

**FLORIDA DEPARTMENT OF EDUCATION  
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)  
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
For the Fiscal Year Ended June 30, 2014**

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

**PAGE NUMBER**

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Reporting**

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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2014, 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 9, 2014.

\_\_\_\_\_  
District Superintendent's Signature

September 9, 2014  
Date

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

**Management Discussion and Analysis**

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 years 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 and liabilities, with the assets plus deferred outflows minus liabilities 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.

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, 2014

**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 allows 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 wider 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 twelve 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, Special Revenue Fund – America Recovery and Reinvestment Act (ARRA) Stimulus, Other Debt Service, Debt Service ARRA, Capital Improvement, Other Capital Projects Fund and Capital Projects ARRA that are considered to be major funds. Data from the other four 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

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

**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 – 18.48 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 by \$1,634,903,069.74 at the end of the current fiscal year.

By far the largest portion of the District's net position (76 percent) reflects its investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt 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, 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.

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
Current and other assets	\$ 729,878,118.13	\$ 788,867,817.55
Capital assets	<u>2,325,407,001.31</u>	<u>2,363,606,664.55</u>
Total assets	<u>3,055,285,119.44</u>	<u>3,152,474,482.10</u>
Deferred outflows	<u>43,557,005.96</u>	<u>20,928,658.00</u>
Long-term liabilities outstanding	1,337,077,405.36	1,331,081,889.91
Other liabilities	<u>126,861,650.30</u>	<u>117,155,707.90</u>
Total liabilities	1,463,939,055.66	1,448,237,597.81
Net position:		
Net Investment in Capital Assets	1,236,596,932.66	1,266,015,434.84
Restricted	325,924,969.57	326,543,761.48
Unrestricted	<u>72,381,167.51</u>	<u>132,606,345.97</u>
Total Net Position	\$ <u>1,634,903,069.74</u>	\$ <u>1,725,165,542.29</u>

An additional portion of the District assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$72,381,167.51 may be used to meet government's on going obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

The District's net position decreased by \$81,831,799.83 during the current year and the unrestricted net position decreased by \$60,225,178.46. The decrease in net position is primarily due to salary increases, an increase in the OPEB liability, and the reduction of Deferred Charges due to the implementation of GASB Statement Number 65.

**Governmental Activities**

Governmental activities decreased the District's net position by \$81,831,799.83. Key elements of this decrease are as follows:

	<b>Governmental Activities <u>2014</u></b>	<b>Governmental Activities <u>2013</u></b>
Revenues:		
Program revenues:		
Charges for services	\$ 51,277,948.80	\$ 50,666,070.53
Operating grants and contributions	82,477,651.76	74,682,132.81
Capital grants and contributions	7,658,000.65	7,747,071.67
General revenues:		
Property taxes, levied for operational purposes	418,312,866.48	408,137,020.58
Property taxes, levied for capital projects	101,321,821.14	96,077,473.99
Local sales taxes	25,879,851.17	24,660,463.02
Grants and contributions not restricted to specific programs	1,220,399,170.59	1,132,298,156.45
Investment earnings	2,176,307.62	6,176,479.20
Miscellaneous	80,302,540.22	77,202,450.38
Total revenues	\$ <u>1,989,806,158.43</u>	<u>1,877,647,318.63</u>
Expenses:		
Instruction	1,114,285,007.69	1,032,881,317.57
Pupil personnel services	81,678,993.08	75,721,749.19
Instructional media services	23,389,687.37	21,917,317.13
Instruction and curriculum development	50,476,135.73	43,922,584.78
Instructional staff training services	42,277,426.98	48,385,855.26
Instruction related technology	35,015,753.85	29,762,882.75
Board	2,450,302.69	1,518,495.72
General administration	11,978,921.01	11,006,154.87
School administration	96,079,598.17	91,712,279.70
Facilities acquisition and construction	118,081,464.54	111,835,939.47
Fiscal services	7,781,376.64	7,478,461.78
Food services	105,851,170.67	95,897,060.57
Central services	39,737,123.20	26,521,976.17
Pupil transportation services	72,785,759.38	70,805,450.42
Operation of plant	110,961,359.61	110,235,594.20
Maintenance of plant	28,063,065.82	28,968,877.25
Administrative Technology Services	926,983.48	526,524.89
Community services	85,306,779.42	83,642,269.91
Interest on long-term debt	44,213,724.39	48,411,189.55
Unallocated depreciation	297,324.54	344,115.41
Total expense	<u>2,071,637,958.26</u>	<u>1,941,496,096.59</u>
Change in net position	(81,831,799.83)	(63,848,777.96)
Net position beginning of year – restated	1,716,734,869.57	1,789,014,320.25
Net position end of year	\$ <u>1,634,903,069.74</u>	<u>1,725,165,542.29</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

The increase in unrestricted grants and contributions revenue of \$88,101,014.14 is a result of an increase in Florida Education Finance Program (FEFP) and property taxes.

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 \$542,853,218.50, a decrease of \$45,049,933.95 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 \$95,796,572.78, while total fund balance was \$229,632,311.42. The fund balance of the District's general fund decreased by \$39,636,218.54 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 fifteen percent of that same amount. The fund balance decrease of \$39,636,218.54 in the current year was due in part to:

Additional expenditures required for common core training and the required materials;

Computers/technology and infrastructure for the upcoming State Accountability Standards along with escalating online testing requirements;

The Legislative mandate for the "Additional Hour of Intensive Reading" each instructional day for the One Hundred Lowest Performing Elementary Schools in the State (based on the State Reading Assessment). This mandate requires an additional hour of intensive reading instruction beyond the normal school day for all students in these schools. Our district had 11 schools included in this category;

Increased instructional materials expense due to the state-mandated Math Textbook Adoption and alignment to state standards and digital content requirements;

Increased expenditures due to more than 1,400 aging school buses. As the capital dollars have diminished in the last seven years the general fund was responsible for paying these expenditures;

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

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

Student funding remains below pre-recession levels. At the start of the 2007-2008 school year, funding per unweighted student was \$7,123.18. In FY 2013-2014 our funding per unweighted student was \$6,750.20. This loss of \$372.98 per student plus 9,971 new students equals \$3,719,103 in funding we didn't receive.

The state-wide proration (reduction of funds) was \$51,655,306; of that amount Hillsborough County Public Schools share was \$3,890,308.

Increased school security measures in response to the tragic events on school campuses across the country.

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

The Special Revenue Fund (American Recovery and Reinvestment Act Economic Stimulus Fund) revenue remained equal to last year.

The other debt service fund shows nearly the same fund balance as the prior year because debt service payments are equal over the years.

The Capital Improvement fund's ending fund balance of \$103,649,916.56 dropped \$23,978,181.18 from the prior year. Taxes for capital outlay were \$5,244,347.15 more this year and expenditures for various projects were \$12,321,079.75 higher than last year, due to additional maintenance of schools and the building of an elementary school to open in fiscal 2015.

Other capital projects fund had an increase in fund balance of \$8,681,223.47 to a total of \$62,701,134.78. The increase was due to the reduction of schools being renovated.

Other capital projects ARRA Economic Stimulus fund balance is now spent.

### **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 \$113.4 million from the original budget to the final amended budget. The increases were due in part to, the increase in salaries due to implementation of the empowering effective teacher's evaluation system

Actual expenditures were \$140.3 million below the final amended expenditure budget. Unexpended appropriations of \$140.3 million were composed of the following: (1) \$31.1 million in restricted programs, (2) \$97.7 million in other earmarked assigned funds and (3) \$11.5 million in other unexpended budget items. The \$11.5 million reflects only 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, 2014

**Capital Asset and Debt Administration**

**Capital Assets**

The Districts investment in capital assets for its governmental activities as of June 30, 2014 amounts to \$2,325,407,001.31 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audiovisual materials, and computer equipment.

	<b>Governmental Activities <u>2014</u></b>	<b>Governmental Activities <u>2013</u></b>
Land	\$ 160,441,219.85	\$ 154,608,011.30
Land improvements	90,256,158.19	90,066,705.30
Construction in progress	33,205,073.56	16,452,467.37
Improvements other than buildings	82,212,441.26	83,823,548.58
Buildings and fixed equipment	1,915,877,549.57	1,966,016,161.77
Furniture, fixtures and equipment	32,015,173.40	35,989,151.04
Motor vehicles	9,946,628.26	13,937,053.83
Audio visual equipment	1,739.94	-
Computer software	1,451,017.28	2,713,565.36
Total capital assets	<u>\$ 2,325,407,001.31</u>	<u>\$ 2,363,606,664.55</u>

This year's additions of \$53,119,915.46 included several renovation projects. The total of capital assets decreased due to the fact that deletions and depreciation was higher then additions.

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



MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

**Long Term Debt**

At the end of the current fiscal year the District had borrowed and bonded debt outstanding of \$1,088,810,068.65, which is net of un-amortized bond premiums of (\$28,191,208.15)

	<u>2014</u>	<u>2013</u>
Bonds payable	238,225,802.53	249,408,592.10
Certificates of participation	850,584,266.12	855,283,000.00
Total long term debt	<u>\$ 1,088,810,068.65</u>	<u>\$ 1,104,691,592.10</u>

The District's total borrowed and bonded debt decreased by \$15,881,523.45 (net of repayment of principal on outstanding debt) during the current fiscal year. The decrease is approximately equal to the payment of principal less the amount of \$24,400,563.96, which is the unamortized amount for loss on refundings that was moved to deferred outflows due to the implementation of GASB statement 65.

The District has been given the following bond ratings:

	<u>Sales Tax Revenue Bonds</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	A2	A2
Standard & Poors	AA / BBB+	BBB+
Fitch IBCA		BBB+
	<u>Certificates of Participation</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	Aa2	Aa2
Standard & Poors	AA-	AA-
Fitch IBCA		AA

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

**Requests for Information**

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

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
STATEMENT OF NET POSITION  
June 30, 2014

			Primary Government			Component Units		
ASSETS	Account Number	Governmental Activities	Business-type Activities	Total	Major Component Unit Name	Major Component Unit Name	Total Nonmajor Component Units	
Current Assets								
Cash and Cash Equivalents	1110	207,995,368.07		207,995,368.07	0.00	0.00	0.00	
Investments	1160	465,758,783.21		465,758,783.21	0.00	0.00	0.00	
Taxes Receivable, Net	1120			0.00	0.00	0.00	0.00	
Accounts Receivable, Net	1130	11,117,633.90		11,117,633.90	0.00	0.00	0.00	
Interest Receivable on Investments	1170			0.00	0.00	0.00	0.00	
Due from Reinsurer	1180			0.00	0.00	0.00	0.00	
Deposits Receivable	1210			0.00	0.00	0.00	0.00	
Due From Other Agencies	1220	39,081,235.27		39,081,235.27	0.00	0.00	0.00	
Internal Balances				0.00	0.00	0.00	0.00	
Inventory	1150	5,925,097.68		5,925,097.68	0.00	0.00	0.00	
Prepaid Items	1230			0.00	0.00	0.00	0.00	
Total Current Assets		729,878,118.13	0.00	729,878,118.13	0.00	0.00	0.00	
Noncurrent Assets:								
Cash with Fiscal/Service Agents	1114			0.00	0.00	0.00	0.00	
Other Post-Employment Benefits Asset	1410			0.00	0.00	0.00	0.00	
Section 1011.13, F.S. Loan Proceeds	1420			0.00	0.00	0.00	0.00	
Prepaid Insurance Costs	1430			0.00	0.00	0.00	0.00	
Investments	1460			0.00	0.00	0.00	0.00	
Total Noncurrent Assets		0.00	0.00	0.00	0.00	0.00	0.00	
Capital Assets:								
Land	1310	160,441,219.85		160,441,219.85	0.00	0.00	0.00	
Land Improvements - Nondepreciable	1315	90,256,158.19		90,256,158.19	0.00	0.00	0.00	
Construction in Progress	1360	33,205,073.56		33,205,073.56	0.00	0.00	0.00	
Improvements Other Than Buildings	1320	210,571,323.10		210,571,323.10	0.00	0.00	0.00	
Less Accumulated Depreciation	1329	(128,358,881.84)		(128,358,881.84)	0.00	0.00	0.00	
Buildings and Fixed Equipment	1330	2,663,198,053.71		2,663,198,053.71	0.00	0.00	0.00	
Less Accumulated Depreciation	1339	(747,320,504.14)		(747,320,504.14)	0.00	0.00	0.00	
Furniture, Fixtures and Equipment	1340	159,981,936.92		159,981,936.92	0.00	0.00	0.00	
Less Accumulated Depreciation	1349	(127,966,763.52)		(127,966,763.52)	0.00	0.00	0.00	
Motor Vehicles	1350	96,658,308.27		96,658,308.27	0.00	0.00	0.00	
Less Accumulated Depreciation	1359	(86,711,680.01)		(86,711,680.01)	0.00	0.00	0.00	
Property Under Capital Lease	1370	0.00		0.00	0.00	0.00	0.00	
Less Accumulated Depreciation	1379	0.00		0.00	0.00	0.00	0.00	
Audiovisual Materials	1381	35,304.22		35,304.22	0.00	0.00	0.00	
Less Accumulated Depreciation	1388	(33,564.28)		(33,564.28)	0.00	0.00	0.00	
Computer Software	1382	23,761,197.63		23,761,197.63	0.00	0.00	0.00	
Less Accumulated Amortization	1389	(22,310,180.35)		(22,310,180.35)	0.00	0.00	0.00	
Other Capital Assets, Net of Depreciation		2,041,504,549.71	0.00	2,041,504,549.71	0.00	0.00	0.00	
Total Capital Assets		2,325,407,001.31	0.00	2,325,407,001.31	0.00	0.00	0.00	
Total Assets		3,055,285,119.44	0.00	3,055,285,119.44	0.00	0.00	0.00	
DEFERRED OUTFLOWS OF RESOURCES								
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	19,156,442.00		19,156,442.00	0.00	0.00	0.00	
Net Carrying Amount of Debt Refunding	1920	24,400,563.96		24,400,563.96	0.00	0.00	0.00	
Total Deferred Outflows of Resources		43,557,005.96	0.00	43,557,005.96	0.00	0.00	0.00	
LIABILITIES								
Current Liabilities:								
Accrued Salaries and Benefits	2110	1,144,623.09		1,144,623.09	0.00	0.00	0.00	
Payroll Deductions and Withholdings	2170	3,099,137.34		3,099,137.34	0.00	0.00	0.00	
Accounts Payable	2120	55,657,432.26		55,657,432.26	0.00	0.00	0.00	
Cash Overdraft	2125			0.00	0.00	0.00	0.00	
Judgments Payable	2130			0.00	0.00	0.00	0.00	
Construction Contracts Payable	2140			0.00	0.00	0.00	0.00	
Construction Contracts Payable - Retained Percentage	2150	2,019,383.36		2,019,383.36	0.00	0.00	0.00	
Sales Tax Payable	2260			0.00	0.00	0.00	0.00	
Due to Fiscal Agent	2240			0.00	0.00	0.00	0.00	
Accrued Interest Payable	2210	16,339,434.01		16,339,434.01	0.00	0.00	0.00	
Deposits Payable	2220	55,578.56		55,578.56	0.00	0.00	0.00	
Due to Other Agencies	2230	6,573,770.43		6,573,770.43	0.00	0.00	0.00	
Current Notes Payable	2250			0.00	0.00	0.00	0.00	
Advanced Revenues	2410	14,954,294.25		14,954,294.25	0.00	0.00	0.00	
Estimated Unpaid Claims - Self-Insurance Program	2271			0.00	0.00	0.00	0.00	
Estimated Liability for Claims Adjustment	2272			0.00	0.00	0.00	0.00	
Derivative Instrument - Liability		27,017,997.00		27,017,997.00	0.00	0.00	0.00	
Total Current Liabilities		126,861,650.30	0.00	126,861,650.30	0.00	0.00	0.00	
Long-Term Liabilities								
Portion Due Within One Year:								
Notes Payable	2310			0.00	0.00	0.00	0.00	
Obligations Under Capital Leases	2315			0.00	0.00	0.00	0.00	
Bonds Payable	2320	16,663,306.80		16,663,306.80	0.00	0.00	0.00	
Liability for Compensated Absences	2330	14,133,049.98		14,133,049.98	0.00	0.00	0.00	
Lease-Purchase Agreements Payable	2340	29,645,000.00		29,645,000.00	0.00	0.00	0.00	
Estimated Liability for Long-Term Claims	2350	8,420,749.65		8,420,749.65	0.00	0.00	0.00	
Other Post-Employment Benefits Liability	2360			0.00	0.00	0.00	0.00	
Estimated PECO Advance Payable	2370			0.00	0.00	0.00	0.00	
Other Long-Term Liabilities	2380			0.00	0.00	0.00	0.00	
Derivative Instrument	2390			0.00	0.00	0.00	0.00	
Estimated Liability for Arbitrage Rebate	2280			0.00	0.00	0.00	0.00	
Due Within One Year		68,862,106.43	0.00	68,862,106.43	0.00	0.00	0.00	
Portion Due After One Year:								
Notes Payable	2310			0.00	0.00	0.00	0.00	
Obligations Under Capital Leases	2315			0.00	0.00	0.00	0.00	
Bonds Payable	2320	221,562,495.73		221,562,495.73	0.00	0.00	0.00	
Liability for Compensated Absences	2330	121,461,226.73		121,461,226.73	0.00	0.00	0.00	
Lease-Purchase Agreements Payable	2340	820,939,266.12		820,939,266.12	0.00	0.00	0.00	
Estimated Liability for Long-Term Claims	2350	8,803,496.35		8,803,496.35	0.00	0.00	0.00	
Other Post-Employment Benefits Liability	2360	95,448,814.00		95,448,814.00	0.00	0.00	0.00	
Estimated PECO Advance Payable	2370			0.00	0.00	0.00	0.00	
Other Long-Term Liabilities	2380			0.00	0.00	0.00	0.00	
Derivative Instrument	2390			0.00	0.00	0.00	0.00	
Estimated Liability for Arbitrage Rebate	2280			0.00	0.00	0.00	0.00	
Due in More than One Year		1,268,215,298.93	0.00	1,268,215,298.93	0.00	0.00	0.00	
Total Long-Term Liabilities		1,337,077,405.36	0.00	1,337,077,405.36	0.00	0.00	0.00	
Total Liabilities		1,463,939,055.66	0.00	1,463,939,055.66	0.00	0.00	0.00	
DEFERRED INFLOWS OF RESOURCES								
Accumulated Increase in Fair Value of Hedging Derivatives	2610			0.00	0.00	0.00	0.00	
Deficit Net Carrying Amount of Debt Refunding	2620			0.00	0.00	0.00	0.00	
Deferred Revenue	2630			0.00	0.00	0.00	0.00	
Total Deferred Inflows of Resources		0.00	0.00	0.00	0.00	0.00	0.00	
NET POSITION								
Net Investment in Capital Assets	2770	1,236,596,932.66		1,236,596,932.66	0.00	0.00	0.00	
Restricted For:								
Categorical Carryover Programs	2780	13,473,744.76		13,473,744.76	0.00	0.00	0.00	
Food Service	2780	35,519,097.64		35,519,097.64	0.00	0.00	0.00	
Debt Service	2780	93,074,900.54		93,074,900.54	0.00	0.00	0.00	
Capital Projects	2780	166,268,091.53		166,268,091.53	0.00	0.00	0.00	
Other Purposes	2780	17,589,135.10		17,589,135.10	0.00	0.00	0.00	
Unrestricted	2790	72,381,167.51		72,381,167.51	0.00	0.00	0.00	
Total Net Position		1,634,903,069.74	0.00	1,634,903,069.74	0.00	0.00	0.00	

The accompanying notes to financial statements are an integral part of this statement.  
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**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2014**

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			Component Units
						Governmental Activities	Business-Type Activities	Total	
<i>Governmental Activities:</i>									
Instruction	5000	1,114,285,007.69	23,451,266.57			(1,090,833,741.12)		(1,090,833,741.12)	
Student Personnel Services	6100	81,678,993.08				(81,678,993.08)		(81,678,993.08)	
Instructional Media Services	6200	23,389,687.37				(23,389,687.37)		(23,389,687.37)	
Instruction and Curriculum Development Services	6300	50,476,135.73				(50,476,135.73)		(50,476,135.73)	
Instructional Staff Training Services	6400	42,277,426.98				(42,277,426.98)		(42,277,426.98)	
Instructional-Related Technology	6500	35,015,753.85				(35,015,753.85)		(35,015,753.85)	
Board	7100	2,450,302.69				(2,450,302.69)		(2,450,302.69)	
General Administration	7200	11,978,921.01				(11,978,921.01)		(11,978,921.01)	
School Administration	7300	96,079,598.17				(96,079,598.17)		(96,079,598.17)	
Facilities Acquisition and Construction	7400	118,081,464.54			850,360.40	(117,231,104.14)		(117,231,104.14)	
Fiscal Services	7500	7,781,376.64				(7,781,376.64)		(7,781,376.64)	
Food Services	7600	105,851,170.67	25,021,585.20	82,477,651.76		1,648,066.29		1,648,066.29	
Central Services	7700	39,737,123.20				(39,737,123.20)		(39,737,123.20)	
Student Transportation Services	7800	72,785,759.38	2,805,097.03			(69,980,662.35)		(69,980,662.35)	
Operation of Plant	7900	110,961,359.61				(110,961,359.61)		(110,961,359.61)	
Maintenance of Plant	8100	28,063,065.82				(28,063,065.82)		(28,063,065.82)	
Administrative Technology Services	8200	926,983.48				(926,983.48)		(926,983.48)	
Community Services	9100	85,306,779.42				(85,306,779.42)		(85,306,779.42)	
Interest on Long-Term Debt	9200	44,213,724.39			6,807,640.25	(37,406,084.14)		(37,406,084.14)	
Unallocated Depreciation/Amortization Expense*		297,324.54				(297,324.54)		(297,324.54)	
<b>Total Governmental Activities</b>		2,071,637,958.26	51,277,948.80	82,477,651.76	7,658,000.65	(1,930,224,357.05)		(1,930,224,357.05)	
<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	
<b>Total Business-Type Activities</b>		0.00	0.00	0.00	0.00		0.00	0.00	
<b>Total Primary Government</b>		2,071,637,958.26	51,277,948.80	82,477,651.76	7,658,000.65	(1,930,224,357.05)	0.00	(1,930,224,357.05)	
<i>Component Units:</i>									
Major Component Unit Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Major Component Unit 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
<b>Total Component Units</b>		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, 2013 - Restated due to GASB Statement 65 - See note 1-N

Net Position, June 30, 2014

418,312,866.48		418,312,866.48	0.00
		0.00	0.00
101,321,821.14		101,321,821.14	0.00
25,879,851.17		25,879,851.17	0.00
1,220,399,170.59		1,220,399,170.59	0.00
2,176,307.62		2,176,307.62	0.00
80,302,540.22		80,302,540.22	0.00
		0.00	0.00
		0.00	0.00
		0.00	0.00
1,848,392,557.22	0.00	1,848,392,557.22	0.00
(81,831,799.83)	0.00	(81,831,799.83)	0.00
1,716,734,869.57		1,716,734,869.57	0.00
1,634,903,069.74	0.00	1,634,903,069.74	0.00

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

The accompanying notes to financial statements are an integral part of this statement.  
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**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2014**

	Account Number	General 100	Other Federal Programs 420	Federal Economic Stimulus Programs 430	Other Debt Service 290	ARRA Economic Stimulus Debt Service 299	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	1110	197,194,063.68	66,571.18	1,134.02	4,388.37	0.00	6,010,635.67
Investments	1160	31,059,015.37	9.94	0.00	95,232,985.77	6,343,717.95	110,443,270.52
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1130	10,651,425.79	5,122.45	0.00	0.00	0.00	0.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00	0.00
Due From Reinsurer	1180	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00	0.00	0.00
<i>Due From Other Funds:</i>							
Budgetary Funds	1141	12,781,816.24	136,996.07	0.00	3,917,209.66	0.00	497,212.58
Internal Funds	1142	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	8,637,170.90	18,032,422.75	226,474.10	4,037,251.86	0.00	919,581.66
Inventory	1150	5,088,434.93	0.00	0.00	0.00	0.00	0.00
Prepaid Items	1230	0.00	0.00	0.00	0.00	0.00	0.00
<i>Restricted Assets</i>							
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets</b>		265,411,926.91	18,241,122.39	227,608.12	103,191,835.66	6,343,717.95	117,870,700.43
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Outflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets and Deferred Outflows of Resources</b>		265,411,926.91	18,241,122.39	227,608.12	103,191,835.66	6,343,717.95	117,870,700.43
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accrued Salaries and Benefits	2110	1,141,049.23	0.00	0.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	3,099,137.34	0.00	0.00	0.00	0.00	0.00
Accounts Payable	2120	19,961,633.06	6,085,741.33	105,944.96	2,747,209.66	0.00	9,857,748.43
Cash Overdraft	2125	0.00	0.00	0.00	0.00	0.00	0.00
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	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	0.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00	0.00
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	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	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Payable	2220	0.00	0.00	0.00	55,578.56	0.00	0.00
Due to Other Agencies	2230	6,573,276.06	494.37	0.00	0.00	0.00	0.00
Current Notes Payable	2250	0.00	0.00	0.00	0.00	0.00	0.00
<i>Due to Other Funds:</i>							
Budgetary Funds	2161	563,574.73	11,634,003.94	121,663.16	0.00	0.00	4,363,035.44
Internal Funds	2162	0.00	0.00	0.00	0.00	0.00	0.00
<i>Advanced Revenues:</i>							
Unearned Revenue	2410	4,440,945.07	520,882.75	0.00	0.00	0.00	0.00
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>		35,779,615.49	18,241,122.39	227,608.12	2,802,788.22	0.00	14,220,783.87
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Revenue	2630	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Inflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>FUND BALANCES</b>							
<i>Nonspendable:</i>							
Inventory	2711	5,088,434.93	0.00	0.00	0.00	0.00	0.00
Prepaid Amounts	2712	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	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	0.00
<i>Total Nonspendable Fund Balance</i>	2710	5,088,434.93	0.00	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	0.00
Federal Required Carryover Programs	2722	181,147.64	0.00	0.00	0.00	0.00	0.00
State Required Carryover Programs	2723	21,827,990.94	0.00	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	0.00
Debt Service	2725	0.00	0.00	0.00	100,389,047.44	6,343,717.95	0.00
Capital Projects	2726	0.00	0.00	0.00	0.00	0.00	103,649,916.56
Restricted for Local Carryover Programs	2729	9,053,741.28	0.00	0.00	0.00	0.00	0.00
Restricted for	2729	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Restricted Fund Balance</i>	2720	31,062,879.86	0.00	0.00	100,389,047.44	6,343,717.95	103,649,916.56
<i>Committed to:</i>							
Economic Stabilization	2731	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Committed Fund Balance</i>	2730	0.00	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	0.00
Debt Service	2742	0.00	0.00	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Fund	2744	0.00	0.00	0.00	0.00	0.00	0.00
Assigned for District Operations	2749	97,684,423.85	0.00	0.00	0.00	0.00	0.00
Assigned for	2749	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Assigned Fund Balance</i>	2740	97,684,423.85	0.00	0.00	0.00	0.00	0.00
<i>Total Unassigned Fund Balance</i>	2750	95,796,572.78	0.00	0.00	0.00	0.00	0.00
<b>Total Fund Balances</b>	2700	229,632,311.42	0.00	0.00	100,389,047.44	6,343,717.95	103,649,916.56
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		265,411,926.91	18,241,122.39	227,608.12	103,191,835.66	6,343,717.95	117,870,700.43

The accompanying notes to financial statements are an integral part of this statement.  
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**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2014**

	Account Number	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
Cash and Cash Equivalents	1110	0.00	0.00	76,246.60	203,353,039.52
Investments	1160	60,008,130.60	0.00	40,255,247.36	343,342,377.51
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1130	0.00	0.00	261,239.52	10,917,787.76
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00
Due From Reinsurer	1180	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00
<i>Due From Other Funds:</i>					
Budgetary Funds	1141	0.00	0.00	254,237.22	17,587,471.77
Internal Funds	1142	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	5,666,132.17	0.00	976,785.82	38,495,819.26
Inventory	1150	0.00	0.00	836,662.75	5,925,097.68
Prepaid Items	1230	0.00	0.00	0.00	0.00
<i>Restricted Assets</i>					
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00
<b>Total Assets</b>		65,674,262.77	0.00	42,660,419.27	619,621,593.50
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00
<b>Total Deferred Outflows of Resources</b>		0.00	0.00	0.00	0.00
<b>Total Assets and Deferred Outflows of Resources</b>		65,674,262.77	0.00	42,660,419.27	619,621,593.50
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued Salaries and Benefits	2110	0.00	0.00	3,573.86	1,144,623.09
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	3,099,137.34
Accounts Payable	2120	2,611,436.85	0.00	955,831.05	42,325,545.34
Cash Overdraft	2125	0.00	0.00	0.00	0.00
Judgments Payable	2130	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00	0.00	0.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00
Deposits Payable	2220	0.00	0.00	0.00	55,578.56
Due to Other Agencies	2230	0.00	0.00	0.00	6,573,770.43
Current Notes Payable	2250	0.00	0.00	0.00	0.00
<i>Due to Other Funds:</i>					
Budgetary Funds	2161	361,691.14	0.00	543,503.36	17,587,471.77
Internal Funds	2162	0.00	0.00	0.00	0.00
<i>Advanced Revenues:</i>					
Unearned Revenue	2410	0.00	0.00	1,020,420.65	5,982,248.47
Unavailable Revenue	2410	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>		2,973,127.99	0.00	2,523,328.92	76,768,375.00
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00
Deferred Revenue	2630	0.00	0.00	0.00	0.00
<b>Total Deferred Inflows of Resources</b>		0.00	0.00	0.00	0.00
<b>FUND BALANCES</b>					
<i>Nonspendable:</i>					
Inventory	2711	0.00	0.00	836,662.75	5,925,097.68
Prepaid Amounts	2712	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00	0.00	0.00
<i>Total Nonspendable Fund Balance</i>	2710	0.00	0.00	836,662.75	5,925,097.68
<i>Restricted for:</i>					
Economic Stabilization	2721	0.00	0.00	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00	34,682,434.89	34,863,582.53
State Required Carryover Programs	2723	0.00	0.00	0.00	21,827,990.94
Local Sales Tax and Other Tax Levy	2724	0.00	0.00	0.00	0.00
Debt Service	2725	0.00	0.00	2,681,569.16	109,414,334.55
Capital Projects	2726	62,701,134.78	0.00	1,936,423.55	168,287,474.89
Restricted for Local Carryover Programs	2729	0.00	0.00	0.00	9,053,741.28
Restricted for	2729	0.00	0.00	0.00	0.00
<i>Total Restricted Fund Balance</i>	2720	62,701,134.78	0.00	39,300,427.60	343,447,124.19
<i>Committed to:</i>					
Economic Stabilization	2731	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00
<i>Total Committed Fund Balance</i>	2730	0.00	0.00	0.00	0.00
<i>Assigned to:</i>					
Special Revenue	2741	0.00	0.00	0.00	0.00
Debt Service	2742	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00
Permanent Fund	2744	0.00	0.00	0.00	0.00
Assigned for District Operations	2749	0.00	0.00	0.00	97,684,423.85
Assigned for	2749	0.00	0.00	0.00	0.00
<i>Total Assigned Fund Balance</i>	2740	0.00	0.00	0.00	97,684,423.85
<i>Total Unassigned Fund Balance</i>	2750	0.00	0.00	0.00	95,796,572.78
<b>Total Fund Balances</b>	2700	62,701,134.78	0.00	40,137,090.35	542,853,218.50
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		65,674,262.77	0.00	42,660,419.27	619,621,593.50

The accompanying notes to financial statements are an integral part of this statement.  
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**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, 2014**

<b>Total Fund Balances - Governmental Funds</b>	\$	542,853,218.50
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,325,407,001.31
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		-
Deferred outflows are not available to pay for current period expenditures and therefore are deferred in the funds		43,557,005.96
Derivative instrument liability is not due and payable in the current period and therefore is not reported in the funds.		(27,017,997.00)
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.		88,315,817.70
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	95,448,814.00	
Arbitrage Payable	-	
Compensated Absences Payable	135,594,276.71	
Certificates of Participation	850,584,266.12	
Bonds Payable	238,225,802.53	(1,319,853,159.36)
Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds.		(16,339,434.01)
Accrued retainage payable is not due and payable in the current period and therefore is not reported in the funds.		<u>(2,019,383.36)</u>
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>1,634,903,069.74</u></b>

The accompanying 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, 2014**

	Account Number	General 100	Other Federal Programs 420	Federal Economic Stimulus Programs 430	Other Debt Service 290	ARRA Economic Stimulus Debt Service 299
<b>REVENUES</b>						
Federal Direct	3100	2,660,232.35	16,231,295.70	0.00	0.00	0.00
Federal Through State and Local	3200	10,272,164.43	182,833,155.94	9,716,931.39	0.00	0.00
State Sources	3300	991,805,549.12	791,045.41	0.00	0.00	0.00
<i>Local Sources:</i>						
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	418,340,623.61	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	0.00	0.00
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	21,879,851.17	0.00
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	0.00
Other Local Revenue		82,299,948.65	468,647.25	0.00	623,841.23	8,875.91
Total Local Sources	3400	500,640,572.26	468,647.25	0.00	22,503,692.40	8,875.91
<b>Total Revenues</b>		1,505,378,518.16	200,324,144.30	9,716,931.39	22,503,692.40	8,875.91
<b>EXPENDITURES</b>						
<i>Current:</i>						
Instruction	5000	1,005,516,167.64	82,877,686.99	323,627.00	0.00	0.00
Student Personnel Services	6100	60,041,890.83	20,063,229.57	0.00	0.00	0.00
Instructional Media Services	6200	20,420,838.29	2,511,738.46	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	24,088,725.19	24,189,967.50	307,836.59	0.00	0.00
Instructional Staff Training Services	6400	24,367,131.46	14,147,775.92	3,870,711.20	0.00	0.00
Instructional-Related Technology	6500	31,085,426.73	1,743,767.32	126,445.08	0.00	0.00
Board	7100	2,453,535.80	0.00	0.00	0.00	0.00
General Administration	7200	4,478,497.90	7,043,065.23	422,573.26	0.00	0.00
School Administration	7300	91,820,317.91	2,135,210.22	61,622.03	0.00	0.00
Facilities Acquisition and Construction	7410	1,254,107.67	22,745.87	0.00	0.00	0.00
Fiscal Services	7500	7,225,353.47	489,011.81	0.00	0.00	0.00
Food Services	7600	348,912.03	0.00	0.00	0.00	0.00
Central Services	7700	31,460,345.43	1,088,914.26	4,577,548.28	0.00	0.00
Student Transportation Services	7800	68,446,178.10	991,988.96	8,532.80	0.00	0.00
Operation of Plant	7900	107,763,072.78	194,465.51	0.00	0.00	0.00
Maintenance of Plant	8100	26,810,056.55	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	1,000,159.01	0.00	0.00	0.00	0.00
Community Services	9100	44,451,186.69	40,728,122.15	0.00	0.00	0.00
<i>Debt Service: (Function 9200)</i>						
Retirement of Principal	710	0.00	0.00	0.00	39,110,000.00	0.00
Interest	720	0.00	0.00	0.00	44,596,407.26	152,407.66
Dues and Fees	730	0.00	0.00	0.00	847,097.96	4,750.00
Miscellaneous	790	0.00	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>						
Facilities Acquisition and Construction	7420	266,921.63	391,066.35	0.00	0.00	0.00
Other Capital Outlay	9300	5,542,362.28	1,732,368.46	18,035.15	0.00	0.00
<b>Total Expenditures</b>		1,558,841,187.39	200,351,124.58	9,716,931.39	84,553,505.22	157,157.66
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(53,462,669.23)	(26,980.28)	0.00	(62,049,812.82)	(148,281.75)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Bonds	3710	0.00	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	39,950,000.00	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	0.00	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	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	(40,262,013.23)	0.00
Transfers In	3600	13,853,430.97	26,980.28	0.00	66,395,150.28	2,264,657.66
Transfers Out	9700	(26,980.28)	0.00	0.00	(75,045.96)	0.00
<b>Total Other Financing Sources (Uses)</b>		13,826,450.69	26,980.28	0.00	66,008,091.09	2,264,657.66
<b>SPECIAL ITEMS</b>						
		0.00	0.00	0.00	0.00	0.00
<b>EXTRAORDINARY ITEMS</b>						
		0.00	0.00	0.00	0.00	0.00
<b>Net Change in Fund Balances</b>		(39,636,218.54)	(0.00)	0.00	3,958,278.27	2,116,375.91
Fund Balance, July 1, 2013	2800	269,268,529.96	0.00	0.00	96,430,769.17	4,227,342.04
Adjustment to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00
Fund Balance, June 30, 2014	2700	229,632,311.42	(0.00)	0.00	100,389,047.44	6,343,717.95

The accompanying 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, 2014**

	Account Number	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Federal Direct	3100	0.00	0.00	0.00	0.00	18,891,528.05
Federal Through State and Local	3200	0.00	0.00	0.00	81,059,232.76	283,881,484.52
State Sources	3300	0.00	5,756,614.00	0.00	9,408,601.90	1,007,761,810.43
<i>Local Sources:</i>						
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	0.00	0.00	0.00	418,340,623.61
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	101,321,821.14	0.00	0.00	0.00	101,321,821.14
Local Sales Taxes	3418, 3419	0.00	4,000,000.00	0.00	0.00	25,879,851.17
Charges for Service - Food Service	345X	0.00	0.00	0.00	25,021,585.20	25,021,585.20
Impact Fees	3496	0.00	17,960,428.48	0.00	0.00	17,960,428.48
Other Local Revenue		1,797,630.44	92,638.65	0.00	109,380.78	85,400,962.91
Total Local Sources	3400	103,119,451.58	22,053,067.13	0.00	25,130,965.98	673,925,272.51
<b>Total Revenues</b>		103,119,451.58	27,809,681.13	0.00	115,598,800.64	1,984,460,095.51
<b>EXPENDITURES</b>						
<i>Current:</i>						
Instruction	5000	0.00	0.00	0.00	0.00	1,088,717,481.63
Student Personnel Services	6100	0.00	0.00	0.00	0.00	80,105,120.40
Instructional Media Services	6200	0.00	0.00	0.00	0.00	22,932,576.75
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00	48,586,529.28
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00	42,385,618.58
Instructional-Related Technology	6500	0.00	0.00	0.00	0.00	32,955,639.13
Board	7100	0.00	0.00	0.00	0.00	2,453,535.80
General Administration	7200	0.00	0.00	0.00	0.00	11,944,136.39
School Administration	7300	0.00	0.00	0.00	0.00	94,017,150.16
Facilities Acquisition and Construction	7410	28,366,995.40	61,919.71	0.00	1,709,823.97	31,415,592.62
Fiscal Services	7500	0.00	0.00	0.00	0.00	7,714,365.28
Food Services	7600	0.00	0.00	0.00	102,523,699.00	102,872,611.03
Central Services	7700	0.00	0.00	0.00	0.00	37,126,807.97
Student Transportation Services	7800	0.00	0.00	0.00	0.00	69,446,699.86
Operation of Plant	7900	0.00	0.00	0.00	0.00	107,957,538.29
Maintenance of Plant	8100	0.00	0.00	0.00	0.00	26,810,056.55
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	1,000,159.01
Community Services	9100	0.00	0.00	0.00	0.00	85,179,308.84
<i>Debt Service: (Function 9200)</i>						
Retirement of Principal	710	0.00	0.00	0.00	5,168,731.60	44,278,731.60
Interest	720	0.00	0.00	0.00	2,118,408.40	46,867,223.32
Dues and Fees	730	0.00	0.00	0.00	136,354.98	988,202.94
Miscellaneous	790	0.00	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>						
Facilities Acquisition and Construction	7420	33,523,911.87	9,931,887.46	747.44	115,996.97	44,230,531.72
Other Capital Outlay	9300	0.00	0.00	0.00	1,596,617.85	8,889,383.74
<b>Total Expenditures</b>		61,890,907.27	9,993,807.17	747.44	113,369,632.77	2,038,875,000.89
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		41,228,544.31	17,815,873.96	(747.44)	2,229,167.87	(54,414,905.38)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Bonds	3710	0.00	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	0.00	39,950,000.00
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	0.00	2,486,000.00	2,486,000.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	397,217.63	397,217.63
Discount on Refunding Bonds	892	0.00	0.00	0.00	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	(2,158,487.88)	(42,420,501.11)
Transfers In	3600	0.00	0.00	0.00	855,437.94	83,395,657.13
Transfers Out	9700	(65,206,725.49)	(9,134,650.49)	0.00	0.00	(74,443,402.22)
<b>Total Other Financing Sources (Uses)</b>		(65,206,725.49)	(9,134,650.49)	0.00	1,580,167.69	9,364,971.43
<b>SPECIAL ITEMS</b>						
		0.00	0.00	0.00	0.00	0.00
<b>EXTRAORDINARY ITEMS</b>						
		0.00	0.00	0.00	0.00	0.00
<b>Net Change in Fund Balances</b>		(23,978,181.18)	8,681,223.47	(747.44)	3,809,335.56	(45,049,933.95)
Fund Balance, July 1, 2013	2800	127,628,097.74	54,019,911.31	747.44	36,327,754.79	587,903,152.45
Adjustment to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00
Fund Balance, June 30, 2014	2700	103,649,916.56	62,701,134.78	0.00	40,137,090.35	542,853,218.50

The accompanying 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, 2014**

**Net Change in Fund Balances - Governmental Funds** \$ (45,049,933.95)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$53,119,915.46) was less than depreciation expense (\$97,159,940.32) during the current period. (44,040,024.86)

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs by the change in fund balances by the cost of assets sold. (394,848.37)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 5,328,267.28

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments of bond principal (\$44,278,731.60) and payments to refunding agent (\$42,420,501.11) was more proceeds of (\$42,436,000.00) in the current year. 44,263,232.71

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 (\$397,217.63) bond premium). (397,217.63)

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 (20,316,355.00)

Interest expense (including arbitrage rebate) 1,506,867.45

Compensated absences (5,305,973.99)

Amortization of bond discount, premium, loss on refunding. 1,261,328.42

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 (expense) of internal service funds is reported with governmental activities. (19,560,647.89)

**Change in Net position of Governmental Activities** \$ (81,831,799.83)

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

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2014**

	Account Number	Governmental Activities - Internal Service Funds
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	1110	4,642,328.55
Investments	1160	122,416,405.70
Accounts Receivable, Net	1130	199,846.14
Interest Receivable on Investments	1170	0.00
Due From Reinsurer	1180	0.00
Deposits Receivable	1210	0.00
Due From Budgetary Funds	1141	0.00
Due From Other Agencies	1220	585,416.01
Inventory	1150	0.00
Prepaid Items	1230	0.00
Total Current Assets		127,843,996.40
<i>Noncurrent Assets:</i>		
Cash with Fiscal/Service Agents	1114	0.00
Other Post-Employment Benefits Asset	1410	0.00
Section 1011.13, F.S., Loan Proceeds	1420	0.00
Prepaid Insurance Costs	1430	0.00
Investments	1460	0.00
Total Noncurrent Assets		0.00
<i>Capital Assets:</i>		
Land	1310	0.00
Land Improvements - Nondepreciable	1315	0.00
Construction in Progress	1360	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 Lease	1370	0.00
Accumulated Depreciation	1379	0.00
Computer Software	1382	0.00
Accumulated Amortization	1389	0.00
Other Capital Assets, Net of Depreciation		0.00
Total Capital Assets		0.00
<b>Total Assets</b>		127,843,996.40
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00
Net Carrying Amount of Debt Refunding	1920	0.00
<b>Total Deferred Outflows of Resources</b>		0.00
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accrued Salaries and Benefits	2110	0.00
Payroll Deductions and Withholdings	2170	0.00
Accounts Payable	2120	13,331,886.92
Cash Overdraft	2125	0.00
Judgments Payable	2130	0.00
Sales Tax Payable	2260	0.00
Accrued Interest Payable	2210	0.00
Deposits Payable	2220	0.00
Due to Budgetary Funds	2161	0.00
Due to Other Agencies	2230	0.00
Advanced Revenues	2410	8,972,045.78
Estimated Unpaid Claims - Self-Insurance Program	2271	0.00
Estimated Liability for Claims Adjustment	2272	0.00
Total Current Liabilities		22,303,932.70
<i>Long-Term 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	8,420,749.65
Other Post-Employment Benefits Liability	2360	0.00
Other Long-Term Liabilities	2380	0.00
Due Within One Year		8,420,749.65
<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	8,803,496.35
Other Post-Employment Benefits Liability	2360	0.00
Other Long-Term Liabilities	2380	0.00
Due in More Than One Year		8,803,496.35
Total Long-Term Liabilities		17,224,246.00
<b>Total Liabilities</b>		39,528,178.70
<b>DEFERRED INFLOWS OF RESOURCES</b>		
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
<b>Total Deferred Inflows of Resources</b>		0.00
<b>NET POSITION</b>		
Net Investment in Capital Assets	2770	0.00
Restricted for	2780	0.00
Unrestricted	2790	88,315,817.70
<b>Total Net Position</b>		88,315,817.70

The accompanying 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, 2014**

	Account Number	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	3481	0.00
Charges for Sales	3482	0.00
Premium Revenue	3484	157,215,585.86
Other Operating Revenues	3489	1,470,290.00
<b>Total Operating Revenues</b>		158,685,875.86
<b>OPERATING EXPENSES</b>		
Salaries	100	452,657.84
Employee Benefits	200	155,115.08
Purchased Services	300	309,717.04
Energy Services	400	0.00
Materials and Supplies	500	0.00
Capital Outlay	600	0.00
Other	700	168,715,500.67
Depreciation and Amortization Expense	780	0.00
<b>Total Operating Expenses</b>		169,632,990.63
<b>Operating Income (Loss)</b>		(10,947,114.77)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	3430	338,721.79
Gifts, Grants and Bequests	3440	0.00
Other Miscellaneous Local Sources	3495	0.00
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
<b>Total Nonoperating Revenues (Expenses)</b>		338,721.79
<b>Income (Loss) Before Operating Transfers</b>		(10,608,392.98)
Transfers In	3600	3,080,000.00
Transfers Out	9700	(12,032,254.91)
<b>SPECIAL ITEMS</b>		
		0.00
<b>EXTRAORDINARY ITEMS</b>		
		0.00
<b>Change In Net Position</b>		(19,560,647.89)
Net Position, July 1, 2013	2880	107,876,465.59
Adjustment to Net Position	2896	0.00
Net Position, June 30, 2014	2780	88,315,817.70

The accompanying 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, 2014**

	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	0.00
Receipts from interfund services provided	157,125,791.03
Payments to suppliers	(167,667,670.40)
Payments to employees	(607,772.92)
Payments for interfund services used	0.00
Other receipts (payments)	1,447,922.96
<b>Net cash provided (used) by operating activities</b>	<b>(9,701,729.33)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Subsidies from operating grants	0.00
Transfers from other funds	3,080,000.00
Transfers to other funds	(12,032,254.91)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(8,952,254.91)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
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
<b>Net cash provided (used) by capital and related financing activities</b>	<b>0.00</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	19,519,445.96
Interest and dividends received	338,721.79
Purchase of investments	(352,372.28)
<b>Net cash provided (used) by investing activities</b>	<b>19,505,795.47</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>851,811.23</b>
Cash and cash equivalents - July 1, 2013	3,790,517.32
Cash and cash equivalents - June 30, 2014	4,642,328.55
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(10,947,114.77)
<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	(5,497.84)
(Increase) decrease in interest receivable	0.00
(Increase) decrease in due from reinsurer	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	38,630.33
(Increase) decrease in inventory	0.00
(Increase) decrease in prepaid items	0.00
Increase (decrease) in salaries and benefits payable	0.00
Increase (decrease) in payroll tax liabilities	0.00
Increase (decrease) in accounts payable	218,950.98
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 advanced/deferred revenue	(106,664.03)
Increase (decrease) in estimated unpaid claims - Self-Insurance Programs	1,099,966.00
Increase (decrease) in estimated liability for claims adjustment	0.00
<b>Total adjustments</b>	<b>1,245,385.44</b>
<b>Net cash provided (used) by operating activities</b>	<b>(9,701,729.33)</b>
<b>Noncash investing, capital and financing activities:</b>	
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 accompanying 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, 2014**

	Account Number	Total Pension Trust Funds 87X	Total Agency Funds 89X
<b>ASSETS</b>			
Cash and Cash Equivalents	1110	0.00	15,895,902.53
Investments	1160	12,970,940.55	37,290,825.02
Accounts Receivable, Net	1130	31,457.41	0.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Inventory	1150		160,955.84
Due From Other Agencies	1220	0.00	0.00
<b>Total Assets</b>		13,002,397.96	53,347,683.39
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	
<b>Total Deferred Outflows of Resources</b>		0.00	
<b>LIABILITIES</b>			
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	35,036,425.54
Accounts Payable	2120	0.00	1,452,480.37
Cash Overdraft	2125	0.00	0.00
Due to Other Agencies	2230	0.00	
Due to Budgetary Funds	2161	0.00	0.00
Internal Accounts Payable	2290	0.00	16,858,777.48
<b>Total Liabilities</b>		0.00	53,347,683.39
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	
<b>Total Deferred Inflows of Resources</b>		0.00	
<b>NET POSITION</b>			
Held in Trust for Pension Benefits		13,002,397.96	
Held in Trust for Scholarships and Other Purposes		0.00	
<b>Total Net Position</b>		13,002,397.96	

The accompanying 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, 2014**

	Account Number	Total Pension Trust Funds 87X
<b>ADDITIONS</b>		
<i>Contributions:</i>		
Employer		1,355,705.00
Plan Members		0.00
Gifts, Grants and Bequests	3440	0.00
<i>Investment Income:</i>		
Interest on Investments	3431	107,137.56
Gain on Sale of Investments	3432	6,189.83
Net Increase (Decrease) in the Fair Value of Investments	3433	0.00
Total Investment Income		113,327.39
Less Investment Expense		0.00
Net Investment Income		113,327.39
<b>Total Additions</b>		1,469,032.39
<b>DEDUCTIONS</b>		
Salaries	100	0.00
Employee Benefits	200	2,023,059.16
Purchased Services	300	32,774.18
Other	700	0.00
Refunds of Contributions		0.00
Administrative Expenses		12,765.93
<b>Total Deductions</b>		2,068,599.27
<b>Change In Net Position</b>		(599,566.88)
Net Position, July 1, 2013	2885	13,601,964.84
Net Position, June 30, 2014	2785	13,002,397.96

The accompanying 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, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District School Board of Hillsborough County, Florida (School Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Hillsborough County School 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 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 School Board and its component units. Criteria for determining if other entities are potential component units, which should be reported within the Schools Board's financial statements, are identified and described in the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by Statement No. 39, Determining Whether Certain Organizations are Component Units. The application of these criteria provide for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the District School Board are such that exclusion would cause the Board'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. 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



NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

accompanying financial statements of the School Board. 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 activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

expense allocations that have been made in the funds have been reversed for the statement of activities. 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.

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

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

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.

Special Revenue ARRA Economic Stimulus Fund – to account for financial resources of the federal economic stimulus program.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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

Debt Service ARRA Economic Stimulus Fund – Accounts for and reports on bond revenue and principal payments for the Qualified School Construction Bond.

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.

Capital Projects ARRA Economic Stimulus Fund – Accounts for and reports on funds from the Qualified School Construction Bonds.

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.

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 – 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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 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 year. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

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

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 Corporation and a multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The statement of cash flows for the Internal Service Funds considers cash as those accounts used as demand deposit accounts and considers as cash equivalents amounts invested with the State Board of Administration.

E. Investments

Investments 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. The District does not own specific investments but an interest in the pool. Such investments are stated at fair value. Investments of the early retirement program are reported at fair value.

Types and amounts of investments held at year-end are 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, textbook depository and the bus garage are stated at cost based on a moving average. Food service inventories are stated at cost based on the first-in, first-out basis, except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 so 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, those purchased before July 1, 2004 are defined as those costing more than \$750. Donated assets are recorded at fair market 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 assets lives are not capitalized.

Interest costs incurred during construction are not capitalized as part of the cost of construction. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

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

I. State Revenue Sources

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 expended for the same programs. The Department requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved for the unencumbered balance of categorical educational program resources.

J. Property Taxes

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Hillsborough County Property Appraiser and are collected by the Hillsborough County Tax Collector.

The School Board adopted the 2013 tax levy for fiscal year 2014 on September 10, 2013. Tax bills are mailed in October; and taxes are payable between November 1 of the year assessed and March 31 of the following year 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



NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 when 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 and no delinquent tax revenue is recorded.

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

K. Federal Revenue Sources

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

L. Deferred Outflows

In the government-wide financial statements the District records deferred outflows which represent the consumption of net position by the District that is applicable to a future reporting period. At June 30, 2014 deferred outflows represent activity associated with various swap agreements, as discussed in note 8 and carrying amount of debt refunding.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

M. Use of Estimates

Management of the District has made a number of assumptions relative to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

N. Accounting Standards

The District implemented GASB Statement Number 65, Items Previously Reported as Assets and Liabilities for fiscal year ended June 30, 2014. This resulted in a reduction of beginning net position of \$8,430,672.72 from \$1,725,165,542.29 to \$1,716,734,869.57 due to the removal of deferred charges. Also due to GASB 65, the carrying amount of debt refunding has been moved from long term debt to deferred outflows on the Statement of Net Position.

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

2. The major 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 reflect the final budget including all amendments approved for the fiscal year through September 9, 2014.
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 accompanying supplementary information reflect the original budget and the 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, 2014

3. CASH AND INVESTMENTS

At June 30, 2014, the District's deposits were entirely covered by Federal Depository Insurance Corporation 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, 2014 the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
United States Treasuries	10/31/2014 – 05/31/2020	\$ 7,524,762.22
United States Agencies	08/27/2014 – 05/15/ 2020	10,092,659.95
State Board of Administration		
Florida PRIME	40.0 Days	446,434,033.98
Pool B	2.86 Years	1,643,784.06
Debt Service Account	40.0 Days	1,576,336.59
Certificates of Deposit	07/18/ 2013 – 05/11/2015	40,429,684.40
Wells Fargo Federated Prime		
Obligation Fund		237,206.70
Bank Investment Contract	11/06/2015	<u>8,082,080.88</u>
Total Investments Reporting Entity		<u>\$516,020,548.78</u>

Investments are reflected in the financial statements as follows:

Governmental funds	\$343,342,377.51
Internal service funds	122,416,405.70
Fiduciary funds	
Pension trust	12,970,940.55
Agency	<u>37,290,825.02</u>
Total Primary Government	<u>\$516,020,548.78</u>

Interest Rate Risk

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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.
- (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, 2014

The securities listed in paragraphs (c) and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District's investments in the SBA consist of Florida PRIME Fund B Surplus Funds Trust Fund (Fund B).

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 Fund B is accounted for as a fluctuating NAV pool. With a fluctuating NAV pool the fair value approximates market value. The SBA provides a fair value factor to use on the Fund B account balance to determine market value or fair value. As of June 30, 2014 the fair value factor was 184.44%. Fund B is not rated by any recognized statistical rating agency. Currently participants are unable to withdraw funds from Fund B. Rather as cash becomes available in Fund B from interest receipts, maturities, or sales, it is distributed to participant accounts in Florida PRIME according to each participant's pro rata share of Fund B. All such distributions from Fund B to Florida PRIME will be 100% available for withdrawal upon transfer. The District's investments in United States Agencies or Treasuries for the Pension Trust Fund were rated either AAA by Standard and Poors or Aaa by Moody's Investors Services. The others were rated either AA+ by Standard and Poors or Aaa/P-1 by Moody's Investors Services.

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

Investments in the State Board of Administration Debt Service Account totaling \$1,576,336.59 to provide for debt service payments on bonded debt issued by the State Board of Administration for the benefit of the District. These investments consist of United States Treasury securities, with maturity dates of six months or less and are reported at fair value. The District has no formal policy for managing interest rate risk or credit risk for this account, but relies on policies developed by the State Board of Administration.

Custodial Credit Risk

The District does not have a formal investment policy that addresses custodial credit risk. However, Florida Statute, Section 218.415(18) requires every security purchased under this section on behalf of the District to be properly earmarked and:

1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the District's interest in the security;
2. If in book entry form, must be held for the credit of the District by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in Florida as defined in Section 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or
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, \$7,524,762.22 in U. S Treasuries and \$10,092,659.95 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.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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, 2014. The District does not have a formal investment policy that limits its investment in foreign currency.

4. DUE FROM OTHER AGENCIES

Amount due from other governmental agencies as of June 30, 2014 are shown below:

	General Fund	Other Special Revenue Fund	Special Revenue ARRA	Other Debt Service	Local Capital Improv- ement	Other Capital Projects Fund	Non- Major and Other Funds	Total
Federal Government:								
Miscellaneous	\$ 423,452.54	\$6,838,361.23	\$226,474.10		-	-	-	\$ 7,488,287.87
State Government:								
Food Reimbursement	-	-	-	-		-	976,785.82	976,785.82
Classrooms for Kids	-	-	-	-	-		-	
Miscellaneous State	3,439,665.69	484,851.81	-	-	-	-	585,416.01	4,509,933.51
Local Government:								
Hillsborough County Board of County Commissioners	3,922,017.30	10,555,109.53	-	4,037,251.86	919,581.66	5,662,309.48	-	25,096,269.83
Miscellaneous	852,035.37	154,100.18	-	-	-	3,822.69	-	1,009,958.24
Total:	<u>\$8,637,170.90</u>	<u>\$18,032,422.75</u>	<u>\$226,474.10</u>	<u>\$4,037,251.86</u>	<u>\$ 919,581.66</u>	<u>\$ 5,666,132.17</u>	<u>\$1,562,201.83</u>	<u>\$ 39,081,235.27</u>



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, 2014

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 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	\$ 154,608,011.30	\$ 5,895,665.31	\$ 62,456.76	\$ 160,441,219.85
Land Improvements-Non Depreciable				
Landscaping	90,066,705.30	189,452.89	-	90,256,158.19
Construction in Progress	<u>16,452,467.37</u>	<u>45,638,244.82</u>	<u>28,885,638.63</u>	<u>33,205,073.56</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>261,127,183.97</u>	<u>51,723,363.02</u>	<u>28,948,095.39</u>	<u>283,902,451.60</u>
<u>Capital Assets Being Depreciated:</u>				
Improvements Other Than Buildings	206,522,019.95	5,252,074.25	1,202,771.10	210,571,323.10
Buildings and Systems	2,646,501,632.08	23,490,824.07	6,794,402.44	2,663,198,053.71
Furniture, Fixtures and Equipment	167,674,682.84	8,177,561.90	15,870,307.82	159,981,936.92
Motor Vehicles	97,341,923.72	281,665.19	965,280.64	96,658,308.27
Property Under Capital Lease	-	-	-	-
Audio Visual Materials	40,170.42	2,020.58	6,886.78	35,304.22
Computer Software	<u>25,640,286.54</u>	<u>573,649.12</u>	<u>2,452,738.03</u>	<u>23,761,197.63</u>
<b>Total Capital Assets Being Depreciated</b>	<u>3,143,720,715.55</u>	<u>37,777,795.11</u>	<u>27,292,386.81</u>	<u>3,154,206,123.85</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	122,698,471.37	6,831,497.31	1,171,086.84	128,358,881.84
Buildings & Systems	680,485,470.31	73,420,077.61	6,585,043.78	747,320,504.14
Furniture, Fixtures And Equipment	131,685,531.80	11,519,951.21	15,238,719.49	127,966,763.52
Motor Vehicles	83,404,869.89	4,272,090.76	965,280.64	86,711,680.01
Property Under Capital Lease	-	-	-	-
Audio Visual Materials	40,170.42	280.64	6,886.78	33,564.28
Computer Software	<u>22,926,721.18</u>	<u>1,116,042.79</u>	<u>1,732,583.62</u>	<u>22,310,180.35</u>
Total Accumulated Depreciation	<u>1,041,241,234.97</u>	<u>97,159,940.32</u>	<u>25,699,601.15</u>	<u>1,112,701,574.14</u>
<b>Total Capital Assets Being Depreciated (Net)</b>	<u>2,102,479,480.58</u>	<u>(59,382,145.21)</u>	<u>1,592,785.66</u>	<u>2,041,504,549.71</u>
Governmental Activities Capital Assets (Net)	<u>\$2,363,606,664.55</u>	<u>\$ (7,658,782.19)</u>	<u>\$ 30,540,881.05</u>	<u>\$2,325,407,001.31</u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

Depreciation expense charged to governmental functions are:

Instruction	\$ 5,797,656.07
Public Personnel Services	77,062.54
Instructional Media Services	108,570.22
Instruction and Curriculum Development	243,849.19
Instructional Staff Training	53,286.85
Instructional Related Technology	1,706,555.93
General Administration	13,077.52
School Administration	226,496.16
Facilities Acquisition and Construction	86,577,684.82
Fiscal Services	38,987.87
Food Services	495,666.54
Central Services	119,049.81
Public Transportation Services	783,416.65
Operation of Plant	168,231.37
Maintenance of Plant	428,724.84
Administrative Technology Services	178.57
Community Services	24,120.83
Un-Allocated Depreciation	<u>297,324.54</u>
Total Depreciation Expense	<u>\$97,159,940.32</u>

6. REVOLVING LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, on May 21, 2013 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2014, in the amount of \$80,000,000 with Wells Fargo Bank of Florida. The outstanding principal amount of the Note shall bear interest at three month London Interbank Offered Rate (LIBOR) plus 80 basis points adjusted monthly. This line-of-credit allows the Board to borrow funds if established revenues (cash) are lagging behind expenditures such as weekly payrolls and weekly vendor payments. The Note is secured by a pledge of anticipated ad valorem tax proceeds. This Note would be repaid in full in ninety days from the first draw. The Note shall not exceed \$80,000,000 at any time. For the year ended June 30, 2014, no funds had been borrowed or utilized under this line-of-credit, and therefore no amounts are outstanding at June 30, 2014.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

On April 20, 2014 the Board authorized the Superintendent to establish a Line of Credit Tax Anticipation Note for fiscal year 2015, the same as above.

7. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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

Certificates	Date of Certificates	Original Amount of Certificates	Ground Lease Term
Series 1998 Project	March 1, 1998	\$336,930,000	June 30, 2017
Series 2001QZAB Project	November 6, 2001	9,600,000	November 6, 2015
Series 2004A Project	February 19, 2004	27,305,000	June 30, 2017
Series 2004B Project	February 19, 2004	56,715,000	June 30, 2026
Series 2004 QZAB Project	June 8, 2004	6,131,000	June 30, 2020
Series 2004C Project	November 4, 2004	89,750,000	June 30, 2030
Series 2005A Project	February 25, 2005	48,915,000	June 30, 2026
Series 2005 QZAB Project	December 20, 2005	3,002,000	December 20, 2020
Series 2006A Project	January 31, 2006	86,435,000	June 30, 2031
Series 2006B Project	January 26, 2007	77,900,000	June 30, 2026
Series 2007 Project	April 24, 2007	84,685,000	June 30, 2031
Series 2008A Projects	July 1, 2008	109,830,000	June 23, 2023
Series 2010A Projects	April 15, 2010	97,545,000	June 30, 2025
Series 2010 QSCB Projects	December 21, 2010	37,935,000	December 1, 2028
Series 2012A Projects	April 3, 2012	124,565,000	June 30, 2029
Series 2014A Projects	April 2, 2014	39,550,000	June 30, 2026

The Series 1998 Certificates of Participation were also 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 Series 1994 and Series 1995 facilities which the School Board has acquired, constructed and installed from the proceeds of the Series 1994 and Series 1995. 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 Series 1996 facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1996. The Series 2005A Certificates of Participation were issued in order to provide the funds necessary to partially refund the Series 2000 Certificates of Participation and refinance the Series 2000 facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2000. 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 Series 1998B and 2001B facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1998B

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

and 2000B. On May 23, 2008 the District remarketed the Series 2004C Certificates of Participation in order to change the auction interest rate to a daily adjustable rate. 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 Series 1998A facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 1998A. 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 Series 2001A facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2001A. 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 Series 2002 and Series 2003B facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2002 and Series 2003B. 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 Series 2002 and Series 2004B facilities that the School Board has acquired, constructed and installed from the proceeds of the Series 2002 and Series 2004B. See Note 10.

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. During the year ended June 30, 2014, \$137,425.84 was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The lease payments for the Series 1998, Series 2004A, Series 2004B, Series 2005A, Series 2006A, Series 2006B, Series 2007, Series 2010A, Series 2012A and 2014A Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates, of 3.600 to 5.500 percent, 2.000 to 4.625 percent, 5.250 percent, 2.000 percent to 5.090 percent, 2.375 to 5.000 percent, 3.500 to 5.000 percent, 3.500 to 5.000 percent, 3.750 to 5.000 percent, 3.000 to 5.000 percent, 4.000 to 5.000 percent and 2.56%, respectively. The lease payments for the Series 2004C and the 2008A 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 Association (SIFMA) Municipal Swap Index over the life of the bonds. The lease payments for the Series, 2001-QZAB, 2004-QZAB, 2005-QZAB and 2010-QSCB Certificates are due November 1, 2015, June 3, 2020, December 20, 2020 and December 1, 2028 respectively. There is no interest to be paid on the QZABs or the QSCB, as the certificate holders receive Federal Tax Credits in lieu of interest payments. The District is required to reserve a portion of the lease payments each year. The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2015	63,562,176.31	29,645,000.00	33,917,176.31
2016	73,799,199.92	41,020,000.00	32,779,199.92
2017	64,276,031.92	32,990,000.00	31,286,031.92
2018	64,624,076.67	34,855,000.00	29,769,076.67
2019	64,659,361.78	36,525,000.00	28,134,361.78
2020 – 2024	329,356,710.44	218,138,000.00	111,218,710.44
2025 – 2029	353,106,566.71	292,220,000.00	60,886,566.71
2030 – 2032	<u>148,854,174.99</u>	<u>142,115,000.00</u>	<u>6,739,174.99</u>
Total Minimum Lease Payments	<u>\$1,162,238,298.74</u>	<u>\$827,508,000.00</u>	<u>\$334,730,298.74</u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

8. INTEREST RATE SWAP:

Item	Type	Objective	Notional Amount	Effective Date	Maturity Date	Fair Value	Cash Flow
A	Pay fixed interest rate swap	Hedge in changes in cash flows on Series 2004C COPS	\$29,750,000	12/7/04	12/7/14	\$(496,447)	\$(1,093,354)

The terms of this pay fixed interest rate swap provide for paying a fixed rate of 3.736% and receiving a variable rate of the bond market association municipal swap index (BMA index).

B	Pay fixed interest rate swap	Hedge in changes in cash flows on Series 2008A COPS	\$109,830,000	7/1/08	7/1/23	\$(26,531,550)	\$(5,386,315)
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As it relates to derivative B the District entered into a swaption contract on February 19, 2003 that provided the District an up-front payment of \$5,006,500. This payment was reduced by \$1,800,000 at which time the swaption was amended on April 19, 2005 to reduce the original notional amount from \$177,195,000 to \$109,830,000. The swaption was exercised on July 1, 2008 commencing a pay-fixed, interest rate swap that provided for payment of a fixed rate of 4.97% and receiving a variable rate of municipal swap index (defined as the bond market association municipal swap index). Prior to the exercise date, the swaption was considered an investment derivative instrument. Accordingly, the negative fair value at the exercise date in the amount of \$13,102,591 is being amortized as an increase to the deferred outflow balance and a decrease to interest expense over the remaining life of the related hedgeable item (long term debt). Such amortization amounted to \$873,506 for the year ended June 30, 2014.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The fair values of the interest rate swaps are 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 Statements of Net Position at June 30, 2014.

During the year ended June 30, 2014, the change in the fair value of the derivative instruments, which were recorded as increases and (decreases) to deferred outflows in the Statement of Net Position, were as follows:

Derivative instrument A	\$(1,021,076)
Derivative instrument B	\$(1,624,646)

**Risks**

Credit risk – Both of the District’s derivative instruments are held with different counterparties. The credit rating for the counterparty of Derivative A is A+ by Standard and Poors and for the counterparty of Derivative B is AA- 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, 2014

9. BONDS PAYABLE

Bonds payable at June 30, 2014 were as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2005-A	50,000.00	3.0 – 5.0	2015
Series 2005-Q	17,555,000.00	3.5 – 5.0	2020
Series 2006-A	2,655,000.00	5.5	2026
Series 2008-A	4,445,000.00	3.25 – 5.0	2028
Series 2009-A	2,410,000.00	2.0 – 5.0	2029
Series 2010-A	3,470,000.00	3.0 – 5.0	2030
Series 2011-A	1,570,000.00	3.0 – 5.0	2023
Series 2014-A	2,486,000.00	2.0 – 5.0	2025
District Revenue Bonds:			
Series 1998 Capital Improvement & Racetrack Revenue Refunding	1,279,860.50	3.5 - 5.35	2028
Series 2005 Sales Tax	109,610,000.00	2.25 – 5.0	2023
Series 2006 Sales Tax	40,065,000.00	4.0 – 4.25	2026
Series 2007 Sales Tax	<u>47,515,000.00</u>	3.5 – 5.0	2026
Total Bonds Principle	<u>\$233,110,860.50</u>		

The various bonds were issued to finance capital outlay projects of the District.

The following is a description of bonded debt service:

State School Bonds

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

DISTRICT REVENUE BONDS

Capital Improvement and Racetrack Revenue Refunding Bonds of 1998

These bonds are authorized by Chapter 71-680, Laws of Florida, which authorized the Board to pledge all of the portion of racetrack funds and jai alai fronton 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 2005, 2006 and 2007

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, 2014, are as follows:

**TOTAL SBE BONDS**

Fiscal Year Ending June 30	Total	Principal	Interest
2015	6,908,788.68	5,254,000.00	1,654,788.68
2016	6,915,771.25	5,503,000.00	1,412,771.25
2017	6,923,737.50	5,781,000.00	1,142,737.50
2018	6,949,847.50	6,093,000.00	856,847.50
2019	2,141,472.50	1,588,000.00	553,472.50
2020 – 2024	8,296,956.25	6,530,000.00	1,766,956.25
2025 – 2029	4,158,866.25	3,707,000.00	451,866.25
2030	<u>192,400.00</u>	<u>185,000.00</u>	<u>7,400.00</u>
Total Debt Service Payments	<u>\$42,487,839.93</u>	<u>\$34,641,000.00</u>	<u>\$ 7,846,839.93</u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

**TOTAL DISTRICT REVENUE BONDS**

Fiscal Year Ending June 30	Total	Principal	Interest
2015	20,332,551.88	11,409,306.80	8,923,245.08
2016	20,329,973.75	11,915,278.00	8,414,695.75
2017	20,293,587.50	12,424,750.90	7,868,836.60
2018	20,180,966.05	12,962,293.20	7,218,672.85
2019	20,169,204.57	13,573,323.60	6,595,880.97
2020 – 2024	100,653,883.05	77,962,112.00	22,691,771.05
2025 – 2029	<u>62,808,341.80</u>	<u>58,222,796.00</u>	<u>4,585,545.80</u>
Total Debt Service Payments	<u>\$264,768,508.60</u>	<u>\$198,469,860.50</u>	<u>\$ 66,298,648.10</u>

10. DEFEASED DEBT

On April 2, 2014 the District issued \$39,950,000 Certificates of Participation, Series 2014A with an interest rate of 2.56%. The proceeds were used to fully refund \$2,195,000 principal amount of the District's Series 2002 Certificates of Participation and to refund \$37,235,000 principal amount of the District's then outstanding \$39,505,000 of the Series 2004B Certificates of Participation. \$40,262,012 of the net proceeds (after payment of \$113,718 of issuance costs) were placed in an irrevocable trust to provide for future debt service payment of the of the refunded amount of the Series 2002 and 2004B Certificates of Participation.

As a result \$2,195,000 of the Series 2002 and \$37,235,000 of the Series 2004B 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 2002 and 2004B are not included in the District's financial statements.

As a result of the refunding, the District reduced its total debt service requirements by \$4,271,207 which resulted in an economic gain (difference between the present value of debt service payment on the old and new debt) of \$3,841,087.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

On May 22, 2014 the State Board of Education issued Series 2014A SBE Refunding Bonds in the amount of \$2,486,000 at a premium, with an interest rate of 2.0% to 5.0%, on behalf of the District. The proceeds were used to fully refund \$2,105,000 of the Series 2004A SBE bonds and advance refund \$695,000 principal amount of the then outstanding \$745,000 Series 2005A SBE bonds. The net proceeds (after payment of \$17,083 in underwriter's fees and other issuance costs) were placed in a trust account to refund the 2005A bonds that mature on or after January 1, 2016 and are scheduled to be called on January 1, 2015.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

11. CHANGES IN LONG TERM DEBT

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

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due in One Year
Estimated Liability for Long Term Claims Post Employment Benefits	\$ 16,124,280.00	\$ 11,935,546.12	\$ 10,835,580.12	\$ 17,224,246.00	\$ 8,420,749.65
Compensated Absences Payable	75,132,459.00	24,534,131.00	4,217,776.00	95,448,814.00	-
Certificate of Participation Bonds Payable	130,288,302.72	24,992,131.21	19,686,157.22	135,594,276.71	14,133,049.98
	855,283,000.00	39,950,000.00	67,725,000.00	827,508,000.00	29,645,000.00
	<u>249,408,592.10</u>	<u>2,486,000.00</u>	<u>18,783,731.60</u>	<u>233,110,860.50</u>	<u>16,663,306.80</u>
TOTAL	<u>\$1,326,236,633.82</u>	<u>\$103,897,808.33</u>	<u>\$121,248,244.94</u>	\$1,308,886,197.21	<u>\$68,862,106.43</u>
Plus unamortized bond premium					
Certificates of Participation				23,076,266.12	
Bonds payable				5,114,942.03	
Total Long-Term Debt				<u>\$1,337,077,405.36</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 are generally liquidated with resources of the General Fund and postemployment health care 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, 2014

12. FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) has 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 of the government from its highest level of decision making authority.

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 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 an particular purpose.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The District has classified its fund balances with the following hierarchy:

Nonspendable – The Districts has inventories totaling \$5,925,097.68 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, Food Services, 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 \$343,447,124.19 and represent \$34,863,582.53 for Federal programs, \$21,827,990.94 for State programs, \$9,053,741.28 for local programs, \$109,414,334.55 for Debt Service and \$168,287,474.89 for Capital Projects.

Assigned for School Operations:

The District has set aside certain spendable fund balance for school operations in the amount of \$97,684,423.85.

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 \$95,796,572.78 in unassigned fund balance. At the end of the fiscal year the unassigned fund balance in the general fund is 6.36% of total revenues.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

13. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Funds</u>	<u>Interfund</u> <u>Receivables</u>	<u>Payables</u>
Major Funds:		
General	\$12,781,816.24	\$ 563,574.73
Special Revenue Other	136,996.07	11,634,003.94
Special Revenue ARRA	-	121,663.16
Debt Service Other	3,917,209.66	-
Capital Improvement	497,212.58	4,363,035.44
Capital Projects Other	-	361,691.14
Non-major Governmental Funds		
Non-major	<u>254,237.22</u>	<u>543,503.36</u>
Total	<u>\$17,587,471.77</u>	<u>\$17,587,471.77</u>

The majority of interfund receivables and payables are established during the closing period. The receivable in the general fund is for payback of direct/indirect charges for June. The amount in the capital projects funds and non-major funds is mostly due to the movements of expenditures between capital project funds.

14. INTERFUND TRANSFERS

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

<u>Funds</u>	<u>Interfund</u> <u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 13,853,430.97	\$ 26,980.28
Special Revenue Other	26,980.28	-
Debt Service Other	66,395,150.28	75,045.96
Debt Service ARA	2,264,657.66	-
Capital Improvement	-	65,206,725.49
Capital Projects Other	-	9,134,650.49
Non-major Governmental Funds	855,437.94	
Internal Service Funds	<u>3,080,000.00</u>	<u>12,032,254.91</u>
Total	<u>\$86,475,657.13</u>	<u>\$86,475,657.13</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.



NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

15. STATE REVENUE SOURCES

The following is a schedule of the Districts state revenue for the 2014 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$696,123,514.00
Workforce Development	28,707,841.00
Categorical Education Programs	263,615,238.38
Capital Outlay and Debt Service	7,621,183.00
Food Service Supplement	1,418,419.00
Mobile Home License Tax	609,164.56
State Board of Education Bond Interest	36,817.65
Pari-Mutuel Tax	446,500.00
Miscellaneous	<u>9,183,132.84</u>
Total	<u>\$1,007,761,810.43</u>

16. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2013 tax roll for the fiscal year 2014:

	<u>Millage Levied</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Non-voted School Tax:		
Required Local Effort	5.442	\$389,573,045.96
Discretionary Local Effort	.748	53,546,607.56
<u>Capital Projects Funds</u>		
Non-voted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>107,379,560.62</u>
Total	<u>7.690</u>	<u>\$550,499,214.14</u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

17. STATE RETIREMENT PROGRAMS

All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Employees in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For normal retirement, benefit payments are based on the member's best 5-year average annual salary (average final compensation) times the number of years of service, multiplied by a percentage ranging from 1.60 percent at either 62 or with 30 years of service to 1.68 percent at age 65 or with 33 years of service. Members are eligible for early retirement after 10 years of service, however, normal benefits are reduced by 5 percent for each year a member retires before age 62. As described in note 18, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. PEORP 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 PEORP vest after one year of service.

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

The contribution rates for the Plan are established, and may be amended, by the State of Florida. As of June 30, 2014, the contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular (HA)	3.00	6.95
Florida Retirement System, County Elected Officers (HI)	3.00	33.03
Florida Retirement System, Senior Management Service Class (HM)	3.00	18.31
Florida Retirement System, Special Risk (HB)	3.00	19.06
Teachers' Retirement System, Plan E (IE)	6.25	9.19
State and County Officers and Employees' Retirement System, Plan B (AF)	4.00	9.19
Florida Retirement System, Reemployed Retiree (RA)	3.00	6.95

Notes: (A) Employer rates include the post-retirement health insurance supplement, which was increased on July 1, 2013 to 1.26 percent.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2012, June 30, 2013, and June 30, 2014, totaled, \$74,283,216.19, \$79,328,140.59 and \$107,938,638.63 respectively, representing a percentage of payroll of 7.58% for fiscal year 2012, 7.94% for fiscal year 2013 and 10.14% for fiscal year 2014. These amounts are equal to the required contributions for each 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.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Florida Retirement System. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399.

18. EARLY RETIREMENT PROGRAM

a. Plan Description and Provisions

As authorized by Section 1012.685, 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 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.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

Based on an actuarial report as of June 30, 2014, employee membership data related to the Plan were as follows:

Retirees and beneficiaries currently receiving benefits 571

Active Plan Participants: There are no longer any active plan participants

A summary of Eligibility and Benefits follows:

Eligibility

A member of the Plan is 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 the Early Retirement Program on June 30, 2008. It was agreed that employees eligible for the Plan would become eligible for the Plan after June 30, 2008, but before July 1, 2010 could have requested entrance into the plan for an effective date no later the July 1, 2010.

Benefits

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.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

b. Summary of Significant Accounting Policies

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

Separate Statements are not issued for the Plan.

c. Contributions and Reserves

The District's Early Retirement Program was established by the Board on August 1, 1984. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the un-funded actuarial accrued liability within 30 years based on an actuarial study. There are no long-term contracts to the plan. Periodic employer contributions to the Plan are determined on an actuarial basis using the "Entry Age Actuarial Cost Method". Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the un-funded actuarial accrued liability is funded over a 40-year period. Periodic contributions for both normal cost and the amortization of the un-funded actuarial liability are based on the level percentage of payroll method.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability. Total contributions to the Plan in fiscal years 2012, 2013 and 2014 amounted to \$879,714, \$1,383,120 and \$1,401,167 respectively. The net pension asset (obligation) to the Plan in fiscal years 2012, 2013 and 2014 were (611), (1,807) and (30) respectively. The actuarially determined contribution for fiscal years 2012, 2013 and 2014 were \$1,341,630, \$1,381,913 and \$1,402,918 respectively which were determined through actuarial valuations performed at July 1, 2011, July 1, 2012 and July 1, 2013, respectively. The total annual pension costs for fiscal years 2012, 2013 and 2014 were \$1,325,989, \$1,381,924 and \$1,402,944 respectively. The percentage of pension cost contributed for fiscal years 2012, 2013 and 2014 were 63.34%, 100.09% and 99.88% respectively.

The District's annual pension cost and net pension asset (obligation) for the Early Retirement Program for the current fiscal year were as follows:

Annual Required Contribution (ARC)	\$1,402,918
Interest on Net Pension Obligation (NPO)	(69)
Adjustment to the Annual Required Contribution	95
Annual Pension Cost (APC)	<u>1,402,944</u>
Contribution made with interest	<u>1,401,167</u>
Increase in Net Pension Obligation	<u>1,777</u>
Net Pension Asset Beginning of Year	<u>(1,807)</u>
Net Pension Asset (Obligation) End of Year	<u><u>\$ (30)</u></u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

As the net pension obligation is immaterial to the District as a whole, no such amounts have been recorded in the District wide statement of net position at June 30, 2014.

As of July 1, 2013 the actuarial value of the plan assets was \$13,601,965 and the actuarial accrued liability for benefits was \$26,618,963, resulting in a funded ratio of 51.1%. \$13,016,998 of the actuarial accrued liability for benefits was unfunded. There is no longer a covered payroll due to the fact that the Plan is closed to any new participants effective July 1, 2010.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and the plan members in the future.



NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The computation of the annual required contributions for fiscal 2014 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.

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

d. Concentrations

The Plan's investments at June 30, 2014, consisted of the following:

	Balance <u>June 30, 2014</u>	Percentage of <u>Plan Net Position</u>
U. S. Treasury Notes and Bonds	\$6,954,845	54%
U. S. Agencies	5,778,885	44%
U. S. Government Mortgage Pool	4	-%
Federated Prime Obligations Fund	<u>237,207</u>	<u>1%</u>
Total	\$12,970,941	100%

e. Actuarial Information

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	07/01/13
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll-Closed
Amortization Period	30 Years
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment Rate of Return	3.5%
Projected Salary Increases	0%
Rate of Inflation Adjustment	None

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

19. POST EMPLOYMENT HEALTH CARE BENEFITS

a. Plan Description

The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical, and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates 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 2014 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 \$4,217,776 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 \$9,196,314, which is about 1 percent of payroll.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

c. Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the annual required contribution (ARC), and amount actuarially determined in accordance with the parameters of the Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that is paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Descriptions	Amount
Normal Cost (service cost for one year)	\$ 16,461,158
Amortization of Unfunded Actuarial Accrued Liability	7,296,067
Interest on Normal Cost and Amortization	831,503
Annual Required Contribution (ARC)	24,588,728
Interest on Net OPEB Obligation (NOO)	2,629,636
Amortization of Net OPEB Obligation	(2,684,233)
Total Expense or Annual OPEB Cost (AOC)	24,534,131
Annual Contribution Toward OPEB Cost	(4,217,776)
Increase in Net OPEB Obligation	20,316,355
Net OPEB Obligation Beginning of Year	75,132,459
Net OPEB Obligation End of Year	\$95,448,814

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, 2014 was as follows:

Fiscal Year	Annual OPEB Cost	Annual Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	24,588,728	4,217,776	17.2%	95,448,814
2013	23,903,947	3,504,578	14.7%	75,132,459
2012	18,635,570	3,921,558	21.0%	54,733,090
2011	17,520,393	6,583,222	37.6%	40,019,078

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

d. Funded Status and Funding Progress

As of June 30, 2014, the actuarial accrued liability for benefits was \$191,669,324, all of which was unfunded. The covered payroll (annual payroll for active participating employees) was \$1,064,282,519 for the 2014 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.0%.

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 purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.
3. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

4. The actuarial methods and significant assumptions used in the actuarial valuation as of July 1, 2013 are:
- (a). Entry age actuarial cost method
  - (b). Actuarial value of assets are fair value
  - (c). Discount rate is 3.5%
  - (d). Salary scale is 3.5%
  - (e). Inflation 2.5%
  - (f). Healthcare cost trend rate is 8.0% for fiscal year ended June 30, 2013 grading to 5.0% for fiscal year ending June 30, 2023.
  - (g). Past service liability is amortized over a closed 30-year period as a level percentage of projected payroll assumed to grow 3.5% per year.

20. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage are being provided on a self-insured basis up to specified limits. Prior to July 18, 2007 the District entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis. Effective July 18, 2007 the District chose not to purchase excess coverage but chose to set aside \$500,000 per year to accumulate to a total of \$5,000,000 to cover excess claims. As of June 30, 2014, \$3,500,000 has been set aside. The Board has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

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

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

A liability in the amount of \$17,224,246.00 was actuarially determined to cover estimated incurred but not reported insurance claims payable at June 30, 2014. It is estimated that \$8,420,749.65 of the liability is current and due within one year. The remaining \$8,803,496.35 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
2012 – 2013	\$15,992,106.00	\$7,899,185.00	\$(7,767,011.00)	\$16,124,280.00
2013 – 2014	\$16,124,280.00	\$11,935,546.00	\$(10,835,580.00)	\$17,224,246.00

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

21. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2014:

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

<u>Description</u>	<u>Project Authorization</u>	<u>Expended to 6/30/14</u>	<u>Committed</u>
Additions	\$ 6,892,840.04	\$ 828,893.90	\$ 6,063,946.14
Elementary	32,765,238.98	10,999,432.80	21,765,806.18
Middle	26,459,665.18	211,943.64	26,247,721.54
Other	984,976.58	627,333.51	357,643.07
Renovations	50,436,289.94	19,492,931.22	30,943,358.72
Improvements	<u>2,027,692.46</u>	<u>1,044,538.49</u>	<u>983,153.97</u>
Total	<u>\$ 119,566,703.18</u>	<u>\$ 33,205,073.56</u>	<u>\$ 86,361,629.62</u>

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

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 POST-EMPLOYMENT BENEFITS PLAN**  
**June 30, 2014**

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]
6/30/2014	0	191,669,324.00	191,669,324.00	0.00%	1,064,282,519.00	18.00%
6/30/2013	0	194,788,495.00	194,788,495.00	0.00%	998,616,019.00	19.50%
6/30/2012	0	156,271,280.00	156,271,280.00	0.00%	979,901,112.00	15.90%
6/30/2011	0	144,887,062.00	144,887,062.00	0.00%	991,177,970.00	14.60%
6/30/2010	0	122,763,693.00	122,763,693.00	0.00%	964,984,023.00	12.70%
6/30/2009	0	139,930,959.00	139,930,959.00	0.00%	990,757,415.00	14.10%
6/30/2008	0	142,851,161.00	142,851,161.00	0.00%	984,347,938.00	14.50%



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**PAGES 20 INTENTIONALLY OMITTED**

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**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, 2014**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100	4,263,697.90	2,660,232.35	2,660,232.35	0.00
Federal Through State and Local	3200	8,976,696.89	10,272,164.43	10,272,164.43	0.00
State Sources	3300	981,123,651.28	993,114,210.26	991,805,549.12	(1,308,661.14)
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	414,319,827.26	418,340,623.61	418,340,623.61	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		77,590,833.28	87,504,695.62	82,299,948.65	(5,204,746.97)
Total Local Sources	3400	491,910,660.54	505,845,319.23	500,640,572.26	(5,204,746.97)
<b>Total Revenues</b>		1,486,274,706.61	1,511,891,926.27	1,505,378,518.16	(6,513,408.11)
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	1,032,201,250.72	1,063,275,304.11	1,005,516,167.64	57,759,136.47
Student Personnel Services	6100	63,070,152.22	61,976,889.10	60,041,890.83	1,934,998.27
Instructional Media Services	6200	21,462,834.28	20,992,705.78	20,420,838.29	571,867.49
Instruction and Curriculum Development Services	6300	22,849,279.40	25,617,878.81	24,088,725.19	1,529,153.62
Instructional Staff Training Services	6400	37,752,586.94	29,043,781.69	24,367,131.46	4,676,650.23
Instructional-Related Technology	6500	29,648,623.98	36,413,749.88	31,085,426.73	5,328,323.15
Board	7100	1,526,284.74	2,801,297.34	2,453,535.80	347,761.54
General Administration	7200	4,813,071.16	6,257,905.78	4,478,497.90	1,779,407.88
School Administration	7300	96,463,396.03	92,282,252.98	91,820,317.91	461,935.07
Facilities Acquisition and Construction	7410	2,300,882.28	2,607,180.82	1,254,107.67	1,353,073.15
Fiscal Services	7500	7,164,589.50	30,260,403.46	7,225,353.47	23,035,049.99
Food Services	7600	463,195.44	348,912.03	348,912.03	0.00
Central Services	7700	22,783,484.59	43,066,780.72	31,460,345.43	11,606,435.29
Student Transportation Services	7800	66,049,808.92	69,649,607.44	68,446,178.10	1,203,429.34
Operation of Plant	7900	103,816,267.96	118,872,502.36	107,763,072.78	11,109,429.58
Maintenance of Plant	8100	29,062,663.78	35,474,101.77	26,810,056.55	8,664,045.22
Administrative Technology Services	8200	713,627.24	1,005,228.16	1,000,159.01	5,069.15
Community Services	9100	43,649,506.19	53,432,891.67	44,451,186.69	8,981,704.98
<i>Debt Service: (Function 9200)</i>					
Retirement 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		266,921.63	266,921.63	0.00
Other Capital Outlay	9300		5,542,362.28	5,542,362.28	0.00
<b>Total Expenditures</b>		1,585,791,505.37	1,699,188,657.81	1,558,841,187.39	140,347,470.42
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(99,516,798.76)	(187,296,731.54)	(53,462,669.23)	133,834,062.31
<b>OTHER FINANCING SOURCES (USES)</b>					
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
Proceeds from Special Facility Construction Account	3770			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	3,000,100.00	13,853,530.97	13,853,430.97	(100.00)
Transfers Out	9700	(33,146.40)	(28,756.61)	(26,980.28)	1,776.33
<b>Total Other Financing Sources (Uses)</b>		2,966,953.60	13,824,774.36	13,826,450.69	1,676.33
<b>SPECIAL ITEMS</b>					
				0.00	0.00
<b>EXTRAORDINARY ITEMS</b>					
				0.00	0.00
<b>Net Change in Fund Balances</b>		(96,549,845.16)	(173,471,957.18)	(39,636,218.54)	133,835,738.64
Fund Balance, July 1, 2013	2800	269,268,529.96	269,268,529.96	269,268,529.96	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balance, June 30, 2014	2700	172,718,684.80	95,796,572.78	229,632,311.42	133,835,738.64

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND**  
**For the Fiscal Year Ended June 30, 2014**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100	12,018,458.87	31,547,052.99	16,231,295.70	(15,315,757.29)
Federal Through State and Local	3200	156,870,460.05	222,363,424.94	182,833,155.94	(39,530,269.00)
State Sources	3300	986,711.58	2,298,981.85	791,045.41	(1,507,936.44)
<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		364,377.55	833,409.04	468,647.25	(364,761.79)
Total Local Sources	3400	364,377.55	833,409.04	468,647.25	(364,761.79)
<b>Total Revenues</b>		170,240,008.05	257,042,868.82	200,324,144.30	(56,718,724.52)
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	80,262,159.59	110,397,048.45	82,877,686.99	27,519,361.46
Student Personnel Services	6100	14,715,053.55	22,632,224.51	20,063,229.57	2,568,994.94
Instructional Media Services	6200	2,308,458.91	3,972,927.71	2,511,738.46	1,461,189.25
Instruction and Curriculum Development Services	6300	19,480,430.15	27,674,521.01	24,189,967.50	3,484,553.51
Instructional Staff Training Services	6400	11,199,441.86	25,418,513.19	14,147,775.92	11,270,737.27
Instructional-Related Technology	6500	1,390,480.57	2,803,952.51	1,743,767.32	1,060,185.19
Board	7100	1,851,210.96		0.00	0.00
General Administration	7200	3,537,104.82	10,132,038.65	7,043,065.23	3,088,973.42
School Administration	7300	2,430,911.01	2,297,044.91	2,135,210.22	161,834.69
Facilities Acquisition and Construction	7410	373,222.96	468,049.18	22,745.87	445,303.31
Fiscal Services	7500	595,218.33	491,928.23	489,011.81	2,916.42
Food Services	7600			0.00	0.00
Central Services	7700	694,235.12	3,908,675.48	1,088,914.26	2,819,761.22
Student Transportation Services	7800	1,116,351.83	1,840,412.26	991,988.96	848,423.30
Operation of Plant	7900	141,880.14	233,021.45	194,465.51	38,555.94
Maintenance of Plant	8100	697.04		0.00	0.00
Administrative Technology Services	8200		176,207.37	0.00	176,207.37
Community Services	9100	30,176,197.61	42,501,525.71	40,728,122.15	1,773,403.56
<i>Debt Service: (Function 9200)</i>					
Retirement 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		391,066.35	391,066.35	0.00
Other Capital Outlay	9300		1,732,368.46	1,732,368.46	0.00
<b>Total Expenditures</b>		170,273,054.45	257,071,525.43	200,351,124.58	56,720,400.85
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(33,046.40)	(28,656.61)	(26,980.28)	1,676.33
<b>OTHER FINANCING SOURCES (USES)</b>					
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
Proceeds from Special Facility Construction Account	3770			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	33,146.40	28,756.61	26,980.28	(1,776.33)
Transfers Out	9700	(100.00)	(100.00)	0.00	100.00
<b>Total Other Financing Sources (Uses)</b>		33,046.40	28,656.61	26,980.28	(1,676.33)
<b>SPECIAL ITEMS</b>				0.00	0.00
<b>EXTRAORDINARY ITEMS</b>				0.00	0.00
<b>Net Change in Fund Balances</b>		0.00	0.00	(0.00)	(0.00)
Fund Balance, July 1, 2013	2800			0.00	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balance, June 30, 2014	2700	0.00	0.00	(0.00)	(0.00)

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE - FEDERAL ECONOMIC STIMULUS PROGRAMS FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100			0.00	0.00
Federal Through State and Local	3200	15,151,328.08	15,441,152.67	9,716,931.39	(5,724,221.28)
State Sources	3300			0.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue				0.00	0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
<b>Total Revenues</b>		15,151,328.08	15,441,152.67	9,716,931.39	(5,724,221.28)
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	5,627,913.01	467,755.88	323,627.00	144,128.88
Student Personnel Services	6100			0.00	0.00
Instructional Media Services	6200			0.00	0.00
Instruction and Curriculum Development Services	6300	306,228.26	351,784.05	307,836.59	43,947.46
Instructional Staff Training Services	6400	2,398,668.43	4,595,141.03	3,870,711.20	724,429.83
Instructional-Related Technology	6500	153,526.82	130,002.84	126,445.08	3,557.76
Board	7100			0.00	0.00
General Administration	7200	486,618.08	590,613.60	422,573.26	168,040.34
School Administration	7300	61,005.04	61,622.03	61,622.03	0.00
Facilities Acquisition and Construction	7410			0.00	0.00
Fiscal Services	7500			0.00	0.00
Food Services	7600			0.00	0.00
Central Services	7700	6,112,603.44	9,217,665.29	4,577,548.28	4,640,117.01
Student Transportation Services	7800	4,765.00	8,532.80	8,532.80	0.00
Operation of Plant	7900			0.00	0.00
Maintenance of Plant	8100			0.00	0.00
Administrative Technology Services	8200			0.00	0.00
Community Services	9100			0.00	0.00
<i>Debt Service: (Function 9200)</i>					
Retirement 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			0.00	0.00
Other Capital Outlay	9300		18,035.15	18,035.15	0.00
<b>Total Expenditures</b>		15,151,328.08	15,441,152.67	9,716,931.39	5,724,221.28
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		0.00	0.00	0.00	0.00
<b>OTHER FINANCING SOURCES (USES)</b>					
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
Proceeds from Special Facility Construction Account	3770			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600			0.00	0.00
Transfers Out	9700			0.00	0.00
<b>Total Other Financing Sources (Uses)</b>		0.00	0.00	0.00	0.00
<b>SPECIAL ITEMS</b>				0.00	0.00
<b>EXTRAORDINARY ITEMS</b>				0.00	0.00
<b>Net Change in Fund Balances</b>		0.00	0.00	0.00	0.00
Fund Balance, July 1, 2013	2800			0.00	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balance, June 30, 2014	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, 2014**

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

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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, 2014, 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 9, 2014.

\_\_\_\_\_  
District Superintendent's Signature

September 9, 2014  
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, 2014

Exhibit K-1

DOE Page 1

**Fund 100**

<b>REVENUES</b>	<b>Account Number</b>	
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	444,379.81
Reserve Officers Training Corps (ROTC)	3191	2,069,376.90
Pell Grants	3192	
Miscellaneous Federal Direct	3199	146,475.64
Total Federal Direct	3100	2,660,232.35
<i>Federal Through State and Local:</i>		
Medicaid	3202	10,220,413.36
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	51,751.07
Total Federal Through State and Local	3200	10,272,164.43
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	696,123,514.00
Workforce Development	3315	28,417,013.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	290,828.00
Adults with Disabilities	3318	292,719.90
CO&DS Withheld for Administrative Expenditure	3323	114,317.75
<i>Categoricals:</i>		
District Discretionary Lottery Funds	3344	2,030,684.00
Class Size Reduction Operating Funds	3355	225,861,479.00
Florida School Recognition Funds	3361	8,471,889.00
Excellent Teaching Program	3363	
Voluntary Prekindergarten Program	3371	27,251,186.38
Preschool Projects	3372	
Reading Programs	3373	
Full-Service Schools Program	3378	
<i>Other State:</i>		
Diagnostic and Learning Resources Centers	3335	
Racing Commission Funds	3341	
State Forest Funds	3342	
State License Tax	3343	609,164.56
Other Miscellaneous State Revenues	3399	2,342,753.53
Total State	3300	991,805,549.12
<i>Local:</i>		
District School Taxes	3411	418,312,866.48
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	
Excess Fees	3423	27,757.13
Tuition	3424	
Rent	3425	493,437.81
Interest on Investments	3431	1,159,315.50
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	20,421,811.42
Adult General Education Course Fees	3461	441,416.29
Postsecondary Vocational Course Fees	3462	2,256,385.09
Continuing Workforce Education Course Fees	3463	
Capital Improvement Fees	3464	
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	227,257.81
General Education Development (GED) Testing Fees	3467	
Financial Aid Fees	3468	
Other Student Fees	3469	
Preschool Program Fees	3471	2,809,617.63
Prekindergarten Early Intervention Fees	3472	
School-Age Child Care Fees	3473	15,867,666.01
Other Schools, Courses and Classes Fees	3479	1,848,923.74
<i>Miscellaneous Local:</i>		
Bus Fees	3491	
Transportation Services Rendered for School Activities	3492	2,805,097.03
Sale of Junk	3493	162,330.85
Receipt of Federal Indirect Cost Rate	3494	7,556,961.82
Other Miscellaneous Local Sources	3495	23,973,362.12
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	
Collections for Lost, Damaged and Sold Textbooks	3498	83,122.97
Receipt of Food Service Indirect Costs	3499	2,193,242.56
Total Local	3400	500,640,572.26
<b>Total Revenues</b>	<b>3000</b>	<b>1,505,378,518.16</b>



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, 2014

EXPENDITURES	Account Number	100	200	300	400	500	600	700		Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other		
<i>Current:</i>										
Instruction	5000	681,323,520.11	169,449,558.23	108,732,373.62	37,300.51	27,185,530.03	6,862,883.97	11,925,001.17		1,005,516,167.64
Student Personnel Services	6100	47,556,610.16	11,588,096.05	395,806.13	0.00	447,157.96	49,513.78	4,706.75		60,041,890.83
Instructional Media Services	6200	13,744,647.80	3,249,131.30	1,487,719.73	0.00	342,694.28	1,516,352.60	80,292.58		20,420,838.29
Instruction and Curriculum Development Services	6300	16,668,467.49	3,733,175.05	1,251,092.10	20,421.75	238,109.47	166,926.68	1,990,532.65		24,088,725.19
Instructional Staff Training Services	6400	17,087,317.95	3,395,962.02	2,072,312.53	0.00	532,344.96	163,908.36	1,115,285.64		24,367,131.46
Instructional-Related Technology	6500	12,263,181.28	3,116,963.15	11,847,520.82	70,984.01	943,885.21	2,819,624.13	23,268.13		31,085,426.73
Board	7100	496,084.18	196,578.26	777,771.73	0.00	923.23	0.00	982,178.40		2,453,535.80
General Administration	7200	3,015,332.34	718,013.71	308,117.63	0.00	180,972.92	14,135.87	241,925.43		4,478,497.90
School Administration	7300	70,454,651.27	18,140,286.92	1,166,444.30	0.00	1,398,176.28	608,718.11	52,041.03		91,820,317.91
Facilities Acquisition and Construction	7410	591,441.96	143,261.09	10,915.46	0.00	9,189.67	498,424.49	875.00		1,254,107.67
Fiscal Services	7500	4,972,560.40	1,305,445.84	744,196.24	0.00	20,991.01	59,252.00	122,907.98		7,225,353.47
Food Services	7600	324,165.83	24,746.20	0.00	0.00	0.00	0.00	0.00		348,912.03
Central Services	7700	18,978,955.11	6,461,489.41	4,494,316.55	64,480.91	697,672.29	152,801.95	610,629.21		31,460,345.43
Student Transportation Services	7800	34,644,209.80	11,749,434.44	4,137,352.48	9,537,892.80	7,048,003.87	37,924.68	1,291,360.03		68,446,178.10
Operation of Plant	7900	34,379,366.03	13,174,483.60	20,599,301.53	35,234,705.81	2,686,770.03	118,480.99	1,569,964.79		107,763,072.78
Maintenance of Plant	8100	14,137,950.58	4,060,709.60	1,897,888.42	664,230.18	5,641,127.65	342,164.17	65,985.95		26,810,056.55
Administrative Technology Services	8200	649,464.96	100,503.90	186,893.44	0.00	60,337.27	1,646.45	1,312.99		1,000,159.01
Community Services	9100	11,002,964.27	744,006.90	28,445,455.83	6,639.72	1,772,719.96	298,616.18	2,180,783.83		44,451,186.69
<i>Capital Outlay:</i>										
Facilities Acquisition and Construction	7420						266,921.63			266,921.63
Other Capital Outlay	9300						5,542,362.28			5,542,362.28
<i>Debt Service: (Function 9200)</i>										
Redemption of Principal	710									0.00
Interest	720									0.00
<b>Total Expenditures</b>		982,290,891.52	251,351,845.67	188,555,478.54	45,636,655.69	49,226,606.09	19,520,658.32	22,259,051.56		1,558,841,187.39
<b>Excess (Deficiency) of Revenues Over Expenditures</b>										(53,462,669.23)

**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, 2014

Exhibit K-1  
DOE Page 3  
**Fund 100**

<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>	<b>Account Number</b>	
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	5,756,614.00
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	8,096,816.97
From Enterprise Funds	3690	
Total Transfers In	3600	13,853,430.97
<i>Transfers Out: (Function 9700)</i>		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(26,980.28)
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(26,980.28)
<b>Total Other Financing Sources (Uses)</b>		<b>13,826,450.69</b>
<b>Net Change In Fund Balance</b>		<b>(39,636,218.54)</b>
Fund Balance, July 1, 2013	2800	269,268,529.96
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	5,088,434.93
Restricted Fund Balance	2720	31,062,879.86
Committed Fund Balance	2730	
Assigned Fund Balance	2740	97,684,423.85
Unassigned Fund Balance	2750	95,796,572.78
Fund Balance, June 30, 2014	2700	229,632,311.42



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

For the Fiscal Year Ended June 30, 2014

Exhibit K-2  
DOE Page 4  
**Fund 410**

<b>REVENUES</b>	<b>Account Number</b>	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	50,940,668.60
School Breakfast Reimbursement	3262	19,939,149.24
Afterschool Snack Reimbursement	3263	1,366,998.40
Child Care Food Program	3264	465,248.84
USDA Donated Commodities	3265	5,491,559.45
Cash in Lieu of Donated Foods	3266	36,918.24
Summer Food Service Program	3267	1,730,988.60
Fresh Fruit and Vegetable Program	3268	1,087,701.39
Other Food Services	3269	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	81,059,232.76
<i>State:</i>		
School Breakfast Supplement	3337	689,123.00
School Lunch Supplement	3338	729,296.00
Other Miscellaneous State Revenues	3399	
Total State	3300	1,418,419.00
<i>Local:</i>		
Interest on Investments	3431	44,186.49
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	30,000.00
Student Lunches	3451	8,555,113.24
Student Breakfasts	3452	
Adult Breakfasts/Lunches	3453	1,132,391.85
Student and Adult a la Carte Fees	3454	12,918,277.14
Student Snacks	3455	
Other Food Sales	3456	2,415,802.97
Other Miscellaneous Local Sources	3495	30,149.05
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	25,125,920.74
<b>Total Revenues</b>	<b>3000</b>	<b>107,603,572.50</b>

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - SPECIAL REVENUE**  
**FUNDS - FOOD SERVICES (Continued)**  
For the Fiscal Year Ended June 30, 2014

Exhibit K-2  
DOE Page 5  
**Fund 410**

<b>EXPENDITURES (Function 7600/9300)</b>	<b>Account Number</b>	
Salaries	100	28,113,713.33
Employee Benefits	200	12,275,105.02
Purchased Services	300	2,500,378.37
Energy Services	400	2,419,164.03
Materials and Supplies	500	52,784,818.18
Capital Outlay	600	880,902.90
Other	700	3,549,617.17
Other Capital Outlay (Function 9300)	600	1,596,617.85
<b>Total Expenditures</b>		<b>104,120,316.85</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>3,483,255.65</b>
<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	855,437.94
From Enterprise Funds	3690	
<b>Total Transfers In</b>	<b>3600</b>	<b>855,437.94</b>
<i>Transfers Out: (Function 9700)</i>		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
<b>Total Transfers Out</b>	<b>9700</b>	<b>0.00</b>
<b>Total Other Financing Sources (Uses)</b>		<b>855,437.94</b>
<b>Net Change in Fund Balance</b>		<b>4,338,693.59</b>
Fund Balance, July 1, 2013	2800	31,180,404.05
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	836,662.75
Restricted Fund Balance	2720	34,682,434.89
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
<b>Fund Balance, June 30, 2014</b>	<b>2700</b>	<b>35,519,097.64</b>



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

For the Fiscal Year Ended June 30, 2014

Exhibit K-3  
DOE Page 6  
**Fund 420**

REVENUES	Account Number	
<i>Federal Direct:</i>		
Workforce Investment Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	16,231,295.70
Total Federal Direct	3100	16,231,295.70
<i>Federal Through State and Local:</i>		
Vocational Education Acts	3201	3,355,119.33
Medicaid	3202	
Workforce Investment Act	3220	321,806.26
Teacher and Principal Training and Recruiting, Title II, Part A	3225	10,278,369.91
Math and Science Partnerships, Title II, Part B	3226	
Drug-Free Schools	3227	
Individuals with Disabilities Education Act (IDEA)	3230	47,745,894.87
Elementary and Secondary Education Act, Title I	3240	59,921,595.13
Adult General Education	3251	2,255,598.73
Vocational Rehabilitation	3253	
Federal Through Local	3280	51,623,545.17
Emergency Immigrant Education Program	3293	5,152,624.88
Miscellaneous Federal Through State	3299	2,178,601.66
Total Federal Through State and Local	3200	182,833,155.94
<i>State:</i>		
Other Miscellaneous State Revenues	3399	791,045.41
Total State	3300	791,045.41
<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	2,176.06
Adult General Education Course Fees	3461	69,648.09
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	396,823.10
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	468,647.25
<b>Total Revenues</b>	<b>3000</b>	<b>200,324,144.30</b>



OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES			
Loans		3720	
Sale of Capital Assets		3730	
Loss Recoveries		3740	
<i>Transfers In:</i>			
From General Fund		3610	26,980.28
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	26,980.28
<i>Transfers Out: (Function 9700)</i>			
To the General Fund		910	
To Debt Service Funds		920	
To Capital Projects Funds		930	
Interfund		950	
To Permanent Funds		960	
To Internal Service Funds		970	
To Enterprise Funds		990	
Total Transfers Out		9700	0.00
<b>Total Other Financing Sources (Uses)</b>			26,980.28
<b>Net Change in Fund Balance</b>			0.00
Fund Balance, July 1, 2013		2800	
Adjustments to Fund Balance		2891	
<i>Ending Fund Balance:</i>			
Nonspendable Fund Balance		2710	
Restricted Fund Balance		2720	
Committed Fund Balance		2730	
Assigned Fund Balance		2740	
Unassigned Fund Balance		2750	
Fund Balance, June 30, 2014		2700	0.00



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

Exhibit K-4  
DOE Page 8

For the Fiscal Year Ended June 30, 2014

REVENUES	Account Number	Targeted ARRA Stimulus Funds 432	Other ARRA Stimulus Grants 433	ARRA Race to the Top 434	Totals
<i>Federal Direct:</i>					
Workforce Investment Act	3170				0.00
Community Action Programs	3180				0.00
Reserve Officers Training Corps (ROTC)	3191				0.00
Miscellaneous Federal Direct	3199				0.00
Total Federal Direct:	3100	0.00	0.00	0.00	0.00
<i>Federal Through State:</i>					
Vocational Education Acts	3201				0.00
Race to the Top	3214			9,651,051.87	9,651,051.87
Individuals with Disabilities Education Act (IDEA)	3230				0.00
Elementary and Secondary Education Act, Title I	3240	65,879.52			65,879.52
Adult General Education	3251				0.00
Other Food Services	3269				0.00
Miscellaneous Federal Through State	3299				0.00
Total Federal Through State	3200	65,879.52	0.00	9,651,051.87	9,716,931.39
<i>State:</i>					
Other Miscellaneous State Revenues	3399				0.00
Total State	3300	0.00	0.00	0.00	0.00
<i>Local:</i>					
Interest on Investments	3431				0.00
Gain on Sale of Investments	3432				0.00
Net Increase (Decrease) in Fair Value of Investments	3433				0.00
Gifts, Grants and Bequests	3440				0.00
Other Miscellaneous Local Sources	3495				0.00
Refunds of Prior Year's Expenditures	3497				0.00
Total Local	3400	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	3000	65,879.52	0.00	9,651,051.87	9,716,931.39



DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - TARGETED ARRA STIMULUS FUNDS (Continued)  
For the Fiscal Year Ended June 30, 2014

Exhibit K-4  
DOE Page 9  
Fund 432

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	0.00
<i>Transfers Out: (Function 9700)</i>		
To the General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		0.00
Fund Balance, July 1, 2013	2800	
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	
Restricted Fund Balance	2720	
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Fund Balance, June 30, 2014	2700	0.00





DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER ARRA STIMULUS GRANTS (Continued)

For the Fiscal Year Ended June 30, 2014

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	0.00
<i>Transfers Out: (Function 9700)</i>		
To the General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		0.00
Fund Balance, July 1, 2013	2800	
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	
Restricted Fund Balance	2720	
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Fund Balance, June 30, 2014	2700	0.00



DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - ARRA RACE TO THE TOP (Continued)  
For the Fiscal Year Ended June 30, 2014

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	0.00
<i>Transfers Out: (Function 9700)</i>		
To the General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		0.00
Net Change in Fund Balance		0.00
Fund Balance, July 1, 2013	2800	
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	
Restricted Fund Balance	2720	
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Fund Balance, June 30, 2014	2700	0.00



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**DOE PAGE 12 INTENTIONALLY OMITTED**

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

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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, 2014

	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Section 1011.14/1011.15, F.S., Loans 230	Motor Vehicle Revenue Bonds 240	District Bonds 250	Other Debt Service 290	ARRA Economic Stimulus Debt Service 299	Totals
REVENUES									
<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	6,807,344.21							6,807,344.21
SBE/COBI Bond Interest	3326	296.04							296.04
Racing Commission Funds	3341		446,500.00						446,500.00
Other Miscellaneous State Revenues	3399								0.00
Total State Sources	3300	6,807,640.25	446,500.00	0.00	0.00	0.00	0.00	0.00	7,254,140.25
<i>Local:</i>									
District Debt Service Taxes	3412								0.00
County Local Sales Tax	3418						21,879,851.17		21,879,851.17
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								0.00
Gain on Sale of Investments	3432		1,366.70					8,875.91	634,083.84
Net Increase (Decrease) in Fair Value of Investments	3433								0.00
Gifts, Grants and Bequests	3440								0.00
Other Miscellaneous Local Sources	3495								0.00
Impact Fees	3496								0.00
Refunds of Prior Year's Expenditures	3497								0.00
Total Local Sources	3400	0.00	1,366.70	0.00	0.00	0.00	22,503,692.40	8,875.91	22,513,935.01
Total Revenues	3000	6,807,640.25	447,866.70	0.00	0.00	0.00	22,503,692.40	8,875.91	29,768,075.26
EXPENDITURES									
<i>Debt Service (Function 9200)</i>									
Redemption of Principal	710	5,005,000.00	163,731.60				39,110,000.00		44,278,731.60
Interest	720	1,922,140.00	196,268.40				44,596,407.26	152,407.66	46,867,223.32
Dues and Fees	730	125,089.39	7,000.00				847,097.96	4,750.00	983,937.35
Miscellaneous	790								0.00
Total Expenditures		7,052,229.39	367,000.00	0.00	0.00	0.00	84,553,505.22	157,157.66	92,129,892.27
Excess (Deficiency) of Revenues Over Expenditures		(244,589.14)	80,866.70	0.00	0.00	0.00	(62,049,812.82)	(148,281.75)	(62,361,817.01)



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, 2014

Exhibit K-6  
DOE Page 13

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Section 1011.14/1011.15 F.S. Loans 230	Motor Vehicle Revenue Bonds 240	District Bonds 250	Other Debt Service 290	ARRA Economic Stimulus Debt Service 299	Totals
Issuance of Bonds	3710								0.00
Premium on Sale of Bonds	3791								0.00
Discount on Sale of Bonds (Function 9299)	891								0.00
Proceeds of Lease-Purchase Agreements	3750						39,950,000.00		39,950,000.00
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	2,486,000.00							2,486,000.00
Premium on Refunding Bonds	3792	397,217.63							397,217.63
Discount on Refunding Bonds (Function 9299)	892								0.00
Payments to Refunded Bonds Escrow Agent (Function 9299)	761	(2,158,487.88)					(40,262,013.23)		(42,420,501.11)
Refunding Lease-Purchase Agreements	3755								0.00
Premium on Refunding Lease-Purchase Agreements	3794								0.00
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						66,320,104.32	2,264,657.66	68,584,761.98
From Special Revenue Funds	3640								0.00
Interfund	3650						75,045.96		75,045.96
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		66,395,150.28	2,264,657.66	68,659,807.94
Transfers Out: (Function 9700)									
To General Fund	910								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940								0.00
Interfund	950						(75,045.96)		(75,045.96)
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		(75,045.96)	0.00	(75,045.96)
Total Other Financing Sources (Uses)		724,729.75	0.00	0.00	0.00		66,008,091.09	2,264,657.66	68,997,478.50
Net Change in Fund Balances		480,140.61	80,866.70	0.00	0.00		3,958,278.27	2,116,375.91	6,635,661.49
Fund Balance, July 1, 2013	2800	1,096,195.98	1,024,365.87				96,430,769.17	4,227,342.04	102,778,673.06
Adjustments to Fund Balances	2891								0.00
Ending Fund Balance:									
Nonspendable Fund Balance	2710								0.00
Restricted Fund Balance	2720	1,576,336.59	1,105,232.57				100,389,047.44	6,343,717.95	109,414,334.55
Committed Fund Balance	2730								0.00
Assigned Fund Balance	2740								0.00
Unassigned Fund Balance	2750								0.00
Fund Balance, June 30, 2014	2700	1,576,336.59	1,105,232.57	0.00	0.00		100,389,047.44	6,343,717.95	109,414,334.55



REVENUES	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Section 1011.14 / 1011.15, F.S., Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Program 360	Nonvoted Cap. Improvement Section 1011.7(2), F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	AREA 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						699,521.04					699,521.04
Interest on Undistributed CO&DS	3325						36,521.61					36,521.61
Racing Commission Funds	3341											0.00
Public Education Capital Outlay (PECO)	3391											0.00
Classrooms First Program	3392											0.00
District Effort Recognition Program	3394											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											0.00
Other Miscellaneous State Revenues	3399									5,756,614.00		5,756,614.00
Total State Sources	3300	0.00	0.00	0.00	0.00	0.00	736,042.65	0.00	0.00	5,756,614.00	0.00	6,492,656.65
<i>Local:</i>												
District Local Capital Improvement Tax	3413							101,321,821.14				101,321,821.14
County Local Sales Tax	3418									4,000,000.00		4,000,000.00
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						3,678.54	226,220.52		48,506.50		278,405.56
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									44,132.15		44,132.15
Impact Fees	3496									17,960,428.48		17,960,428.48
Total Local Sources	3400	0.00	0.00	0.00	0.00	0.00	3,678.54	103,119,451.58	0.00	22,053,067.13	0.00	125,176,197.25
Total Revenues	3000	0.00	0.00	0.00	0.00	0.00	739,721.19	103,119,451.58	0.00	27,809,681.13	0.00	131,668,853.90
EXPENDITURES												
<i>Capital Outlay (Function 7400)</i>												
Library Books	610							2,432.26				2,432.26
Audiovisual Materials	620						23.74	423.82				447.56
Buildings and Fixed Equipment	630							1,633,610.49		9,815,218.78		11,448,829.27
Furniture, Fixtures and Equipment	640						19,562.27	1,324,676.48		64,000.63		1,408,239.38
Motor Vehicles (Including Buses)	650											0.00
Land	660							197,542.62				197,542.62
Improvements Other Than Buildings	670						135,627.83	6,714,345.29		25,583.68		6,875,556.80
Remodeling and Renovations	680						1,555,450.34	52,017,876.31		89,004.08	747.44	53,663,078.17
Computer Software	690						115,156.76					115,156.76
<i>Debt Service (Function 9200)</i>												
Redemption of Principal	710											0.00
Interest	720											0.00
Dues and Fees	730						4,265.59					4,265.59
Miscellaneous	790											0.00
Total Expenditures		0.00	0.00	0.00	0.00	0.00	1,830,086.53	61,890,907.27	0.00	9,993,807.17	747.44	73,715,548.41
Excess (Deficiency) of Revenues Over Expenditures		0.00	0.00	0.00	0.00	0.00	(1,090,365.34)	41,228,544.31	0.00	17,815,873.96	(747.44)	57,953,305.49



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, 2014

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Section 1011.14 / 1011.15, F.S., Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Program 360	Nonvoted Cap. Improvement Section 1011.71(2), F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
Issuance of Bonds	3710											0.00
Premium on Sale of Bonds	3791											0.00
Discount on Sale of Bonds (Function 9299)	891											0.00
Proceeds of Lease-Purchase Agreements	3750											0.00
Premium on Lease-Purchase Agreements	3793											0.00
Discount on Lease-Purchase Agreements (Function 9299)	893											0.00
Loans	3720											0.00
Sale of Capital Assets	3730											0.00
Loss Recoveries	3740											0.00
Proceeds of Forward Supply Contract	3760											0.00
Proceeds from Special Facility Construction Account	3770											0.00
Transfers In:												
From General Fund	3610											0.00
From Debt Service Funds	3620											0.00
From Special Revenue Funds	3640											0.00
Interfund	3650											0.00
From Permanent Funds	3660											0.00
From Internal Service Funds	3670											0.00
From Enterprise Funds	3690											0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)												
To General Fund	910									(5,756,614.00)		(5,756,614.00)
To Debt Service Funds	920							(65,206,725.49)		(3,378,036.49)		(68,584,761.98)
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	(65,206,725.49)	0.00	(9,134,650.49)	0.00	(74,341,375.98)
Total Other Financing Sources (Uses)			0.00	0.00	0.00	0.00	0.00	(65,206,725.49)	0.00	(9,134,650.49)	0.00	(74,341,375.98)
Net Change in Fund Balances			0.00	0.00	0.00	0.00	(1,090,365.34)	(23,978,181.18)	0.00	8,681,223.47	(747.44)	(16,388,070.49)
Fund Balance, July 1, 2013	2800						3,026,788.89	127,628,097.74		54,019,911.31	747.44	184,675,545.38
Adjustments to Fund Balances	2891											0.00
Ending Fund Balance:												
Nonspendable Fund Balance	2710											0.00
Restricted Fund Balance	2720						1,936,423.55	103,649,916.56		62,701,134.78	0.00	168,287,474.89
Committed Fund Balance	2730											0.00
Assigned Fund Balance	2740											0.00
Unassigned Fund Balance	2750											0.00
Fund Balance, June 30, 2014	2700	0.00	0.00	0.00	0.00	0.00	1,936,423.55	103,649,916.56	0.00	62,701,134.78	0.00	168,287,474.89

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**DOE PAGES 16 AND 17 INTENTIONALLY OMITTED**

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

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OPERATING REVENUES	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
Charges for Services	3481								0.00
Charges for Sales	3482								0.00
Premium Revenue	3484								157,215,585.86
Other Operating Revenues	3489	1,396,367.78	73,922.22					157,215,585.86	1,470,290.00
Total Operating Revenues		1,396,367.78	73,922.22	0.00	0.00	0.00	0.00	157,215,585.86	158,685,875.86
OPERATING EXPENSES (Function 9900)									
Salaries	100	452,657.84							452,657.84
Employee Benefits	200	155,115.08							155,115.08
Purchased Services	300	268,522.04	41,195.00						309,717.04
Energy Services	400								0.00
Materials and Supplies	500								0.00
Capital Outlay	600								0.00
Other	700	8,514,994.28	2,984,920.53					157,215,585.86	168,715,500.67
Depreciation and Amortization Expense	780								0.00
Total Operating Expenses		9,391,289.24	3,026,115.53	0.00	0.00	0.00	0.00	157,215,585.86	169,632,990.63
Operating Income (Loss)		(7,994,921.46)	(2,952,193.31)	0.00	0.00	0.00	0.00	0.00	(10,947,114.77)
NONOPERATING REVENUES (EXPENSES)									
Interest on Investments	3431	328,833.62	9,888.17						338,721.79
Gain on Sale of Investments	3432								0.00
Net Increase (Decrease) in Fair Value of Investments	3433								0.00
Gifts, Grants and Bequests	3440								0.00
Other Miscellaneous Local Sources	3495								0.00
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)		328,833.62	9,888.17	0.00	0.00	0.00	0.00	0.00	338,721.79
Income (Loss) Before Operating Transfers		(7,666,087.84)	(2,942,305.14)	0.00	0.00	0.00	0.00	0.00	(10,608,392.98)
TRANSFERS and CHANGES IN NET POSITION									
Transfers In:									
From General Fund	3610								0.00
From Debt Service Funds	3620								0.00
From Capital Projects Funds	3630								0.00
From Special Revenue Funds	3640								0.00
Interfund	3650		3,080,000.00						3,080,000.00
From Permanent Funds	3660								0.00
From Enterprise Funds	3690								0.00
Total Transfers In	3600	0.00	3,080,000.00	0.00	0.00	0.00	0.00	0.00	3,080,000.00
Transfers Out: (Function 9700)									
To General Fund	910	(8,096,816.97)							(8,096,816.97)
To Debt Service Funds	920								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940	(855,437.94)							(855,437.94)
Interfund	950	(3,080,000.00)							(3,080,000.00)
To Permanent Funds	960								0.00
To Enterprise Funds	990								0.00
Total Transfers Out	9700	(12,032,254.91)	0.00	0.00	0.00	0.00	0.00	0.00	(12,032,254.91)
Change in Net Position		(19,698,342.75)	137,694.86	0.00	0.00	0.00	0.00	0.00	(19,560,647.89)
Net Position, July 1, 2013	2880	104,234,533.59	3,641,932.00						107,876,465.59
Adjustments to Net Position	2896								0.00
Net Position, June 30, 2014	2780	84,536,190.84	3,779,626.86					0.00	88,315,817.70

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**SCHOOL INTERNAL FUNDS**  
June 30, 2014

Exhibit K-11  
DOE Page 19  
**Fund 891**

ASSETS	Account Number	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Cash	1110	16,161,448.81	15,866,435.53	16,161,448.81	15,866,435.53
Investments	1160	3,250,848.50	4,270.78	1,000,719.80	2,254,399.48
Accounts Receivable, Net	1130				0.00
Interest Receivable on Investments	1170				0.00
<i>Due From Other Funds:</i>					
Budgetary Funds	1141				0.00
Inventory	1150	242,010.88	160,955.84	242,010.88	160,955.84
Due From Other Agencies	1220				0.00
<b>Total Assets</b>		19,654,308.19	16,031,662.15	17,404,179.49	18,281,790.85
<b>LIABILITIES</b>					
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120	1,737,238.32	1,423,013.37	1,737,238.32	1,423,013.37
Cash Overdraft	2125				0.00
Due to Budgetary Funds	2161				0.00
Internal Accounts Payable	2290	17,917,069.87	24,128,178.59	25,186,470.98	16,858,777.48
<b>Total Liabilities</b>		19,654,308.19	25,551,191.96	26,923,709.30	18,281,790.85



DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
SCHEDULE OF LONG-TERM LIABILITIES

June 30, 2014

	Account Number	Governmental Activities Total Balance 30, 2014 [1]	Business-Type Activities Total Balance 30, 2014 [1]	Total	Governmental Activities - Debt Principal Payments 2013- 14	Governmental Activities - Principal Due Within One Year 2014-15	Governmental Activities - Debt Interest Payments 2013- 14	Governmental Activities - Interest Due Within One Year 2014-15
Notes Payable	2310			0.00				
Obligations Under Capital Leases	2315			0.00				
Bonds Payable								
SBE/COBI Bonds Payable	2321	34,641,000.00		34,641,000.00	5,005,000.00	5,254,000.00	1,922,140.00	1,654,788.68
District Bonds Payable	2322			0.00				
Special Act Bonds Payable	2323			0.00				
Motor Vehicle License Revenue Bonds Payable	2324	1,279,860.50		1,279,860.50	163,731.60	154,306.80	196,268.40	205,693.80
Sales Surtax Bonds Payable	2326	202,304,942.03		202,304,942.03	10,815,000.00	11,255,000.00	9,194,361.28	8,717,551.88
Total Bonds Payable	2320	238,225,802.53	0.00	238,225,802.53	15,983,731.60	16,663,306.80	11,312,769.68	10,578,034.36
Liability for Compensated Absences	2330	135,594,276.71		135,594,276.71				
Lease-Purchase Agreements Payable								
Certificates of Participation (COPS) Payable	2341	793,916,266.12		793,916,266.12	28,295,000.00	29,645,000.00	35,554,453.64	33,917,176.31
Qualified Zone Academy Bonds (QZAB) Payable	2342	18,733,000.00		18,733,000.00				
Qualified School Construction Bonds (QSCB) Payable	2343	37,935,000.00		37,935,000.00				
Build America Bonds (BAB) Payable	2344			0.00				
Other Lease-Purchase Agreements Payable	2349			0.00				
Total Lease-Purchase Agreements Payable	2340	850,584,266.12	0.00	850,584,266.12	28,295,000.00	29,645,000.00	35,554,453.64	33,917,176.31
Estimated Liability for Long-Term Claims	2350	17,224,246.00		17,224,246.00				
Other Post-Employment Benefits Liability	2360	95,448,814.00		95,448,814.00				
Estimated PECO Advance Payable	2370			0.00				
Other Long-Term Liabilities	2380			0.00				
Derivative Instrument	2390			0.00				
Total Long-Term Liabilities		1,337,077,405.36	0.00	1,337,077,405.36	44,278,731.60	46,308,306.80	46,867,223.32	44,495,210.67

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2014, 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, 2014

Exhibit K-13  
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CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2013	Returned To DOE	Revenues [1] 2013-14	Expenditures 2013-14	Flexibility [2] 2013-14	Unexpended June 30, 2014
Class Size Reduction Operating Funds (3355)	94740	0.00		225,861,479.00	225,861,479.00		0.00
Class Size Reduction Capital Outlay (3396)	91050	0.00					0.00
Excellent Teaching Program (3363)	90570	0.00					0.00
Florida School Recognition Funds (3361)	92040	452,732.94		8,471,889.00	8,446,910.10		477,711.84
Instructional Materials (FEFP Earmark) [3]	90880	711,361.29		15,004,488.00	8,764,420.05		6,931,429.24
Library Media (FEFP Earmark) [3]	90881	42,516.56		873,316.00	888,920.10		26,912.46
Preschool Projects (3372)	97950	0.00					0.00
Public School Technology	90320	0.00					0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800	6,347,858.95		9,236,285.00	9,566,452.73		6,017,691.22
Safe Schools (FEFP Earmark) [5]	90803	0.00		3,481,281.00	3,481,281.00		0.00
Salary Bonus Outstanding Teachers in D and F Schools	94030	0.00					0.00
Student Transportation (FEFP Earmark)	90830	0.00		33,986,943.00	33,986,943.00		0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280	5,499,485.54		39,111,307.00	44,610,792.54		0.00
Teacher Recruitment and Retention	93460	0.00					0.00
Teacher Training	91290	0.00					0.00
Teachers Classroom Supply Assistance (FEFP Earmark)	97580	0.00		3,362,257.00	3,362,257.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440	0.00		25,633,690.42	25,633,690.42		0.00
Voluntary Prekindergarten - Summer Program (3371)	96441	0.00		1,617,495.96	1,617,495.96		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, based on the state reading assessment, 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, 2014

Exhibit K-14  
DOE Page 22

	Sub-Object	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>ENERGY EXPENDITURES:</b>						
Natural Gas	411	0.00	0.00	0.00	0.00	0.00
Bottled Gas	421	0.00	0.00	0.00	0.00	0.00
Electricity	430	34,336,967.50	2,214,508.01	49,743.60	0.00	36,601,219.11
Heating Oil	440	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		34,336,967.50	2,214,508.01	49,743.60	0.00	36,601,219.11
<b>ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION:</b>						
Compressed Natural Gas	412	0.00		0.00	0.00	0.00
Liquefied Petroleum Gas	422	0.00		0.00	0.00	0.00
Gasoline	450	0.00		7,513.52	0.00	7,513.52
Diesel Fuel	460	9,537,892.80		0.00	0.00	9,537,892.80
Oil and Grease	540	273,112.16		0.00	0.00	273,112.16
<b>Total</b>		9,811,004.96		7,513.52	0.00	9,818,518.48

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Capital Projects Funds 3XX	Total
<b>EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:</b>						
Buses	651	0.00	0.00	0.00	0.00	0.00
<b>EXPENDITURES FOR CAPITALIZED AV MATERIALS:</b>						
Audiovisual Materials	621	5,967.00	0.00	0.00		5,967.00

	Sub-Object	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>SUBAWARDS FOR INDIRECT COST RATE:</b>						
Subawards Under Subagreements - First \$25,000	311	0.00	0.00	0.00	0.00	0.00
Subawards Under Subagreements - In Excess of \$25,000	312	6,166,538.68	0.00	4,092,293.15	6,000.00	10,264,831.83
Subawards Under Subagreements - First \$25,000	391	0.00	0.00	0.00	0.00	0.00
Subawards Under Subagreements - In Excess of \$25,000	392	0.00	0.00	0.00	0.00	0.00

	Sub-Object	Special Revenue Food Services 410
<b>FOOD SERVICE SUPPLIES SUBOBJECT</b>		
Supplies	510	160,364.34
Food	570	41,925,924.60
Commodities	580	5,491,559.45

**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2014

Exhibit K-14  
DOE Page 23

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>Teacher Salaries</b>					
Basic Programs 101, 102 and 103 (Function 5100)	120	500,078,818.44	29,445,215.63	8,334.42	529,532,368.49
Basic Programs 101, 102 and 103 (Function 5100)	140	0.00	0.00	0.00	0.00
Basic Programs 101, 102 and 103 (Function 5100)	750	8,818,455.03	30,379.98	931.27	8,849,766.28
<b>Total Basic Program Salaries</b>		508,897,273.47	29,475,595.61	9,265.69	538,382,134.77
Other Programs 130 (ESOL) (Function 5100)	120	8,474,583.92	622,016.56	0.00	9,096,600.48
Other Programs 130 (ESOL) (Function 5100)	140	0.00	0.00	0.00	0.00
Other Programs 130 (ESOL) (Function 5100)	750	60,009.44	288.79	0.00	60,298.23
<b>Total Other Program Salaries</b>		8,534,593.36	622,305.35	0.00	9,156,898.71
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	120	100,003,563.94	4,386,014.76	0.00	104,389,578.70
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	140	0.00	0.00	0.00	0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	750	1,429,399.65	176,486.48	0.00	1,605,886.13
<b>Total ESE Program Salaries</b>		101,432,963.59	4,562,501.24	0.00	105,995,464.83
Career Program 300 (Function 5300)	120	21,472,064.82	197,245.06	1,611.80	21,670,921.68
Career Program 300 (Function 5300)	140	0.00	0.00	0.00	0.00
Career Program 300 (Function 5300)	750	401,887.38	149.26	0.00	402,036.64
<b>Total Career Program Salaries</b>		21,873,952.20	197,394.32	1,611.80	22,072,958.32
<b>TOTAL</b>		640,738,782.62	34,857,796.52	10,877.49	675,607,456.63

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>Textbooks (used for classroom instruction)</b>					
Textbooks (Function 5000)	520	8,247,504.93	12,442.90	0.00	8,259,947.83



DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION  
For the Fiscal Year Ended June 30, 2014

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
<b>Total Flexible Spending Instructional Expenditures</b>	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)	Object Number	Amount
<i>Expenditures:</i>		
General Fund	390	96,060,270.18
Food Service Special Revenue Fund	390	0.00
Other Federal Programs Special Revenue Fund	390	2,552,606.68
Federal Economic Stimulus Special Revenue Funds	390	117,065.90
<b>Total Charter School Distributions</b>		98,729,942.76

LIFELONG LEARNING (Lifelong Learning expenditures are used in federal reporting)	Account Number	Amount
<i>Expenditures:</i>		
General Fund	5900	1,228,906.40
Other Federal Programs Special Revenue Fund	5900	2,719,054.89
Federal Economic Stimulus Special Revenue Funds	5900	0.00
<b>Total:</b>	5900	3,947,961.29

MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting)	Unexpended July 1, 2013	Earnings 2013-14	Expenditures 2013-14	Unexpended June 30, 2014
Earnings, Expenditures and Carryforward Amounts:		10,220,413.36	10,220,413.36	0.00

<i>Expenditure Program or Activity:</i>				
Exceptional Student Education			10,220,413.36	
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				
<b>Total Expenditures</b>			10,220,413.36	

DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY  
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM  
For the Fiscal Year Ended June 30, 2014

Supplemental Schedule - Fund 100

VOLUNTARY PREKINDERGARTEN PROGRAM [1]		100	200	300	400	500	600	700	Totals
Account Number	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other		
<i>Current:</i>									
Prekindergarten	5500	246,601.56	68,778.73	70,641.24	1,529.07	7,757.58	726.57	0.00	396,034.75
Student Personnel 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
Instructional-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	153,106.09	49,094.24						202,200.33
Food Services	7600								0.00
Central Services	7700								0.00
Student Transportation Services	7800								0.00
Operation of Plant	7900	227.36	89.79						317.15
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100			26,652,634.15					26,652,634.15
<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		399,935.01	117,962.76	26,723,275.39	1,529.07	7,757.58	726.57	0.00	27,251,186.38

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

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**DOE PAGES 26 AND 27 INTENTIONALLY OMITTED**

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**SCHEDULE 5**  
**SUPPLEMENTAL SCHEDULE OF FEDERAL**  
**FINANCIAL ASSISTANCE PROGRAM EXPENDITURES**  
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass -Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture				
Specialty Crop Block Grant Program - Farm Bill	10.170	Various	1,241.37	
School Breakfast Program	10.553	N/A	19,939,149.24	
National School Lunch Program	10.555	NSLP	53,897,535.47	
National School Lunch Program(Comm)	10.555	NSLP	5,491,559.45	
Summer Food Service Program for Children	10.559	NSLP	1,730,988.60	
Total for United States Department of Agriculture			81,060,474.13	
Measurement and Engineering Research and Standards, Recovery Act				
Measurement and Engineering Research and Standards, Recovery Act	11.609	Various	3,724.36	
Total for Measurement and Engineering Research and Standards, Recovery Act			3,724.36	
United States Department of Labor				
National Farmworker Jobs Program	17.264	Various	321,806.26	
Disability Employment Policy Development	17.720	Various	21,884.51	
Total for United States Department of Labor			343,690.77	
United States Department of Education				
Adult Education - Basic Grants to States	84.002	Various	2,255,598.73	
Federal Supplemental Educational Opportunity Grants	84.007	Various	43,089.00	
Title I Grants to Local Educational Agencies	84.010	Various	53,147,851.54	
Migrant Education_State Grant Program	84.011	Various	3,773,868.16	
Special Education - Grants to States	84.027	Various	46,968,449.22	
Federal Work-Study Program	84.033	Various	39,277.28	
Impact Aid	84.041	Various	444,379.81	
Career and Technical Education -- Basic Grants to States	84.048	Various	2,223,244.60	
Indian Education_Grants to Local Educational Agencies	84.060	Various	16,544.00	
Federal Pell Grant Program	84.063	Various	3,162,787.72	
Magnet Schools Assistance	84.165	Various	3,243,080.33	
Special Education - Preschool Grants	84.173	Various	777,445.65	
Education for Homeless Children and Youth	84.196	Various	135,255.43	
Fund for the Improvement of Education Charter Schools	84.215	Various	188,344.76	
Transition to Teaching	84.282	Various	1,273,036.49	1,273,036.49
Voluntary Public School Choice	84.350	Various	759,239.35	
English Language Acquisition Grants	84.361	Various	513,706.94	
Improving Teacher Quality State Grants	84.365	Various	3,667,329.08	
Teacher Incentive Fund	84.367	Various	10,279,369.91	
School Improvement Grants	84.374	Various	7,983,928.67	
School Improvement Grants, Recovery Act	84.377	Various	2,999,875.43	
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.388	Various	65,879.52	
Total for United States Department of Education	84.395	Various	9,651,051.87	
			153,612,633.49	1,273,036.49
United States Department of Health and Human Services				
Mental Health Research Grants	93.242	Various	3,910.08	
Department of Health and Human Services, Health Resources and Services Administration	93.501	Various	277,573.29	
Temporary Assistance for Needy Families	93.558	Various	12,598,049.85	
Refugee and Entrant Assistance_State Administered Programs	93.566	Various	1,896,512.51	
Child Care and Development Block Grant	93.575	Various	14,560,242.38	
Refugee and Entrant Assistance- Discretionary Grants	93.576	Various	261,297.96	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Various	14,911,124.24	
Head Start	93.600	Various	10,772,305.29	
Social Services Block Grant	93.667	Various	35,208.32	
Total for United States Department of Health and Human Services			55,316,223.92	
ROTC		ROTC	2,069,376.90	
Total for United States ROTC			2,069,376.90	
Total Expenditures of Federal Awards			292,406,123.57	1,273,036.49