education	3222	385,437.33
Adult Migrant Education	3223	327,034.01
Other WIOA Programs	3224	
<i>ESSA - Elementary and Secondary Education Act:</i>		
Elementary and Secondary Education Act - Title I	3240	68,689,752.40
Teacher and Principal Training and Recruiting - Title II, Part A	3225	7,486,969.44
Math and Science Partnerships - Title II, Part B	3226	1,515,578.48
Language Instruction - Title III	3241	3,287,103.26
Twenty-First Century Schools - Title IV	3242	150,453.60
Federal Through Local	3280	52,566,925.04
Emergency Immigrant Education Program	3293	1,946,976.61
Miscellaneous Federal Through State	3299	1,233,355.96
Total Federal Through State and Local	3200	186,828,461.23
<i>State:</i>		
State Through Local	3380	12,786.00
Other Miscellaneous State Revenues	3399	1,247,836.25
Total State	3300	1,260,622.25
<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	
Adult General Education Course Fees	3461	70,260.88
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	2,516,210.54
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	2,586,471.42
Total Revenues	3000	209,730,834.00

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, 2017

EXPENDITURES	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other	Totals
Current:									
Instruction	5000	47,631,370.83	13,359,959.32	8,015,335.67	47,286.05	2,625,065.93	1,657,767.22	202,591.50	73,539,376.52
Student Support Services	6100	13,090,459.50	3,479,070.69	382,094.34	926.09	442,239.23	2,931.12	6,405.50	17,404,126.47
Instructional Media Services	6200	809,468.83	216,223.84	750,108.43	0.00	152,620.03	1,188,893.06	0.00	3,117,314.19
Instruction and Curriculum Development Services	6300	23,280,045.08	6,105,549.71	693,052.05	0.00	261,639.89	35,605.97	37,797.99	30,413,690.69
Instructional Staff Training Services	6400	15,231,401.04	3,364,602.13	2,744,432.75	0.00	549,306.74	12,013.66	311,341.82	22,213,098.14
Instruction-Related Technology	6500	373,740.68	94,536.93	2,053,153.90	0.00	0.00	75.00	0.00	2,521,506.51
Board	7100								0.00
General Administration	7200	10,500.00	1,646.40	0.00	0.00	0.00	0.00	7,628,165.88	7,640,312.28
School Administration	7300	575,529.43	89,597.57	0.00	0.00	0.00	0.00	0.00	665,137.00
Facilities Acquisition and Construction	7410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	450,893.42	146,319.57	402.69	0.00	0.00	0.00	0.00	597,615.68
Food Services	7600								0.00
Central Services	7700	4,087,823.82	339,404.79	449,312.08	0.00	2,203.70	0.00	245.92	4,878,990.31
Student Transportation Services	7800	53,813.68	41,987.49	687,585.48	2,006.62	0.00	0.00	0.00	785,393.27
Operation of Plant	7900	132,436.25	42,956.48	0.00	0.00	16,055.67	350.00	0.00	191,798.40
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100	569,578.74	174,385.26	40,108,585.09	0.00	41,329.92	8,083.21	3,508,116.74	44,410,078.96
Capital Outlay:									
Facilities Acquisition and Construction	7420						36,629.00		36,629.00
Other Capital Outlay	9300						1,336,720.19		1,336,720.19
Total Expenditures		106,297,071.30	27,456,240.18	55,884,062.48	50,218.76	4,090,461.11	4,279,068.43	11,694,665.35	209,751,787.61
Excess (Deficiency) of Revenues over Expenditures									(20,953.61)
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number								
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
Transfers In:									
From General Fund	3610	20,953.61							
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	20,953.61							
Transfers Out: (Function 9700)									
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)		20,953.61							
Net Change in Fund Balance		0.00							
Fund Balance, July 1, 2016	2800	0.00							
Adjustments to Fund Balance	2891								
Ending Fund Balance:									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balances, June 30, 2017	2700	0.00							

DOE PAGES 8 AND 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 BALANCES - DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017

REVENUES	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Sections 1011.14 and 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	6,167,899.42							6,167,899.42
SBE/COBI Bond Interest	3326	1,683.14							1,683.14
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	6,169,582.56	446,500.00	0.00	0.00	0.00	0.00	0.00	6,616,082.56
<i>Local:</i>									
District Debt Service Taxes	3412								0.00
County Local Sales Tax	3418						20,346,198.03		20,346,198.03
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		8,565.71				687,806.71	107,793.36	804,165.78
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						17,411.47		17,411.47
Impact Fees	3496								0.00
Refunds of Prior Year's Expenditures	3497								0.00
Total Local Sources	3400	0.00	8,565.71	0.00	0.00	0.00	21,051,416.21	107,793.36	21,167,775.28
Total Revenues	3000	6,169,582.56	455,065.71	0.00	0.00	0.00	21,051,416.21	107,793.36	27,783,857.84
EXPENDITURES									
<i>Debt Service (Function 9200)</i>									
Redemption of Principal	710	5,186,000.00	260,000.00				45,570,000.00		51,016,000.00
Interest	720	1,109,757.50	174,868.76				34,273,080.39	144,204.13	35,701,910.78
Dues and Fees	730	31,118.05	850.00				501,993.94	5,150.00	539,111.99
Miscellaneous	790								0.00
Total Expenditures		6,326,875.55	435,718.76	0.00	0.00	0.00	80,345,074.33	149,354.13	87,257,022.77
Excess (Deficiency) of Revenues Over Expenditures		(157,292.99)	19,346.95	0.00	0.00	0.00	(59,293,658.12)	(41,560.77)	(59,473,164.93)
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Sections 1011.14 and 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								0.00
Premium on Lease-Purchase Agreements	3793								0.00
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	5,302,000.00					47,664,712.00		52,966,712.00
Premium on Refunding Bonds	3792	807,289.76							807,289.76
Discount on Refunding Bonds (Function 9299)	892								0.00

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Sections 1011.14 and 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
Payments to Refunded Bonds Escrow Agent (Function 9299)	761	(2,221,873.62)					(85,694,555.63)		(87,916,429.25)
Refunding Lease-Purchase Agreements	3755						32,445,000.00		32,445,000.00
Premium on Refunding Lease-Purchase Agreements	3794						5,094,857.65		5,094,857.65
Discount on Refunding Lease-Purchase Agmnts (Function 9299)	894								0.00
Payments to Refunded Lease-Purchase Escrow Agent (Function 9299)	762								0.00
Transfers In:									
From General Fund	3610								0.00
From Capital Projects Funds	3630						62,921,896.55	2,256,854.13	65,178,750.68
From Special Revenue Funds	3640								0.00
Interfund	3650						760.65		760.65
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	62,922,657.20	2,256,854.13	65,179,511.33
Transfers Out: (Function 9700)									
To General Fund	910								0.00
To Capital Projects Funds	930						(27,369,497.64)		(27,369,497.64)
To Special Revenue Funds	940								0.00
Interfund	950						(760.65)		(760.65)
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	(27,370,258.29)	0.00	(27,370,258.29)
Total Other Financing Sources (Uses)		3,887,416.14	0.00	0.00	0.00	0.00	35,062,412.93	2,256,854.13	41,206,683.20
Net Change in Fund Balances		3,730,123.15	19,346.95	0.00	0.00	0.00	(24,231,245.19)	2,215,293.36	(18,266,481.73)
Fund Balance, July 1, 2016	2800	557,465.59	1,122,769.39				96,605,110.31	10,632,078.73	108,917,424.02
Adjustments to Fund Balances	2891								0.00
Ending Fund Balance:									
Nonspendable Fund Balance	2710								0.00
Restricted Fund Balance	2720	4,287,588.74	1,142,116.34				72,373,865.12	12,847,372.09	90,650,942.29
Committed Fund Balance	2730								0.00
Assigned Fund Balance	2740								0.00
Unassigned Fund Balance	2750								0.00
Total Fund Balances, June 30, 2017	2700	4,287,588.74	1,142,116.34	0.00	0.00	0.00	72,373,865.12	12,847,372.09	90,650,942.29

REVENUES	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Sections 1011.14 and 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 Capital Improvement Section 1011.71(2), F.S. 370	Voted Capital Improvement Fund 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
<i>Federal:</i>												
Miscellaneous Federal Direct	3199											0.00
Miscellaneous Federal Through State	3299											0.00
<i>State:</i>												
CO&DS Distributed	3321						1,650,086.95					1,650,086.95
Interest on Undistributed CO&DS	3325						129,581.14					129,581.14
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				4,894,472.00							4,894,472.00
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									5,047,432.00		5,047,432.00
Other Miscellaneous State Revenues	3399											0.00
Total State Sources	3300	0.00	0.00	0.00	4,894,472.00	0.00	1,779,668.09	0.00	0.00	5,047,432.00	0.00	11,721,572.09
<i>Local:</i>												
District Local Capital Improvement Tax	3413							125,707,135.42				125,707,135.42
County Local Sales Tax	3418									10,371,727.00		10,371,727.00
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				1,102.18		27,118.08	552,145.35		349,763.23		930,128.84
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							724,883.63		865,574.15		1,590,457.78
Impact Fees	3496									31,274,116.60		31,274,116.60
Refunds of Prior Year's Expenditures	3497											0.00
Total Local Sources	3400	0.00	0.00	0.00	1,102.18	0.00	27,118.08	126,984,164.40	0.00	42,861,180.98	0.00	169,873,565.64
Total Revenues	3000	0.00	0.00	0.00	4,895,574.18	0.00	1,806,786.17	126,984,164.40	0.00	47,908,612.98	0.00	181,595,137.73
EXPENDITURES												
<i>Capital Outlay: (Function 7400)</i>												
Library Books	610											0.00
Audiovisual Materials	620											0.00
Buildings and Fixed Equipment	630							3,731,134.51		27,079,182.44		30,810,316.95
Furniture, Fixtures and Equipment	640							1,895,326.22		637,061.16		2,533,387.38
Motor Vehicles (Including Buses)	650							345,707.75		13,939,344.44		14,285,052.19
Land	660							53,087.22		59,681.45		112,768.67
Improvements Other Than Buildings	670				671,552.91		29,951.56	6,857,707.92				7,559,212.39
Remodeling and Renovations	680				4,479,199.68		7,232.97	28,449,296.44		34,410.44		32,970,139.53
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						6,040.09					6,040.09
Miscellaneous	790											0.00
Total Expenditures		0.00	0.00	0.00	5,150,752.39	0.00	43,224.62	41,333,260.06	0.00	41,749,679.93	0.00	88,276,917.20
Excess (Deficiency) of Revenues Over Expenditures		0.00	0.00	0.00	(255,178.41)	0.00	1,763,561.55	85,650,904.34	0.00	6,158,933.05	0.00	93,318,220.53

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, 2017

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Sections 1011.14 and 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 Capital 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									19,746,338.00		19,746,338.00
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									27,369,497.64		27,369,497.64
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	27,369,497.64	0.00	27,369,497.64
Transfers Out: (Function 9700)												
To General Fund	910							(38,400,000.00)		(5,047,432.00)		(43,447,432.00)
To Debt Service Funds	920							(65,178,750.68)				(65,178,750.68)
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	(103,578,750.68)	0.00	(5,047,432.00)	0.00	(108,626,182.68)
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00	0.00	0.00	(103,578,750.68)	0.00	42,068,403.64	0.00	(61,510,347.04)
Net Change in Fund Balances		0.00	0.00	0.00	(255,178.41)	0.00	1,763,561.55	(17,927,846.34)	0.00	48,227,336.69	0.00	31,807,873.49
Fund Balance, July 1, 2016	2800				2,621,197.00		3,150,771.49	18,547,576.15		64,402,906.97		88,522,451.61
Adjustments to Fund Balances	2891											0.00
Ending Fund Balance:												
Nonspendable Fund Balance	2710											0.00
Restricted Fund Balance	2720				2,366,018.59		4,914,333.04	419,729.81		112,630,243.66		120,330,325.10
Committed Fund Balance	2730											0.00
Assigned Fund Balance	2740											0.00
Unassigned Fund Balance	2750											0.00
Total Fund Balances, June 30, 2017	2700	0.00	0.00	0.00	2,366,018.59	0.00	4,914,333.04	419,729.81	0.00	112,630,243.66	0.00	120,330,325.10

DOE PAGES 14 AND 15 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, 2017

Exhibit K-10
FDOE Page 16
Funds 700

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	10,665,728.56						183,843,979.26	194,509,707.82
Other Operating Revenues	3489	748,525.49							748,525.49
Total Operating Revenues		11,414,254.05	0.00	0.00	0.00	0.00	0.00	183,843,979.26	195,258,233.31
OPERATING EXPENSES (Function 9900)									
Salaries	100	499,317.99							499,317.99
Employee Benefits	200	188,639.17							188,639.17
Purchased Services	300	282,928.71	9,008.70						291,937.41
Energy Services	400								0.00
Materials and Supplies	500								0.00
Capital Outlay	600								0.00
Other	700	6,761,305.66	3,616,790.61					183,843,979.26	194,222,075.53
Depreciation and Amortization Expense	780								0.00
Total Operating Expenses		7,732,191.53	3,625,799.31	0.00	0.00	0.00	0.00	183,843,979.26	195,201,970.10
Operating Income (Loss)		3,682,062.52	(3,625,799.31)	0.00	0.00	0.00	0.00	0.00	56,263.21
NONOPERATING REVENUES (EXPENSES)									
Interest on Investments	3431	169,209.71	41,781.19						210,990.90
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		31,558.10						31,558.10
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)		169,209.71	73,339.29	0.00	0.00	0.00	0.00	0.00	242,549.00
Income (Loss) Before Operating Transfers		3,851,272.23	(3,552,460.02)	0.00	0.00	0.00	0.00	0.00	298,812.21
TRANSFERS and CHANGES IN NET POSITION									
Transfers In:									
From General Fund	3610		3,200,000.00						3,200,000.00
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	3,200,000.00	0.00	0.00	0.00	0.00	0.00	3,200,000.00
Transfers Out: (Function 9700)									
To General Fund	910	(4,320,958.08)							(4,320,958.08)
To Debt Service Funds	920								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940	(469,461.08)							(469,461.08)
Interfund	950								0.00
To Permanent Funds	960								0.00
To Enterprise Funds	990								0.00
Total Transfers Out	9700	(4,790,419.16)	0.00	0.00	0.00	0.00	0.00	0.00	(4,790,419.16)
Change in Net Position		(939,146.93)	(352,460.02)	0.00	0.00	0.00	0.00	0.00	(1,291,606.95)
Net Position, July 1, 2016	2880	1,572,112.85	500,712.00					0.00	2,072,824.85
Adjustments to Net Position	2896								0.00
Net Position, June 30, 2017	2780	632,965.92	148,251.98						781,217.90

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS
June 30, 2017

ASSETS	Account Number	Beginning Balance July 1, 2016	Additions	Deductions	Ending Balance June 30, 2017
Cash	1110	16,302,525.89	16,197,034.81	16,302,525.89	16,197,034.81
Investments	1160	1,378,912.43	10,155.48	312,264.99	1,076,802.92
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	104,333.35	122,922.40	104,333.35	122,922.40
Total Assets		17,785,771.67	16,330,112.69	16,719,124.23	17,396,760.13
LIABILITIES					
Cash Overdraft	2125				0.00
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120	1,419,239.63	1,117,033.93	1,419,239.63	1,117,033.93
Internal Accounts Payable	2290	16,366,532.04	25,033,531.73	25,120,337.57	16,279,726.20
Due to Budgetary Funds	2161				0.00
Total Liabilities		17,785,771.67	26,150,565.66	26,539,577.20	17,396,760.13

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF LONG-TERM LIABILITIES
June 30, 2017

Exhibit K-12
FDOE Page 18
Fund 601

	Account Number	Governmental Activities Total Balance [1] June 30, 2017	Business-Type Activities Total Balance [1] June 30, 2017	Total	Governmental Activities - Debt Principal Payments 2016-17	Governmental Activities - Principal Due Within One Year 2017-18	Governmental Activities - Debt Interest Payments 2016-17	Governmental Activities - Interest Due Within One Year 2017-18
Notes Payable	2310			0.00				
Obligations Under Capital Leases	2315			0.00				
Bonds Payable								
SBE/COBI Bonds Payable	2321	17,706,000.00		17,706,000.00	5,186,000.00	5,406,000.00	1,109,757.50	840,623.88
District Bonds Payable	2322			0.00				
Special Act Bonds Payable	2323			0.00				
Motor Vehicle License Revenue Bonds Payable	2324	5,536,301.67		5,536,301.67	260,000.00	265,000.00	174,868.76	169,618.76
Sales Surtax Bonds Payable	2326	181,837,166.74		181,837,166.74	13,160,000.00	13,345,000.00	5,911,880.81	5,107,365.70
Total Bonds Payable	2320	205,079,468.41	0.00	205,079,468.41	18,606,000.00	19,016,000.00	7,196,507.07	6,117,608.34
Liability for Compensated Absences	2330	166,298,692.18		166,298,692.18				
Lease-Purchase Agreements Payable								
Certificates of Participation (COPS) Payable	2341	696,786,064.71		696,786,064.71	32,410,000.00	33,895,000.00	28,361,199.58	26,460,983.07
Qualified Zone Academy Bonds (QZAB) Payable	2342	9,133,000.00		9,133,000.00				
Qualified School Construction Bonds (QSCB) Payable	2343	37,935,000.00		37,935,000.00			144,204.13	
Build America Bonds (BAB) Payable	2344			0.00				
Other Lease-Purchase Agreements Payable	2349			0.00				
Total Lease-Purchase Agreements Payable	2340	743,854,064.71	0.00	743,854,064.71	32,410,000.00	33,895,000.00	28,505,403.71	26,460,983.07
Estimated Liability for Long-Term Claims	2350	24,447,939.00		24,447,939.00				
Net Other Postemployment Benefits Obligation	2360	157,956,970.00		157,956,970.00				
Net Pension Liability	2365	1,411,576,817.07		1,411,576,817.07				
Estimated PECO Advance Payable	2370			0.00				
Other Long-Term Liabilities	2380			0.00				
Derivative Instrument	2390			0.00				
Total Long-term Liabilities		2,709,213,951.37	0.00	2,709,213,951.37	51,016,000.00	52,911,000.00	35,701,910.78	32,578,591.41

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2017, 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, 2017

Exhibit K-13

FDOE Page 19

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2016	Returned To FDOE	Revenues [1] 2016-17	Expenditures 2016-17	Flexibility [2] 2016-17	Unexpended June 30, 2017
Class Size Reduction Operating Funds (3355)	94740			237,454,232.00	237,454,232.00		0.00
Excellent Teaching Program (3363)	90570						0.00
Florida Digital Classrooms (FEFP Earmark)	98250	1,268,566.81		3,808,369.00	2,741,756.71		2,335,179.10
Florida School Recognition Funds (3361)	92040	494,439.28		6,177,656.00	6,215,534.44		456,560.84
Instructional Materials (FEFP Earmark) [3]	90880	12,123,557.94		15,898,144.00	8,824,730.34		19,196,971.60
Library Media (FEFP Earmark) [3]	90881	30,310.11		896,362.00	818,080.24		108,591.87
Preschool Projects (3372)	97950						0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800	3,058,870.03		9,282,683.00	9,054,126.17		3,287,426.86
Safe Schools (FEFP Earmark) [5]	90803			3,468,270.00	3,468,270.00		0.00
Salary Bonus Outstanding Teachers in D and F Schools	94030						0.00
Student Transportation (FEFP Earmark)	90830			32,152,985.00	32,152,985.00		0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280	671,990.29		50,348,251.00	48,200,222.86		2,820,018.43
Teachers Classroom Supply Assistance (FEFP Earmark)	97580			3,461,420.00	3,149,891.59		311,528.41
Voluntary Prekindergarten - School Year Program (3371)	96440			747,248.41	747,248.41		0.00
Voluntary Prekindergarten - Summer Program (3371)	96441			1,407,694.67	1,407,694.67		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, 2017

Exhibit K-14
FDOE Page 20

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
UTILITIES AND ENERGY SERVICES EXPENDITURES:						
Public Utility Services Other than Energy - All Functions	380	7,573,394.90	745,215.50	51.30		8,318,661.70
Public Utility Services Other than Energy - <i>Functions 7900 & 8100</i>	380	7,573,394.90				7,573,394.90
Natural Gas - All Functions	411	342,340.94	1,076.31			343,417.25
Natural Gas - <i>Functions 7900 & 8100</i>	411	342,340.94				342,340.94
Bottled Gas - All Functions	421	61,299.03	74,488.45			135,787.48
Bottled Gas - <i>Functions 7900 & 8100</i>	421	61,299.03				61,299.03
Electricity - All Functions	430	31,311,120.16	2,272,713.93	45,628.09		33,629,462.18
Electricity - <i>Functions 7900 & 8100</i>	430	31,303,284.49				31,303,284.49
Heating Oil - All Functions	440					0.00
Heating Oil - <i>Functions 7900 & 8100</i>	440					0.00
Gasoline - All Functions	450	412,551.46	9,618.27	4,590.67		426,760.40
Gasoline - <i>Functions 7900 & 8100</i>	450	300,836.46				300,836.46
Other Energy Services - All Functions	490					0.00
Other Energy Services - <i>Functions 7900 & 8100</i>	490					0.00
Subtotal - <i>Functions 7900 & 8100</i>		39,581,155.82	0.00	0.00	0.00	39,581,155.82
Total - All Functions		39,700,706.49	3,103,112.46	50,270.06	0.00	42,854,089.01
ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION: (Function 7800 only)						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422	148,224.33				148,224.33
Gasoline	450	60,917.92		2,006.62		62,924.54
Diesel Fuel	460	4,392,556.08				4,392,556.08
Oil and Grease	540	133,380.40				133,380.40
Total		4,735,078.73		2,006.62	0.00	4,737,085.35

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Capital Projects Funds 3XX	Total
EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:						
Buses	651				13,939,344.44	13,939,344.44

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FDOE Page 21

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	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	6,172,392.17	3,794,433.47			9,966,825.64
<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	143,827.47
Food	570	40,610,036.83
Donated Foods	580	6,252,757.43

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Teacher Salaries					
Basic Programs 101, 102 and 103 (Function 5100)	120	530,650,595.96	25,639,884.48		556,290,480.44
Basic Programs 101, 102 and 103 (Function 5100)	140				0.00
Basic Programs 101, 102 and 103 (Function 5100)	750	88,313.67			88,313.67
Total Basic Program Salaries		530,738,909.63	25,639,884.48	0.00	556,378,794.11
Other Programs 130 (ESOL) (Function 5100)	120	9,524,449.35	619,768.63		10,144,217.98
Other Programs 130 (ESOL) (Function 5100)	140				0.00
Other Programs 130 (ESOL) (Function 5100)	750	462.76			462.76
Total Other Program Salaries		9,524,912.11	619,768.63	0.00	10,144,680.74
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	120	114,552,640.63	1,296,157.86		115,848,798.49
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	140				0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	750	747.74			747.74
Total ESE Program Salaries		114,553,388.37	1,296,157.86	0.00	115,849,546.23
Career Program 300 (Function 5300)	120	23,149,540.00	138,237.25		23,287,777.25
Career Program 300 (Function 5300)	140				0.00
Career Program 300 (Function 5300)	750				0.00
Total Career Program Salaries		23,149,540.00	138,237.25	0.00	23,287,777.25
TOTAL		677,966,750.11	27,694,048.22	0.00	705,660,798.33

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Textbooks (used for classroom instruction)					
Textbooks (Function 5000)	520	10,544,898.82	712,973.41		11,257,872.23

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
For the Fiscal Year Ended June 30, 2017

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	128,319,139.00	2,558,106.00		130,877,245.00
Special Revenue Funds - Food Service	410				0.00
Special Revenue Funds - Other Federal Programs	420	1,163,487.00			1,163,487.00
Special Revenue Funds - ARRA Race to the Top	434				0.00
Capital Projects Funds	3XX				0.00
Total Charter School Distributions		129,482,626.00	2,558,106.00	0.00	132,040,732.00

LIFELONG LEARNING (Lifelong Learning expenditures are used in federal reporting)	Account Number	Amount
<i>Expenditures:</i>		
General Fund	5900	821,474.31
Special Revenue Funds - Other Federal Programs	5900	1,733,764.78
Special Revenue Funds - ARRA Race to the Top	5900	
Total	5900	2,555,239.09

MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting)	Unexpended June 30, 2016	Earnings 2016-17	Expenditures 2016-17	Unexpended June 30, 2017
Earnings, Expenditures and Carryforward Amounts:		9,381,802.85	9,381,802.85	0.00
<i>Expenditure Program or Activity:</i>				
Exceptional Student Education			9,381,802.85	
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			9,381,802.85	

General Fund Balance Sheet Information (This information is used in state reporting)	Fund Number	Amount
<i>Balance Sheet Amount, June 30, 2017:</i>		
Total Assets and Deferred Outflows of Resources	100	165,668,044.25
Total Liabilities and Deferred Inflows of Resources	100	24,894,019.61

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM
For the Fiscal Year Ended June 30, 2017

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	1,419,966.45	403,301.99	42,687.35	20.16	286,111.27	2,855.87		2,154,943.08
Student Support Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400								0.00
Instruction-Related Technology	6500								0.00
Board	7100								0.00
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								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<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		1,419,966.45	403,301.99	42,687.35	20.16	286,111.27	2,855.87	0.00	2,154,943.09

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

DOE PAGES 24 AND 25 INTENTIONALLY OMITTED

SCHEDULE 5
SUPPLEMENTAL SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass -Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
School Breakfast Program	10.553	None	22,358,033.01	
National School Lunch Program	10.555	None	56,076,145.18	
National School Lunch Program(Comm)	10.555	None	6,252,757.43	
Child and Adult Care Food Program	10.558	None	4,461,917.76	
Summer Food Service Program for Children	10.559	None	1,816,213.40	
Fresh Fruit and Vegetable Program	10.582	None	1,338,950.00	
Total for United States Department of Agriculture			92,304,016.78	
Competitive Grants: Promoting K-12 Student Achievement at Military- Connected Schools	12.556	HE1254-16-1-0018	93,126.26	
Total for Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools			93,126.26	
National Farmworker Jobs Program	17.264	4056B, 4057B	327,034.01	
Disability Employment Policy Development	17.720	16-17	169.07	
Total for United States Department of Labor			327,203.08	
National Aeronautics and Space Administration	43.008	66016040-17	4,512.80	
Total for National Aeronautics and Space Administration			4,512.80	
Education and Human Resources	47.076	1777-1092-00-C	9,659.00	
Total for National Science Foundation			9,659.00	
Adult Education - Basic Grants to States	84.002	1916B, 1936B, 1917B, 1937B, 1947B	2,063,676.55	
Federal Supplemental Educational Opportunity Grants	84.007	Federal SEOG	44,071.98	
Title I Grants to Local Educational Agencies	84.010	2126B, 2236B, 2266B, 2127B, 2237B, 2267B	63,678,964.06	
Migrant Education_State Grant Program	84.011	2176B, 2176T, 2177B, 2177T	3,978,941.33	
Special Education - Grants to States	84.027	2636B, 2626B, 2637B, 2627B	44,248,832.49	
Federal Work-Study Program	84.033	Federal FWS	35,480.31	
Impact Aid	84.041	Impact Aid	366,427.36	
Career and Technical Education -- Basic Grants to States	84.048	1616A, 1617A	2,444,943.10	
Indian Education_Grants to Local Educational Agencies	84.060	S060A162533	10,722.00	
Federal Pell Grant Program	84.063	Federal PELL	3,322,412.95	
Special Education - Preschool Grants	84.173	2666B, 2676B, 2667B, 2677B	868,383.74	
Safe and Drug-Free Schools and Communities National Programs	84.184	S184G140293, S184M140088	1,532,871.20	
Education for Homeless Children and Youth	84.196	1276B, 1277B	129,435.30	
Charter Schools	84.282	2982A	(662.52)	(662.52)
Twenty-First Century Community Learning Centers	84.287	2447B	150,453.60	150,453.60

Education Research, Development and Dissemination	84.305 5810-1023-00-A	85,824.19	
Special Education State Personnel Development	84.323 12041-16-BCSD	28,442.01	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334 P334A140182	402,540.92	
Transition to Teaching	84.350 U350A110026	281,186.74	
English Language Acquisition Grants	84.365 1026B, 1027B	3,537,108.06	
Math and Science Partnerships	84.366 2356B	789,820.93	
Improving Teacher Quality State Grants	84.367 2246B, 2247B, 2357B	8,212,726.99	
Teacher Incentive Fund	84.374 S374A120095	12,860,288.02	
School Improvement Grants	84.377 1264A	1,031,847.01	
Investing in Innovation (i3) Fund	84.411 U411C140098	457,984.60	
Total for United States Department of Education		150,562,722.92	149,791.08
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243 1H79SM061949-01	14,594.12	
Temporary Assistance for Needy Families	93.558 16-17	12,135,700.02	
Refugee and Entrant Assistance_State Administered Programs	93.566 LK179, LK193	914,072.33	
Child Care and Development Block Grant	93.575 LC937, 1617	16,574,706.62	
Refugee and Entrant Assistance-Discretionary Grants	93.576 LK179	441,212.67	
Refugee and Entrant Assistance_Targeted Assistance Grants	93.584 LK179	904,048.65	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596 16-17	13,146,660.23	
Head Start	93.600 04CH30305/47, 04CH4768/03	10,661,579.30	
Social Services Block Grant	93.667 16-17	37,597.69	
Children's Health Insurance Program	93.767 HB331	422,772.00	
Total for United States Department of Health and Human Services		55,252,943.63	
ROTC	ROTC	ROTC	2,202,027.61
Grand Total		300,756,212.08	149,791.08

Notes:

- 1) Hillsborough County Public Schools did not use the 10% de minimis cost rate.
- 2) The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2016-2017 fiscal year as determined based on the modified accrual basis of accounting. The amount reported on the Schedule have been reconciled to and are in agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.
- 3) Noncash Assistance: National School Lunch Program includes \$6,252,757.43 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.