

COMPREHENSIVE ANNUAL FINANCIAL REPORT

St. Johns County
School District

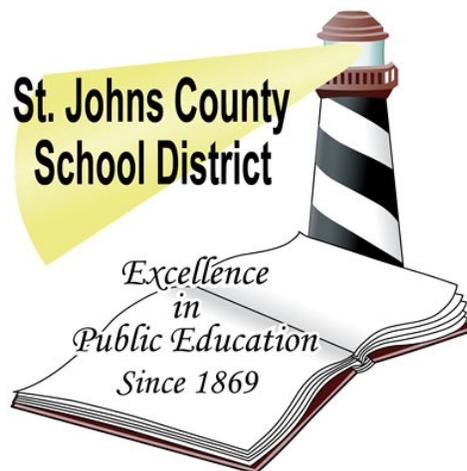


FISCAL YEAR ENDED JUNE 30, 2017

St. Johns County School District
St. Augustine, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017



Prepared by Department of Finance

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**ST. JOHNS COUNTY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED
 June 30, 2017**

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INTRODUCTORY SECTION

*Picolata Crossing Elementary School
Opened August, 2017*

**18.5 acre
campus**



Letter of Transmittal

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Tim Forson
Superintendent of Schools

40 Orange Street
St. Augustine, Florida 32084
(904) 547-7500
www.stjohns.k12.fl.us

SCHOOL BOARD

Beverly Slough
District 1

Tommy Allen
District 2

Bill Mignon
District 3

Kelly Barrera
District 4

Patrick Canan
District 5

December 6, 2017



Dear School Board Members and the Citizens of St. Johns County:

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with governmental auditing standards generally accepted in the United States of America (GAAS). Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the District School Board of St. Johns County, Florida (District) for the fiscal year ended June 30, 2017.

The accompanying report includes all funds of the District; the St. Johns County School Board Leasing Corporation, Inc. (Leasing Corporation); the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation); and three charter schools: St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc., and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc. The Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities, and is considered to be a blended component unit. The Foundation is a not-for-profit corporation organized and operated as a direct support organization under Section 1001.453, Florida Statutes, to raise funds; receive, hold, invest and administer property; and to make expenditures for the benefit of the District. The charter schools are component units of the District, requiring discrete presentation in the basic financial statements. Charter school applications and contracts are approved and monitored by the District throughout the contract periods. Charter schools are funded by the State and funds pass through the District for distribution to each charter school. Charter schools may also receive grants and donations that do not pass through the District's financial system. The District receives a majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are

The St. Johns County School District will inspire good character and a passion for lifelong learning in all students, creating educated and caring contributors to the world.

provided with their proportionate share of these funds, based on the number of full-time equivalent students enrolled at the charter school.

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

The Auditor General of the State of Florida has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The Auditor General of the State of Florida concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

Those standards and the Uniform Guidance require the Auditor General of the State of Florida to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Information related to this Single Audit, including the schedule of expenditures of federal awards; findings and questioned costs; summary schedule of prior audit findings and corrective action plan; and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, are included in the Single Audit section.

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

PROFILE OF THE DISTRICT

The District and its governing board were created pursuant to Section 4, Article IX, of the Constitution of the State of Florida. The District is an independent taxing and reporting entity; managed, controlled, operated, administered and supervised by the district school officials in accordance with Chapter 1003, Florida Statutes.

The School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The School Board appoints the Superintendent who is responsible for the administration and management of the schools within the applicable parameters of State laws, State Board of Education rules and School Board policies. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by laws and rules of the State Board of Education.

The geographical boundaries of the District are those of St. Johns County. During the 2016-17 fiscal year, the District operated 40 schools, including 18 elementary schools, 3 kindergarten through eighth grade (K-8) schools, 7 middle schools, 7 high schools, 1 technical college, 1 alternative education center, 2 juvenile justice facilities and 1 virtual school. The District also has 3 charter schools that are component units of the District. In the 2016-17 fiscal year, the District provided educational opportunities to 38,034 unweighted full-time equivalent students through the following programs: basic K-12, exceptional student education, alternative education, early childhood, dual enrollment, career academies and accelerated programs, virtual instruction, career and technical, and adult education. The projected enrollment for the 2017-18 school year is 39,472 unweighted full-time equivalent students.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from state and local property tax between districts within the state. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based on the number of full-time equivalent students enrolled at the charter school. Each of the charter schools operating during the 2016-17 school year within the District provided an alternative choice with a specific educational focus. Charter schools may also receive grants and donations that do not pass through the District's financial system. Although charter schools receive public funds, they operate independently of public school districts. Each charter school has its own board of directors and administrators.

The District owns 48 buildings, with an average age of 30.4 years. In the last 10 years, 2 elementary schools, 3 kindergarten through eighth grade (K-8) schools, 1 middle school, 2 high schools, and a ninth grade center have been built. The District continues to renovate and expand existing facilities and plans to open 2 kindergarten through eighth grade (K-8) schools in August 2018.

GENERAL DESCRIPTION AND LOCATION

St. Johns County (County) encompasses approximately 608 square miles of land along the Atlantic Ocean and is located on North Florida's east coast. In relation to other areas, the County is approximately 40 miles south of Jacksonville, 100 miles northeast of Orlando and 305 miles north of Miami. Duval County borders to the north, Flagler County borders to the south while Clay and Putnam counties form the western boundary.

The County is home to St. Augustine, the nation's oldest city. Founded by the Spanish in 1565, St. Augustine has been the oldest continuously occupied European settlement in the continental United States. The city boasts a multitude of noteworthy historic sites and buildings; including the Plaza de la Constitución, located in the heart of downtown; the Castillo de San Marcos, a remarkable coquina structure built by the Spanish in 1672; and the turn-of-the-century resort, Hotel Ponce de Leon (now Flagler College) which showcases the era's remarkable architectural design, including the world's largest collection of Louis Comfort Tiffany stained-glass windows.

Just minutes from the historic downtown district, the County's 40 miles of beaches offer some of the best recreational and wildlife viewing opportunities in the state of Florida. The County's wildlife is comprised of a variety of species, including the endangered sea turtles.

From a recreational standpoint, golf is a cornerstone of the County. The World Golf Hall of Fame and Museum complex and two nationally recognized public courses, Slammer & Squire and the King & Bear, are featured in the central part of the County. TPC Sawgrass, a Top 10 Pete Dye course and home to the annual PGA Tour event THE PLAYERS Championship, is located in the northern part of the County.

Complementing the County's history, scenic beaches and recreational offerings are its residential developments. Nocatee, a planned-community located in Ponte Vedra, is now ranked the third best-selling community in the nation and the first best-selling community in the County.

ECONOMIC CONDITIONS AND OUTLOOK

The County's economic base is diverse and primarily tourism-related. Success in economic development ensures the County's long-term financial ability to provide ongoing quality services and infrastructure and enhance the quality of life for its residential and corporate citizens. An excellent system of public education is a significant factor in attracting new business, industry and residents to the County.

Socioeconomic indicators are above average with a per-capita income of \$60,441 and a median household income of \$66,194, compared to the state's per-capita of \$26,829 and median of \$47,507. The unemployment rate in the County, as of June 2017, was 3.3 percent, which is a decrease from last year's unemployment rate of 3.7 percent, and is the second lowest rate in the state of Florida.

Major employers in the County are the District, Flagler Hospital, St. Johns County government offices and Florida School for the Deaf and the Blind, as well as the nationally recognized companies Northrop Grumman, Ring Power Corporation and the PGA Tour.

There are 79,242 households within the County, with an estimated population of 226,640 for 2016, an approximate increase of 23.7 percent over the last five years. The surge in population earns the County 15th place on the U.S. Census Bureau's "List of 100 Fastest Growing U.S. Counties with Population of 10,000 or More."

MAJOR INITIATIVES

First Coast Technical College (FCTC)

On July 1, 2016, the District undertook the management and operation of FCTC (a former charter school within the District that terminated its charter school contract with the St. Johns County School Board effective June 30, 2016). This accredited school provides career, technical and adult education to meet the changing needs of students, businesses, and the workforce. FCTC offers a wide range of vocational/technical programs including, but not limited to, automotive technology, culinary arts, cosmetology, dental assistant, emergency medical technician, fire-fighting, licensed practical nursing, medial assistant, nursing assistant, paramedic, and welding technology.

Professional Learning Communities (PLCs)

PLC is an ongoing process in which educators work collaboratively in recurring cycles of collective inquiry and action research to achieve better results for the students they serve. PLCs work by providing a collaborative work environment, increasing team approach to student success, and increasing teacher awareness of data driven instruction. By bringing teachers together in collaborative teams, PLCs provide for more instructional innovation to take place by incorporating effective instructional techniques used by colleagues. PLCs will be implemented districtwide during the 2017-18 school year in order to assist all school administrators, teachers, and staff grow in instructional practices.

Advancement Via Individual Determination (AVID)

AVID is a system focused on training educators to use methodologies that develop students' critical thinking, literacy and math skills for success in high school, college, and a career. The philosophy of the AVID system is for educators to not only provide academic and social support, but to hold students accountable to the highest standards, encouraging them to personal achievement through hard work and determination. AVID is especially effective for students underrepresented in higher education. More than 100 staff members received training in the

AVID College Readiness System throughout the 2016-17 school year. A benefit to teachers and students, AVID is implemented at the elementary and secondary levels and is aligned to the District's strategic plan goals for college readiness, academic and student services goals, as well as human resources and professional development goals.

Bring Your Own Device (BYOD)

The District is committed to providing students and staff a next generation learning environment in which every student has access to learning experiences and instruction, designed around communication, collaboration, creativity, and critical thinking. To expand the integration of technology in the classroom, the District began a pilot program that promotes the use of student owned mobile devices in school or BYOD. Six schools (Palencia Elementary, Sebastian Middle, Landrum Middle, St. Johns Virtual, Creekside High, and St. Johns Technical High) were chosen to pilot the BYOD program beginning in the second semester of the 2016-17 school year. The BYOD program allowed students to use their own technology during the school day (when authorized by the teacher) to enhance the learning experience.

iReady

The District piloted the iReady digital assessment platform in seven elementary schools during the 2016-17 school year. The program helps to drive student success through diagnostic and growth monitoring assessments and highly engaging computer based lessons that start the student at their level of instruction and help quickly move them to grade level and beyond. The iReady assessment platform will replace Discovery Education in reading and math for all K-8 students in the 2017-18 school year.

Academy of Law and Homeland Security

The Academy of Law and Homeland Security was established at St. Augustine High School during the 2016-17 school year. Through the Academy of Law and Homeland Security, students are prepared for the opportunity to work in careers that will allow them to serve and protect the public, state, and country. Specifically, the course progression is designed to introduce students to the various academic and career opportunities in law, law enforcement, and other homeland security related fields. With the support of the St. Johns County Sherriff's Office and other law agencies, students receive authentic learning experiences through field studies, guest speakers, and internships. Possible industry certifications include 911 dispatcher, private security agent, first responder, and certified legal assistant.

ACCOMPLISHMENTS

One of the ways to judge a school district is to compare the results of its students on national and statewide testing platforms. The District's students have performed remarkably well based on those various tests and their results are noted below.

District students outperformed the state average as well as the national average on both the 2017 SAT and the 2017 ACT. Students also outperformed all other Florida students on the 2017 AP tests. In addition, District students outperformed the state average in the 2017 College Readiness

Benchmark tests in English, math, science, and reading, as individual subjects, as well as all four of those subjects combined.

For the 2016-17 school year, District students ranked first in reading in all tested grades (3-10). Math testing results ranked District students first in grades 5, 6 and 7; tied for first in grade 8; second in grade 4; and third for grade 3. District students also ranked first in science in the tested grades of 5 and 8.

Finally, District students have been first in the State (out of 67 school districts) in total school accountability points for the past nine years, and the District is one of only three school districts in the State to receive an "A" grade for 13 consecutive years.

FINANCIAL INFORMATION

Long-term Financial Planning

The District continues to monitor carefully its financial resources to make reductions in expenditures, to stabilize operations and to accumulate needed reserves to help balance the budget. Maintaining adequate fund balances, solid debt ratings, and fiscal restraint are critical success factors in this endeavor.

The District's operating fund has experienced financial pressure due to the slow recovery from the economic recession; per-student funding from the State below 2007-08 fiscal year funding level; student growth; class size reduction initiative; professional development training for the teachers; cost increases for health care; and the continuing need to pay competitive teacher salaries. In the past, the District could depend on a 2 to 3 percent increase in the base student allocation when making financial decisions to best meet the needs of the students. These needs include the ability to competitively compensate teachers. Florida continues to trail the country in teacher salaries and will be severely challenged in the years ahead to adequately staff classrooms with qualified teachers given the national shortage. Over the last two years, the budget process has been challenging because the base student allocation increase was less than 0.15 percent and 1.04 percent for the 2016-17 and 2017-18 fiscal years, respectively. If the District does not see a significant improvement in base student allocation funding in the future, then it will be necessary to once again reduce operating and capital expenditure budgets.

Capital Outlay Program

As an intricate part of its long-term financial planning strategy, the District has an ongoing five year plan for construction, maintenance and facility renovations. The 5-Year District Facilities Work Plan is updated annually.

The District's availability of funds for capital projects needs continues to be restricted. Currently, the District is growing at a rate of 4.6 percent per year and has endured several years of declining local capital outlay millage funding. In fact, for 2007-08 fiscal year, local capital outlay millage generated approximately \$47 million, but only generated \$34.7 million for the 2016-17 fiscal year.

This disparity is due, in large part, to a recession driven reduction of the allowable millage level from 2 mills to 1.75 mills in 2008-09 and then again to 1.5 mills in 2009-10 by the Florida Legislature. To date, the local capital outlay millage remains at 1.5 mills.

Furthermore, the Florida Legislature has reduced the required local effort school tax rate for the past two years by reducing the required local effort to the “rolled back rate” and; thereby, preventing the local revenue to grow with the tax roll. This reduction has severely impacted the District’s ability to perform preventive maintenance at the District’s educational facilities and to meet the District’s increasing capital needs, mainly due to student growth, related to new construction, technology, and school buses. These legislative decisions are significantly impeding the ability of the District to meet increasing capital needs.

In an effort to compensate for decisions made by the Florida Legislature, the District pursued other means of funding. Specifically, on November 3, 2015, the citizens of the County voted to approve a one-half cent local sales surtax to be used for capital improvements within the school district. The sales tax went into effect on January 1, 2016, and is expected to generate approximately \$150 million over the next ten years. These funds are earmarked to meet the needs of an increasing student population. These needs include new construction and school expansions to maintain high quality education facilities; such as, roof replacements and site improvements; the provision of new technology to prepare children for 21st century learning (classroom technology upgrades at 34 schools); providing student and teacher instructional devices at 36 schools; infrastructure improvements; and, to continue to keep children safe, security cameras, monitoring systems, secure doors and entrances, and a GPS system for school buses. Specifically, during the 2016-17 fiscal year, the one-half cent local sales tax revenue provided funding for the construction of Picolata Crossing Elementary, which opened in August 2017, with 871 student stations, and 2 kindergarten through eighth (K-8) grade schools which are scheduled to open in August 2018. Overall, while the one-half cent local sales surtax has assisted the District in funding capital needs, currently and for the foreseeable future, the District operates in an environment in which projects are prioritized with a focus on critical needs only. The District has been forced to move away from being prepared both for growth and using preventive maintenance (in order to minimize costs) to a philosophy of meeting only critical needs.

Budgetary Controls

The District follows procedures established by Florida Statutes and SBE Rules in establishing budget balances for governmental funds. The objectives of the District budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

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

Internal Controls

District management is responsible for designing and maintaining internal controls to ensure that the assets of the District are protected from loss, theft or misuse, and that accounting data compiled for the formation of financial statements are in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. Both management and employees of the District are required to periodically review internal controls, and evaluate whether additions or changes are cost effective and should be made to strengthen controls.

Independent Audit

The State of Florida Auditor General's office performed the audit for the fiscal year ended June 30, 2017. The audit was conducted under the United States' Generally Accepted Auditing Standards (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Auditor General's report on the basic financial statements and other matters is included in the financial section of this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to St. Johns County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the first year the District prepared a comprehensive annual financial report for submission and achieved these prestigious awards. In order to be awarded the Certificate of Achievement and the Certificate of Excellence in Financial Reporting, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting it to GFOA and ASBO to determine its eligibility for these prestigious awards.

The preparation of this report could not have been accomplished without the loyal and dedicated services of the staff of the Finance Department, as well as the entire District administrative staff who provided assistance throughout the preparation of this report.

In closing, we would like to thank the members of the School Board for their strong and effective leadership in planning and conducting the financial operations of the District.

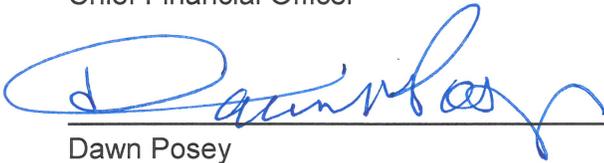
Respectfully submitted,



Tim Forson
Superintendent, St. Johns County School District



Michael Degutis
Chief Financial Officer



Dawn Posey
Director, Accounting and Payroll

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St. Johns County School District

BOARD MEMBERS

Elected



Mrs. Beverly Slough

District 1

Member since 11/02

Current term expires 11/18

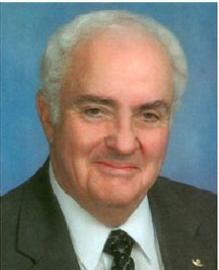


Mr. Tommy Allen, Chair

District 2

Member since 11/96

Current term expires 11/20



Mr. Bill Mignon, Vice Chair

District 3

Member since 11/06

Current term expires 11/18



Mrs. Kelly Barrera

District 4

Member since 11/14

Current term expires 11/18



Mr. Patrick Canan

District 5

Member since 11/12

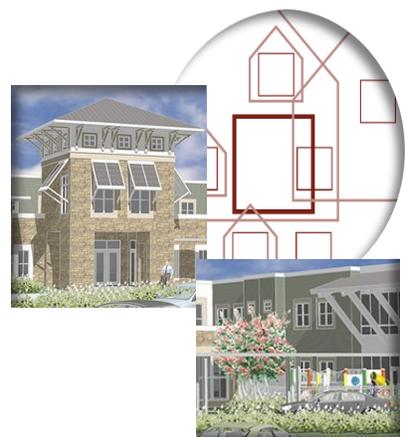
Current term expires 11/20

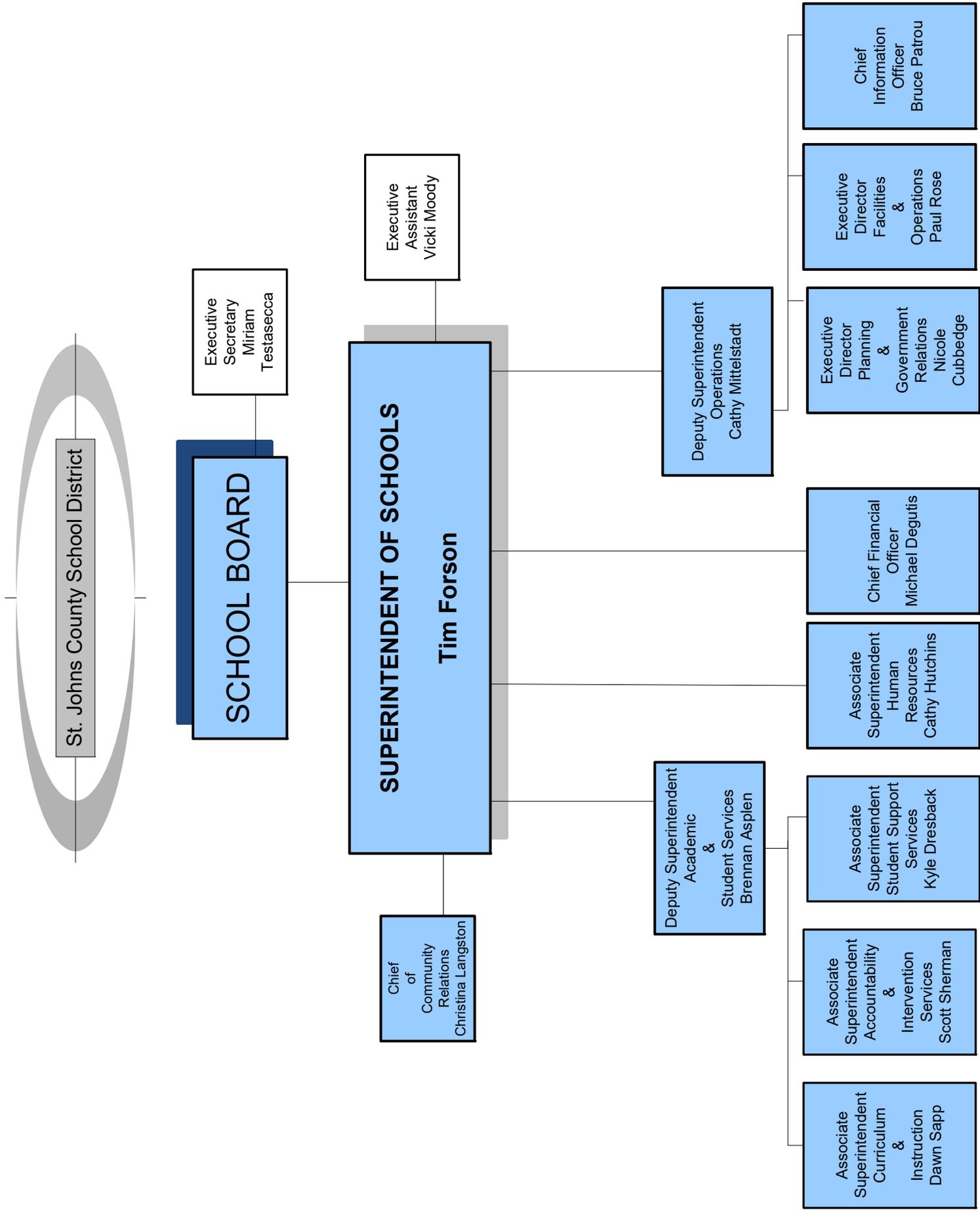
St. Johns County School District

PRINCIPAL OFFICIALS Appointed

Tim Forson	Superintendent
Brennan Asplen	Deputy Superintendent Academic and Student Services
Cathy Mittelstadt	Deputy Superintendent Operations
Nicole Cubbedge	Executive Director Planning and Government Relations
Michael Degutis	Chief Financial Officer
Kyle Dresback	Associate Superintendent Student Support Services
Cathy Hutchins	Associate Superintendent Human Resources
Christina Langston	Chief of Community Relations
Bruce Patrou	Chief Information Officer
Paul Rose	Executive Director Facilities and Operations
Dawn Sapp	Associate Superintendent Curriculum and Instruction
Scott Sherman	Associate Superintendent Accountability and Intervention Services
Beth Sweeny	Coordinator Governmental Relations

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

St. Johns County School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written over a horizontal line.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**St. Johns County School District
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

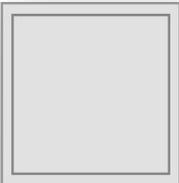
Executive Director/CEO

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FINANCIAL SECTION

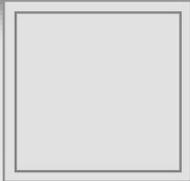
*Picolata Crossing Elementary School
Opened August, 2017*



**18.5 acre
campus**

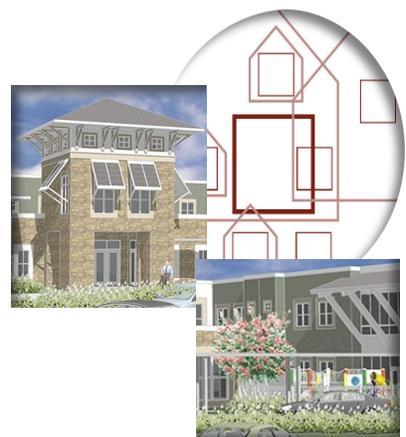


**871 student
stations**



Independent Auditor's Report

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Johns County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 9 percent of the assets and 37 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the school internal funds and the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Johns County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note II. to the financial statements, the District included three component units in the financial statements for the 2016-17 fiscal year that were excluded from the financial statements for the 2015-16 fiscal year, which affects the comparability of amounts reported for the 2016-17 fiscal year with amounts reported for the 2015-16 fiscal year.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund Legal Level of Budgetary Control; Schedule of Funding Progress – Other Postemployment Benefits Plan; Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System Defined Benefit Pension Plan; Schedule of Contributions – Florida Retirement System Defined Benefit Pension Plan; Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy Pension Plan; Schedule of Contributions – Health Insurance Subsidy Pension Plan; and Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or

on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 5, 2017
Audit Report No. 2018-055

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended June 30, 2017



The management of the St. Johns County District School Board (District) has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2017. It is intended to provide a broad overview using a short-term and long-term analysis of the District's activities based on information presented in the financial report and fiscal policies that have been adopted by the School Board (Board). The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activities, identify changes in the District's financial position, identify material deviations from the approved budget, and highlight significant issues in the individual funds. The Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year are as follows:

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at June 30, 2017, by \$464,118,565 (net position). After deducting investment in capital assets (net of related debt) and restricted net position, the District had a deficit unrestricted net position of \$112,816,634.
- In total, the District's net position increased \$61,734,693, which represents a 15 percent increase from the 2015-16 fiscal year. This increase is mainly due to an increase in the District's investment in capital assets.
- The District's total government-wide revenues of \$423,283,248 were comprised of general revenues of \$369,498,136, or 87 percent of total government-wide revenues, and program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions of \$53,785,112, or 13 percent of total government-wide revenues. This compares to the prior fiscal year with government-wide revenues of \$386,817,563, which were comprised of general revenues of \$331,344,430, or 86 percent of total government-wide revenues, and charges for services, operating grants and contributions, and capital grants and contributions of \$55,473,133, or 14 percent of total government-wide revenues.

- The District's total expenses for governmental activities of \$361,548,555 were offset by program specific revenues of \$53,785,112. The remaining expenses were funded from general revenues and fund balance. In the prior fiscal year, total expenses of \$336,376,522 were offset with program specific revenues of \$55,473,133 with the remaining expenses funded from general revenues and fund balance.
- The District's governmental funds reported a combined ending fund balance of \$186,313,117, a decrease of \$7,323,354, or 4 percent, in the 2016-17 fiscal year in comparison with the prior fiscal year's balance of \$193,636,471.
- The General Fund total fund balance was \$47,827,322 as of June 30, 2017, and represents an increase of \$4,743,107, or 11 percent, as compared to the prior fiscal year's balance of \$43,084,215.
- The assigned and unassigned fund balance of the General Fund, which represents net current financial resources available for general appropriation by the Board, totaled \$37,422,204 at June 30, 2017, or 13 percent, of total general revenues. For the 2015-16 fiscal year, the assigned and unassigned fund balance in the General Fund was \$33,392,272, or 12 percent of total General Fund revenues.
- The District's investment in capital assets (net of accumulated depreciation) increased by \$51,277,957, or 10 percent, from its balance of \$532,202,021 at June 30, 2016, to \$583,479,978 at June 30, 2017, mainly due to the construction of Picolata Crossing Elementary and Nease High School classroom additions and renovations, which included a new two-story classroom building, cafeteria expansion, and new bus canopies.
- The District's capital asset-related long-term debt decreased by a net amount of \$17,174,431, or 10 percent, from its balance of \$165,075,242 at June 30, 2016, to \$147,900,811 at June 30, 2017, mainly due to the redemption of debt principal.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-Wide Financial Statements;
- Fund Financial Statements; and
- Notes to Financial Statements.

This report also includes required supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

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

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

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents aggregate financial information for the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation); St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc.; and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

- The St. Johns County School Board Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Debt Service – Other Debt Service Fund, Capital Projects – Local Capital

Improvement Fund, and Capital Projects – Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule is provided in the required supplementary information for the General Fund to demonstrate compliance with its budget.

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. Internal Service Funds are used to accumulate and allocate costs internally among the District's various functions. The District used its Internal Service Funds to account for its self-insurance programs, which includes group medical, dental, and vision coverages, and its workers' compensation program. The District's Internal Service Funds are included within governmental activities in the government-wide financial statements because the services predominantly benefit the District's governmental activities.

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

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2017, compared to net position as of June 30, 2016:

	Net Position, End of Year	
	Governmental	
	Activities	
	<u>6/30/17</u>	<u>6/30/16</u>
Current and Other Assets	\$ 250,234,958	\$ 249,398,205
Capital Assets	<u>583,479,978</u>	<u>532,202,021</u>
Total Assets	<u>833,714,936</u>	<u>781,600,226</u>
Deferred Outflows of Resources	<u>73,667,222</u>	<u>37,442,130</u>
Long-Term Liabilities	402,608,209	362,156,415
Other Liabilities	<u>37,268,129</u>	<u>40,207,056</u>
Total Liabilities	<u>439,876,338</u>	<u>402,363,471</u>
Deferred Inflows of Resources	<u>3,387,255</u>	<u>14,295,013</u>
Net Position:		
Net Investment in Capital Assets	454,071,103	418,591,280
Restricted	122,864,096	102,448,777
Unrestricted (Deficit)	<u>(112,816,634)</u>	<u>(118,656,185)</u>
Total Net Position	<u>\$ 464,118,565</u>	<u>\$ 402,383,872</u>

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's deficit unrestricted net position was the result, in part, of accruing long-term liabilities of \$27,515,197 in compensated absences payable, \$169,872,824 in net pension liability, and \$56,921,216 in other postemployment benefits payable. These long-term liabilities are funded on a pay-as-you-go basis.

The District's total net position increased by \$61,734,693 during the 2016-17 fiscal year. This increase mainly represents the degree to which ongoing revenues have exceeded ongoing expenses. Details of the revenues and expenses composing the increase are as follows:

Operating Results for the Fiscal Year Ended

Governmental

	Activities		Percent Change
	6/30/17	6/30/16	2016 to 2017
Program Revenues:			
Charges for Services	\$ 27,064,722	\$ 24,897,438	8.70%
Operating Grants and Contributions	14,089,939	13,836,488	1.83%
Capital Grants and Contributions	12,630,451	16,739,207	-24.55%
General Revenues:			
Property Taxes, Levied for Operational Purposes	124,230,710	121,875,344	1.93%
Property Taxes, Levied for Capital Projects	34,713,042	31,911,983	8.78%
Local Sales Tax	18,703,292	8,791,558	112.74%
Impact Fees	14,772,417	14,768,255	0.03%
Concurrency Proportionate Share Mitigation	13,031,153	8,672,782	50.25%
Grants and Contributions Not Restricted to Specific Programs	154,674,221	138,868,615	11.38%
Unrestricted Investment Earnings	1,501,027	806,500	86.12%
Miscellaneous	7,872,274	5,649,393	39.35%
Total Revenues	423,283,248	386,817,563	9.43%
Functions/Program Expenses:			
Instruction	187,540,860	175,748,352	6.71%
Student Personnel Services	22,952,254	20,408,021	12.47%
Instructional Media Services	4,935,265	4,737,300	4.18%
Instruction and Curriculum Development Services	6,917,491	6,113,077	13.16%
Instructional Staff Training Services	5,030,613	5,656,429	-11.06%
Instruction-Related Technology	8,314,188	7,376,343	12.71%
School Board	1,053,151	1,333,544	-21.03%
General Administration	1,111,417	946,079	17.48%
School Administration	18,959,332	16,717,692	13.41%
Facilities Acquisition and Construction	15,663,417	16,937,677	-7.52%
Fiscal Services	2,129,474	2,000,883	6.43%
Food Services	11,336,864	10,719,025	5.76%
Central Services	15,405,980	14,939,898	3.12%
Student Transportation Services	14,816,533	13,187,377	12.35%
Operation of Plant	23,761,404	21,947,067	8.27%
Maintenance of Plant	9,178,014	8,278,732	10.86%
Administrative Technology Services	675,389	586,180	15.22%
Community Services	6,230,419	4,163,622	49.64%
Unallocated Interest on Long-Term Debt	5,536,490	4,579,224	20.90%
Total Functions/Program Expenses	361,548,555	336,376,522	7.48%
Change in Net Position	61,734,693	50,441,041	22.39%
Net Position - Beginning	402,383,872	351,942,831	14.33%
Net Position - Ending	\$ 464,118,565	\$ 402,383,872	15.34%

The majority of the District's revenues for current operations are provided through the State's Florida Education Finance Program (FEFP), State categorical educational programs, Federal grants, and local property taxes. These revenues, for the most part, are included in the general revenues, which provide approximately 87 percent of total revenues, whereas program revenues provide approximately 13 percent. The largest portion of program revenues (91 percent) is from facilities acquisition and construction, food services, central services, student transportation services, and community service activities.

The FEFP formula is used to allocate State revenue sources for current District operations and, utilizing student enrollment data, is designed to maintain equity in funding across all Florida school districts considering funding ability based on the local property tax base. Student full-time equivalent (FTE) enrollment increased by 1,794 students, from 36,240 in the 2015-16 fiscal year to 38,034 in the 2016-17 fiscal year. The District experienced an increase in grants and contributions not restricted to specific programs of \$15,805,605, or 11 percent, as compared to the prior fiscal year, mainly because of an increase in FEFP funding due to student growth.

Instructional activities represent the majority of the District's expenses, representing approximately 52 percent of total expenses of governmental activities for both the 2016-17 and 2015-16 fiscal years. Instruction expenses increased by \$11,792,508, or 7 percent, mainly as a result of hiring additional teachers to address the increase in student enrollment and salary increases. Overall, total expenses increased \$25,172,033, or 7 percent, as compared to total revenues, which increased \$36,465,685, or 9 percent. The increase in total expenses is mainly attributable to an increase in salaries and benefits. The increase in total revenues is mainly attributable to FEFP funding, one-half cent local sales tax receipts, and concurrency proportionate share mitigation.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

As of June 30, 2017, the District's governmental funds reported combined ending fund balances of \$186,313,117 or a decrease of \$7,323,354 in comparison with the prior fiscal year. The fund balance

decrease was mainly attributable to the Capital Projects – Other Fund. Approximately 7 percent of total fund balance, or \$12,795,751, is unassigned, which is available for spending at the District’s discretion. The governmental fund balance can be broken down as follows: \$1,121,254 as nonspendable, \$138,985,600 as restricted, \$8,802,174 as committed, and \$24,608,338 as assigned.

Major Governmental Funds

The General Fund is the District’s chief operating fund. At the end of the current fiscal year, unassigned fund balance was \$12,813,866 and assigned fund balance was \$24,608,338, while the total fund balance was \$47,827,322. The District’s General Fund’s total fund balance for the 2016-17 fiscal year increased by \$4,743,107 or 11 percent, as compared to the prior year. This increase is a result of measures implemented by the District to reduce expenditures including, but not limited, to the reduction of administrative staff and delaying filling vacant positions.

Key factors for understanding this increase are as follows:

- Total revenues increased by \$19,933,369, or 7 percent, mainly from an increase in property taxes and State funding related to increases in enrollment.
- Total expenditures increased by \$10,731,961, or 4 percent, due mainly to increased salary and benefit costs.
- Transfers in were comparable to prior year.

The Debt Service – Other Debt Service Fund is used to account for financial resources used to pay debt service principal, interest, and related costs for the certificates of participation and sales tax revenue bonds. For the 2016-17 fiscal year, the total fund balance increased by \$1,304,588 in the current fiscal year to \$4,722,439, at June 30, 2017, resulting mainly from additional sales tax revenue accumulated to meet required debt service payments.

The Capital Projects – Local Capital Improvement Fund is used to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects. The total fund balance decreased by \$50,966 in the current fiscal year to \$26,685,434, at June 30, 2017. This decrease is mainly due to an increase in transfers out to debt services funds for payment of principal and interest. Transfers out of \$19,707,870 were mainly to fund education plant maintenance, property insurance, and debt service expenditures in other funds.

The Capital Projects – Other Capital Projects Fund is mainly used to account for the financial resources received from certificates of participation proceeds, sales tax revenue bond proceeds, half-cent local

sales tax receipts, local impact fees, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects. The total fund balance decreased by \$15,557,757 to \$97,054,039, at June 30, 2017. This decrease is related to the construction of classroom additions and renovations at Nease High School, the construction of Picolata Crossing Elementary, and the construction of two K-8 schools.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the District amended its budget to address unanticipated changes in revenues and expenditures. Differences between the General Fund original budget and the final amended budget were not significant for either revenues or expenditures. Projected revenues increased by \$22,225,903 or 8 percent (\$265,969,084 to \$288,194,987) and projected expenditures increased by \$33,346,384 or 12 percent (\$289,817,807 to \$323,164,191).

Actual General Fund revenues (\$289,576,908) were \$1,381,921 or 0.5 percent more than final budgeted amounts, and actual expenditures (\$292,397,636) were \$30,766,555 or 10 percent less than anticipated. The District continuously reviews cost saving measures and incremental increases in expenditures to avoid budget shortfall. The variance between the General Fund's budgeted and actual expenditures is a reflection of the District's practice to fully appropriate all potential obligations. The actual ending fund balance exceeded the estimated fund balance in the final budget by \$32,996,773. Positive budget balances include amounts assigned for budget shortfalls and other District and local programs and services.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) as of June 30, 2017, totaled \$583,479,978. The capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset additions during the current fiscal year included construction of Picolata Crossing Elementary and Nease High School classroom additions and renovations, which included a new two-story classroom building, cafeteria expansion, and new bus canopies.

Additional information on the District's capital assets can be found in Notes I.F.5, III.D and III.H to the financial statements.

Long-Term Debt

The District had total long-term debt outstanding of \$147,900,811 at the end of the current fiscal year related to the construction and acquisition of capital assets. This debt consisted of \$96,300,635 of Certificates of Participation, \$46,709,176 of District Sales Tax Revenue Bonds, and \$4,891,000 of State School Bonds. The District's long-term debt decreased a net amount of \$17,174,431, or 10 percent, mainly from the redemption of debt principal.

Additional information on the District's long-term debt can be found in Notes I.F.7, and III.J.1 through III.J.3 to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the St. Johns County School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, St. Johns County School District, 40 Orange Street, St. Augustine, FL 32084.

Basic Financial Statements

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ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2017

	Primary Governmental Activities	Component Units
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 175,827,520	\$ 2,015,034
Restricted Cash and Cash Equivalents	48,616,119	541
Restricted Cash with Fiscal/Service Agents	16,117,898	-
Investments	92,684	-
Accounts Receivable	566,063	23,199
Due from Primary Government	-	3,831
Due from Component Units	9,352	-
Due from Other Agencies	7,884,068	-
Prepaid Items	18,115	15,731
Inventories	1,103,139	-
Total Current Assets	250,234,958	2,058,336
Noncurrent Assets:		
Capital Assets:		
Capital Assets Not Being Depreciated	114,622,510	-
Capital Assets Being Depreciated, Net	468,857,468	85,366
Total Noncurrent Assets	583,479,978	85,366
Total Assets	833,714,936	2,143,702
Deferred Outflows of Resources		
Net Carrying Amount of Loss on Debt Refunding	2,099,346	-
Pension	71,567,876	-
Total Deferred Outflows of Resources	73,667,222	-
Liabilities		
Current Liabilities:		
Salaries and Benefits Payable	1,847,931	88,797
Payroll Deductions and Withholdings Payable	648,699	-
Accounts Payable	7,775,439	86,259
Matured Certificates of Participation Payable	13,090,000	-
Matured Interest Payable	1,972,455	-
Construction Contracts Payable	6,262,753	-
Construction Contracts Payable - Retainage	2,578,686	-
Due to Primary Government	-	9,352
Due to Component Units	3,831	-
Due to Other Agencies	194,458	-
Deposits Payable	425,380	-
Unearned Revenue	15,398	-
Estimated Insurance Claims Payable	2,432,314	-
Accrued Interest Payable	20,785	-
Total Current Liabilities	37,268,129	184,408
Noncurrent Liabilities:		
Long-term Liabilities:		
Portion Due Within One Year	24,037,320	-
Portion Due After One Year	378,570,889	-
Total Noncurrent Liabilities	402,608,209	-
Total Liabilities	439,876,338	184,408
Deferred Inflows of Resources		
Pension	3,387,255	-
Net Position		
Net Investment in Capital Assets	454,071,103	85,366
Restricted for:		
State Required Carryover Programs	600,802	-
Food Service	1,176,150	-
Debt Service	11,549,131	-
Capital Projects	109,367,924	-
Other Purposes	170,089	297,093
Unrestricted (Deficit)	(112,816,634)	1,576,835
Total Net Position	\$ 464,118,565	\$ 1,959,294

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

**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
Instruction	\$ 187,540,860	\$ 2,906,508	\$ -	\$ -
Student Personnel Services	22,952,254	-	-	-
Instructional Media Services	4,935,265	-	-	-
Instruction and Curriculum Development	6,917,491	-	-	-
Instructional Staff Training Services	5,030,613	-	-	-
Instruction-Related Technology	8,314,188	-	-	-
School Board	1,053,151	-	-	-
General Administration	1,111,417	-	-	-
School Administration	18,959,332	-	-	-
Facilities Acquisition and Construction	15,663,417	-	-	10,932,673
Fiscal Services	2,129,474	-	-	-
Food Services	11,336,864	6,685,453	5,073,012	-
Central Services	15,405,980	11,344,144	-	-
Student Transportation Services	14,816,533	659,226	9,016,927	-
Operation of Plant	23,761,404	-	-	-
Maintenance of Plant	9,178,014	-	-	-
Administrative Technology Services	675,389	-	-	-
Community Services	6,230,419	5,469,391	-	-
Unallocated Interest on Long-term Debt	5,536,490	-	-	1,697,778
Total Primary Government	\$ 361,548,555	\$ 27,064,722	\$ 14,089,939	\$ 12,630,451
Component Units				
Charter Schools/Foundation	\$ 2,411,382	\$ 10,237	\$ 260,286	\$ 28,004

General Revenues

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Impact Fees

Concurrency Proportionate Share Mitigation

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Adjustments to Beginning Net Position (see Note II)

Net Position - Beginning - Restated

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government	
Governmental Activities	Component Units
\$ (184,634,352)	\$ -
(22,952,254)	-
(4,935,265)	-
(6,917,491)	-
(5,030,613)	-
(8,314,188)	-
(1,053,151)	-
(1,111,417)	-
(18,959,332)	-
(4,730,744)	-
(2,129,474)	-
421,601	-
(4,061,836)	-
(5,140,380)	-
(23,761,404)	-
(9,178,014)	-
(675,389)	-
(761,028)	-
(3,838,712)	-
<u>(307,763,443)</u>	<u>-</u>
-	<u>(2,112,855)</u>
124,230,710	-
34,713,042	-
18,703,292	-
14,772,417	-
13,031,153	-
154,674,221	2,353,358
1,501,027	1,555
7,872,274	-
<u>369,498,136</u>	<u>2,354,913</u>
<u>61,734,693</u>	<u>242,058</u>
<u>402,383,872</u>	<u>764,041</u>
-	953,195
<u>402,383,872</u>	<u>1,717,236</u>
<u>\$ 464,118,565</u>	<u>\$ 1,959,294</u>

ST. JOHNS COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Debt Service - Other Debt Service Fund	Capital Projects - Local Capital Improvement Fund
Assets			
Cash and Cash Equivalents	\$ 50,260,726	\$ -	\$ 28,297,941
Restricted Cash and Cash Equivalents	-	3,153,198	-
Restricted Cash with Fiscal/Service Agents	-	15,062,455	-
Investments	-	-	-
Accounts Receivable	532,037	-	-
Due from Component Units	9,352	-	-
Due from Other Agencies	698,449	1,571,991	-
Due from Other Funds	1,971,505	-	-
Prepaid Items	-	-	-
Inventories	832,053	-	-
Total Assets	\$ 54,304,122	\$ 19,787,644	\$ 28,297,941
Liabilities and Fund Balances			
Liabilities			
Salaries and Benefits Payable	\$ 1,766,004	\$ -	\$ -
Payroll Deductions and Withholdings Payable	620,170	-	-
Accounts Payable	3,892,730	2,750	1,119,441
Matured Certificates of Participation Payable	-	13,090,000	-
Matured Interest Payable	-	1,972,455	-
Construction Contracts Payable	-	-	493,066
Construction Contracts Payable - Retainage	-	-	-
Due to Component Units	3,831	-	-
Due to Other Agencies	194,065	-	-
Due to Other Funds	-	-	-
Deposits Payable	-	-	-
Unearned Revenue	-	-	-
Accrued Interest Payable	-	-	-
Total Liabilities	6,476,800	15,065,205	1,612,507
Fund Balances			
Nonspendable	832,053	-	-
Restricted	770,891	4,722,439	26,685,434
Committed	8,802,174	-	-
Assigned	24,608,338	-	-
Unassigned	12,813,866	-	-
Total Fund Balances	47,827,322	4,722,439	26,685,434
Total Liabilities and Fund Balances	\$ 54,304,122	\$ 19,787,644	\$ 28,297,941

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

Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 63,012,372	\$ 2,714,277	\$ 144,285,316
39,763,571	5,699,350	48,616,119
-	1,055,443	16,117,898
-	92,684	92,684
-	806	532,843
-	-	9,352
3,278,383	2,335,245	7,884,068
-	-	1,971,505
-	18,115	18,115
-	271,086	1,103,139
<u>\$ 106,054,326</u>	<u>\$ 12,187,006</u>	<u>\$ 220,631,039</u>

\$ -	\$ 80,597	\$ 1,846,601
-	28,217	648,387
180,860	91,902	5,287,683
-	-	13,090,000
-	-	1,972,455
5,769,687	-	6,262,753
2,578,686	-	2,578,686
-	-	3,831
-	393	194,458
471,054	1,500,451	1,971,505
-	425,380	425,380
-	15,398	15,398
-	20,785	20,785
<u>9,000,287</u>	<u>2,163,123</u>	<u>34,317,922</u>

-	289,201	1,121,254
97,054,039	9,752,797	138,985,600
-	-	8,802,174
-	-	24,608,338
-	(18,115)	12,795,751
<u>97,054,039</u>	<u>10,023,883</u>	<u>186,313,117</u>
<u>\$ 106,054,326</u>	<u>\$ 12,187,006</u>	<u>\$ 220,631,039</u>

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**ST. JOHNS COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2017**

Total Fund Balances - Governmental Funds \$ 186,313,117

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 583,479,978

The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflows of resources in government-wide statements, but is not reported in the governmental funds. 2,099,346

Deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are reported in the statement of net position, but not in the governmental funds.

	Deferred Outflows	\$ 71,567,876	
	Deferred Inflows	<u>(3,387,255)</u>	68,180,621

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 less depreciable assets, net of accumulated depreciation. 26,255,551

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

	Certificates of Participation Payable	(96,300,635)	
	Bonds Payable	(51,600,176)	
	Compensated Absences Payable	(27,515,197)	
	Postemployment Healthcare Benefits Payable	(56,921,216)	
	Net Pension Liability	<u>(169,872,824)</u>	<u>(402,210,048)</u>

Total Net Position - Governmental Activities \$ 464,118,565

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

ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Debt Service - Other Debt Service Fund	Capital Projects - Local Capital Improvement Fund
Revenues			
Federal Direct Sources	\$ 207,912	\$ -	\$ -
Federal Through State and Local Sources	-	-	-
State Sources	150,091,199	-	-
Local Sources:			
Property Taxes	124,230,710	-	34,713,042
Local Sales Taxes	-	5,695,700	-
Charges for Services - Food Service	-	-	-
Impact Fees	-	-	-
Concurrency Proportionate Share Mitigation	-	-	-
Other	15,047,087	7,388	291,060
Total Revenues	<u>289,576,908</u>	<u>5,703,088</u>	<u>35,004,102</u>
Expenditures			
Current - Education:			
Instruction	171,399,945	-	-
Student Personnel Services	18,958,265	-	-
Instructional Media Services	4,649,185	-	-
Instruction and Curriculum Development	5,075,586	-	-
Instructional Staff Training Services	3,404,489	-	-
Instruction-Related Technology	8,006,521	-	-
School Board	1,030,837	-	-
General Administration	448,055	-	-
School Administration	17,834,742	-	-
Facilities Acquisition and Construction	5,304,625	-	7,016,598
Fiscal Services	2,013,798	-	-
Food Services	27,813	-	-
Central Services	3,789,885	-	-
Student Transportation Services	12,473,515	-	-
Operation of Plant	23,028,517	-	-
Maintenance of Plant	8,762,090	-	-
Administrative Technology Services	653,557	-	-
Community Services	4,642,364	-	-
Capital Outlay:			
Facilities Acquisition and Construction	538,772	-	2,742,705
Other Capital Outlay	355,075	-	5,587,895
Debt Service:			
Retirement of Principal	-	15,310,000	-
Interest and Fiscal Charges	-	6,136,544	-
Total Expenditures	<u>292,397,636</u>	<u>21,446,544</u>	<u>15,347,198</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,820,728)</u>	<u>(15,743,456)</u>	<u>19,656,904</u>
Other Financing Sources (Uses)			
Transfers In	6,715,538	17,048,044	-
Transfers Out	-	-	(19,707,870)
Loss Recoveries	848,297	-	-
Issuance of Refunding Bonds	-	-	-
Premium on Refunding Bonds	-	-	-
Total Other Financing Sources (Uses)	<u>7,563,835</u>	<u>17,048,044</u>	<u>(19,707,870)</u>
Net Change in Fund Balances	4,743,107	1,304,588	(50,966)
Fund Balances - Beginning	43,084,215	3,417,851	26,736,400
Fund Balances - Ending	<u>\$ 47,827,322</u>	<u>\$ 4,722,439</u>	<u>\$ 26,685,434</u>

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

Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,039,149	\$ 3,247,061
-	16,032,220	16,032,220
132,225	2,305,216	152,528,640
-	-	158,943,752
13,007,592	-	18,703,292
-	6,685,453	6,685,453
14,772,417	-	14,772,417
13,031,153	-	13,031,153
1,839,527	256,410	17,441,472
<u>42,782,914</u>	<u>28,318,448</u>	<u>401,385,460</u>
-	5,671,126	177,071,071
-	2,641,775	21,600,040
-	-	4,649,185
-	1,440,626	6,516,212
-	1,366,273	4,770,762
-	-	8,006,521
-	-	1,030,837
-	636,849	1,084,904
-	-	17,834,742
2,259,122	1,002,231	15,582,576
-	-	2,013,798
-	10,913,025	10,940,838
-	12,263	3,802,148
-	147,759	12,621,274
-	586	23,029,103
-	-	8,762,090
-	-	653,557
-	1,310,651	5,953,015
51,047,487	-	54,328,964
993,120	183,300	7,119,390
-	758,000	16,068,000
-	1,333,160	7,469,704
<u>54,299,729</u>	<u>27,417,624</u>	<u>410,908,731</u>
<u>(11,516,815)</u>	<u>900,824</u>	<u>(9,523,271)</u>
-	985,230	24,748,812
(4,040,942)	(1,000,000)	(24,748,812)
-	-	848,297
-	1,173,000	1,173,000
-	178,620	178,620
<u>(4,040,942)</u>	<u>1,336,850</u>	<u>2,199,917</u>
<u>(15,557,757)</u>	<u>2,237,674</u>	<u>(7,323,354)</u>
<u>112,611,796</u>	<u>7,786,209</u>	<u>193,636,471</u>
<u>\$ 97,054,039</u>	<u>\$ 10,023,883</u>	<u>\$ 186,313,117</u>

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**ST. JOHNS COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Governmental Funds \$ (7,323,354)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital outlays and other capital outlay adjustments, in excess of depreciation expense in the current period:

	Capital Outlay Expenditures	\$ 61,448,354	
	Depreciation Expense	(19,757,085)	
	Donated Land	9,227,500	
	Other Donations and Adjustments	<u>359,188</u>	51,277,957

Issuing long-term bonded debt is an other financing source in the governmental funds, but issuing new debt increases long-term liabilities in the statement of net position. Refunding debt is an other financing use in the governmental funds, but decreases liabilities in the statement of net position. This is the amount of long-term debt that was issued and refunded during the current fiscal year:

	State Board of Education Refunding Bonds Issued	(1,173,000)	
	State Board of Education Bonds Defeased	<u>305,000</u>	(868,000)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The following details the amount of long-term debt principal repaid in the current period:

	Certificates of Participation Payable	13,090,000	
	Bonds Payable	<u>2,978,000</u>	16,068,000

Premiums on bond issues are amortized over the life of the debt in the statement of activities, but are reported as revenue in the governmental funds in the year debt is issued. This is the amount of the current amortization:

	Certificates of Participation Payable	1,202,659	
	Sales Tax Revenue Bonds Payable	<u>771,772</u>	1,974,431

Loss on Refundings are amortized over the life of the debt in the statement of activities, but are reported as expenses in the governmental funds in the year debt is refunded. This is the amount of the loss and the current amortization:

(524,837)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the compensated absences. This is the net amount of compensated absences (i.e., vacation and sick leave) earned in excess of the amount used in the current period.

(1,838,937)

Pension benefit costs are recorded in the statement of activities under the full accrual basis of accounting, but are recorded in the governmental funds when contributions to the plan are paid. This is the net amount of pension benefits earned in excess of contributions made during the period.

	FRS Pension Contribution	10,585,488	
	HIS Pension Contribution	3,125,536	
	FRS Pension Expense	(16,077,788)	
	HIS Pension Expense	<u>(6,413,400)</u>	(8,780,164)

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

477,689

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities, except that depreciation is reported with governmental activities depreciation expense above.

11,271,908

Change in Net Position of Governmental Activities \$ 61,734,693

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

**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017**

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 31,542,204
Accounts Receivable	33,220
Total Current Assets	31,575,424
Noncurrent Assets:	
Building and Fixed Equipment	299,292
Less, Accumulated Depreciation	(102,258)
Furniture, Fixtures, and Equipment	158,700
Less, Accumulated Depreciation	(153,211)
Total Noncurrent Assets	202,523
Total Assets	31,777,947
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	1,330
Payroll Deductions and Withholdings Payable	312
Accounts Payable	2,487,756
Estimated Insurance Claims Payable	2,432,314
Total Current Liabilities	4,921,712
Noncurrent Liabilities:	
Portion Due Within One Year:	
Estimated Insurance Claims Payable	39,726
Portion Due After One Year:	
Estimated Insurance Claims Payable	358,435
Total Noncurrent Liabilities	398,161
Total Liabilities	5,319,873
Net Position	
Investment in Capital Assets	202,523
Unrestricted	26,255,551
Total Net Position	\$ 26,458,074

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

**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Governmental Activities - Internal Service Funds
Operating Revenues	
Insurance Premiums	\$ 51,318,034
Other Operating Revenues	1,747,041
Total Operating Revenues	53,065,075
Operating Expenses	
Insurance Claims	33,455,491
Fees and Other	5,209,807
Salaries	196,723
Employee Benefits	57,870
Purchased Services	2,991,934
Depreciation	36,922
Total Operating Expenses	41,948,747
Operating Income	11,116,328
Nonoperating Revenues	
Investment Income	118,658
Change in Net Position	11,234,986
Net Position - Beginning	15,223,088
Net Position - Ending	\$ 26,458,074

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

**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from Board Funds and Participants	\$ 53,065,075
Cash Payments to Suppliers for Goods and Services	(7,888,408)
Cash Payments to Employees	(254,594)
Cash Payments for Insurance Claims	(33,595,183)
Net Cash Provided by Operating Activities	11,326,890
 Cash Flows from Investing Activities	
Investment Income	118,658
 Net Increase in Cash and Cash Equivalents	 11,445,548
 Cash and Cash Equivalents, Beginning of Year	 20,096,656
 Cash and Cash Equivalents, End of Year	 \$ 31,542,204
 <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 11,116,328
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	36,922
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(19,910)
Increase in Salaries and Benefits Payable	75
Increase in Payroll Deductions and Withholdings Payable	10
Increase in Accounts Payable	333,157
Decrease in Estimated Insurance Claims Payable	(139,692)
Total Adjustments	210,562
 Net Cash Provided by Operating Activities	 \$ 11,326,890

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

**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017**

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 4,311,792
LIABILITIES	
Accounts Payable	\$ 168,549
Internal Accounts Payable	4,143,243
TOTAL LIABILITIES	\$ 4,311,792

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

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Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2017



I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the St. Johns County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to the various functions.

B. Reporting Entity

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

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

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

Blended Component Unit. Blended component units are, in substance, part of the primary District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The St. Johns County School Board

Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units The component units' columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District. The District's component units consist of the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation), and three charter schools:

- The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to and for the benefit of public prekindergarten through twelfth grade education in St. Johns County. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.
- The charter schools consist of St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc., and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc. The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These charter schools operate under charters approved by their sponsor, the Board.
- In accordance with a ruling by and requirement of the FDOE, the charter schools are included as component units of the District. According to the FDOE, the charter schools are fiscally dependent on the District for their tax levy and the majority of their budget and create a financial burden on the District because the charter schools' full-time equivalent student enrollment is the basis for funding.

The financial data reported on the accompanying statements was derived from the Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2017. The audit reports are filed in the District's administrative offices at 40 Orange Street, St. Augustine, Florida 32084.

C. Basis of Presentation: Government-Wide Financial Statements

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

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

D. Basis of Presentation: Fund Financial Statements

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Certificates of Participation, the 2010 Qualified School Construction Bond, and the 2016 District Sales Tax Revenue Bonds.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including renovation and remodeling projects, motor vehicle purchases, and debt service payments.
- Capital Projects – Other Capital Projects Fund – to account mainly for the financial resources received from certificates of participation proceeds, sales tax revenue bond proceeds, one-half cent local sales tax receipts, local impact fees, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and debt service payments.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's self-insured health and hospitalization programs, which includes medical, dental, and vision plans, and the District's self-insured workers' compensation program (for claims incurred prior to June 30, 2008).
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Interest associated with the current fiscal period is considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

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

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME and investments made locally with the Florida Education Investment Trust Fund (FEITF).

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Investments

Investments consist of amounts placed in the SBA debt service accounts which are restricted for debt service purposes, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, and amounts placed in FEITF. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

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

Investments made locally consist of amounts placed in the FEITF, a SEC Rule 2a7-like external investment pool. These investments are reported at fair value, which is amortized cost.

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

3. Restricted Cash and Cash Equivalents

Certain assets held by a trustee, in the name of the District, or invested by the District, in connection with certificates of participation financing arrangements are classified as restricted cash and cash equivalents on the statement of net position because they are set aside for repayment of debt as required by applicable debt covenants, represent proceeds from the sale of certificates of participation, or revenue from the one-half cent local sales tax receipts.

These assets consist of \$15,068,919 restricted for the repayment of certificates of participation principal and interest payable, of which \$15,062,455 is payable on July 1, 2017, and reported as current liabilities on the statement of net position; \$5,699,350 restricted for the repayment of QSCBs principal that is maintained in a sinking fund account; \$3,146,734 restricted for the repayment of Sales Tax Revenue Bonds principal and interest; \$1,055,443 restricted for SBE Capital Outlay Bonds, Series 2008A, maturing January 1, 2018, and later; \$28,009,973 of Sales Tax Revenue bonds proceeds restricted for the cost of construction and equipping a new K-8 school and a new elementary school; and \$11,753,598 of one-half cent local sales tax receipts restricted for new construction, reconstruction and improvement of school facilities, including safety and security improvements and technology upgrades.

4. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at last invoice price, which approximates the first-in, first-out basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than when purchased.

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

5. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000, except for improvements other than buildings which are defined as those costing more than \$250,000. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	10 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

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

6. Pensions

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

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

7. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued and premiums on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The net carrying amount for loss on debt refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized, as a component of interest expense, over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions are described in a subsequent note.

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

9. Net Position Flow Assumption

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The District reports its governmental fund balances in the following categories:

Nonspendable Fund Balance Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. The District classifies its amounts reported as inventories and prepaid items as nonspendable.

Restricted Fund Balance Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances as restricted, other than those in the General Fund. In the General Fund, unspent State Required Carryover (Categorical) Programs and earmarked educational funding that is legally or otherwise restricted are reported as restricted fund balance.

Committed Fund Balance The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported the following as committed fund balance in its General Fund:

➤ **Economic Stabilization Arrangement** The District has established an economic stabilization arrangement in Board Rule 7.01, *School District Budget System*, which provides that the Board shall commit an amount equal to 3 percent of its estimated revenue from the first Florida Education Finance Program calculation under a stabilization arrangement for the use in an emergency. The District classified the stabilization arrangement moneys as committed fund balance and defines the circumstances that constitute an emergency are non-routine in nature and specifically include the following:

- Failure to pay loans or debt service when due as a result of lack of funds;
- Failure to pay uncontested claims to creditors within 90 days due to lack of funds;
- Failure to transfer taxes, social security or retirement/benefits for employees; and
- Failure for one pay period to pay wages, salaries, or retirement benefits to employees.

At June 30, 2017, the stabilization balance was \$8,457,932.

- **Discretionary Millage** In accordance with Section 1011.71(1), Florida Statutes, the District levied an additional 0.25 discretionary millage for critical operating needs. The School Board adopted the additional discretionary millage on September 28, 2010, and specified that the moneys be used to support the maintenance and equipment needs of its educational facilities. The unspent portion of the additional discretionary millage moneys, totaling \$344,242 at June 30, 2017, is classified as committed fund balance.

Assigned Fund Balance. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Board Rule 7.01 authorizes the Superintendent or Superintendent's designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance. The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been restricted, committed, or assigned for specific purposes.

G. **Revenues and Expenditures/Expenses**

1. **Program Revenues**

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

2. **State Revenue Sources**

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

District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

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

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

3. District Property Taxes

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

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

The Board adopted the 2016 tax levy on September 13, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the St. Johns County Tax Collector at fiscal year-end but not yet remitted to the District.

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

4. Federal Revenue Sources

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

5. Sales Tax Revenue

On November 3, 2015, in a special referendum election, the citizens of St. Johns County authorized a half-cent sales surtax to fund the capital needs of the District, under the authority of Section 212.055(6), Florida Statutes. The sales surtax was effective beginning January 2016 and will continue through December 2025. Revenues will be used to fund critical needs of an increasing student population in St. Johns County as it relates to new construction, facility renovations, remodeling projects, technology, and security.

6. Educational Impact Fees

St. Johns County (County) imposes an educational impact fee based on an ordinance adopted by the County Commission in 1987. This ordinance was most recently amended in March 2011, when Ordinance 2011-7 established, in part, revised rates to be collected. The educational impact fee is collected by the County for most new residential construction. The fees can only be used to acquire, construct, expand, and equip the educational sites and educational capital facilities necessitated by new development and to pay for certain collection and legal defense costs.

7. Concurrency Proportionate Share Mitigation

Pursuant to Section 163.3180(6)(a), Florida Statutes, the District entered into an interlocal agreement with the County and three local municipalities effective October 3, 2008, to implement school concurrency for the purpose of ensuring adequate public school facilities are available to serve the residents of new residential developments. Concurrency requires that necessary infrastructure be planned for and available at the time of development impacts and requires an infrastructure review to determine whether adequate school capacity either already exists, will be in place, or under construction within three years. School capacity is provided through proportionate share mitigation from developers in the form of school construction, land contributions or cash payments for school construction or land acquisition. The District has six concurrency service areas based on adopted Board high school attendance boundaries. If there is not sufficient capacity in the affected concurrency service area, or the adjacent concurrency service area, and the developer elects to proceed with the project, proportionate share mitigation will be required to address the impacts of the proposed development. Developers receive a credit toward the payment of local educational impact fees based on the amount of proportionate share mitigation provided, and the proportionate share mitigation revenue is recognized when payment is made to the District. The County or municipality then approves final construction plans.

8. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities using the vesting method. Under this method, the liability amount is estimated based on the accumulated leave at fiscal year-end for employees who are currently eligible, or expected to become eligible, to receive termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary related benefits, where applicable.

9. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. ACCOUNTING CHANGES

Change in Reporting Entity. The District's three charter schools are presented as discretely presented component units of the District. In prior fiscal years, the three charter schools were excluded from the District's reporting entity. As a result of this change, beginning net position was restated (increased) by \$953,195, affecting the comparability of amounts reported for the 2016-17 fiscal year with amounts reported for the 2015-16 fiscal year.

Net Position, Beginning, As Previously Reported	\$ 764,041
Addition of St. Augustine Public Montessori	69,539
Addition of Therapeutic Learning Center	448,913
Addition of St. Johns Community Campus	466,070
Other Restatements	(31,327)
	\$ 1,717,236
Net Position, Beginning, As Restated	\$ 1,717,236

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on average daily balances.

B. Investments

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

The District's investments at June 30, 2017, are reported as follows:

Investments by Fair Value Level	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SBA - Debt Service Accounts	\$ 92,684	\$ 92,684	\$ -	\$ -
Investments Reported at Amortized Cost				
Florida PRIME	81,076,682			
FEITF	5,094,156			
Total Investments Reported at Amortized	86,170,838			
Total Investments	\$ 86,263,522			

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy authorizes the investment of temporarily idle funds to earn the maximum return for the period available. The policy also indicates a high priority shall be placed on the safety and liquidity of the funds. The trust agreement in connection with certificates of participation financing arrangements does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Florida PRIME and FEITF use a weighted-average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

The District's investments at June 30, 2017, have the following maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA		
Florida PRIME (1) (2) (3)	39 Day Average	\$ 81,076,682
Debt Service Accounts	6 months	92,684
FEITF (1)	37 Day Average	<u>5,094,156</u>
Total Investments		<u><u>\$ 86,263,522</u></u>

- Notes: (1) Investments with original maturities of three months or less are considered cash equivalents for financial reporting purposes.
- (2) Investments totaling \$5,705,814 are held under a trust agreement in connection with the Certificates of Participation, Series 2010 (Qualified School Construction Bond), 2012, 2013, and 2015 financing agreements, and are reported as restricted cash equivalents for financial reporting purposes.
- (3) Investments totaling \$42,910,305 related to receipt of the one-half cent local sales tax and the sales tax revenue bonds are reported as restricted cash equivalents for financial reporting purposes.

For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that “the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust funds. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust funds, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustee, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA’s Florida PRIME, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from

a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy does not further limit its investment choices.

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

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

C. Due From Other Agencies

The \$7,884,068 reported as due from other agencies primarily consists of \$3,506,058 due from the Florida Department of Revenue related to the one-half cent local sales tax; \$1,298,626 due from the St. Johns County Board of County Commissioners for the collection of educational impact fees; \$976,678 due from the FDOE for reimbursement of Federal grant expenditures; and \$748,332 due from the FDOE related to Public Education Capital Outlay State capital appropriations for maintenance and repair of District facilities, which may not be entirely collected within one year.

D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 50,627,757	\$ 9,227,500	\$ -	\$ 59,855,257
Construction in Progress	8,727,023	51,417,559	5,377,329	54,767,253
Total Capital Assets Not Being Depreciated	<u>59,354,780</u>	<u>60,645,059</u>	<u>5,377,329</u>	<u>114,622,510</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,021,456	35,708	-	25,057,164
Buildings and Fixed Equipment	647,199,990	8,253,026	-	655,453,016
Furniture, Fixtures, and Equipment	26,260,086	1,777,116	1,288,082	26,749,120
Motor Vehicles	20,610,897	5,636,085	1,424,786	24,822,196
Audio Visual Materials and Computer Software	<u>4,347,745</u>	<u>65,377</u>	<u>46,453</u>	<u>4,366,669</u>
Total Capital Assets Being Depreciated	<u>723,440,174</u>	<u>15,767,312</u>	<u>2,759,321</u>	<u>736,448,165</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	16,383,634	545,695	-	16,929,329
Buildings and Fixed Equipment	195,711,073	14,863,050	-	210,574,123
Furniture, Fixtures, and Equipment	20,045,808	2,033,190	1,288,082	20,790,916
Motor Vehicles	14,267,424	2,238,427	1,424,786	15,081,065
Audio Visual Materials and Computer Software	<u>4,184,994</u>	<u>76,723</u>	<u>46,453</u>	<u>4,215,264</u>
Total Accumulated Depreciation	<u>250,592,933</u>	<u>19,757,085</u>	<u>2,759,321</u>	<u>267,590,697</u>
Total Capital Assets Being Depreciated, Net	<u>472,847,241</u>	<u>(3,989,773)</u>	<u>-</u>	<u>468,857,468</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 532,202,021</u></u>	<u><u>\$ 56,655,286</u></u>	<u><u>\$ 5,377,329</u></u>	<u><u>\$ 583,479,978</u></u>

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 11,031,292
Student Personnel Services	1,443,318
Instructional Media Services	305,355
Instruction and Curriculum Development Services	428,314
Instructional Staff Training Services	277,356
Instruction-Related Technology	328,396
School Board	23,818
General Administration	28,299
School Administration	1,200,359
Facilities Acquisition and Construction	86,289
Fiscal Services	123,470
Food Services	422,708
Central Services	274,697
Student Transportation Services	2,238,427
Operation of Plant	781,641
Maintenance of Plant	443,783
Administrative Technology Services	23,305
Community Services	296,258
	\$ 19,757,085
Total Depreciation Expense - Governmental Activities	\$ 19,757,085

E. Retirement Plans

1. Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site www.dms.myflorida.com.

The District's FRS and HIS pension expense totaled \$22,491,188 for the fiscal year ended June 30, 2017.

FRS Pension Plan

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

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

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.47
FRS, Senior Management Service	3.00	21.77
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled \$10,585,488 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$101,788,799 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.403122705 percent, which was an decrease of 0.019221297 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the Plan pension expense of \$16,077,788. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,793,733	\$ 947,722
Change of assumptions	6,157,918	-
Net difference between projected and actual earnings on FRS pension plan investments	26,311,164	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	3,195,510	2,284,463
District FRS contributions subsequent to the measurement date	10,585,488	-
Total	\$ 54,043,813	\$ 3,232,185

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$10,585,488 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 5,838,328
2019	5,838,328
2020	16,096,053
2021	10,840,119
2022	1,275,890
Thereafter	337,422
Total	\$ 40,226,140

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	<u>12%</u>	6.1%	5.6%	11.1%
Total	<u><u>100%</u></u>			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.6 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2016 valuation was updated from 7.65 percent to 7.6 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.6 percent) or 1 percentage point higher (8.6 percent) than the current rate:

	<u>1% Decrease (6.6%)</u>	<u>Current Discount Rate (7.6%)</u>	<u>1% Increase (8.6%)</u>
District's proportionate share of the net pension liability	\$ 187,400,071	\$ 101,788,799	\$ 30,528,722

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$1,735,741 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2017.

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$3,125,536 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$68,084,025 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The

District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.584182280 percent, which was an increase of 0.006803225 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the HIS Plan pension expense of \$6,413,400. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 155,070
Change of assumptions	10,684,114	-
Net difference between projected and actual earnings on HIS pension plan investments	34,425	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	3,679,988	-
District HIS contributions subsequent to the measurement date	3,125,536	-
Total	\$ 17,524,063	\$ 155,070

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,125,536 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 2,647,530
2019	2,647,530
2020	2,640,975
2021	2,637,828
2022	2,112,225
Thereafter	1,557,369
Total	\$ 14,243,457

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.85 percent

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

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

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2016 valuation was updated from 3.8 percent to 2.85 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.85 percent) or 1 percentage point higher (3.85 percent) than the current rate:

	<u>Decrease</u> <u>(1.85%)</u>	<u>Discount Rate</u> <u>(2.85%)</u>	<u>Increase</u> <u>(3.85%)</u>
District's proportionate share of the net pension liability (asset)	\$ 78,107,845	\$ 68,084,025	\$ 59,764,801

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$386,565 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2017.

2. FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2016-17 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$2,441,081 for the fiscal year ended June 30, 2017.

Payables to the Investment Plan. At June 30, 2017, the District reported a payable of \$369,376 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2017.

F. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District, and eligible dependents, are eligible to participate in the District's self-insured health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. Benefits under this plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity.

Funding Policy. OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 293 retirees received other postemployment benefits. The District provided required contributions of \$2,007,259 toward the annual OPEB cost, net of retiree contributions totaling \$2,184,556, which represents 1.5 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of 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 if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for one year)	\$ 1,468,263
Amortization of Unfunded Actuarial Accrued Liability	<u>1,360,335</u>
Annual Required Contribution	2,828,598
Interest on Net OPEB Obligation	1,721,967
Adjustment to Annual Required Contribution	<u>(3,020,995)</u>
Annual OPEB Cost (Expense)	1,529,570
Contribution Toward the OPEB Cost	<u>(2,007,259)</u>
Decrease in Net OPEB Obligation	(477,689)
Net OPEB Obligation, Beginning of Year	<u>57,398,905</u>
Net OPEB Obligation, End of Year	<u><u>\$ 56,921,216</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and the two preceding fiscal years, were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014-15	\$ 4,732,900	\$ 1,373,065	29.0%	\$ 57,321,892
2015-16	1,575,290	1,498,277	95.1%	57,398,905
2016-17	1,529,570	2,007,259	131.2%	56,921,216

Funded Status and Funding Progress. As of January 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$26,026,761, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$26,026,761 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$145,568,515, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 17.9 percent.

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

the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress Other Postemployment Benefits Plan immediately following the notes to financial statements as required supplementary information presents multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2017, and the District's 2016-17 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3 percent per year, projected salary increase of 3.7 to 7.8 percent, and an annual healthcare cost trend rate of 7 percent beginning January 1, 2016, reduced by 0.5 percent the next year, and 0.25 percent the following year, to an ultimate rate of 4.705 percent after 35 years, for the Federal excise tax on high-cost employer health plans. The investment rate of return and projected salary increase rates include a general price inflation of 2.5 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2017, was 19 years.

G. Special Termination Benefits

The Board provides for the payment of special retirement benefits to qualifying employees as follows:

- The Board provides for the payment of a special termination incentive to administrative, managerial, and confidential employees hired prior to January 2, 2002. The incentive is equal to 1 percent of final salary times the number of years of St. Johns County District School Board service or \$10,000, whichever is greater, provided that the employee retires by the end of the first fiscal year of eligibility. Employees hired on or after January 2, 2002, are not eligible for the retirement incentive, and employees hired before that date and reclassified from another category are eligible for an incentive equal to 1 percent of final salary times the number of years of St. Johns County District School Board service or \$10,000, whichever is less, provided that the employee retires by the end of the first fiscal year of eligibility.

- The Board’s collective bargaining agreement with St. Johns Education Association provides for the payment of a special retirement incentive of 30 percent of final salary or \$10,000, whichever is greater, for instructional employees who retire with a minimum of 10 years of service, provided that the employee retires by the end of the first fiscal year of eligibility.
- The Board’s collective bargaining agreement with the St. Johns Educational Support Professional Association provides for the payment of special retirement benefits to noninstructional employees upon retirement of \$3,000 for employees with 15 years of services and an additional \$250 for each year of service beyond 15 years, up to a maximum of 30 years of service.

In addition to payments for accrued leave and regular termination benefits, the District reported expenditures for special termination benefits, totaling \$785,789 during the 2016-17 fiscal year.

H. Construction and Other Significant Commitments

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

The following is a schedule of encumbrances at June 30, 2017. The major Debt Service – Other Debt Service Fund had no encumbrances at June 30, 2017.

Major Funds				
General	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,057,855	\$ 7,379,549	\$ 63,317,183	\$ 338,159	\$ 72,092,746

Construction Contracts. Encumbrances include the following major construction contract commitments at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
New K-8 School "KK"	\$ 38,291,184	\$ 11,535,008	\$ 26,756,176
New K-8 School "LL"	34,897,736	9,095,937	25,801,799
Nease High School Expansion	17,635,796	12,478,656	5,157,140
Picolata Crossing Elementary	20,422,941	20,064,096	358,845
Total	\$ 111,247,657	\$ 53,173,697	\$ 58,073,960

I. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has established self-insurance programs for its employee health and hospitalization and its workers' compensation liability coverage. For workers' compensation and most of its other insurance coverage, effective July 1, 2008, the District participates in a group self-insurance program administered by the Florida School Boards Association, Inc. The District's covered risks relating to property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members are included in the group program.

Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The program is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. The Board of Directors for the program is composed of one board member from each participating district and a superintendent and district-level business officer selected from one of the participating districts.

The District's health and hospitalization self-insurance program, which includes medical, dental, and vision coverage, is being provided on a self-insured basis up to specified limits. The District has entered into an agreement with an insurance company to provide specific excess coverage of claims amounts above \$350,000 per insured per year, and laser coverage on one member of \$775,000 per year. The program's administrator has been approved by the Florida Office of Insurance Regulation. The funds for these coverages were established in accordance with Chapter 112, Florida Statutes. The program is administered through the Internal Service Funds.

A liability in the amount of \$2,432,314 was actuarially determined for estimated insurance claims payable for claims incurred but not reported (IBNR) for health and hospitalization coverage.

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

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2015-16	\$ 2,840,256	\$ 27,918,640	\$ (28,359,764)	\$ 2,399,132
2016-17	2,399,132	33,588,639	(33,555,457)	2,432,314

The Board established a self-insurance program to provide workers' compensation coverage for its employees for claims incurred prior to June 30, 2008. The District's liability was limited by excess insurance to \$150,000 or \$250,000 per occurrence, depending on the year of occurrence, and by aggregate excess insurance per plan year, ranging from \$1,000,000 to \$3,211,800, except for the 2004-05 plan year, for which aggregate excess insurance was not

purchased. For claims incurred on or after July 1, 2008, the District's workers' compensation coverage is administered by the Florida School Boards Association program.

A liability in the amount of \$398,161 was actuarially determined for estimated insurance claims payable for claims IBNR for workers' compensation coverage.

The following schedule represents the changes in the liability for the past two fiscal years for the District's workers' compensation program:

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2015-16	\$ 694,483	\$ 44,170	\$ (167,618)	\$ 571,035
2016-17	571,035	(133,148)	(39,726)	398,161

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

J. Long-Term Liabilities

1. Certificates of Participation

Certificates of Participation outstanding at June 30, 2017, are as follows:

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
Series 2010-QSCB	\$ 16,000,000	4.94 (1)	2027	\$ 16,000,000
Series 2012, Refunding	1,930,000	1.08	2018	9,510,000
Series 2013	28,640,000	3.00 - 5.00	2033	33,480,000
Series 2015, Refunding	44,920,000	5.00	2021	54,845,000
Subtotal	91,490,000			
Unamortized Premium	4,810,635			
Total Certificates of Participation	\$ 96,300,635			\$ 113,835,000

Note: (1) Series 2010-QSCBs (Qualified School Construction Bonds) is primarily principal only bonds, repaid by the District. The QSCBs were issued as direct subsidy bonds, whereby the District pays the full amount of taxable interest to the lender and then files for a direct cash subsidy payment from the United States Treasury. Beginning with the 2013-14 fiscal year, the direct subsidy interest payments from the United States Treasury were reduced by 8.7 percent, from 4.94 percent to 4.51 percent.

The District entered into a master financing arrangement on November 15, 2003, characterized as a lease-purchase agreement, with the St. Johns County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation by the Leasing Corporation to third-party investors, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District gave a ground lease on District properties to the 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 properties included under the Ground Lease Agreements for the benefit of the securers of the certificates for the remaining term of the ground leases or until the certificates are paid in full.

The QSCBs were issued through the ARRA on September 20, 2010. For the Series 2010-QSCB, the principal portion of the basic lease payment, \$16,000,000, is due on September 1, 2027. The sinking fund payments are due annually on September 1, commencing on September 1, 2011. The Series 2010-QSCB sinking fund payments made by the District will be deposited by the Trustee into the Series 2010 Sinking Fund Account pursuant to the Trust Agreement. Such funds will be invested in permitted investments in accordance with the Trust Agreement. The Board may offset sinking fund payments with the interest earnings on amounts in the Sinking Fund Account and must make supplemental payments to the Sinking Fund Account to cure any deficiency between the amount on deposit and the required scheduled amount. Sinking fund payments on deposit in the Sinking Fund Account will be retained therein until transferred to the Series 2010 Principal Account and applied to the payment of the \$16,000,000 principal component due on the Series 2010-QSCB Certificates at maturity (September 1, 2027) or upon earlier payment. The QSCBs are primarily issued as principal only and provide for a direct cash subsidy payment from the United States Treasury for the interest. Beginning with the 2013-14 fiscal year, the direct subsidy interest payments from the United States Treasury was reduced by 8.7 percent, from 4.94 percent to 4.51 percent.

A summary of the lease terms are as follows:

Certificates	Lease Term
Series 2010-QSCB	Earlier of the date paid in full or September 1, 2027
Series 2012, Refunding	Earlier of the date paid in full or July 1, 2018
Series 2013	Earlier of the date paid in full or July 1, 2033
Series 2015, Refunding	Earlier of the date paid in full or July 1, 2021

The District properties included in the ground lease under this arrangement include:

<u>Certificates</u>	<u>Description of Properties</u>
Series 2010-QSCB	Construction of Palencia Elementary
Series 2012, Refunding	Construction of Timberlin Creek Elementary School and South Woods Elementary School
Series 2013	Construction of Patriot Oaks Academy and Valley Ridge Academy
Series 2015, Refunding	Construction of Wards Creek Elementary School, Pacetti Bay Middle School, a Ninth Grade Center at the Existing Bartram Trail High School, Ponte Vedra High School, and Creekside High School

Except for the QSCBs, the lease payments are payable by the District semiannually, on July 1 and January 1, and must be remitted as of the 15th day of the month preceding the payment dates. The QSCB lease payments are payable March 1 and September 1. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 17,825,782	\$ 13,645,000	\$ 4,180,782
2019	15,869,988	12,270,000	3,599,988
2020	15,876,488	12,890,000	2,986,488
2021	15,871,988	13,530,000	2,341,988
2022	3,205,488	1,540,000	1,665,488
2023-2027	16,030,438	8,760,000	7,270,438
2028-2032	28,473,588	26,520,000	1,953,588
2033	2,416,725	2,335,000	81,725
Total Minimum Lease Payments	<u>115,570,485</u>	<u>91,490,000</u>	<u>24,080,485</u>
Unamortized Premium	<u>4,810,635</u>	<u>4,810,635</u>	<u>-</u>
Total Certificates of Participation Payable	<u>\$ 120,381,120</u>	<u>\$ 96,300,635</u>	<u>\$ 24,080,485</u>

Annual requirements to amortize the premium related to the Series 2015, Refunding Certificates of Participation is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2018	\$ 1,202,659
2019	1,202,659
2020	1,202,659
2021	1,202,658
Total	<u>\$ 4,810,635</u>

2. Bonds Payable

Bonds payable at June 30, 2017, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2008A	\$ 1,060,000	4.25 - 5.00	2028
Series 2009A, Refunding	220,000	5.0	2019
Series 2009A	525,000	4.0 - 5.0	2029
Series 2010A	615,000	3.5 - 5.0	2030
Series 2011A, Refunding	225,000	3.0 - 5.0	2023
Series 2014A, Refunding	456,000	3.0 - 5.0	2025
Series 2014B, Refunding	617,000	2.0 - 5.0	2020
Series 2017A, Refunding	1,173,000	3.0 - 5.0	2028
Total State School Bonds	<u>4,891,000</u>		
District Sales Tax Revenue Bonds:			
Series 2016	40,535,000		
Unamortized Premium	6,174,176		
Total District Sales Tax Revenue Bonds	<u>46,709,176</u>		
Total Bonds Payable	<u>\$ 51,600,176</u>		

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

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

District Sales Tax Revenue Bonds. These bonds are generally referred to as Sales Tax Revenue Bonds, Series 2016, and are authorized by Chapter 212, 1001, and 1013, Florida Statutes, and a resolution of the District School Board dated January 12, 2016, authorizing the bond issue. These bonds are secured by a one-half cent local sales surtax, authorized on November 3, 2015, by majority voter approval of a District School Board resolution dated June 30, 2015, proposing the discretionary sales surtax. As provided by the bond resolution, the District is not required to maintain a reserve account.

The District has pledged a total of \$50,259,225 of sales surtax revenue in connection with the Sales Tax Revenue Bonds, Series 2016, described above. During the 2016-17 fiscal year, the District recognized sales surtax revenue totaling \$18,703,292 and expended \$4,393,785 (23 percent) of these revenues for debt service directly collateralized by these revenues. The pledged revenues are committed until final maturity of the debt on

October 1, 2025. Approximately 30 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds, and \$4,718,725 is restricted for future debt service requirements as of June 30, 2017.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2017, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2018	\$ 1,019,455	\$ 806,000	\$ 213,455
2019	645,658	459,000	186,658
2020	544,007	380,000	164,007
2021	498,138	351,000	147,138
2022	507,937	378,000	129,937
2023-2027	2,282,698	1,901,000	381,698
2028-2030	<u>652,417</u>	<u>616,000</u>	<u>36,417</u>
Total State School Bonds	<u>6,150,310</u>	<u>4,891,000</u>	<u>1,259,310</u>
District Sales Tax Revenue Bonds, Series 2016			
2018	5,635,850	3,740,000	1,895,850
2019	5,598,375	3,855,000	1,743,375
2020	5,590,875	4,045,000	1,545,875
2021	5,588,500	4,250,000	1,338,500
2022	5,580,750	4,460,000	1,120,750
2023-2026	<u>22,264,875</u>	<u>20,185,000</u>	<u>2,079,875</u>
Subtotal	50,259,225	40,535,000	9,724,225
Unamortized Premium	<u>6,174,176</u>	<u>6,174,176</u>	<u>-</u>
Total District Sales Tax Revenue Bonds, Series 2016	<u>56,433,401</u>	<u>46,709,176</u>	<u>9,724,225</u>
Total Bonds Payable	<u><u>\$ 62,583,711</u></u>	<u><u>\$ 51,600,176</u></u>	<u><u>\$ 10,983,535</u></u>

Annual requirements to amortize the premium related to the Series 2016, Sales Tax Revenue Bond is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2018	\$ 771,772
2019	771,772
2020	771,772
2021	771,772
2022	771,772
2023-2025	<u>2,315,316</u>
Total	<u><u>\$ 6,174,176</u></u>

3. **Defeased Debt**

Refunding State School Bonds. On April 27, 2017, the FDOE issued SBE, Capital Outlay Refunding Bonds, Series 2017A. The District's portion of the refunding SBE Capital Outlay Bonds, Series 2017A, was \$1,173,000.

The refunding bonds were issued, in part, to advance the District's State School Bonds, Series 2006A. The \$305,000 principal amount of the District's State School Bonds, Series 2006A, was considered defeased in substance and the liability was removed from the government-wide financial statements as of June 30, 2017.

The refunding bonds also established a trust account for the defeasance of the SBE Capital Outlay Bonds, Series 2008A, maturing January 1, 2018, and later. As the trust account established pursuant to the funding was not considered to be risk-free in accordance with GASB Statement No. 7, the District's \$1,000,000 portion of the Series 2008A bonds was considered an economic defeasance and not a legal defeasance. Therefore, the SBE Capital Outlay Bonds, Series 2008A, were not removed from the government-wide financial statements and the assets held in the trust account are reported as restricted cash and cash equivalents at June 30, 2017.

The Series 2017A bonds were issued to reduce the total debt service over the next 11 years by \$186,253 and to obtain an economic gain of \$164,617.

4. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable:					
Certificates of Participation	\$ 104,580,000	\$ -	\$ 13,090,000	\$ 91,490,000	\$ 13,645,000
Unamortized Premium	6,013,294	-	1,202,659	4,810,635	1,202,659
Total Certificates of Participation Payable	110,593,294	-	14,292,659	96,300,635	14,847,659
Bonds Payable					
District Sales Tax Revenue Bonds	42,755,000	-	2,220,000	40,535,000	3,740,000
Unamortized Premium	6,945,948	-	771,772	6,174,176	771,772
Total District Sales Tax Revenue Bonds	49,700,948	-	2,991,772	46,709,176	4,511,772
State School Bonds	4,781,000	1,173,000	1,063,000	4,891,000	806,000
Total Bonds Payable	54,481,948	1,173,000	4,054,772	51,600,176	5,317,772
Other Long-Term Liabilities:					
Estimated Insurance Claims Payable	571,035	-	172,874	398,161	39,726
Compensated Absences Payable	25,676,260	3,707,166	1,868,229	27,515,197	1,868,229
Other Postemployment Benefits Payable	57,398,905	1,529,570	2,007,259	56,921,216	-
Net Pension Liability	113,434,973	69,262,948	12,825,097	169,872,824	1,963,934
Total Governmental Activities	\$ 362,156,415	\$ 75,672,684	\$ 35,220,890	\$ 402,608,209	\$ 24,037,320

For the governmental activities, compensated absences, other postemployment benefits, and pensions are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary fund.

K. Net Position – Net Investment in Capital Assets

In the government-wide statement of net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is net position. Generally accepted accounting principles require that net position be subdivided into the following three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The composition of net investment in capital assets as of June 30, 2017, is shown in the table below:

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated Depreciation	\$ 583,479,978
Plus Deferred Outflow for Net Carrying Amount of Debt Refunding	2,099,346
Less Related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 96,300,635
Bonds Payable	51,600,176
Construction and Retainage Payable	8,841,439
Unspent Debt Proceeds	<u>(25,234,029)</u>
Total Related Debt, Net of Unspent Proceeds	<u>(131,508,221)</u>
Total Net Investment in Capital Assets	<u>\$ 454,071,103</u>

L. Fund Balance Reporting

The following is a schedule of fund balances by category at June 30, 2017:

	Major Funds					Total Governmental Funds
	General	Debt Service - Other Debt Service	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances:						
Nonspendable:						
Inventories	\$ 832,053	\$ -	\$ -	\$ -	\$ 271,086	\$ 1,103,139
Prepays	-	-	-	-	18,115	18,115
Total Nonspendable	832,053	-	-	-	289,201	1,121,254
Restricted for:						
State Required Carryover Programs	600,802	-	-	-	-	600,802
Full Service Schools	135,723	-	-	-	-	135,723
Hurricane Shelter Project	34,366	-	-	-	-	34,366
Food Service	-	-	-	-	905,064	905,064
Debt Service	-	4,722,439	-	-	6,826,692	11,549,131
Capital Projects	-	-	26,685,434	97,054,039	2,021,041	125,760,514
Total Restricted Fund Balance	770,891	4,722,439	26,685,434	97,054,039	9,752,797	138,985,600
Committed for:						
Economic Stabilization	8,457,932	-	-	-	-	8,457,932
0.25 Discretionary Millage	344,242	-	-	-	-	344,242
Total Committed Fund Balance	8,802,174	-	-	-	-	8,802,174
Assigned for:						
2016-17 Budget Shortfalls	12,362,524	-	-	-	-	12,362,524
Local Programs and Services	7,822,519	-	-	-	-	7,822,519
Extended Day Programs	3,213,608	-	-	-	-	3,213,608
First Coast Technical College	911,523	-	-	-	-	911,523
School and Department Purchase Obligations	205,692	-	-	-	-	205,692
School Concurrency	92,472	-	-	-	-	92,472
Total Assigned Fund Balance	24,608,338	-	-	-	-	24,608,338
Unassigned Fund Balance	12,813,866	-	-	-	(18,115)	12,795,751
Total Fund Balances	\$ 47,827,322	\$ 4,722,439	\$ 26,685,434	\$ 97,054,039	\$ 10,023,883	\$ 186,313,117

The fund balance categories are discussed in the **Fund Balance Policies** note disclosure.

M. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 1,971,505	\$ -
Capital Projects - Other Capital Projects	-	471,054
Nonmajor Governmental	-	1,500,451
Total	\$ 1,971,505	\$ 1,971,505

Interfund balances generally arise due to the District's General Fund paying for goods or services on behalf of other District funds. The interfund amounts represent temporary loans from one fund to another and are expected to be repaid within one year.

N. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2016-17 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program (FEFP):	
Transportation	\$ 9,016,927
Supplemental Academic Instruction	7,523,430
Instructional Materials	3,231,781
Comprehensive Reading Plan	1,750,071
Digital Classrooms Allocation	1,097,295
Florida Teachers Lead	609,471
Safe Schools	597,381
Other FEFP	74,876,861
Categorical Educational Program - Class Size Reduction	40,443,832
Workforce Development Program	4,412,487
School Recognition	2,681,786
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,505,081
Best and Brightest Teacher Scholarship Program	1,274,762
Voluntary Prekindergarten Program	1,033,937
Gross Receipts Tax (Public Education Capital Outlay)	758,376
Discretionary Lottery Funds	641,470
Window Upgrade for Hurricane Shelter Project	363,234
Sales Tax Distribution (Formerly Racing Commission Funds)	206,750
Mobile Home License Tax	68,554
Food Service Supplement	63,975
Miscellaneous	371,179
	<hr/>
Total	\$ 152,528,640

Accounting policies relating to certain State revenue sources are described in the **State Revenue Sources** note disclosure.

2. Property Taxes

The following is a summary of millages and taxes levied on the 2016 tax roll for the 2016-17 fiscal year:

	Millages	Taxes Levied
GENERAL FUND		
<hr/>		
Nonvoted School Tax:		
Required Local Effort	4.619	\$ 110,595,476
Basic Discretionary Local Effort	0.748	17,909,811
CAPITAL PROJECTS -		
LOCAL CAPITAL IMPROVEMENT FUND		
<hr/>		
Nonvoted Tax:		
Local Capital Improvements	1.500	35,915,396
TOTAL	6.867	\$ 164,420,683

Actual property taxes collected totaled 96 percent of total taxes levied. The St. Johns County Tax Collector is not required by law to make an accounting to the School Board of the difference between taxes levied and taxes collected. However, because of discounts allowed for early payments and other reasons for non-collection, the School Board budget estimates an anticipated 4 percent shortfall between taxes levied and taxes collected.

O. Interfund Transfers

The following is a summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2017:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 6,715,538	\$ -
Other Debt Service	17,048,044	-
Capital Projects:		
Local Capital Improvement	-	19,707,870
Other Capital Projects	-	4,040,942
Nonmajor Governmental	985,230	1,000,000
Total	\$ 24,748,812	\$ 24,748,812

Interfund transfers represent permanent transfers of moneys between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments, property insurance premiums, and to fund certain expenditures of the District’s facilities, and maintenance departments. The transfers out of the Capital Projects – Other Capital Projects Fund was to transfer revenue to the General Fund for subsequent disbursement to charter schools and to provide for debt service payments. The transfers out of the nonmajor governmental funds were to reimburse the General Fund for expenses related to school food service operations.

IV. INTERNAL SERVICE FUNDS

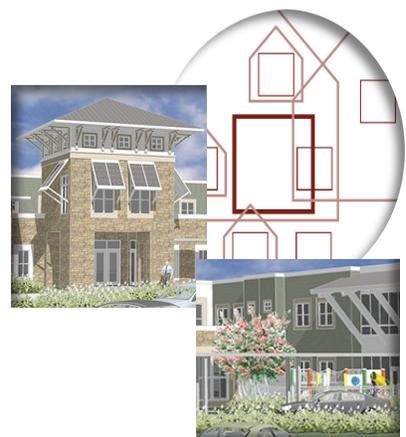
The following is a summary of financial information as reported in the internal service funds for the 2016-17 fiscal year.

	Group Health and Hospitalization Insurance	Group Dental Insurance	Group Vision Insurance	Workers' Compensation Liability Insurance	Total
Total Assets	<u>\$ 23,571,590</u>	<u>\$1,604,332</u>	<u>\$1,482,957</u>	<u>\$5,119,068</u>	<u>\$ 31,777,947</u>
Liabilities and Net Position:					
Salaries and Benefits Payable	\$ 407	\$ -	\$ -	\$ 923	\$ 1,330
Payroll Deductions and Withholdings Payable	162	-	-	150	312
Accounts Payable	2,438,368	39	48,928	421	2,487,756
Estimated Insurance Claims Payable	2,132,468	258,620	41,226	398,161	2,830,475
Net Position:					
Investment in Capital Assets	202,523	-	-	-	202,523
Unrestricted Net Position	<u>18,797,662</u>	<u>1,345,673</u>	<u>1,392,803</u>	<u>4,719,413</u>	<u>26,255,551</u>
Total Liabilities and Net Position	<u>\$ 23,571,590</u>	<u>\$1,604,332</u>	<u>\$1,482,957</u>	<u>\$5,119,068</u>	<u>\$ 31,777,947</u>
Revenues:					
Operating Revenues	\$ 48,018,254	\$2,854,188	\$ 802,192	\$1,390,441	\$ 53,065,075
Investment Income	<u>81,816</u>	<u>7,873</u>	<u>6,476</u>	<u>22,493</u>	<u>118,658</u>
Total Revenues	48,100,070	2,862,061	808,668	1,412,934	53,183,733
Total Expenses	<u>(37,055,188)</u>	<u>(3,054,708)</u>	<u>(527,205)</u>	<u>(1,311,646)</u>	<u>(41,948,747)</u>
Increase (Decrease) in Net Position	<u>\$ 11,044,882</u>	<u>\$ (192,647)</u>	<u>\$ 281,463</u>	<u>\$ 101,288</u>	<u>\$ 11,234,986</u>

V. LITIGATION

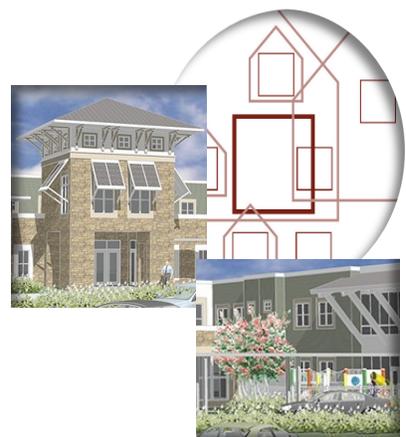
The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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Required
Supplementary Information

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**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal Direct Sources:				
Reserve Officers Training Corps	\$ 200,000	\$ 200,000	\$ 207,912	\$ 7,912
State Sources:				
Florida Education Finance Program	96,156,196	98,703,217	98,703,217	-
Workforce Development Program	-	4,319,889	4,319,889	-
Workforce Education Performance Incentive	-	92,598	92,598	-
CO&DS Withheld for Administrative Expense	-	22,216	22,216	-
Discretionary Lottery Funds	-	641,470	641,470	-
Class Size Reduction - Operating Funds	39,774,693	40,443,832	40,443,832	-
School Recognition Funds	3,084,279	2,681,786	2,681,786	-
Voluntary Prekindergarten Program	-	1,033,937	1,033,937	-
State License Tax	67,000	67,000	68,554	1,554
Miscellaneous State Revenue	206,750	2,118,066	2,083,700	(34,366)
Total State Sources	<u>139,288,918</u>	<u>150,124,011</u>	<u>150,091,199</u>	<u>(32,812)</u>
Local Sources:				
District School Taxes	123,335,308	123,335,308	123,920,405	585,097
Tax Redemptions	200,000	200,000	310,305	110,305
Rent	-	932,076	937,467	5,391
Investment Income	160,000	161,080	302,763	141,683
Net Increase in Fair Value of Investments	-	-	42,117	42,117
Gifts, Grants, and Bequests	690,000	1,597,697	1,784,407	186,710
Other Student Fees	7,000	282,548	285,502	2,954
Preschool Program Fees	-	522,374	523,974	1,600
Prekindergarten Early Intervention	-	-	104,503	104,503
School Age Child Care Fees	-	5,469,391	5,469,391	-
Other Schools Courses Classes	-	570,045	570,045	-
Bus Fees	99,604	99,604	79,838	(19,766)
Field Trips	431,751	431,751	579,387	147,636
Sale of Junk	50,000	50,000	85,057	35,057
Federal Indirect Cost Rate	600,000	600,000	636,849	36,849
Miscellaneous Local Revenues	906,503	3,619,102	3,645,787	26,685
Total Local Sources	<u>126,480,166</u>	<u>137,870,976</u>	<u>139,277,797</u>	<u>1,406,821</u>
Total Revenues	<u>265,969,084</u>	<u>288,194,987</u>	<u>289,576,908</u>	<u>1,381,921</u>

(Continued)

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current Education:				
Instruction:				
Salaries	\$ 117,486,746	\$ 116,561,146	\$ 114,477,994	\$ 2,083,152
Employee Benefits	41,005,013	42,690,507	39,727,126	2,963,381
Purchased Services	3,033,918	7,309,039	6,311,097	997,942
Energy Services	-	15,238	10,116	5,122
Materials and Supplies	15,698,002	18,159,815	5,453,429	12,706,386
Capital Outlay	4,220	2,529,970	2,320,644	209,326
Other	2,592,680	3,219,131	3,099,539	119,592
Total Instruction	<u>179,820,579</u>	<u>190,484,846</u>	<u>171,399,945</u>	<u>19,084,901</u>
Student Personnel Services:				
Salaries	12,912,378	13,439,994	13,345,823	94,171
Employee Benefits	4,174,332	5,057,888	4,837,293	220,595
Purchased Services	678,109	695,938	657,969	37,969
Materials and Supplies	99,898	118,857	89,861	28,996
Capital Outlay	6,123	28,832	26,210	2,622
Other	3,700	3,201	1,109	2,092
Total Student Personnel Services	<u>17,874,540</u>	<u>19,344,710</u>	<u>18,958,265</u>	<u>386,445</u>
Instructional Media Services:				
Salaries	3,169,232	3,127,482	3,117,050	10,432
Employee Benefits	1,243,890	1,310,156	1,258,910	51,246
Purchased Services	32,046	51,619	44,699	6,920
Materials and Supplies	151,037	101,761	73,556	28,205
Capital Outlay	64,167	167,658	152,084	15,574
Other	530	2,951	2,886	65
Total Instructional Media Services	<u>4,660,902</u>	<u>4,761,627</u>	<u>4,649,185</u>	<u>112,442</u>
Instruction and Curriculum Development:				
Salaries	3,514,265	3,783,410	3,691,804	91,606
Employee Benefits	1,082,972	1,207,678	1,149,767	57,911
Purchased Services	191,611	218,052	166,692	51,360
Materials and Supplies	21,000	64,019	58,632	5,387
Capital Outlay	1,000	7,407	5,268	2,139
Other	6,115	5,429	3,423	2,006
Total Instruction and Curriculum Development	<u>4,816,963</u>	<u>5,285,995</u>	<u>5,075,586</u>	<u>210,409</u>
Instructional Staff Training Services:				
Salaries	305,468	2,291,007	2,250,141	40,866
Employee Benefits	97,125	795,274	740,927	54,347
Purchased Services	37,230	533,465	370,139	163,326
Materials and Supplies	6,000	20,484	8,037	12,447
Other	-	40,897	35,245	5,652
Total Instructional Staff Training Services	<u>445,823</u>	<u>3,681,127</u>	<u>3,404,489</u>	<u>276,638</u>
Instruction-Related Technology:				
Salaries	3,380,524	3,662,993	3,543,871	119,122
Employee Benefits	1,054,796	1,234,804	1,162,286	72,518
Purchased Services	3,524,707	3,618,889	3,270,563	348,326
Energy Services	2,000	2,135	2,130	5
Capital Outlay	3,300	146,402	27,671	118,731
Total Instruction-Related Technology	<u>7,965,327</u>	<u>8,665,223</u>	<u>8,006,521</u>	<u>658,702</u>

(Continued)

ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued)				
Current Education (continued):				
Board of Education:				
Salaries	\$ 228,172	\$ 227,711	\$ 227,299	\$ 412
Employee Benefits	118,649	118,012	114,031	3,981
Purchased Services	621,350	789,893	667,921	121,972
Materials and Supplies	4,000	6,738	5,404	1,334
Other	29,000	18,124	16,182	1,942
Total Board of Education	1,001,171	1,160,478	1,030,837	129,641
General Administration:				
Salaries	229,000	344,111	309,757	34,354
Employee Benefits	64,120	105,178	95,790	9,388
Purchased Services	15,500	32,206	26,502	5,704
Materials and Supplies	4,000	4,000	2,497	1,503
Other	9,000	14,510	13,509	1,001
Total General Administration	321,620	500,005	448,055	51,950
School Administration:				
Salaries	12,535,739	13,889,598	12,897,274	992,324
Employee Benefits	3,975,900	4,609,477	4,304,748	304,729
Purchased Services	205,092	411,982	306,799	105,183
Energy Services	-	3,467	3,464	3
Materials and Supplies	305,788	461,664	187,118	274,546
Capital Outlay	2,300	89,329	53,620	35,709
Other	28,550	86,940	81,719	5,221
Total School Administration	17,053,369	19,552,457	17,834,742	1,717,715
Facilities Acquisition and Construction:				
Salaries	996,504	923,695	922,457	1,238
Employee Benefits	331,731	316,656	314,133	2,523
Purchased Services	3,035,652	3,321,840	2,899,737	422,103
Energy Services	13,000	13,000	5,590	7,410
Materials and Supplies	10,000	68,907	6,494	62,413
Capital Outlay	9,350	1,531,174	1,138,380	392,794
Other	1,100	18,500	17,834	666
Total Facilities Acquisition and Construction	4,397,337	6,193,772	5,304,625	889,147
Fiscal Services:				
Salaries	1,293,393	1,325,608	1,324,408	1,200
Employee Benefits	437,946	455,044	445,010	10,034
Purchased Services	168,003	184,432	163,730	20,702
Materials and Supplies	25,128	27,254	20,379	6,875
Capital Outlay	-	2,364	1,962	402
Other	63,200	58,781	58,309	472
Total Fiscal Services	1,987,670	2,053,483	2,013,798	39,685
Food Services:				
Salaries	-	-	23,622	(23,622)
Employee Benefits	-	-	4,191	(4,191)
Total Food Services	-	-	27,813	(27,813)
Central Services:				
Salaries	2,335,682	2,439,613	2,558,069	(118,456)
Employee Benefits	814,227	831,793	849,423	(17,630)
Purchased Services	355,504	343,524	317,487	26,037
Energy Services	5,500	5,500	1,624	3,876
Materials and Supplies	39,943	51,013	44,500	6,513
Capital Outlay	700	8,747	9,262	(515)
Other	19,788	12,970	9,520	3,450
Total Central Services	3,571,344	3,693,160	3,789,885	(96,725)

(Continued)

ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONTINUED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Current Education (concluded):				
Student Transportation Services:				
Salaries	\$ 6,546,562	\$ 6,596,562	\$ 6,631,413	\$ (34,851)
Employee Benefits	3,469,678	3,399,578	3,168,799	230,779
Purchased Services	412,300	800,131	630,213	169,918
Energy Services	2,542,000	2,070,547	1,199,117	871,430
Materials and Supplies	686,000	961,721	556,195	405,526
Capital Outlay	2,500	24,880	23,572	1,308
Other	269,790	269,790	264,206	5,584
Total Student Transportation Services	<u>13,928,830</u>	<u>14,123,209</u>	<u>12,473,515</u>	<u>1,649,694</u>
Operation of Plant:				
Salaries	7,447,655	7,688,625	7,622,084	66,541
Employee Benefits	3,485,104	3,677,180	3,579,402	97,778
Purchased Services	4,281,623	4,891,300	4,439,811	451,489
Energy Services	6,030,617	6,622,977	5,561,459	1,061,518
Materials and Supplies	1,461,052	1,297,280	1,188,624	108,656
Capital Outlay	54,650	243,614	207,486	36,128
Other	-	433,335	429,651	3,684
Total Operation of Plant	<u>22,760,701</u>	<u>24,854,311</u>	<u>23,028,517</u>	<u>1,825,794</u>
Maintenance of Plant:				
Salaries	4,350,684	4,693,640	4,669,698	23,942
Employee Benefits	1,565,697	1,738,368	1,690,042	48,326
Purchased Services	847,921	935,149	1,057,313	(122,164)
Energy Services	130,990	130,490	85,873	44,617
Materials and Supplies	661,040	651,113	513,003	138,110
Capital Outlay	661,445	997,835	745,129	252,706
Other	-	1,032	1,032	-
Total Maintenance of Plant	<u>8,217,777</u>	<u>9,147,627</u>	<u>8,762,090</u>	<u>385,537</u>
Administrative Technology Services:				
Salaries	320,124	319,824	242,806	77,018
Employee Benefits	108,234	109,014	91,178	17,836
Purchased Services	342,654	363,169	245,188	117,981
Materials and Supplies	7,500	7,324	6,418	906
Capital Outlay	10,800	25,517	10,995	14,522
Other	475	57,972	56,972	1,000
Total Administrative Technology Services	<u>789,787</u>	<u>882,820</u>	<u>653,557</u>	<u>229,263</u>
Community Services:				
Salaries	107,092	3,790,814	3,030,411	760,403
Employee Benefits	40,319	1,808,260	1,157,979	650,281
Purchased Services	47,156	208,742	76,549	132,193
Materials and Supplies	2,000	1,451,628	293,708	1,157,920
Capital Outlay	-	183,638	78,529	105,109
Other	-	32,650	5,188	27,462
Total Community Services	<u>196,567</u>	<u>7,475,732</u>	<u>4,642,364</u>	<u>2,833,368</u>
Capital Outlay:				
Facility Acquisition and Construction	-	803,344	538,772	264,572
Other Capital Outlay	7,500	500,265	355,075	145,190
Total Capital Outlay	<u>7,500</u>	<u>1,303,609</u>	<u>893,847</u>	<u>409,762</u>
Total Expenditures	<u>289,817,807</u>	<u>323,164,191</u>	<u>292,397,636</u>	<u>30,766,555</u>

(Continued)

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (CONCLUDED)
GENERAL FUND - LEGAL LEVEL OF BUDGETARY CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Deficiency of Revenues Over Expenditures	\$ (23,848,723)	\$ (34,969,204)	\$ (2,820,728)	\$ 32,148,476
Other Financing Sources				
Loss Recoveries	-	-	848,297	848,297
Transfers In	5,975,210	6,715,538	6,715,538	-
Total Other Financing Sources	<u>5,975,210</u>	<u>6,715,538</u>	<u>7,563,835</u>	<u>848,297</u>
Net Change in Fund Balance	(17,873,513)	(28,253,666)	4,743,107	32,996,773
Fund Balance - Beginning	<u>43,084,215</u>	<u>43,084,215</u>	<u>43,084,215</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 25,210,702</u>	<u>\$ 14,830,549</u>	<u>\$ 47,827,322</u>	<u>\$ 32,996,773</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS OTHER POSTEMPLOYMENT BENEFITS**

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Schedule of Funding Progress was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (1) Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2012	-	\$ 93,305,724	\$ 93,305,724	0%	\$ 124,302,642	75.06%
January 1, 2014	-	53,625,376	53,625,376	0%	131,804,532	40.69%
January 1, 2016	-	26,026,761	26,026,761	0%	145,568,515	17.88%

Note: (1) The District's OPEB actuarial valuation used the entry age normal cost method to estimate the actuarial accrued liability.

**ST. JOHNS COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾**

Fiscal Year Ending June 30,	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Employee Payroll ⁽³⁾	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	0.403122705%	\$ 101,788,799	\$ 182,142,038	55.88%	84.88%
2015	0.422344002%	54,551,392	175,337,962	31.11%	92.00%
2014	0.406030045%	24,773,804	164,428,190	15.07%	96.09%
2013	0.389856442%	67,111,642	152,046,642	44.14%	88.54%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**ST. JOHNS COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾**

Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Employee Payroll ⁽³⁾	FRS Contributions as a Percentage of Covered Payroll
2017	\$ 10,585,488	\$ 10,585,488	\$ -	\$ 186,572,661	5.67%
2016	9,965,075	9,965,075	-	182,142,038	5.47%
2015	10,297,105	10,297,105	-	175,337,962	5.87%
2014	8,893,781	8,893,781	-	164,428,190	5.41%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**ST. JOHNS COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾**

Fiscal Year Ending June 30,	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Employee Payroll ⁽³⁾	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	0.584182280%	\$ 68,084,025	\$ 182,142,038	37.38%	0.97%
2015	0.577379055%	58,883,581	175,337,962	33.58%	0.50%
2014	0.551221367%	51,540,543	164,428,190	31.35%	0.99%
2013	0.523120679%	45,544,533	152,046,642	29.95%	1.78%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**ST. JOHNS COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST 10 FISCAL YEARS ⁽¹⁾⁽²⁾**

Fiscal Year Ending June 30,	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Employee Payroll ⁽³⁾	HIS Contributions as a Percentage of Covered Payroll
2017	\$ 3,125,536	\$ 3,125,536	\$ -	\$ 186,572,661	1.68%
2016	2,994,840	2,994,840	-	182,142,038	1.64%
2015	2,207,102	2,207,102	-	175,337,962	1.26%
2014	1,888,299	1,888,299	-	164,428,190	1.15%

Notes:

- (1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
- (2) The amounts presented for each fiscal year were determined as of June 30.
- (3) The covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

ST. JOHNS COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2017

1. BUDGETARY BASIS OF ACCOUNTING

The Board follows procedures established by State statutes and SBE rules in establishing budget balances for governmental funds, as described below:

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

2. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

The January 1, 2012, unfunded actuarial accrued liability of \$93,305,724 was significantly higher than the January 1, 2014, liability of \$53,625,376 as a result of changes in benefit and other key assumptions as discussed below:

- The average cost of coverage provided to employees, retirees, and their dependents decreased from \$902 per subscriber per month (as expected for the 2011-12 plan year) to \$858 per subscriber per month for the 2013-14 plan year. This change had a significant decreasing effect on the cost and liability.
- Subsidized retiree contributions are scheduled to increase at a rate faster than previously assumed. As of the January 1, 2014, valuation date, the retiree contribution rate for eligible retirees under the age of 65 increased from \$300 per month for single coverage to \$450 per month as of July 1, 2014. This had a substantial decreasing effect on the costs and liabilities.
- The assumption that retirees becoming eligible for Medicare benefits will discontinue coverage under the District's core plan and migrate to the more affordable group Medicare health insurance option increased from 60 percent to 75 percent. This had a substantial decreasing effect on the costs and liabilities.

The January 1, 2014, unfunded actuarial accrued liability of \$53,625,376 was significantly higher than the January 1, 2016, liability of \$26,026,761, as a result of changes in benefit and other key assumptions as discussed below:

- The number of covered active employees increased from 3,048 as of the prior valuation date to 3,383 as of January 1, 2016. At the same time, the number of retirees with medical coverage as of the valuation date decreased from 385 in the previous valuation to 293 as of January 1, 2016. These population changes had a decreasing effect on the costs and liabilities.
- The average cost of coverage provided to employees, retirees and their dependents decreased from \$858 per subscriber per month (as expected for the 2013-14 plan year) to \$814 per subscriber per month for the 2015-16 plan year. This is much lower than the \$1,001 projected for the 2015-16 plan year at the time of the last valuation. This change had a significant decreasing effect on the cost and liability.

ST. JOHNS COUNTY SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2017

- The stated premium rates charged to Medicare eligible retirees increased approximately 16 percent from the 2014-15 plan year to 2015-16 plan year and premium rates charged to pre-Medicare retirees not qualified for the District subsidy increased approximately 12 percent from the 2014-15 plan year to 2015-16 plan year. This change had an effect of dramatically narrowing the gap between the costs and premiums collected from retirees, in particular those eligible for Medicare, and as such had a substantial decreasing effect on the costs and liabilities.

3. SCHEDULE OF NET POSITION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN

Changes in assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.60 percent, and the active member mortality assumption was updated.

4. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes in assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.80 percent to 2.85 percent.

Other Supplementary Information—
Combining and Individual Fund
Statements and Schedules

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Other Supplementary Schedules

Combining Statements

Included in the Other Supplementary Schedules are combining statements for nonmajor governmental funds. These statements provide information on each individual nonmajor governmental fund that aggregates to the total presented as nonmajor governmental funds on the basic financial statements.

**ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>State Board of Education COBI Bonds Fund</u>	<u>ARRA Debt Service Fund</u>
Assets				
Cash and Cash Equivalents	\$ 1,378,783	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	-	-	-	5,699,350
Restricted Cash with Fiscal/Service Agent	-	-	1,055,443	-
Investments	-	-	92,684	-
Accounts Receivable	806	-	-	-
Due From Other Agencies	-	1,573,541	-	-
Prepaid Items	-	18,115	-	-
Inventories	271,086	-	-	-
Total Assets	<u>\$ 1,650,675</u>	<u>\$ 1,591,656</u>	<u>\$ 1,148,127</u>	<u>\$ 5,699,350</u>
Liabilities and Fund Balances				
Liabilities				
Salaries and Benefits Payable	\$ 27,129	\$ 53,468	\$ -	\$ -
Payroll Deductions and Withholdings Payable	9,576	18,641	-	-
Accounts Payable	12,440	68,888	-	-
Due to Other Agencies	-	393	-	-
Due to Other Funds	-	1,434,868	-	-
Deposits Payable	425,380	-	-	-
Unearned Revenue	-	15,398	-	-
Accrued Interest Payable	-	-	20,785	-
Total Liabilities	<u>474,525</u>	<u>1,591,656</u>	<u>20,785</u>	<u>-</u>
Fund Balances:				
Nonspendable	271,086	18,115	-	-
Restricted	905,064	-	1,127,342	5,699,350
Unassigned	-	(18,115)	-	-
Total Fund Balances	<u>1,176,150</u>	<u>-</u>	<u>1,127,342</u>	<u>5,699,350</u>
Total Liabilities and Fund Balances	<u>\$ 1,650,675</u>	<u>\$ 1,591,656</u>	<u>\$ 1,148,127</u>	<u>\$ 5,699,350</u>

Capital Projects		
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
\$ 12,055	\$ 1,323,439	\$ 2,714,277
-	-	5,699,350
-	-	1,055,443
-	-	92,684
-	-	806
748,332	13,372	2,335,245
-	-	18,115
-	-	271,086
<u>\$ 760,387</u>	<u>\$ 1,336,811</u>	<u>\$ 12,187,006</u>
\$ -	\$ -	\$ 80,597
-	-	28,217
-	10,574	91,902
-	-	393
65,583	-	1,500,451
-	-	425,380
-	-	15,398
-	-	20,785
<u>65,583</u>	<u>10,574</u>	<u>2,163,123</u>
-	-	289,201
694,804	1,326,237	9,752,797
-	-	(18,115)
<u>694,804</u>	<u>1,326,237</u>	<u>10,023,883</u>
<u>\$ 760,387</u>	<u>\$ 1,336,811</u>	<u>\$ 12,187,006</u>

ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue		Debt Service	
	Food Service Fund	Other Federal Programs Fund	State Board of Education COBI Bonds Fund	ARRA Debt Service Fund
Revenues				
Federal Direct Sources	\$ -	\$ 2,302,892	\$ -	\$ 736,257
Federal Through State and Local Sources	5,009,037	11,023,183	-	-
State Sources	63,975	-	961,521	-
Local Sources:				
Charges for Services - Food Service	6,685,453	-	-	-
Other	185,061	-	-	54,039
Total Revenues	<u>11,943,526</u>	<u>13,326,075</u>	<u>961,521</u>	<u>790,296</u>
Expenditures				
Current Education:				
Instruction	-	5,671,126	-	-
Student Personnel Services	-	2,641,775	-	-
Instruction and Curriculum Development	-	1,440,626	-	-
Instructional Staff Training Services	-	1,366,273	-	-
General Administration	-	636,849	-	-
Facilities Acquisition and Construction	-	-	-	-
Food Services	10,913,025	-	-	-
Central Services	-	12,263	-	-
Student Transportation Services	-	147,759	-	-
Operation of Plant	-	586	-	-
Community Services	-	1,310,651	-	-
Capital Outlay:				
Other Capital Outlay	85,133	98,167	-	-
Debt Service:				
Retirement of Principal	-	-	758,000	-
Interest and Fiscal Charges	-	-	539,133	792,900
Total Expenditures	<u>10,998,158</u>	<u>13,326,075</u>	<u>1,297,133</u>	<u>792,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>945,368</u>	<u>-</u>	<u>(335,612)</u>	<u>(2,604)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	985,230
Transfers Out	(1,000,000)	-	-	-
Issuance of Refunding Bonds	-	-	1,173,000	-
Premium on Refunding Bonds	-	-	178,620	-
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>-</u>	<u>1,351,620</u>	<u>985,230</u>
Net Change in Fund Balances	<u>(54,632)</u>	<u>-</u>	<u>1,016,008</u>	<u>982,626</u>
Fund Balances - Beginning	<u>1,230,782</u>	<u>-</u>	<u>111,334</u>	<u>4,716,724</u>
Fund Balances - Ending	<u>\$ 1,176,150</u>	<u>\$ -</u>	<u>\$ 1,127,342</u>	<u>\$ 5,699,350</u>

Capital Projects		
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
\$ -	\$ -	\$ 3,039,149
-	-	16,032,220
758,376	521,344	2,305,216
-	-	6,685,453
13,385	3,925	256,410
771,761	525,269	28,318,448
-	-	5,671,126
-	-	2,641,775
-	-	1,440,626
-	-	1,366,273
-	-	636,849
991,656	10,575	1,002,231
-	-	10,913,025
-	-	12,263
-	-	147,759
-	-	586
-	-	1,310,651
-	-	183,300
-	-	758,000
-	1,127	1,333,160
991,656	11,702	27,417,624
(219,895)	513,567	900,824
-	-	985,230
-	-	(1,000,000)
-	-	1,173,000
-	-	178,620
-	-	1,336,850
(219,895)	513,567	2,237,674
914,699	812,670	7,786,209
\$ 694,804	\$ 1,326,237	\$ 10,023,883

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Other Supplementary Schedules

Individual Budgetary Comparison Schedules

Also included in the other supplementary schedules are budgetary schedules for all governmental funds.

For nonmajor special revenue funds, all debt service funds, and all capital project funds, budgetary comparison statements were not presented as part of the basic financial statements. Budgetary comparison schedules are presented as part of the other supplementary schedule for each of these funds to demonstrate the District's compliance with its budget in each fund.

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**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Other Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
Revenues				
Local Sources:				
Local Sales Taxes	\$ 5,691,950	\$ 5,695,700	\$ 5,695,700	\$ -
Interest on Investments	-	7,388	7,388	-
Total Revenues	<u>5,691,950</u>	<u>5,703,088</u>	<u>5,703,088</u>	<u>-</u>
Expenditures				
Debt Service:				
Retirement of Principal	15,310,000	15,310,000	15,310,000	-
Interest and Fiscal Charges	6,139,570	6,136,544	6,136,544	-
Total Expenditures	<u>21,449,570</u>	<u>21,446,544</u>	<u>21,446,544</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>(15,757,620)</u>	<u>(15,743,456)</u>	<u>(15,743,456)</u>	<u>-</u>
Other Financing Sources				
Transfers In	17,053,285	17,048,044	17,048,044	-
Net Change in Fund Balance	1,295,665	1,304,588	1,304,588	-
Fund Balance - Beginning	<u>3,417,851</u>	<u>3,417,851</u>	<u>3,417,851</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,713,516</u>	<u>\$ 4,722,439</u>	<u>\$ 4,722,439</u>	<u>\$ -</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Local Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
Revenues				
Local Sources:				
Property Taxes	\$ 34,470,461	\$ 34,470,461	\$ 34,713,042	\$ 242,581
Interest on Investments	150,000	150,000	168,759	18,759
Other	-	-	122,301	122,301
Total Revenues	34,620,461	34,620,461	35,004,102	383,641
Expenditures				
Current Education:				
Facilities Acquisition and Construction	19,837,001	23,349,411	7,016,598	16,332,813
Capital Outlay:				
Facilities Acquisition and Construction	10,994,745	10,820,404	2,742,705	8,077,699
Other Capital Outlay	10,523,681	7,413,632	5,587,895	1,825,737
Total Expenditures	41,355,427	41,583,447	15,347,198	26,236,249
Excess (Deficiency) of Revenues Over Expenditures	(6,734,966)	(6,962,986)	19,656,904	26,619,890
Other Financing Uses				
Transfers Out	(19,782,811)	(19,707,870)	(19,707,870)	-
Net Change in Fund Balance	(26,517,777)	(26,670,856)	(50,966)	26,619,890
Fund Balance - Beginning	26,736,400	26,736,400	26,736,400	-
Fund Balance - Ending	\$ 218,623	\$ 65,544	\$ 26,685,434	\$ 26,619,890

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Other Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
Revenues				
State Sources	\$ -	\$ 44,048	\$ 132,225	\$ 88,177
Local Sources:				
Local Sales Taxes	11,502,767	12,173,267	13,007,592	834,325
Impact Fees	12,000,000	12,000,000	14,772,417	2,772,417
Concurrency Proportionate Share Mitigation	-	-	13,031,153	13,031,153
Interest on Investments	-	-	793,231	793,231
Other	950,589	1,974,894	1,046,296	(928,598)
Total Local Sources	24,453,356	26,148,161	42,650,689	16,502,528
Total Revenues	24,453,356	26,192,209	42,782,914	16,590,705
Expenditures				
Current Education:				
Facilities Acquisition and Construction	4,960,055	7,756,752	2,259,122	5,497,630
Capital Outlay:				
Facilities Acquisition and Construction	127,619,431	125,386,126	51,047,487	74,338,639
Other Capital Outlay	990,170	1,322,383	993,120	329,263
Total Expenditures	133,569,656	134,465,261	54,299,729	80,165,532
Deficiency of Revenues Over Expenditures	(109,116,300)	(108,273,052)	(11,516,815)	96,756,237
Other Financing Uses				
Transfers Out	(3,996,894)	(4,040,942)	(4,040,942)	-
Net Change in Fund Balance	(113,113,194)	(112,313,994)	(15,557,757)	96,756,237
Fund Balance - Beginning	113,327,684	112,611,796	112,611,796	-
Fund Balance - Ending	\$ 214,490	\$ 297,802	\$ 97,054,039	\$ 96,756,237

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Federal Through State Sources:				
National School Lunch Program	\$ 4,264,200	\$ 4,264,200	\$ 4,340,381	\$ 76,181
USDA Donated Foods	561,155	561,155	563,501	2,346
Summer Food Service Program	105,000	105,000	105,155	155
Total Federal Through State Sources	4,930,355	4,930,355	5,009,037	78,682
State Sources:				
School Breakfast Supplement	37,342	24,882	24,887	5
School Lunch Supplement	26,316	39,086	39,088	2
Total State Sources	63,658	63,968	63,975	7
Local Sources:				
Food Sales	7,063,563	7,063,563	6,685,453	(378,110)
Interest on Investments	30,000	30,000	10,074	(19,926)
Other	250,000	250,000	174,987	(75,013)
Total Local Sources	7,343,563	7,343,563	6,870,514	(473,049)
Total Revenues	12,337,576	12,337,886	11,943,526	(394,360)
Expenditures				
Current:				
Food Services:				
Salaries	3,970,987	4,095,987	4,049,092	46,895
Employee Benefits	1,985,493	2,010,493	1,980,812	29,681
Purchased Services	201,450	223,450	181,677	41,773
Energy Services	110,000	111,026	56,979	54,047
Materials and Supplies	5,311,993	4,325,057	4,221,405	103,652
Capital Outlay	22,000	77,509	23,647	53,862
Other	333,000	403,000	399,413	3,587
Capital Outlay:				
Other Capital Outlay	151,500	89,901	85,133	4,768
Total Expenditures	12,086,423	11,336,423	10,998,158	338,265
Excess of Revenues Over Expenditures	251,153	1,001,463	945,368	(56,095)
Other Financing Uses				
Transfers Out	(250,000)	(1,000,000)	(1,000,000)	-
Net Change in Fund Balance	1,153	1,463	(54,632)	(56,095)
Fund Balances - Beginning	1,230,782	1,230,782	1,230,782	-
Fund Balances - Ending	\$ 1,231,935	\$ 1,232,245	\$ 1,176,150	\$ (56,095)

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Other Federal Programs Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Federal Direct Sources	\$ 1,000,429	\$ 2,302,892	\$ 2,302,892	\$ -
Federal Through State and Local Sources:				
Individuals with Disabilities Education Act	6,262,838	6,187,062	6,187,062	-
Title I and School Improvement Grants	3,350,006	3,065,092	3,065,092	-
Other Federal Through State and Local Sources	945,706	1,771,029	1,771,029	-
Total Federal Through State and Local Sources	<u>10,558,550</u>	<u>11,023,183</u>	<u>11,023,183</u>	<u>-</u>
Total Revenues	<u>11,558,979</u>	<u>13,326,075</u>	<u>13,326,075</u>	<u>-</u>
Expenditures				
Current Education:				
Instruction:				
Salaries	2,712,048	2,778,749	2,778,749	-
Employee Benefits	1,052,730	1,102,579	1,102,579	-
Purchased Services	862,157	908,482	908,482	-
Materials and Supplies	235,073	197,328	197,328	-
Capital Outlay	125,199	151,187	151,187	-
Other	118,832	532,801	532,801	-
Total Instruction	<u>5,106,039</u>	<u>5,671,126</u>	<u>5,671,126</u>	<u>-</u>
Student Personnel Services:				
Salaries	1,698,771	1,883,403	1,883,403	-
Employee Benefits	661,947	617,286	617,286	-
Purchased Services	163,037	82,374	82,374	-
Materials and Supplies	40,466	53,088	53,088	-
Capital Outlay	3,000	5,494	5,494	-
Other	1,325	130	130	-
Total Student Personnel Services	<u>2,568,546</u>	<u>2,641,775</u>	<u>2,641,775</u>	<u>-</u>
Instruction and Curriculum Development:				
Salaries	1,005,676	1,018,450	1,018,450	-
Employee Benefits	376,986	278,036	278,036	-
Purchased Services	129,876	126,337	126,337	-
Materials and Supplies	18,847	8,852	8,852	-
Capital Outlay	11,300	6,584	6,584	-
Other	4,874	2,367	2,367	-
Total Instruction and Curriculum Development	<u>1,547,559</u>	<u>1,440,626</u>	<u>1,440,626</u>	<u>-</u>

(Continued)

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONCLUDED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Expenditures (concluded)	Other Federal Programs Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Instructional Staff Training Services:				
Salaries	\$ 851,161	\$ 772,238	\$ 772,238	\$ -
Employee Benefits	300,693	211,407	211,407	-
Purchased Services	307,621	357,781	357,781	-
Materials and Supplies	3,200	7,277	7,277	-
Capital Outlay	3,500	813	813	-
Other	63,813	16,757	16,757	-
Total Instructional Staff Training Services	1,529,988	1,366,273	1,366,273	-
General Administration:				
Other	639,587	636,849	636,849	-
Central Services:				
Purchased Services	23,000	12,263	12,263	-
Student Transportation Services:				
Purchased Services	79,660	147,759	147,759	-
Operation of Plant:				
Purchased Services	-	72	72	-
Materials and Supplies	200	514	514	-
Total Operation of Plant	200	586	586	-
Community Services:				
Salaries	-	43,338	43,338	-
Employee Benefits	-	13,861	13,861	-
Purchased Services	-	23,488	23,488	-
Materials and Supplies	-	102,163	102,163	-
Capital Outlay	-	1,619	1,619	-
Other	-	1,126,182	1,126,182	-
Total Community Services	-	1,310,651	1,310,651	-
Capital Outlay:				
Other Capital Outlay	64,400	98,167	98,167	-
Total Expenditures	11,558,979	13,326,075	13,326,075	-
Excess of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	State Board of Education COBI Bonds Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State Sources:				
Debt Service for State Board of Education/COBI Bonds	\$ -	\$ 961,259	\$ 961,259	\$ -
State Board of Education/COBI Bond Interest	-	262	262	-
Total Revenues	<u>-</u>	<u>961,521</u>	<u>961,521</u>	<u>-</u>
Expenditures				
Debt Service:				
Retirement of Principal	-	758,000	758,000	-
Interest and Fiscal Charges	-	539,133	539,133	-
Total Expenditures	<u>-</u>	<u>1,297,133</u>	<u>1,297,133</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>(335,612)</u>	<u>(335,612)</u>	<u>-</u>
Other Financing Sources				
Issuance of Refunding Bonds	-	1,173,000	1,173,000	-
Premium on Refunding Bonds	-	178,620	178,620	-
Total Other Financing Sources	<u>-</u>	<u>1,351,620</u>	<u>1,351,620</u>	<u>-</u>
Net Change in Fund Balance	-	1,016,008	1,016,008	-
Fund Balance - Beginning	<u>-</u>	<u>111,334</u>	<u>111,334</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,127,342</u>	<u>\$ 1,127,342</u>	<u>\$ -</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ARRA Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
Revenues				
Federal Direct Sources	\$ 733,491	\$ 736,257	\$ 736,257	\$ -
Local Sources:				
Interest on Investments	-	54,039	54,039	-
Total Revenues	<u>733,491</u>	<u>790,296</u>	<u>790,296</u>	<u>-</u>
Expenditures				
Debt Service:				
Interest and Fiscal Charges	793,525	792,900	792,900	-
Deficiency of Revenues Over Expenditures	<u>(60,034)</u>	<u>(2,604)</u>	<u>(2,604)</u>	<u>-</u>
Other Financing Sources				
Transfers In	1,001,210	985,230	985,230	-
Net Change in Fund Balance	941,176	982,626	982,626	-
Fund Balance - Beginning	<u>4,716,724</u>	<u>4,716,724</u>	<u>4,716,724</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,657,900</u>	<u>\$ 5,699,350</u>	<u>\$ 5,699,350</u>	<u>\$ -</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Public Education Capital Outlay Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State Sources:				
Public Education Capital Outlay	\$ 758,376	\$ 758,376	\$ 758,376	\$ -
Local Sources:				
Other	-	-	13,385	13,385
Total Revenues	<u>758,376</u>	<u>758,376</u>	<u>771,761</u>	<u>13,385</u>
Expenditures				
Current Education:				
Facilities Acquisition and Construction	1,673,075	1,673,075	991,656	681,419
Deficiency of Revenues Over Expenditures	<u>(914,699)</u>	<u>(914,699)</u>	<u>(219,895)</u>	<u>694,804</u>
Net Change in Fund Balance	(914,699)	(914,699)	(219,895)	694,804
Fund Balance - Beginning	<u>914,699</u>	<u>914,699</u>	<u>914,699</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 694,804</u>	<u>\$ 694,804</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Capital Outlay and Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
Revenues				
State Sources:				
CO&DS Distributed	\$ 403,954	\$ 403,954	\$ 497,583	\$ 93,629
Interest Undistributed CO&DS	-	23,761	23,761	-
Total State Sources	<u>403,954</u>	<u>427,715</u>	<u>521,344</u>	<u>93,629</u>
Local Sources:				
Interest on Investments	-	-	3,925	3,925
Total Revenues	<u>403,954</u>	<u>427,715</u>	<u>525,269</u>	<u>97,554</u>
Expenditures				
Current Education:				
Facilities Acquisition and Construction	-	10,575	10,575	-
Capital Outlay:				
Facilities Acquisition and Construction:	1,216,624	1,206,049	-	1,206,049
Debt Service:				
Interest and Fiscal Charges	-	-	1,127	(1,127)
Total Expenditures	<u>1,216,624</u>	<u>1,216,624</u>	<u>11,702</u>	<u>1,204,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(812,670)</u>	<u>(788,909)</u>	<u>513,567</u>	<u>1,302,476</u>
Net Change in Fund Balance	(812,670)	(788,909)	513,567	1,302,476
Fund Balance - Beginning	812,670	812,670	812,670	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 23,761</u>	<u>\$ 1,326,237</u>	<u>\$ 1,302,476</u>

Internal Service Funds

Internal Service Funds are used to account for the District's individual self-insurance programs, including health and hospitalization, dental, vision and workers' compensation insurance coverage.

Health and Hospitalization Insurance Fund - To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Dental Insurance Fund - To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Vision Insurance Fund - To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

Workers' Compensation Fund - To account for District's self-insurance program, including premiums received from employees, and payments made to the third-party administrator.

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**ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2017**

	<u>Health and Hospitalization Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 23,339,087	\$ 1,601,644	\$ 1,482,405	\$ 5,119,068	\$ 31,542,204
Accounts Receivable	29,980	2,688	552	-	33,220
Total Current Assets	<u>23,369,067</u>	<u>1,604,332</u>	<u>1,482,957</u>	<u>5,119,068</u>	<u>31,575,424</u>
Noncurrent Assets:					
Capital Assets:					
Capital Assets Being Depreciated, Net	202,523	-	-	-	202,523
Total Assets	<u>23,571,590</u>	<u>1,604,332</u>	<u>1,482,957</u>	<u>5,119,068</u>	<u>31,777,947</u>
Liabilities					
Current Liabilities:					
Salaries and Benefits Payable	407	-	-	923	1,330
Payroll Deductions and Withholdings Payable	162	-	-	150	312
Accounts Payable	2,438,368	39	48,928	421	2,487,756
Estimated Health Insurance Claims Payable	2,132,468	258,620	41,226	-	2,432,314
Total Current Liabilities	<u>4,571,405</u>	<u>258,659</u>	<u>90,154</u>	<u>1,494</u>	<u>4,921,712</u>
Long-term Liabilities:					
<i>Portion Due Within One Year:</i>					
Estimated Insurance Claims Payable	-	-	-	39,726	39,726
<i>Portion Due After One Year:</i>					
Estimated Insurance Claims Payable	-	-	-	358,435	358,435
Total Long-term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>398,161</u>	<u>398,161</u>
Total Liabilities	<u>4,571,405</u>	<u>258,659</u>	<u>90,154</u>	<u>399,655</u>	<u>5,319,873</u>
Net Position					
Investment in Capital Assets	202,523	-	-	-	202,523
Unrestricted	18,797,662	1,345,673	1,392,803	4,719,413	26,255,551
Total Net Position	<u>\$ 19,000,185</u>	<u>\$ 1,345,673</u>	<u>\$ 1,392,803</u>	<u>\$ 4,719,413</u>	<u>\$ 26,458,074</u>

ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Health and Hospitalization Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenues					
Insurance Premiums	\$ 46,271,213	\$ 2,854,188	\$ 802,192	\$ 1,390,441	\$ 51,318,034
Other Operating Revenues	1,747,041	-	-	-	1,747,041
Total Operating Revenues	<u>48,018,254</u>	<u>2,854,188</u>	<u>802,192</u>	<u>1,390,441</u>	<u>53,065,075</u>
Operating Expenses					
Insurance Claims	30,300,252	2,818,698	469,689	(133,148)	33,455,491
Fees and Other	3,617,666	236,010	57,516	1,298,615	5,209,807
Salaries	84,657	-	-	112,066	196,723
Employee Benefits	23,757	-	-	34,113	57,870
Purchased Services	2,991,934	-	-	-	2,991,934
Depreciation	36,922	-	-	-	36,922
Total Operating Expenses	<u>37,055,188</u>	<u>3,054,708</u>	<u>527,205</u>	<u>1,311,646</u>	<u>41,948,747</u>
Operating Income (Loss)	<u>10,963,066</u>	<u>(200,520)</u>	<u>274,987</u>	<u>78,795</u>	<u>11,116,328</u>
Nonoperating Revenue					
Investment Income	81,816	7,873	6,476	22,493	118,658
Change in Net Position	11,044,882	(192,647)	281,463	101,288	11,234,986
Net Position - Beginning	<u>7,955,303</u>	<u>1,538,320</u>	<u>1,111,340</u>	<u>4,618,125</u>	<u>15,223,088</u>
Net Position - Ending	<u>\$ 19,000,185</u>	<u>\$ 1,345,673</u>	<u>\$ 1,392,803</u>	<u>\$ 4,719,413</u>	<u>\$ 26,458,074</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Health and Hospitalization Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities					
Cash Received from Board Funds and Participants	\$ 48,018,254	\$ 2,854,188	\$ 802,191	\$ 1,390,442	\$ 53,065,075
Cash Payments to Suppliers for Goods and Services	(6,313,728)	(238,545)	(37,710)	(1,298,425)	(7,888,408)
Cash Payments to Employees	(108,414)	-	-	(146,180)	(254,594)
Cash Payments for Insurance Claims	(30,259,084)	(2,814,355)	(482,018)	(39,726)	(33,595,183)
Net Cash Provided (Used) by Operating Activities	<u>11,337,028</u>	<u>(198,712)</u>	<u>282,463</u>	<u>(93,889)</u>	<u>11,326,890</u>
Cash Flows from Investing Activities					
Investment Income	81,816	7,873	6,476	22,493	118,658
Net Increase (Decrease) in Cash and Cash Equivalents	11,418,844	(190,839)	288,939	(71,396)	11,445,548
Cash and Cash Equivalents, Beginning of Year	<u>11,920,243</u>	<u>1,792,483</u>	<u>1,193,466</u>	<u>5,190,464</u>	<u>20,096,656</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,339,087</u>	<u>\$ 1,601,644</u>	<u>\$ 1,482,405</u>	<u>\$ 5,119,068</u>	<u>\$ 31,542,204</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 10,963,066	\$ (200,520)	\$ 274,987	\$ 78,795	\$ 11,116,328
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	36,922	-	-	-	36,922
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(16,814)	(2,574)	(522)	-	(19,910)
Increase in Salaries and Benefits Payable	27	-	-	48	75
Increase in Payroll Deductions and Withholdings Payable	5	-	-	5	10
Increase in Accounts Payable	312,654	39	20,327	137	333,157
Increase (Decrease) in Estimated Insurance Claims Payable	41,168	4,343	(12,329)	(172,874)	(139,692)
Total Adjustments	<u>373,962</u>	<u>1,808</u>	<u>7,476</u>	<u>(172,684)</u>	<u>210,562</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,337,028</u>	<u>\$ (198,712)</u>	<u>\$ 282,463</u>	<u>\$ (93,889)</u>	<u>\$ 11,326,890</u>

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Fiduciary Funds—Agency Funds

Agency Funds are Fiduciary Funds and are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, athletic, class and club activities.

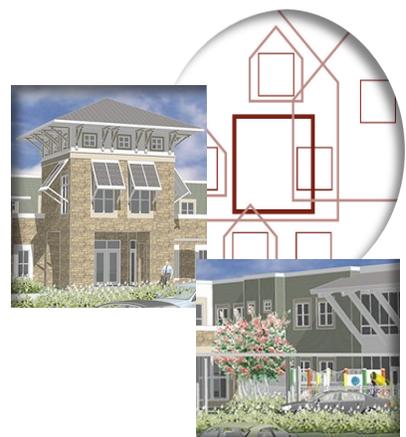
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**ST. JOHNS COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Internal Accounts - Student Activity Funds			
	July 1, 2016	Additions	Deletions	June 30, 2017
Assets				
Cash and Cash Equivalents	\$ 4,055,294	\$ 15,158,206	\$ 14,901,708	\$ 4,311,792
 Liabilities				
Accounts Payable	\$ 74,603	\$ 168,549	\$ 74,603	\$ 168,549
Internal Accounts Payable	3,980,691	14,989,657	14,827,105	4,143,243
Total Liabilities	\$ 4,055,294	\$ 15,158,206	14,901,708	\$ 4,311,792

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Combining Financial Statements

Component Units

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**ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2017**

	St. Johns County Education Foundation, Inc.	St. Augustine Public Montessori School	Therapeutic Learning Center Charter School	St. Johns Community Campus Charter School	Total
ASSETS					
Cash and Cash Equivalents	\$ 778,747	\$ 67,610	\$ 475,340	\$ 693,337	\$ 2,015,034
Restricted Cash and Cash Equivalents	541	-	-	-	541
Accounts Receivable	23,199	-	-	-	23,199
Due from Primary Government	-	2,318	608	905	3,831
Prepaid Items	2,552	13,179	-	-	15,731
Capital Assets Being Depreciated, Net	2,280	4,838	76,872	1,376	85,366
Total Assets	<u>807,319</u>	<u>87,945</u>	<u>552,820</u>	<u>695,618</u>	<u>2,143,702</u>
LIABILITIES					
Current Liabilities:					
Salaries and Benefits Payable	21,040	39,201	11,361	17,195	88,797
Accounts Payable	11,000	10,903	16,240	48,116	86,259
Due to Primary Government	9,032	320	-	-	9,352
Total Current Liabilities	<u>41,072</u>	<u>50,424</u>	<u>27,601</u>	<u>65,311</u>	<u>184,408</u>
NET POSITION					
Investment in Capital Assets	2,280	4,838	76,872	1,376	85,366
Restricted for Special Revenue - Other	297,093	-	-	-	297,093
Unrestricted	466,874	32,683	448,347	628,931	1,576,835
Total Net Position	<u>\$ 766,247</u>	<u>\$ 37,521</u>	<u>\$ 525,219</u>	<u>\$ 630,307</u>	<u>\$ 1,959,294</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	St. Johns County Education Foundation, Inc.	St. Augustine Public Montessori School	Therapeutic Learning Center Charter School	St. Johns Community Campus Charter School	Total
Expenses					
Instruction	\$ 753,945	\$ 417,615	\$ 172,591	\$ 298,590	\$ 1,642,741
Instruction and Curriculum Development Services	-	20,901	2,399	10,721	34,021
School Administration	-	310,960	22,931	63,589	397,480
Facilities Acquisition and Construction	-	-	42,000	72,000	114,000
Central Services	125,309	-	-	-	125,309
Student Transportation Services	-	-	-	26,020	26,020
Operation of Plant	-	-	5,710	8,200	13,910
Maintenance of Plant	-	10,544	14,747	7,181	32,472
Administrative Technology Services	-	-	200	200	400
Community Services	-	15,989	-	-	15,989
Depreciation - Unallocated	-	-	8,968	72	9,040
Total Expenses	879,254	776,009	269,546	486,573	2,411,382
Program Revenues					
Charges for Services	-	10,237	-	-	10,237
Operating Grants and Contributions	260,286	-	-	-	260,286
Capital Grants and Contributions	-	28,004	-	-	28,004
Total Program Revenues	260,286	38,241	-	-	298,527
Net Program Expense	(618,968)	(737,768)	(269,546)	(486,573)	(2,112,855)
General Revenues					
Grants and Contributions Not Restricted to Specific Programs	650,946	705,750	345,852	650,810	2,353,358
Unrestricted Interest Earnings	1,555	-	-	-	1,555
Total General Revenues	652,501	705,750	345,852	650,810	2,354,913
Change in Net Position	33,533	(32,018)	76,306	164,237	242,058
Net Position - Beginning	764,041	-	-	-	764,041
Adjustments to Beginning Net Position (see Note II)	(31,327)	69,539	448,913	466,070	953,195
Net Position - Beginning - Restated	732,714	69,539	448,913	466,070	1,717,236
Net Position - Ending	\$ 766,247	\$ 37,521	\$ 525,219	\$ 630,307	\$ 1,959,294

STATISTICAL SECTION

*Picolata Crossing Elementary School
Opened August, 2017*



**18.5 acre
campus**



**871 student
stations**

**117,047
square feet**



Statistical Section

St. Johns County School District
Net Position by Component Government-Wide
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 1

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Primary Government:				
Governmental Activities:				
Net Investment in Capital Assets	\$ 344,070,304	\$ 356,650,107	\$ 367,627,073	\$ 381,731,717
Restricted	89,793,876	92,284,614	86,518,843	71,477,555
Unrestricted	(2,603,568)	8,711,520	16,671,195	15,237,326
Total Net Position	<u>\$ 431,260,612</u>	<u>\$ 457,646,241</u>	<u>\$ 470,817,111</u>	<u>\$ 468,446,598</u>

Source: District Records - Audited Statement of Net Assets/Statement of Net Position

Table 1

Fiscal Year Ending					
<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
\$ 386,087,241	\$ 385,966,274	\$ 400,396,915	\$ 395,238,425	\$ 418,591,280	\$ 454,071,103
60,943,371	63,672,508	63,258,637	84,324,801	102,448,777	122,864,096
<u>(753,280)</u>	<u>(8,521,151)</u>	<u>(19,927,295)</u>	<u>(127,620,395)</u>	<u>(118,656,185)</u>	<u>(112,816,634)</u>
<u>\$ 446,277,332</u>	<u>\$ 441,117,631</u>	<u>\$ 443,728,257</u>	<u>\$ 351,942,831</u>	<u>\$ 402,383,872</u>	<u>\$ 464,118,565</u>

St. Johns County School District
Changes in Net Position - Government-Wide
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 2

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Expenses				
Governmental Activities:				
Instruction	\$ 142,172,487	\$ 130,868,120	\$ 149,605,024	\$ 160,281,144
Pupil Personnel Services	14,264,865	13,331,579	14,664,107	15,648,973
Instructional Media Services	4,889,540	4,326,422	4,403,526	4,665,654
Instruction and Curriculum Development Services	6,958,472	6,256,992	6,905,514	6,918,909
Instructional Staff Training Services	2,938,628	1,116,232	4,119,292	4,231,265
Instruction-Related Technology	4,416,000	4,293,504	4,125,375	4,585,612
School Board	748,707	907,915	611,608	828,837
General Administration	683,478	709,971	1,239,831	911,113
School Administration	15,365,892	14,039,344	14,307,319	14,770,442
Facilities Services - Non-Capitalized	15,239,267	15,128,959	13,329,194	14,570,383
Fiscal Services	1,741,933	1,561,967	1,709,074	1,809,452
Food Services	9,761,921	9,745,406	10,099,703	10,190,739
Central Services	9,238,846	9,171,157	9,872,040	10,704,206
Student Transportation Services	12,432,170	11,006,462	11,601,230	12,635,262
Operation of Plant	19,986,510	19,089,150	19,687,578	20,507,802
Maintenance of Plant	7,641,627	7,385,181	8,321,679	8,365,885
Administrative Technology Services	711,975	615,646	989,902	1,276,100
Community Services	3,289,408	2,818,592	3,199,704	3,434,471
Unallocated Interest on Long-Term Debt	7,367,002	6,975,767	5,976,322	6,538,768
Depreciation Expense (1)	14,985,571	14,732,919	-	-
Total Governmental Activities Expenses	294,834,299	274,081,285	284,768,022	302,875,017
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	735,788	667,159	774,672	928,607
Food Services	6,755,526	6,829,888	6,672,953	6,781,231
Central Services	6,415,051	6,589,283	6,957,622	7,649,455
Student Transportation Services	495,869	584,952	611,252	594,259
Community Services	3,111,402	2,848,957	3,040,347	3,435,011
Operating Grants and Contributions	9,921,994	10,156,000	10,627,344	11,176,025
Capital Grants and Contributions	39,397,746	10,631,115	4,241,963	3,100,334
Total Government Program Revenues	66,833,376	38,307,354	32,926,153	33,664,922
Total Government Activities Net Expenses	(228,000,923)	(235,773,931)	(251,841,869)	(269,210,095)
General Revenues:				
Governmental Activities:				
Property Taxes Levied for Operational Purposes	130,709,363	135,767,675	134,871,191	124,940,872
Property Taxes Levied for Debt Services	3,734,353	3,801,388	80,220	9,358
Property Taxes Levied for Capital Projects	47,005,625	41,547,372	32,345,363	28,559,447
Local Sales Tax	-	-	-	-
Impact Fees	5,374,822	3,647,900	4,199,095	3,696,569
Concurrency Proportionate Share Mitigation	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	79,285,801	69,913,393	88,050,130	104,710,192
Unrestricted Investment Earnings	5,686,763	2,944,537	658,962	378,848
Miscellaneous	3,178,166	4,537,295	4,807,778	4,544,296
Total Governmental Activities General Revenues	274,974,893	262,159,560	265,012,739	266,839,582
Total Governmental Activities Changes in Net Position	\$ 46,973,970	\$ 26,385,629	\$ 13,170,870	\$ (2,370,513)

(1) Beginning with the 2009-10 fiscal year, the District allocated depreciation expense to the various functions.

Source: District Records - Audited Statement of Activities

Table 2

Fiscal Year Ending					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 154,917,563	\$ 157,997,830	\$ 169,143,833	\$ 173,507,627	\$ 175,748,352	\$ 187,540,860
15,666,971	16,255,387	18,267,087	20,093,904	20,408,021	22,952,254
4,482,159	4,624,282	4,873,199	4,814,789	4,737,300	4,935,265
6,724,688	6,650,112	5,914,184	6,271,030	6,113,077	6,917,491
5,537,121	4,589,316	5,415,067	5,806,845	5,656,429	5,030,613
4,858,653	5,348,639	5,809,924	6,515,405	7,376,343	8,314,188
776,477	811,347	984,863	1,131,053	1,333,544	1,053,151
802,006	857,608	984,561	967,496	946,079	1,111,417
14,085,674	14,196,372	15,758,884	16,444,564	16,717,692	18,959,332
16,169,015	11,401,141	11,944,402	17,234,877	16,937,677	15,663,417
1,940,256	1,885,777	1,951,820	1,833,604	2,000,883	2,129,474
10,330,383	10,942,673	11,294,658	10,786,652	10,719,025	11,336,864
10,620,862	11,439,124	12,079,000	13,673,785	14,939,898	15,405,980
12,778,049	12,789,656	13,480,462	13,111,533	13,187,377	14,816,533
19,738,298	20,031,090	21,103,349	21,548,382	21,947,067	23,761,404
8,173,519	8,088,888	8,383,597	8,509,014	8,278,732	9,178,014
1,122,670	915,741	669,036	689,818	586,180	675,389
3,442,864	3,429,051	3,466,553	3,787,343	4,163,622	6,230,419
6,459,711	5,130,125	6,481,995	5,674,732	4,579,224	5,536,490
-	-	-	-	-	-
<u>298,626,939</u>	<u>297,384,159</u>	<u>318,006,474</u>	<u>332,402,453</u>	<u>336,376,522</u>	<u>361,548,555</u>
979,611	972,222	899,448	828,625	1,007,858	2,906,508
6,887,399	7,313,047	7,601,358	6,829,933	6,611,349	6,685,453
7,654,626	8,153,733	8,669,662	10,044,757	11,365,620	11,344,144
687,218	536,743	637,884	571,486	614,016	659,226
3,477,107	3,655,614	4,051,792	4,840,604	5,298,595	5,469,391
11,611,790	11,740,415	12,282,754	13,178,882	13,836,488	14,089,939
1,338,497	1,359,299	6,088,899	5,987,597	16,739,207	12,630,451
<u>32,636,248</u>	<u>33,731,073</u>	<u>40,231,797</u>	<u>42,281,884</u>	<u>55,473,133</u>	<u>53,785,112</u>
<u>(265,990,691)</u>	<u>(263,653,086)</u>	<u>(277,774,677)</u>	<u>(290,120,569)</u>	<u>(280,903,389)</u>	<u>(307,763,443)</u>
117,952,145	109,605,169	110,543,223	113,363,873	121,875,344	124,230,710
1,540	161	590	-	-	-
27,311,388	26,586,165	27,436,618	29,106,294	31,911,983	34,713,042
-	-	-	-	8,791,558	18,703,292
6,533,308	11,252,793	14,353,236	10,874,315	14,768,255	14,772,417
-	-	2,219,581	5,798,873	8,672,782	13,031,153
87,959,836	105,766,468	120,979,009	131,468,770	138,868,615	154,674,221
382,110	358,579	355,206	344,555	806,500	1,501,027
3,681,097	4,924,050	4,497,840	4,812,559	5,649,393	7,872,274
<u>243,821,424</u>	<u>258,493,385</u>	<u>280,385,303</u>	<u>295,769,239</u>	<u>331,344,430</u>	<u>369,498,136</u>
<u>\$ (22,169,267)</u>	<u>\$ (5,159,701)</u>	<u>\$ 2,610,626</u>	<u>\$ 5,648,670</u>	<u>\$ 50,441,041</u>	<u>\$ 61,734,693</u>

**St. Johns County School District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

Table 3

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
General Fund				
Nonspendable	\$ 274,499	\$ 320,939	\$ 348,808	\$ 405,047
Restricted	1,079,714	936,375	570,331	511,686
Committed	-	-	-	10,416,995
Assigned	14,942,590	29,089,278	45,520,392	25,867,464
Unassigned	8,384,001	7,966,577	10,926,622	32,160,733
Total General Fund	<u>24,680,804</u>	<u>38,313,169</u>	<u>57,366,153</u>	<u>69,361,925</u>
All Other Governmental Funds				
Nonspendable	152,446	124,690	153,636	135,929
Restricted	90,692,729	92,488,821	86,389,942	87,054,166
Assigned	1,979,117	2,173,889	2,905,932	3,118,121
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>92,824,292</u>	<u>94,787,400</u>	<u>89,449,510</u>	<u>90,308,216</u>
Combined Governmental Funds	<u>\$ 117,505,096</u>	<u>\$ 133,100,569</u>	<u>\$ 146,815,663</u>	<u>\$ 159,670,141</u>

Note: The District implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

Source: District Records - Audited Balance Sheet - Governmental Funds

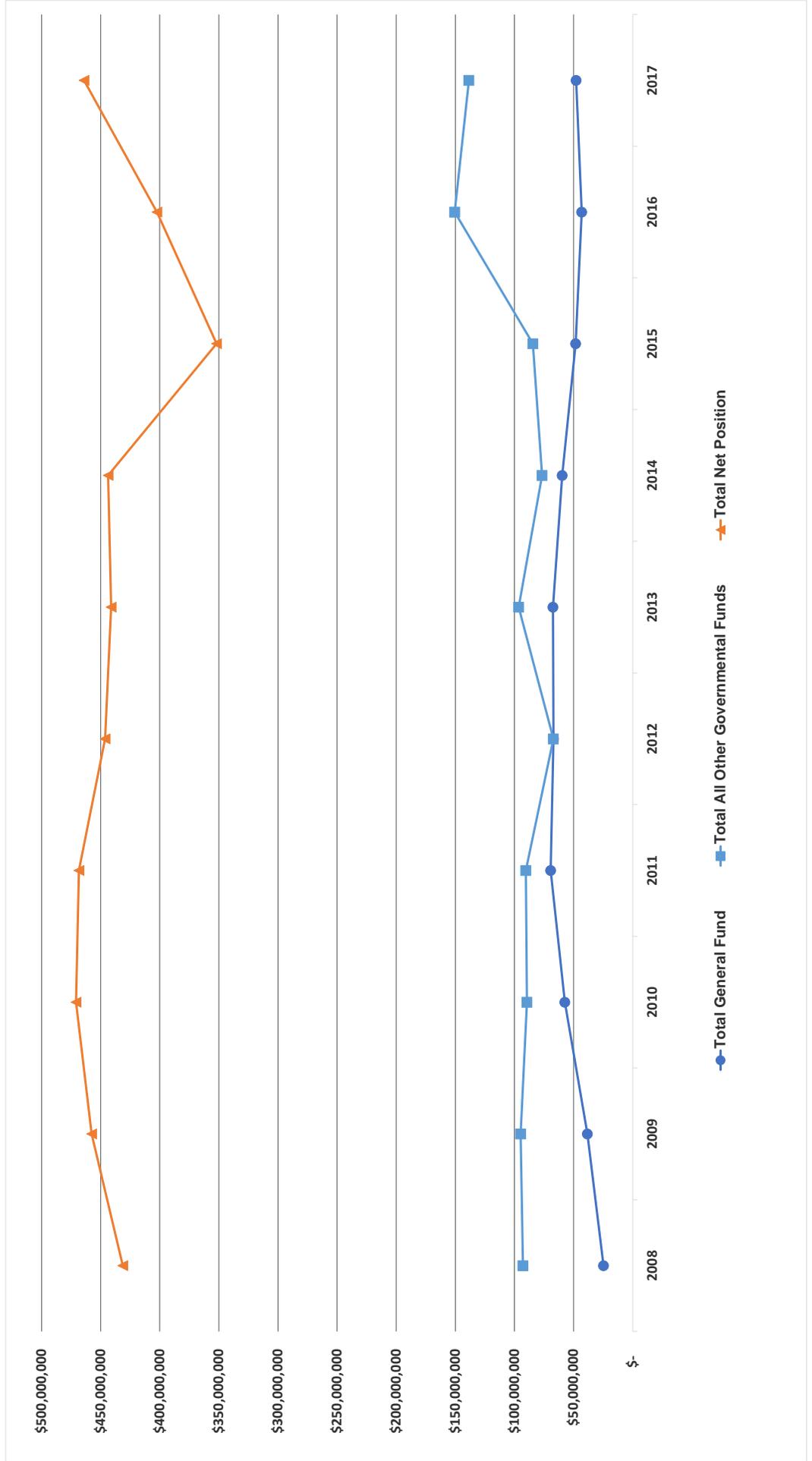
Fiscal Year Ending					
<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
\$ 417,950	\$ 408,686	\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053
432,531	411,842	504,966	558,519	736,839	770,891
9,744,667	9,840,195	10,083,976	9,343,316	8,496,499	8,802,174
28,212,720	34,230,880	44,866,279	31,916,339	27,589,718	24,608,338
28,197,928	22,533,440	3,719,159	5,954,561	5,802,555	12,813,866
<u>67,005,796</u>	<u>67,425,043</u>	<u>59,630,403</u>	<u>48,229,738</u>	<u>43,084,215</u>	<u>47,827,322</u>
115,079	240,416	247,117	534,025	294,285	289,201
64,964,333	94,220,308	76,388,394	84,090,387	150,338,131	138,214,709
1,977,943	1,985,311	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(245,470)</u>	<u>(80,160)</u>	<u>(18,115)</u>
<u>67,057,355</u>	<u>96,446,035</u>	<u>76,635,511</u>	<u>84,378,942</u>	<u>150,552,256</u>	<u>138,485,795</u>
<u>\$ 134,063,151</u>	<u>\$ 163,871,078</u>	<u>\$ 136,265,914</u>	<u>\$ 132,608,680</u>	<u>\$ 193,636,471</u>	<u>\$ 186,313,117</u>

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Table 4

St. Johns County School District Fund Balances of Governmental Funds and Entity-Wide Net Position Last Ten Fiscal Years (Unaudited)



St. Johns County School District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 5

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Revenues:				
Federal Direct Sources	\$ 1,209,942	\$ 1,275,641	\$ 1,376,428	\$ 1,712,363
Federal Through State and Local Sources	12,493,112	11,826,076	27,569,835	33,614,193
State Sources	116,185,892	76,914,992	71,329,746	83,219,037
Local Sources	206,249,296	202,685,296	187,965,821	173,884,147
Total Revenues	336,138,242	292,702,005	288,241,830	292,429,740
Expenditures:				
Current:				
Instruction	133,557,842	129,575,728	133,854,033	143,683,378
Pupil Personnel Services	13,326,955	13,187,850	12,996,768	13,783,619
Instructional Media Services	4,583,153	4,281,330	3,903,255	4,128,627
Instruction and Curriculum Development Services	6,497,000	6,187,576	6,106,328	6,087,616
Instructional Staff Training Services	2,811,791	1,108,092	3,679,990	3,780,661
Instruction-Related Technology	4,204,676	4,260,340	3,751,307	4,192,252
School Board	728,090	904,656	573,530	788,653
General Administration	657,397	706,321	1,199,390	868,489
School Administration	14,331,557	13,881,588	12,641,011	13,012,941
Facilities Acquisition and Construction	15,165,735	15,116,225	13,174,859	14,342,022
Fiscal Services	1,635,757	1,545,942	1,528,169	1,613,804
Food Service	9,431,101	9,693,286	9,448,373	9,566,283
Central Services	2,658,847	2,557,018	2,609,331	2,703,091
Pupil Transportation Services	10,803,093	9,805,216	10,047,099	10,797,519
Operation of Plant	19,402,740	18,995,645	18,590,272	19,305,767
Maintenance of Plant	7,273,202	7,325,763	7,614,377	7,617,122
Administrative Technology Services	693,319	611,482	916,162	1,238,683
Community Services	3,083,236	2,790,542	2,816,474	3,062,495
Capital Outlay:				
Facilities Acquisition and Construction	108,363,419	13,610,315	8,685,616	17,886,977
Other Capital Outlay	851,637	570,186	967,603	809,813
Debt Service:				
Retirement of Principal	13,652,969	13,540,314	14,038,124	10,586,055
Interest and Fiscal Charges	7,418,452	6,975,767	6,541,271	6,592,354
Total Expenditures	381,131,968	277,231,182	275,683,342	296,448,221
Excess of Revenues over (under) Expenditures	(44,993,726)	15,470,823	12,558,488	(4,018,481)
Other Financing Sources (Uses)				
Transfers In	27,406,702	39,084,717	24,532,439	25,403,957
Transfers Out	(30,206,702)	(39,084,717)	(24,532,439)	(25,403,957)
Sale of Capital Assets	-	1,641	28,039	-
Loss Recoveries	5,300	123,009	3,619	79,374
Issuance of Bonds	1,425,000	-	560,000	740,000
Issuance of Refunding Bonds	-	-	980,000	-
Issuance of Certificates of Participation	-	-	-	16,000,000
Issuance of Refunding Certificates of Participation	-	-	-	-
Premiums on Issuance of Long-Term Debt	51,450	-	108,355	53,586
Payment to Refunding Bonds Escrow Agent	-	-	(1,003,470)	-
Inception of Note	-	-	480,063	-
Total Other Financing Sources (Uses)	(1,318,250)	124,650	1,156,606	16,872,960
Net Change in Fund Balances	\$ (46,311,976)	\$ 15,595,473	\$ 13,715,094	\$ 12,854,479
Debt Service as a percentage of non-capital expenditures	7.75%	7.80%	7.74%	6.18%

Source: District Records - Audited Statement of Revenues, Expenditures, and Changes in Fund Balance

Table 5

Fiscal Year Ending					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 2,063,113	\$ 2,063,315	\$ 1,969,171	\$ 2,016,511	\$ 2,012,722	\$ 3,247,061
15,880,593	16,492,355	16,156,919	16,301,292	15,979,733	16,032,220
82,819,288	100,198,339	123,190,493	132,111,564	137,407,516	152,528,640
167,774,751	165,089,569	172,544,842	177,312,413	205,858,156	229,577,539
<u>268,537,745</u>	<u>283,843,578</u>	<u>313,861,425</u>	<u>327,741,780</u>	<u>361,258,127</u>	<u>401,385,460</u>
136,589,812	141,722,015	154,956,534	166,285,130	173,713,352	177,071,071
13,605,240	14,384,677	16,575,149	19,163,308	20,146,810	21,600,040
3,902,185	4,099,002	4,428,460	4,596,139	4,678,354	4,649,185
5,854,593	5,881,386	5,370,095	5,986,021	6,036,971	6,516,212
4,851,618	4,126,647	4,970,645	5,577,666	5,593,630	4,770,762
4,447,798	4,956,272	5,444,025	6,325,529	7,318,543	8,006,521
732,108	771,199	948,786	1,113,640	1,328,934	1,030,837
758,688	816,256	950,822	951,078	941,696	1,084,904
12,234,529	12,540,468	14,283,564	15,676,630	16,501,219	17,834,742
15,994,499	11,251,810	11,812,811	17,169,829	16,919,645	15,582,576
1,708,202	1,690,579	1,789,279	1,754,238	1,977,453	2,013,798
9,589,834	10,258,058	10,728,782	10,499,785	10,639,904	10,940,838
2,569,821	2,897,297	3,073,100	3,433,160	3,490,984	3,802,148
10,803,374	10,957,226	11,753,442	11,936,633	11,975,689	12,621,274
18,360,752	18,786,364	20,066,380	21,022,508	21,797,943	23,029,103
7,365,550	7,376,191	7,798,237	8,217,320	8,199,549	8,762,090
1,081,440	879,687	636,452	673,692	581,874	653,557
3,027,835	3,069,720	3,168,268	3,622,644	4,113,841	5,953,015
22,743,648	12,237,879	36,272,988	4,084,979	10,541,644	54,328,964
492,267	453,923	3,880,880	3,498,969	4,163,905	7,119,390
11,029,112	20,842,301	13,266,952	13,640,000	14,116,000	16,068,000
<u>6,500,662</u>	<u>7,119,524</u>	<u>6,563,411</u>	<u>6,439,901</u>	<u>6,028,818</u>	<u>7,469,704</u>
<u>294,243,567</u>	<u>297,118,481</u>	<u>338,739,062</u>	<u>331,668,799</u>	<u>350,806,758</u>	<u>410,908,731</u>
<u>(25,705,822)</u>	<u>(13,274,903)</u>	<u>(24,877,637)</u>	<u>(3,927,019)</u>	<u>10,451,369</u>	<u>(9,523,271)</u>
25,821,616	26,599,543	24,726,295	25,006,073	25,669,215	24,748,812
(25,821,616)	(28,593,311)	(27,666,345)	(25,006,073)	(25,669,215)	(24,748,812)
2,350	-	-	-	-	-
95,531	97,198	35,107	50,088	103,702	848,297
-	-	-	-	42,755,000	-
320,000	-	581,000	1,526,000	-	1,173,000
-	33,480,000	-	-	-	-
-	9,510,000	-	54,845,000	-	-
48,683	1,989,400	92,853	8,563,675	7,717,720	178,620
(367,732)	-	(496,437)	(64,714,978)	-	-
-	-	-	-	-	-
<u>98,832</u>	<u>43,082,830</u>	<u>(2,727,527)</u>	<u>269,785</u>	<u>50,576,422</u>	<u>2,199,917</u>
\$ (25,606,990)	\$ 29,807,927	\$ (27,605,164)	\$ (3,657,234)	\$ 61,027,791	\$ (7,323,354)
6.47%	9.83%	6.64%	6.20%	5.99%	6.74%

St. Johns County School District
Summary of Revenues, Expenditures (by Major Object), and
Changes in Fund Balances - General Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Table 6

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Revenues:				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 218,109	\$ 219,716	\$ 225,262	\$ 238,825
Miscellaneous Federal Direct	75,050	139,100	94,778	75,961
Total Federal Sources	<u>293,159</u>	<u>358,816</u>	<u>320,040</u>	<u>314,786</u>
Federal Through State and Local Sources:				
Other Federal Through State and Local Sources	-	-	-	-
State Sources:				
Florida Education Finance Program (FEFP)	18,026,584	10,253,652	14,397,724	23,119,734
Class Size Reduction	27,252,286	29,287,515	31,340,215	32,899,241
Supplemental Academic Instruction	6,108,627	6,011,508	5,846,834	5,984,541
Transportation	7,330,813	7,330,755	7,110,044	7,569,262
Instructional Materials	2,934,916	3,035,942	2,563,766	2,487,103
Other Restricted State Sources	11,335,572	9,921,023	7,960,231	8,292,998
District Discretionary Lottery Funds	1,354,797	711,932	83,726	114,448
CO&DS Withheld for SBE/COBI Bonds	16,149	16,468	17,024	17,196
Other State Sources	1,027,170	280,040	372,749	302,897
Total State Sources	<u>75,386,914</u>	<u>66,848,835</u>	<u>69,692,313</u>	<u>80,787,420</u>
Local Sources:				
Ad Valorem Property Taxes	130,709,363	135,767,674	134,871,191	124,940,872
Investment Income	2,295,597	978,487	260,715	169,759
Other Local Sources	6,419,411	7,595,287	8,636,852	9,286,579
Total Local Sources	<u>139,424,371</u>	<u>144,341,448</u>	<u>143,768,758</u>	<u>134,397,210</u>
Total Revenues	<u>215,104,444</u>	<u>211,549,099</u>	<u>213,781,111</u>	<u>215,499,416</u>
Expenditures: (by object)				
Salaries	133,067,843	127,588,452	121,206,446	123,883,922
Employee Benefits	44,229,257	43,246,943	42,253,912	43,858,568
Purchased Services	21,955,859	21,864,681	20,252,383	21,419,388
Energy Services	8,304,829	7,666,530	7,126,031	7,334,990
Material and Supplies	7,750,464	6,775,308	5,903,146	8,402,751
Capital Outlay	1,715,867	1,688,519	3,682,938	5,865,164
Other Expenditures	2,208,521	2,457,547	2,412,852	2,556,775
Total Expenditures	<u>219,232,640</u>	<u>211,287,980</u>	<u>202,837,708</u>	<u>213,321,558</u>
Excess of Revenues over (under) Expenditures	<u>(4,128,196)</u>	<u>261,119</u>	<u>10,943,403</u>	<u>2,177,858</u>
Other Financing Sources (Uses), Net	<u>8,900,656</u>	<u>13,371,246</u>	<u>8,109,581</u>	<u>9,817,914</u>
Net Change in Fund Balances	4,772,460	13,632,365	19,052,984	11,995,772
Beginning Fund Balances	19,908,344	24,680,804	38,313,169	57,366,153
Adjustment to Fund Balance	-	-	-	-
Ending Fund Balances	<u>\$ 24,680,804</u>	<u>\$ 38,313,169</u>	<u>\$ 57,366,153</u>	<u>\$ 69,361,925</u>
Breakdown of Fund Balances				
Nonspendable	\$ 274,499	\$ 320,939	\$ 348,808	\$ 405,047
Spendable:				
Restricted	1,079,714	936,375	570,331	511,686
Committed	-	-	-	10,416,995
Assigned	14,942,590	29,089,278	45,520,392	25,867,464
Unassigned	8,384,001	7,966,577	10,926,622	32,160,733
Total Fund Balances	<u>\$ 24,680,804</u>	<u>\$ 38,313,169</u>	<u>\$ 57,366,153</u>	<u>\$ 69,361,925</u>
Fund Balance as Percentage of Revenue:				
Assigned and Unassigned	10.84%	17.52%	26.40%	26.93%
Unassigned	3.90%	3.77%	5.11%	14.92%

Source: District Records - Audited Statement of Revenues, Expenditures, and Changes in Fund Balance

Table 6

Fiscal Year Ending					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 239,518	\$ 238,907	\$ 241,660	\$ 222,452	\$ 212,987	\$ 207,912
65,292	40,830	-	-	-	-
<u>304,810</u>	<u>279,737</u>	<u>241,660</u>	<u>222,452</u>	<u>212,987</u>	<u>207,912</u>
-	-	-	-	27,950	-
23,559,090	39,490,108	54,652,035	63,180,234	68,835,145	78,931,079
33,645,694	34,429,631	35,491,525	37,283,259	38,373,022	40,443,832
5,908,410	6,252,795	6,370,592	6,510,859	6,890,657	7,523,430
7,653,948	7,743,836	8,018,856	8,430,294	8,681,526	9,016,927
2,388,363	2,489,872	2,656,408	2,895,407	2,963,504	3,231,781
7,891,457	8,085,316	7,506,071	8,232,088	8,593,368	8,411,325
101,503	-	328,168	125,216	-	641,470
17,685	18,468	18,865	20,160	20,889	22,216
279,989	277,634	688,770	253,187	957,634	1,869,139
<u>81,446,139</u>	<u>98,787,660</u>	<u>115,731,290</u>	<u>126,930,704</u>	<u>135,315,745</u>	<u>150,091,199</u>
117,952,144	109,605,170	110,543,223	113,363,873	121,875,344	124,230,710
201,672	186,552	186,513	166,706	331,801	344,880
8,581,680	9,841,714	9,784,688	10,736,067	11,879,712	14,702,207
<u>126,735,496</u>	<u>119,633,436</u>	<u>120,514,424</u>	<u>124,266,646</u>	<u>134,086,857</u>	<u>139,277,797</u>
<u>208,486,445</u>	<u>218,700,833</u>	<u>236,487,374</u>	<u>251,419,802</u>	<u>269,643,539</u>	<u>289,576,908</u>
137,453,762	138,752,008	153,027,950	163,853,801	171,430,899	180,885,979
40,156,123	43,147,301	50,165,202	56,119,308	61,654,503	64,691,035
22,193,670	22,572,884	22,121,988	24,142,444	24,977,487	21,652,409
7,365,458	6,949,387	7,441,411	7,202,909	6,415,498	6,869,373
7,166,959	8,426,609	7,708,894	9,371,862	8,309,090	8,507,857
3,236,547	3,239,560	3,599,090	4,819,129	4,824,377	5,694,659
2,591,770	2,839,712	3,084,078	3,454,189	4,053,821	4,096,324
<u>220,164,289</u>	<u>225,927,461</u>	<u>247,148,613</u>	<u>268,963,642</u>	<u>281,665,675</u>	<u>292,397,636</u>
<u>(11,677,844)</u>	<u>(7,226,628)</u>	<u>(10,661,239)</u>	<u>(17,543,840)</u>	<u>(12,022,136)</u>	<u>(2,820,728)</u>
<u>9,321,715</u>	<u>7,645,875</u>	<u>2,866,599</u>	<u>6,143,175</u>	<u>6,876,613</u>	<u>7,563,835</u>
<u>(2,356,129)</u>	<u>419,247</u>	<u>(7,794,640)</u>	<u>(11,400,665)</u>	<u>(5,145,523)</u>	<u>4,743,107</u>
<u>69,361,925</u>	<u>67,005,796</u>	<u>67,425,043</u>	<u>59,630,403</u>	<u>48,229,738</u>	<u>43,084,215</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 67,005,796</u>	<u>\$ 67,425,043</u>	<u>\$ 59,630,403</u>	<u>\$ 48,229,738</u>	<u>\$ 43,084,215</u>	<u>\$ 47,827,322</u>
\$ 417,950	\$ 408,686	\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053
432,531	411,842	504,966	558,519	736,839	770,891
9,744,667	9,840,195	10,083,976	9,343,316	8,496,499	8,802,174
28,212,720	34,230,880	44,866,279	31,916,339	27,589,718	24,608,338
28,197,928	22,533,440	3,719,159	5,954,561	5,802,555	12,813,866
<u>\$ 67,005,796</u>	<u>\$ 67,425,043</u>	<u>\$ 59,630,403</u>	<u>\$ 48,229,738</u>	<u>\$ 43,084,215</u>	<u>\$ 47,827,322</u>
27.06%	25.96%	20.54%	15.06%	12.38%	12.92%
13.53%	10.30%	1.57%	2.37%	2.15%	4.43%

St. Johns County School District
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Table 7

Fiscal Year Ending	Property Tax			Total Property Taxes	Impact Fees	Sales Surtax ⁽²⁾
	Operational Purposes	Debt Service ⁽¹⁾	Capital Projects			
June 30, 2017	\$ 124,230,710	\$ -	\$ 34,713,042	\$ 158,943,752	\$ 14,772,417	\$ 18,703,292
June 30, 2016	121,875,344	-	31,911,983	153,787,327	14,768,255	8,791,558
June 30, 2015	113,363,873	-	29,106,294	142,470,167	10,874,315	N/A
June 30, 2014	110,543,223	590	27,436,618	137,980,431	14,353,236	N/A
June 30, 2013	109,605,169	161	26,586,165	136,191,495	11,252,793	N/A
June 30, 2012	117,952,145	1,540	27,311,388	145,265,073	6,533,308	N/A
June 30, 2011	124,940,872	9,358	28,559,447	153,509,677	3,696,569	N/A
June 30, 2010	134,871,191	80,220	32,345,363	167,296,774	4,199,095	N/A
June 30, 2009	135,767,675	3,801,388	41,547,372	181,116,435	3,647,900	N/A
June 30, 2008	130,709,363	3,734,353	47,005,625	181,449,341	5,374,822	N/A

(1) The final payment for the General Obligation Refunding Bonds, Series 2003, was made on December 1, 2009.

The collection of delinquent property taxes received in subsequent years related to this debt were to satisfy prior years' unpaid taxes.

(2) A one half-cent local sales surtax was voted in by the citizens of St. Johns County effective January 1, 2016, for a period of ten years.

Source: Audited Statement of Activities and District Records

**St. Johns County School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Taxable Assessed Value										Total Direct Rate ⁽⁴⁾	Estimated Actual Values ⁽⁵⁾	Ratio of Assessed to Actual Values
	Real Property ⁽¹⁾					Personal Property ⁽²⁾	Centrally Assessed ⁽³⁾	Total Taxable Value					
	Residential	Commercial	Industrial	Other	Total								
2016-17	\$ 20,289,798,888	\$ 1,928,457,303	\$ 326,009,022	\$ 534,568,223	\$ 23,078,833,436	\$ 829,777,860	\$ 34,986,118	\$ 23,943,597,414	6.8670	\$ 31,458,495,123	76.11%		
2015-16	18,661,845,889	1,833,884,423	269,876,387	484,502,489	21,250,109,188	743,519,629	31,909,281	22,025,538,098	7.2280	28,823,781,972	76.41%		
2014-15	N/A	N/A	N/A	N/A	19,375,395,555	706,397,144	30,734,931	20,112,527,630	7.3420	25,732,438,120	78.16%		
2013-14	N/A	N/A	N/A	N/A	18,184,098,691	695,055,988	23,129,846	18,902,284,525	7.5440	24,103,300,375	78.42%		
2012-13	N/A	N/A	N/A	N/A	17,593,945,549	695,545,687	21,844,470	18,311,335,706	7.6830	23,281,282,992	78.65%		
2011-12	N/A	N/A	N/A	N/A	17,998,416,825	717,828,512	25,197,373	18,741,442,710	7.9790	24,121,331,116	77.70%		
2010-11	N/A	N/A	N/A	N/A	18,861,886,431	762,436,149	24,253,580	19,648,576,160	8.0690	25,496,837,638	77.06%		
2009-10	N/A	N/A	N/A	N/A	20,902,052,307	794,162,750	27,277,134	21,723,492,191	7.8010	28,933,068,224	75.08%		
2008-09	N/A	N/A	N/A	N/A	23,719,424,896	793,061,691	36,282,262	24,548,768,849	7.4800	34,409,074,432	71.34%		
2007-08	N/A	N/A	N/A	N/A	23,759,696,150	869,659,215	26,540,132	24,655,895,497	7.5610	35,482,347,920	69.49%		

(1) Real property is required to be reported by major component beginning with the 2014-15 fiscal year.

(2) Personal property values are net of certain allowable exemptions, primarily for government property.

(3) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.

(4) Tax rates are per \$1,000 of assessed value.

(5) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.011, Florida Statutes.

Source: St. Johns County Property Appraiser's Office, Department of Revenue, and District Records

**St. Johns County School District
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(per \$1,000 Assessed Valuation)
(Unaudited)**

	Fiscal Year									
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Direct										
St. Johns County School District										
General Fund (Required Local Effort)	4.9320	5.1110	5.3030	5.5710	5.7310	5.4350	5.2960	5.0940	4.9800	4.6190
General Fund (Discretionary)	0.6290	0.6190	0.9980	0.9980	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Debt Service Fund	0.1600	0.1620	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Projects Fund	2.0000	1.7500	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Total School District	7.7210	7.6420	7.8010	8.0690	7.9790	7.6830	7.5440	7.3420	7.2280	6.8670
Overlapping										
Board of County Commissioners										
General Fund	4.2214	4.2900	4.8000	4.9000	5.2900	5.3900	5.3900	5.3900	5.1475	5.1200
Transportation Trust	0.7652	0.7300	0.7300	0.6300	0.6300	0.5300	0.5300	0.5300	0.7100	0.7300
County Health Unit Debt Service	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171
Total General County	5.0037	5.0371	5.5471	5.5471	5.9371	5.9371	5.9371	5.9371	5.8746	5.8671
Total County-Wide	12.7247	12.6791	13.3481	13.6161	13.9161	13.6201	13.4811	13.2791	13.1026	12.7341
Municipalities										
City of St. Augustine	6.3129	6.8232	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Town of Hastings	7.7087	8.0000	8.0000	8.0000	8.0000	9.2397	8.6000	8.6000	8.5375	8.3552
City of St. Augustine Beach	1.5864	1.8011	2.2875	2.3992	2.3992	2.3992	2.3992	2.3992	2.3992	2.3992
St. Augustine Beach Bond	0.0000	0.0000	0.5000	0.2000	0.0787	0.0787	0.0787	0.0800	0.5000	0.5000
Special Districts										
Water Management	0.4158	0.4158	0.4158	0.4158	0.3313	0.3313	0.3313	0.3164	0.3023	0.2885
Fire	1.0954	1.0620	1.3000	1.2000	1.4000	1.4000	1.4000	1.4000	1.4625	1.4700
Anastasia Mosquito Control	0.1344	0.1325	0.1325	0.1325	0.1325	0.1325	0.1325	0.2450	0.1773	0.2150
St. Augustine Airport Authority	0.1807	0.1697	0.1697	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
St. Augustine Port, Waterway and Beach District	0.0454	0.0454	0.0539	0.0614	0.0614	0.0638	0.0638	0.0638	0.0638	0.0638
Vilano Street Lighting	0.0114	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
St. Augustine South Lighting	0.1328	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
Ponte Vedra Beach MSD	0.3510	0.2750	0.2750	0.3430	0.3430	0.3430	0.3750	0.3750	0.3750	0.3750
Florida Inland Navigation	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0320	0.0320
Summer Haven MSTU	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	8.5000	8.5000	8.5000	8.5000

Source: St. Johns County Tax Collector's Office and District Records

**St. Johns County School District
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Table 10

Taxpayer	Fiscal Year			Fiscal Year		
	June 30, 2017			June 30, 2008		
	Rank	Taxable Assessed Value	Percentage of Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	1	\$ 184,766,147	0.84%	1	\$ 126,980,976	0.52%
CWI Sawgrass Hotel LLC	2	111,692,042	0.51%			
Northrop Grumman Systems	3	88,707,480	0.40%			
Ponte Vedra Corp	4	67,922,599	0.31%	2	109,350,878	0.44%
BellSouth Telecommunications	5	46,007,112	0.21%	4	59,659,979	0.24%
St Aug-St Johns Co Airport	6	43,543,826	0.20%			
Life Care Pastoral Services Inc.	7	39,983,892	0.18%			
Bluegreen Vacations Unlimited	8	35,273,248	0.16%			
Florida East Coast RY	9	32,936,975	0.15%	5	51,188,153	0.21%
Remington FL Investors LLC	10	31,150,800	0.14%			
St. Joe Corporation				7	45,704,832	0.19%
RQB Resort LP				3	66,394,726	0.27%
RQB Development				6	49,555,664	0.20%
Pulte Home Corp.				8	28,191,670	0.11%
Marshall Creek LTD				9	25,877,580	0.11%
World Golf Resort				10	21,103,341	0.09%
Total Principal Taxpayers		<u>681,984,121</u>	<u>3.10%</u>		<u>584,007,799</u>	<u>2.38%</u>
Total		<u>\$ 23,943,597,414</u>	<u>96.90%</u>		<u>\$ 24,655,895,497</u>	<u>97.62%</u>

Source: St Johns County Tax Collector's Office and St. Johns County Property Appraiser's Office

**St. Johns County School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Table 11

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Levy		Amount	Percent of Levy
2016-17	\$ 164,420,683	\$ 158,554,392	96.43%	\$ 389,361	\$ 158,943,753	96.67%
2015-16	159,200,589	153,365,191	96.33%	422,136	153,787,327	96.60%
2014-15	147,666,178	142,283,108	96.35%	187,059	142,470,167	96.48%
2013-14	142,598,834	137,490,154	96.42%	490,277	137,980,431	96.76%
2012-13	140,685,992	135,707,925	96.46%	483,570	136,191,495	96.81%
2011-12	149,537,971	144,064,894	96.34%	1,200,179	145,265,073	97.14%
2010-11	158,544,361	152,664,070	96.29%	845,607	153,509,677	96.82%
2009-10	169,464,963	163,492,324	96.48%	3,804,450	167,296,774	98.72%
2008-09	183,624,791	179,042,454	97.50%	2,073,981	181,116,435	98.63%
2007-08	186,423,226	181,299,700	97.25%	149,641	181,449,341	97.33%

Source: St. Johns County Tax Collector's Office and District Records

St. Johns County School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 12

Fiscal Year	Governmental Activities ⁽¹⁾									
	Sales Tax Revenue Bonds	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation ⁽²⁾	Capital Leases	Total Primary Government	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾		
2016-17	\$ 46,709,176	\$ -	\$ 4,891,000	\$ 96,300,635	\$ -	\$ 147,900,811	1.080%	\$	652.58	
2015-16	49,700,948	-	4,781,000	110,593,294	-	165,075,242	1.281%		757.08	
2014-15	N/A	-	5,487,000	125,205,953	-	130,692,953	1.075%		623.74	
2013-14	N/A	-	6,461,000	135,260,000	-	141,721,000	1.203%		700.75	
2012-13	N/A	-	7,035,000	147,790,000	66,952	154,891,952	1.419%		790.19	
2011-12	N/A	-	8,035,000	124,925,000	144,253	133,104,253	1.318%		695.94	
2010-11	N/A	-	8,325,000	135,270,000	218,365	143,813,365	1.541%		772.02	
2009-10	N/A	-	8,160,000	129,210,000	289,420	137,659,420	1.365%		757.54	
2008-09	N/A	3,830,000	8,155,000	138,795,000	357,543	151,137,543	1.571%		862.08	
2007-08	N/A	7,545,000	8,670,000	148,040,000	422,857	164,677,857	1.842%		977.43	

Source:

(1) District Records - Audited Notes to the Basic Financial Statements

(2) Restatement of Certificate of Participation balances to include premiums and discounts

(3) Total Primary Government Debt divided by Personal Income and Population from Statistical Table "Demographic and Economic Statistics"

St. Johns County School District
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Gross General Obligation Bonded Debt ⁽³⁾	Less Respective Debt Service Funds ⁽⁴⁾	Net General Obligation Bonded Debt	Percentage of	
						Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2016-17	226,640	\$ 23,943,597,414	\$ -	-	\$ -	0.00%	\$0.00
2015-16	218,043	22,025,538,098	-	-	-	0.00%	0.00
2014-15	209,532	20,112,527,630	-	-	-	0.00%	0.00
2013-14	202,241	18,902,284,525	-	590	(590)	0.00%	(0.00)
2012-13	196,019	18,311,335,706	-	161	(161)	0.00%	(0.00)
2011-12	191,258	18,741,442,710	-	1,540	(1,540)	0.00%	(0.01)
2010-11	186,281	19,648,576,160	-	9,358	(9,358)	0.00%	(0.05)
2009-10	181,720	21,723,492,191	-	80,220	(80,220)	0.00%	(0.44)
2008-09	175,318	24,548,768,849	3,830,000	3,801,388	28,612	0.00%	0.16
2007-08	168,480	24,655,895,497	7,545,000	3,734,353	3,810,647	0.02%	22.62

Source:

(1) Population from Statistical Table "Demographic and Economic Statistics". Due to revision by the Bureau of Economic Analysis, Population has been restated for all prior fiscal years.

(2) Assessed Value from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"

(3) Includes General Obligation Bonds Only from Statistical Table "Ratios of Outstanding Debt by Type"

(4) Restricted for Debt Service - General Obligation Bonds Only from Statistical Table "Government Activities Tax Revenue by Source"

St. Johns County School District
Direct and Overlapping Governmental Activities Debt
June 30, 2017
(Unaudited)

Table 14

Name of Governmental Unit	Debt Outstanding	Direct Debt		Direct and Overlapping Debt	
		Percentage Applicable to School Board of St. Johns County	Amount Applicable to School Board of St. Johns County	Percentage Applicable to St. Johns County	Amount Applicable to St. Johns County
St. Johns County Board of County Commissioners					
Capital Improvement Revenue Bonds	\$ 27,794,830			100%	\$ 27,794,830
Sales Tax Revenue Bonds	122,999,318			100%	122,999,318
Transportation Improvement Revenue Bonds	50,919,326			100%	50,919,326
Other Debt	11,103,157			100%	11,103,157
Subtotal St. Johns County Board of County Commissioners	212,816,631				212,816,631
City of St. Augustine Beach					
Serial Bonds	7,025,296	9%	605,296	0%	-
Subtotal City of St. Augustine Beach	7,025,296		605,296		-
City of St. Augustine					
Revenue Bonds	22,825,020				
Other Debt	133,011				
Subtotal City of St. Augustine	22,958,031				
Subtotal Overlapping Debt	242,799,958				
St. Johns County School District					
Certificates of Participation	96,300,635	100%	96,300,635	100%	96,300,635
State School Bonds	4,891,000	100%	4,891,000	100%	4,891,000
Sales Tax Revenue Bonds	46,709,176	100%	46,709,176	100%	46,709,176
Subtotal Direct Debt	147,900,811		147,900,811		147,900,811
Totals	\$ 390,700,769		\$ 148,506,107		\$ 360,717,442

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognized that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, therefore responsible for repaying debt of each overlapping government.

Source: Debt outstanding data obtained from each governmental unit's Comprehensive Annual Financial Report dated September 30, 2016.

St. Johns County School District
Calculation of Legal Debt Margin on Bonded Debt
Last Ten Fiscal Years
(Unaudited)

Table 15

	Fiscal Year Ending			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Assessed Value	<u>\$ 24,655,895,497</u>	<u>\$ 24,548,768,849</u>	<u>\$ 21,723,492,191</u>	<u>\$ 19,648,576,160</u>
Debt Limit on Assessed Value	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Voter Approved Debt Limit:				
Bonds Payable	\$ 7,545,000	\$ 3,830,000	\$ -	\$ -
Less: Amount Available for Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Applicable to Debt Limit	<u>\$ 7,545,000</u>	<u>\$ 3,830,000</u>	<u>\$ -</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Applicable Debt as a Percentage of Debt Limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Note: The District does not have a legal debt limit. The District is authorized to issue up to the amount of debt approved by the voters of the District. The amount reported as Voter Approved Debt Limit is the outstanding debt from the latest voter approved debt authorization.

Source: St. Johns County Property Appraiser's Office

Fiscal Year Ending					
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 18,741,442,710	\$ 18,311,335,706	\$ 18,902,284,525	\$ 20,112,527,630	\$ 22,025,538,098	\$ 23,943,597,414
N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**St. Johns County School District
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Table 16

Fiscal Year	Sales Tax Revenue Bonds ⁽¹⁾				
	Sales Tax Revenue	Debt Service		Coverage ⁽²⁾	
		Principal	Interest		
2016-17	\$ 18,703,292	\$ 2,220,000	\$ 2,173,785	4	
2015-16	8,791,558	N/A	N/A	N/A	
2014-15	N/A	N/A	N/A	N/A	
2013-14	N/A	N/A	N/A	N/A	
2012-13	N/A	N/A	N/A	N/A	
2011-12	N/A	N/A	N/A	N/A	
2010-11	N/A	N/A	N/A	N/A	
2009-10	N/A	N/A	N/A	N/A	
2008-09	N/A	N/A	N/A	N/A	
2007-08	N/A	N/A	N/A	N/A	

(1) On February 3, 2016, the District issued Sales Tax Revenue Bonds Series 2016, in the amount of \$50,472,720, as authorized by Chapter 212, 1001, and 1013, Florida Statutes, and as authorized by a resolution of the District School Board, dated January 12, 2016. These bonds were issued to finance the cost of construction and equipping of a new K-8 school and a new elementary school. The first principal and interest payment were due in the 2016-17 fiscal year.

(2) The additional bonds test requires 1.75 coverage

Source: District Records

St. Johns County School District
Anticipated Capital Outlay Millage Levy
Required to Cover Certificates of Participation Payments
Last Ten Fiscal Years
(Unaudited)

Table 17

<u>Fiscal Year</u>	<u>Taxable Assessed Valuation ⁽⁴⁾</u>	<u>Principal Payments ⁽²⁾</u>	<u>Interest Payments ⁽³⁾</u>	<u>Total Annual Lease Payments</u>	<u>Millage Levy to Provide 1.00x Coverage ⁽¹⁾</u>
2016-17	\$ 23,943,597,414	\$ 13,090,000	\$ 4,735,310	\$ 17,825,310	0.775 mills
2015-16	22,025,538,098	13,410,000	8,063,892	21,473,892	1.016 mills
2014-15	20,112,527,630	12,955,000	5,772,485	18,727,485	0.970 mills
2013-14	18,902,284,525	12,530,000	6,198,795	18,728,795	1.032 mills
2012-13	18,311,335,706	10,805,000	5,634,306	16,439,306	0.935 mills
2011-12	18,741,442,710	11,286,176	6,088,616	17,374,792	0.966 mills
2010-11	19,648,576,160	9,940,000	5,706,546	15,646,546	0.829 mills
2009-10	21,723,492,191	9,585,000	6,063,634	15,648,634	0.750 mills
2008-09	24,548,768,849	9,245,000	6,402,871	15,647,871	0.664 mills
2007-08	24,655,895,497	8,910,000	6,735,924	15,645,924	0.661 mills

(1) Millage rate calculated using 95% of the taxable assessed valuation; 96% beginning in fiscal year 2010-11.

(2) Includes \$790,400 payment to the Qualified School Construction Bond sinking fund for repayment of outstanding debt.

(3) Interest amounts are net of Qualified School Construction Bond Federal interest subsidy.

(4) Taxable Assessed Valuation from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"

Source: District Records

**St. John County School District
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Table 18

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts in thousands) ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Unemployment Rate ⁽²⁾	School Enrollment ⁽³⁾	Government-Wide Governmental Activities Expenses ⁽⁴⁾	Cost per Student ⁽⁵⁾
2016-17	226,640	\$ 13,698,259	\$ 60,441	42.8	3.3%	38,034	\$ 361,548,555	\$9,506
2015-16	218,043	12,886,864	59,102	42.6	3.7%	36,240	336,376,522	9,282
2014-15	209,532	12,156,922	58,019	42.4	4.0%	34,840	332,402,452	9,541
2013-14	202,241	11,783,559	58,265	42.4	4.8%	33,371	318,006,474	9,529
2012-13	196,019	10,913,181	55,674	42.2	5.8%	32,357	297,384,159	9,191
2011-12	191,258	10,098,018	52,798	42.2	6.8%	31,297	298,626,939	9,542
2010-11	186,281	9,333,582	50,105	42.7	8.0%	30,353	302,875,017	9,979
2009-10	181,720	10,082,773	55,485	42.4	8.7%	29,549	284,768,022	9,637
2008-09	175,318	9,619,495	54,869	N/A	8.5%	28,825	274,081,285	9,508
2007-08	168,480	8,940,286	53,064	N/A	5.0%	27,728	294,834,299	10,633

Source:

- (1) Bureau of Economic Analysis, due to revision by the Bureau of Economic Analysis, Population, Personal Income and Per Capita Income has been restated for all prior fiscal years.
- (2) U.S. Bureau of Labor Statistics (FRED)
- (3) School Enrollment from Statistical Table "School Building Information & Full-Time Equivalent Enrollment Data"
- (4) Government-wide Governmental Activities Expenses from Statistical Table "Changes in Net Position - Government-Wide"

Note:

- (5) Calculated by dividing government-wide governmental activities expenses by student enrollment

**St. Johns County School District
Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Table 19

Employer	Fiscal Year			Fiscal Year		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
	2016-2017			2007-2008		
St. Johns County School District ⁽¹⁾	1	4,534	3.91%	1	3,357	2.61%
St. Johns County	2	2,577	2.22%	2	2,252	1.75%
Flagler Hospital	3	1,800	1.55%	3	1,503	1.17%
Northrup Grumman	4	1,100	0.95%	6	900	0.70%
Florida School for the Deaf & Blind	5	670	0.58%	7	767	0.60%
Ponte Vedra Inn & Club	6	650	0.56%	5	950	0.74%
Ring Power	7	630	0.54%			
Carlisle Interconnect Technologies	8	600	0.52%			
Sawgrass Marriott Golf Resort & Spa	9	465	0.40%	10	550	0.43%
Florida Army National Guard	10	400	0.34%	4	1,300	1.01%
Tree of Life			0.00%	8	636	0.50%
PGA Tour/Tournament Players Club			0.00%	9	625	0.49%
Total Principal Employers		13,426	11.57%		12,840	10.00%
Total County Workforce		116,040			128,191	

(1) Includes full and part-time employees

Source: St. Johns County Chamber of Commerce and District Records

**St. Johns County School District
School Building Information & Full-Time Equivalent Enrollment Data
Last Ten Fiscal Years
(Unaudited)**

	Placed in Service	Square Footage	Portables	Capacity	Full-Time Equivalent Enrollment Data									
					2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Elementary Schools														
John A. Crookshank Elementary	1959	119,331	10	1,189	787	733	747	676	660	686	653	628	546	504
Cunningham Creek Elementary	1995	131,196	24	1,094	934	935	895	813	761	761	789	784	760	804
Durbin Creek Elementary	2003	120,806	11	858	673	571	522	932	887	1,092	1,043	941	885	797
W.D. Hartley Elementary	1980	119,106	0	729	664	681	713	689	654	622	661	644	643	626
Hickory Creek Elementary	2005	108,556	0	760	657	621	591	824	793	592	619	636	625	637
R.B. Hunt Elementary	1955	86,704	6	699	608	652	662	694	694	693	656	647	604	602
Julington Creek Elementary	1972	127,121	8	1,118	981	977	1,016	1,066	1,062	974	975	1,014	1,052	1,030
Ketterlinus Elementary	1924	73,961	1	485	441	468	441	468	441	476	460	462	484	465
Otis A. Mason Elementary	1992	79,896	0	669	614	584	596	573	591	584	543	530	521	555
Ocean Palms Elementary	1991	138,529	8	1,187	1,132	1,092	1,015	913	787	1,054	1,038	1,033	903	799
Mill Creek Elementary	1996	110,146	20	1,027	963	830	707	897	817	765	774	813	829	814
Osceola Elementary	1991	110,278	6	856	668	616	614	643	668	711	665	657	624	608
Palencia Elementary	2012	100,434	0	839	797	703	681	601	536	0	0	0	0	0
PV/PV Rawlings Elementary (1)	1958	158,511	3	1,387	1,036	1,023	1,032	1,311	1,251	1,212	1,152	1,140	1,088	1,088
South Woods Elementary	2005	100,805	6	742	599	579	576	583	568	570	557	570	599	588
Timberlin Creek Elementary	2005	129,551	15	1,030	925	914	918	925	924	916	877	820	797	1,349
Wards Creek Elementary	2007	125,267	12	984	866	890	896	816	800	756	740	715	688	662
The Webster School	1959	123,880	2	995	491	561	572	525	512	577	561	542	551	560
Total Elementary		16,648		13,859	13,394	13,194	13,949	13,406	13,041	12,763	12,576	12,199	12,199	12,489
Kindergarten - Grade 8 Schools														
Liberty Pines Academy	2008	181,872	26	1,609	1,482	1,413	1,375	1,367	1,326	1,243	1,152	1,067	892	0
Patriot Oaks Academy	2014	174,691	21	1,551	1,342	1,045	0	0	0	0	0	0	0	0
Valley Ridge Academy	2014	179,687	27	1,693	1,443	1,084	0	0	0	0	0	0	0	0
Total Kindergarten - Grade 8		4,853		4,565	4,197	3,504	1,367	1,326	1,243	1,152	1,067	892	892	0
Middle Schools														
Fruit Cove Middle	2001	143,551	10	1,278	1,182	1,159	1,232	1,323	1,392	1,449	1,358	1,258	1,269	1,192
Gamble Rogers Middle	1994	127,078	0	904	875	830	813	835	847	876	870	921	941	897
Alice B. Landrum Middle	1991	149,856	11	1,161	1,152	1,087	1,141	1,293	1,252	1,225	1,168	1,146	1,129	1,124
R.J. Murray Middle	1953	126,022	0	983	740	704	739	765	752	693	670	639	698	808
Pacetti Bay Middle	2007	185,743	26	1,578	1,370	1,223	1,084	1,044	1,011	956	857	751	674	613
Sebastian Middle	1991	128,256	0	815	677	620	622	626	645	669	631	620	647	584
Switzerland Point Middle	1991	140,469	8	1,041	1,277	1,211	1,265	1,256	1,168	960	969	979	1,058	1,195
Total Middle		7,760		7,273	6,834	6,896	7,142	7,067	6,828	6,523	6,314	6,415	6,415	6,412
High Schools														
Bantram Trail High (2)	2000	291,178	0	1,970	2,156	1,971	1,874	1,718	1,650	1,606	1,547	1,506	1,769	2,589
Creekside High	2008	241,772	22	1,964	1,949	1,909	1,876	1,828	1,756	1,632	1,496	1,404	1,005	0
Pedro Menendez High	2000	216,172	2	1,488	1,310	1,321	1,286	1,285	1,313	1,363	1,319	1,385	1,538	1,466
Allen D. Nease High	1980	285,112	29	2,457	2,177	1,947	1,778	1,655	1,655	1,580	1,510	1,441	1,578	2,273
Ponte Vedra High	2008	257,011	4	1,655	1,614	1,532	1,526	1,513	1,487	1,483	1,439	1,269	922	0
St. Augustine High	1959	220,598	1	1,805	1,678	1,606	1,632	1,600	1,657	1,635	1,574	1,520	1,464	1,588
St. Johns Technical High (3)	1971	223,628	8	344	279	212	212	157	141	143	201	215	241	177
Total High		11,683		11,143	10,542	10,184	9,808	9,659	9,442	9,086	8,740	8,516	8,516	8,094

**St. Johns County School District
School Building Information & Full-Time Equivalent Enrollment Data
Last Ten Fiscal Years
(Unaudited)**

	Placed in Service	Square Footage	Portables	Capacity	Full-Time Equivalent Enrollment Data									
					2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Charter Schools														
The ABLE School (4)	N/A	N/A	N/A	N/A	N/A	55	85	102	125	132	156	136	126	128
St. Augustine Public Montessori	N/A	N/A	N/A	N/A	99	92	59	47	35	0	0	0	0	0
St. Johns Community Campus (ARC)	N/A	N/A	N/A	N/A	31	31	16	16	10	12	13	0	0	0
St. Paul School of Excellence (4)	N/A	N/A	N/A	N/A	N/A	56	60	60	44	0	0	0	0	0
Therapeutic Learning Center (ARC)	N/A	N/A	N/A	N/A	15	18	13	15	18	16	14	23	11	10
Total Charter				0	145	252	239	240	232	160	183	159	137	138
Specialty Schools														
First Coast Technical College (5)	1971	278,769	0	1,404	14	32	25	15	59	54	38	139	146	157
Hastings Youth Academy	N/A	N/A	N/A	N/A	145	136	142	152	117	124	213	218	226	177
St. Johns County Detention Center	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	53	41
St. Johns Juvenile Residential	N/A	N/A	N/A	N/A	91	96	86	59	64	65	62	51	30	42
St. Johns Youth Academy	N/A	N/A	N/A	N/A	0	0	6	44	47	45	52	47	0	0
St. Johns County Jail	N/A	N/A	N/A	N/A	1	2	1	1	1	0	0	0	2	5
Gaines Alternative	1924	39,829	3	338	40	27	38	45	52	48	41	34	29	80
Transitions (6)	N/A	N/A	N/A	N/A	38	31	30	28	19	19	17	28	24	22
K8 Virtual	N/A	N/A	N/A	N/A	3	3	4	56	26	34	29	14	8	0
St. Johns Virtual School	N/A	N/A	N/A	N/A	399	404	206	236	109	75	101	82	67	9
St. Johns Virtual Instruction	N/A	N/A	N/A	N/A	39	37	44	0	0	0	0	0	0	0
McKay Scholarship	N/A	N/A	N/A	N/A	272	253	241	229	173	119	93	80	81	63
ESE Contract Placements/Speech	N/A	N/A	N/A	N/A	7	N/A								
Total Specialty				1,742	1,049	1,020	823	865	667	583	646	693	666	596
Total District				42,686	38,034	36,240	34,840	33,371	32,357	31,297	30,353	29,549	28,825	27,728

(1) Ponte Vedra-Palm Valley Elementary School was constructed and placed in service in 1958. Subsequently a new school, Marjorie K. Rawlings Elementary School was constructed and placed in service in 1992. These two schools were merged into one facility as of July 2008.
 (2) The 9th grade center at Bartram was added in 2007, figures are included.
 (3) St. Johns Technical High School is housed at First Coast Technical College.
 (4) The charter school ceased operations at the end of the 2015-16 school year.
 (5) Prior to July 1, 2016, First Coast Technical College was a conversion Charter School residing in a District facility.
 (6) Transitions program is located at Gaines Alternative School.

Source: District Records

**St. Johns County School District
Number of Personnel
Last Ten Fiscal Years
(Unaudited)**

Table 21

Fiscal Year	Instructional ⁽¹⁾	Administrative ⁽²⁾	Support Services ⁽³⁾	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
2016-17	2,513	181	1,840	4,534	15.13	13.88
2015-16	2,428	186	1,774	4,388	14.93	13.05
2014-15	2,428	186	1,774	4,388	14.35	13.05
2013-14	2,194	158	1,694	4,046	15.21	13.89
2012-13	2,051	154	1,533	3,738	15.78	13.32
2011-12	1,991	143	1,464	3,598	15.72	13.92
2010-11	1,987	137	1,491	3,615	15.28	14.50
2009-10	1,856	134	1,459	3,449	15.92	13.85
2008-09	1,797	131	1,494	3,422	16.04	13.72
2007-08	1,860	125	1,372	3,357	14.91	14.88

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

(2) Principals, Assistant Principals, Deans, Superintendent, Assistant/Area Superintendents, Directors/Managers/Coordinators

(3) Bus Drivers/Attendants, Cafeteria, Custodial, Executive/Administrative/Professional, Clerical, Crafts and Services

Source: District Records

**St. Johns County School District
Teacher Base Salaries
Last Ten Fiscal Years
(Unaudited)**

Table 22

<u>Fiscal Year</u>	<u>Minimum Salary ⁽¹⁾</u>	<u>Maximum Salary ⁽¹⁾</u>	<u>St. Johns Average Salary ⁽²⁾</u>
2016-17	\$38,000	\$66,150	\$46,707
2015-16	38,000	66,150	47,130
2014-15	38,000	66,150	47,266
2013-14	38,000	63,250	47,100
2012-13	38,000	63,250	46,127
2011-12	38,000	63,250	46,052
2010-11	38,000	63,250	46,673
2009-10	38,000	63,250	46,370
2008-09	38,000	63,250	47,102
2007-08	38,000	63,250	47,413

(1) District Records

(2) FDOE Bureau of Education Information & Accountability Services

**St. Johns County School District
Food Service Operating Data
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Days Meals were Served	214	214	218	210
Average Number of Free and Reduced Meals Served Daily	4,212	4,725	5,405	5,925
Number of Free and Reduced Meals Served	901,448	1,011,145	1,178,358	1,244,220
Average Daily Subsidy Received	\$ 12,108	\$ 13,202	\$ 15,781	\$ 17,175
Total Subsidy Received	\$ 2,591,181	\$ 2,825,245	\$ 3,440,319	\$ 3,606,762
Average Number of Meals Served Daily	8,226	8,367	8,896	9,650
Number of Meals Served	1,760,336	1,790,478	1,939,365	2,026,541
Percentage of Free and Reduced Meals Served to Total Meals Served	51%	56%	61%	61%
Average Daily Revenues	\$ 43,953	\$ 46,159	\$ 46,623	\$ 50,130
Total Revenues	\$ 9,406,012	\$ 9,877,961	\$ 10,163,846	\$ 10,527,291
Average Daily Costs	\$ 44,559	\$ 45,430	\$ 43,438	\$ 45,618
Total Expenditures	\$ 9,535,524	\$ 9,722,116	\$ 9,469,423	\$ 9,579,791

Source: District Records

Fiscal Year						
June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	
217	219	221	216	220	220	
6,044	5,792	5,981	6,424	6,592	6,430	
1,311,554	1,268,553	1,321,829	1,387,658	1,450,329	1,414,522	
\$ 18,239	\$ 18,249	\$ 19,294	\$ 21,984	\$ 22,613	\$ 23,059	
\$ 3,957,842	\$ 3,996,579	\$ 4,263,898	\$ 4,748,588	\$ 4,974,962	\$ 5,073,012	
9,844	9,055	9,128	10,089	10,563	10,567	
2,136,214	1,983,048	2,017,242	2,179,226	2,323,878	2,324,713	
61%	64%	66%	64%	62%	61%	
\$ 50,672	\$ 52,331	\$ 54,409	\$ 54,206	\$ 53,566	\$ 54,289	
\$ 10,995,823	\$ 11,460,586	\$ 12,024,372	\$ 11,708,530	\$ 11,784,567	\$ 11,943,525	
\$ 44,887	\$ 47,010	\$ 49,448	\$ 49,520	\$ 49,298	\$ 49,992	
\$ 9,740,566	\$ 10,295,116	\$ 10,927,929	\$ 10,696,356	\$ 10,845,581	\$ 10,998,158	

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SINGLE AUDIT SECTION

*Picolata Crossing Elementary School
Opened August, 2017*

*Classrooms
equipped with
interactive
touchscreen
panels*



*18.5 acre
campus*

*Innovative thermal
energy ice storage
system*

*871 student
stations*

*117,047
square feet*

Federal Reports and Schedules

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Johns County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2017, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted an additional matter finding as listed in the table of contents.

District's Response to Finding

The District's response to the finding identified in our audit is included as District Response in Finding AM 2017-001. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 5, 2017
Audit Report No. 2018-055



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
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Tallahassee, Florida 32399-1450



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the St. Johns County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2017. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major Federal programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on the Student Financial Assistance Cluster

As described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**, the District did not comply with requirements regarding the Student Financial Assistance Cluster, CFDA No. 84.063 (Federal Pell Grant Program), as described in Federal Awards Finding Nos. 2017-001 for Special Tests and Provisions – Verification, 2017-002 for Special Tests and Provisions – Disbursements, and 2017-003 for Special Tests and Provisions – Return of Title IV Funds. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on the Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the fiscal year ended June 30, 2017.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the other major Federal program identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** for the fiscal year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding Nos. 2017-004 and 2017-005. Our opinion on each major Federal program is not modified with respect to these matters.

The District's responses to the noncompliance findings identified in our audit are included as District Response in Federal Awards Finding Nos. 2017-001 through 2017-005 and in the **CORRECTIVE ACTION PLAN**. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion

on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding Nos. 2017-001, 2017-002, and 2017-003 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding Nos. 2017-004 and 2017-005 to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit are included as District Response in Federal Awards Finding Nos. 2017-001 through 2017-005 and in the **CORRECTIVE ACTION PLAN**. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 5, 2017
Audit Report 2018-055

ST. JOHNS COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	17002	\$ 761,738
National School Lunch Program	10.555	17001, 17003	4,142,145
Summer Food Service Program for Children	10.559	17006, 17007	<u>105,155</u>
Total Child Nutrition Cluster			<u>5,009,038</u>
WIOA Cluster			
United States Department of Labor:			
First Coast Workforce Development, Inc.:			
WIOA Youth Activities	17.259	FCWD 2017-01(O)	<u>433,604</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>1,224,353</u>
Special Education Cluster			
United States Department of Education:			
Special Education - Grants to States:			
Florida Department of Education	84.027	263	6,106,382
Special Education - Preschool Grants:			
Florida Department of Education	84.173	267	<u>80,680</u>
Total Special Education Cluster			<u>6,187,062</u>
Not Clustered			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
Specialty Crop Block Grant Program - Farm Bill	10.170	022791	<u>8,791</u>
United States Department of Defense:			
Army Junior Reserve Officers Training Corps	12.UNK	N/A	50,259
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	66,232
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	<u>135,970</u>
Total United States Department of Defense			<u>252,461</u>
United States Department of Education:			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191,192,193	281,985
Title I Grants to Local Educational Agencies	84.010	212, 223	3,065,092
Career and Technical Education - Basic Grants to States	84.048	161	350,526
Education for Homeless Children and Youth	84.196	127	55,503
English Language Acquisition State Grants	84.365	102	51,329
Improving Teacher Quality State Grants	84.367	224	<u>552,888</u>
Total United States Department of Education			<u>4,357,323</u>
United States Department of Health and Human Services:			
Head Start	93.600	N/A	<u>1,012,098</u>
Corporation for National and Community Service:			
Retired and Senior Volunteer Program	94.002	N/A	<u>66,441</u>
Total Expenditures of Federal Awards			<u>\$ 18,551,171</u>

The accompanying notes are an integral part of this schedule.

ST. JOHNS COUNTY SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
June 30, 2017

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the St. Johns County School Board under programs of the Federal government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance: National School Lunch Program. – Includes \$563,501 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start. Expenditures include \$1,012,098 for grant number/program year 04CH4653-04-00.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major Federal programs: Unmodified for all major programs except for the Student Financial Assistance Cluster (CFDA No. 84.063), which was qualified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major Federal programs:

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

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

Auditee qualified as low risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION (ED)

Finding Number	2017-001
CFDA Number	84.063
Program Title	Student Financial Assistance Cluster – Federal Pell Grant Program (Program)
Compliance Requirement	Special Tests and Provisions – Verification
Pass-Through Entity	Not Applicable
Federal Grant/Contract Number and Grant Year	P063P163554 – 2017
Statistically Valid Sample	No
Finding Type	Opinion Qualification, Noncompliance and Material Weakness
Questioned Costs	\$18,421
Prior Year Finding	Not Applicable

Finding	The District had not established and did not use written policies and procedures for verifying that student applications were properly supported by information obtained during the verification process. As a result, the District did not always perform the required verifications.
Criteria	Title 34, Sections 668.51 through 668.61, Code of Federal Regulations (CFR), require the District to establish and use written policies and procedures for verifying an applicant's Free Application for Federal Student Aid (application) information and provide that the District, for each student selected by the ED for eligibility verification, must request student information for verification.
Condition	The District had not established and did not use written policies and procedures for verification of student information. From the population of 40 Program recipients selected for disbursement testing (discussed in Finding 2017-002), we requested for examination the student verification information obtained for the 21 students selected by the ED for eligibility verification to determine whether the District had performed the verification process. Our examination found that District records did not evidence that the verification process had been performed for 5 of the 21 students. Program awards totaling \$18,421 to these 5 students represent questioned costs subject to disallowance by the grantor.
Cause	In response to our inquiry, District personnel indicated that, because of personnel changes in student financial aid office, the District did not always verify student information as required. Also, written policies and procedures had not been developed to ensure that the verifications were performed and the District did not provide for supervisory review and approval of student verification information to confirm that verifications were accurately and properly performed.
Effect	Without written policies and procedures requiring the appropriate verification of student information, such as documented, supervisory review and approval of the verifications performed, there is an increased risk that student award amounts may be incorrect. Additionally, because of the control deficiencies, Program awards totaling \$18,421 represent questioned costs subject to disallowance by the grantor.
Recommendation	The District should establish and use written policies and procedures to ensure that all required verifications are performed. Such policies and procedures should include documented, supervisory review and approval of student verification information to confirm the accuracy and propriety of the verifications. Also, the District should provide documentation to the ED supporting the allowability of the \$18,421 questioned costs or restore this amount to the Program.

District Response

The District is in the process of updating written procedures to include verification of student information, including documented supervisory review and approval of verification information to confirm the accuracy and propriety of the verifications.

U.S. DEPARTMENT OF EDUCATION

Finding Number	2017-002
CFDA Number	84.063
Program Title	Student Financial Assistance Cluster – Federal Pell Grant Program (Program)
Compliance Requirement	Special Tests and Provisions – Disbursements
Pass-Through Entity	Not Applicable
Federal Grant/Contract Number and Grant Year	P063P163554 – 2017
Statistically Valid Sample	No
Finding Type	Opinion Qualification, Noncompliance and Material Weakness
Questioned Costs	\$9,472
Prior Year Finding	Not Applicable

Finding The District did not always calculate Program awards in accordance with Federal regulations or disburse Program funds in accordance with Federal Student Aid (FSA) Handbook guidance.

Criteria Title 34, Section 690.63(e), CFR, requires that Program clock-hour payments be calculated by multiplying the student’s scheduled grant by the lesser of the number of clock hours in the payment period divided by the number of clock hours in the academic year or the weeks of instructional time in the payment period divided by the weeks of instructional time in the academic year. Title 34, Section 668.4(f), CFR, provides that, if a student withdraws from a clock-hour program during a payment period and then reenters the same program within 180 days, the student remains in that same payment period when he or she returns and is eligible to receive any Program funds for which he or she was eligible prior to withdrawal.

The FSA Handbook requires that Program payments be made to students within each payment period to best assist the students in paying their educational expenses. In addition, for clock-hour programs, the FSA Handbook requires the District to make the initial disbursement of Program funds before the 60 percent completion point of a payment period. Students are not eligible for subsequent payment period disbursements until they successfully complete the hours and weeks of the prior payment period.

Condition During the 2016-17 fiscal year, the District administered the Program at the First Coast Technical College (FCTC) for 343 students and Program expenditures totaled \$1,224,353. We examined District records supporting disbursements totaling \$137,797 to 40 selected Program students and found that the District did not always comply with Program requirements. Specifically:

- The District did not make 33 initial Program disbursements to 27 of the 40 students before the 60 percent completion point of the respective payment period.
- For 4 of the 27 students who were untimely paid and 1 other student, the District did not calculate the disbursements based on the number of instructional weeks completed by the student in the payment period. As a result, the District over awarded the 5 students a total of \$4,678, which represents questioned costs subject to disallowance by the grantor.
- For 1 of the 27 students who was untimely paid, left the program, and returned within 180 days, the District incorrectly entered the student into

a new payment period upon return instead of the same payment period, and did not consider the weeks of instruction in the subsequent disbursement calculations. As a result, the District over awarded \$2,532 to the student, which represents questioned costs subject to disallowance by the grantor.

- For 1 other student, the District did not consider weeks of instruction in the disbursement calculation in one payment period and disbursed funds prior to completion of the previous payment period hours, resulting in questioned costs of \$2,262.

Cause The District employed personnel to administer the Program and established procedures to calculate and disburse Program funds; however, the District had not established procedures for supervisory review and approval of disbursements to ensure disbursements were correctly calculated and made before the 60 percent completion point of the payment period. Also, in response to our inquiry, District personnel indicated that, because of personnel changes in the student financial aid office and a lack of training for new personnel, errors occurred as staff were unfamiliar with all Program requirements.

Effect Without procedures to ensure accurate Program disbursement calculations and timely disbursements, there is an increased risk of improper or late payments and that students may be unable to pay educational expenses. Disbursements totaling \$9,472 represent questioned costs subject to disallowance by the grantor.

Recommendation The District should establish procedures to ensure Program disbursements are accurately calculated based on student attendance dates and disbursed in accordance with FSA Handbook guidance. Such procedures should include documented supervisory review and approval of disbursements to confirm disbursements are correctly calculated and made before the 60 percent completion point of the payment period. In addition, the District should provide documentation to the ED supporting the allowability of the questioned costs totaling \$9,472 or restore this amount to the Program.

District Response The District is in the process of updating written procedures to provide for the accurate calculation of Program disbursements based on student attendance dates and in accordance with FSA Handbook guidance. These procedures will include documented supervisory review and approval of disbursements to confirm disbursements are correctly calculated and made before the 60 percent completion point of the payment period.

U.S. DEPARTMENT OF EDUCATION

Finding Number	2017-003
CFDA Number	84.063
Program Title	Student Financial Assistance Cluster – Federal Pell Grant Program (Program)
Compliance Requirement	Special Tests and Provisions - Return of Title IV Funds
Pass-Through Entity	Not Applicable
Federal Grant/Contract Number and Grant Year	P063P163554 – 2017
Statistically Valid Sample	No
Finding Type	Opinion Qualification, Noncompliance and Material Weakness
Questioned Costs	\$3,004
Prior Year Finding	Not Applicable

Finding	The District did not always accurately calculate the return of Title IV funds and post-withdrawal disbursements of Program funds or make timely disbursements to students.
Criteria	Title 34, Section 668.22, CFR, requires the District to determine the amount of Program funds students earned as of the student's withdrawal date and, if funds are due to the student, disburse those funds no later than 45 days after the date the District determines the student withdrew. Title 34, Section 668.173, CFR, requires that Program funds disbursed to a student but not earned be returned to the ED no later than 45 days after the date the District determines the student withdrew.
Condition	<p>From the population of 43 Program recipients who withdrew during the 2016-17 academic year, we examined District records supporting disbursement calculations totaling \$18,904 for 13 selected Program recipients. Our examination disclosed that the District did not always accurately calculate the amount of Program funds earned during the payment period or make timely disbursements to students. Specifically:</p> <ul style="list-style-type: none"> • For 4 students who received post-withdrawal disbursements, the District disbursed a total of \$3,004 more than the students had earned, resulting in questioned costs of \$3,004 subject to disallowance by the grantor. • For another student, a return of Title IV funds calculation was not performed and a post-withdrawal disbursement was not made to the student, resulting in an under award of \$44. While this does not result in questioned costs subject to disallowance by the grantor, it is indicative of deficiencies in procedures relating to the return of Program funds. • For 6 other students, the District made post-withdrawal disbursements to the students ranging from 63 to 127 days after the date the District determined the students withdrew, or 18 to 82 days late.
Cause	In response to our inquiry, District personnel indicated that, due to personnel changes in the student financial aid office, return of Title IV funds calculations were not always accurate nor were disbursements timely made to students. In addition, according to District personnel, the District did not perform independent verifications of the accuracy and timeliness of the Title IV funds return calculations and disbursements to students.
Effect	Absent the accurate calculation of Program funds earned by students at their withdrawal dates, and procedures to ensure the accuracy of those calculations, improper and untimely disbursements may be made to students.
Recommendation	The District should enhance procedures to ensure the accurate and timely calculations of return of Title IV funds and post-withdrawal disbursements to students. Such procedures should include documented, independent verifications to confirm the accuracy and timeliness of the Title IV funds return calculations and post-withdrawal disbursements to students. In addition, the District should provide documentation to the ED supporting the allowability of the questioned costs, totaling \$3,004, or restore this amount to the Program.
District Response	The District is in the process of updating written procedures to provide for the accurate and timely calculation of the return of Title IV funds and post-withdrawal disbursements to students. These procedures will include documented, independent verification to confirm the accuracy and timeliness of the Title IV funds return calculations and post-withdrawal disbursements to students.

U.S. DEPARTMENT OF EDUCATION

Finding Number	2017-004
CFDA Number	84.063
Program Title	Student Financial Assistance Cluster – Federal Pell Grant Program (Program)
Compliance Requirement	Cash Management – Reconciliations
Pass-Through Entity	Not Applicable
Federal Grant/Contract Number and Grant Years	P063P153554 – 2016 P063P163554 – 2017
Statistically Valid Sample	Not Applicable
Finding Type	Noncompliance and Significant Deficiency
Questioned Costs	Not Applicable
Prior Year Finding	Not Applicable
Finding	<p>The District did not perform required reconciliations of the financial transactions in the District accounting records to the transactions in the Federal grant management system and common origination and disbursement (COD) system. In addition, District procedures did not describe who, how, and when such reconciliations were to be performed.</p>
Criteria	<p>The reconciliation of District and Federal records for the Program is an essential component of an effective financial management system. Title 34, Section 668.24(b), CFR, requires the District to maintain financial records that reflect each Program transaction. Additionally, Volume 4, Chapter 5 of the Federal Student Aid Handbook, requires the District to have documented reconciliation procedures that describe who, how, and when reconciliations will be performed and, at a minimum, perform the reconciliations monthly. Also, the Handbook requires the District to finalize the reconciliation of cash and reporting of Program disbursements and disbursement adjustments by September 30 of the award year.</p>
Condition	<p>During the 2016-17 fiscal year, the District administered the Program at the FCTC for 343 students and Program expenditures totaled \$1,224,353. The District reports student award information in the COD system and uses the grant management system to electronically draw Program award moneys as needed. However, the District did not perform required reconciliations of the financial transactions in the District accounting records to the transactions in the Federal grant management system and COD system. As a result, the District reported \$3,743 more in Program revenues and expenditures in its accounting records than were reported in the grant management system and COD system at June 30, 2017.</p> <p>Also, although the District established procedures for reporting student award information in the COD system, requesting Program funds through the grant management system, and preparing disbursement schedules that agree to each draw made through the grant management system, District procedures did not describe who, how, or when reconciliations of the District accounting records to the grant management system and the COD system would be performed and documented.</p>
Cause	<p>In response to our inquiry, District personnel indicated that required reconciliations were not performed because of personnel changes in the student financial aid office and a lack of training. In addition, the District lacked supervisory review and approval procedures to ensure records were maintained</p>

to document who, how, and when reconciliations would be performed and to confirm that the reconciliations were prepared accurately and timely.

Effect

Absent the performance of required reconciliations, differences may exist between the amounts recorded in the District accounting records and the amounts in the grant management system and COD system. Also, absent documented reconciliation procedures describing who, how, and when reconciliations would be performed and requiring documentation that the reconciliations were performed, the District has limited assurance that recorded and reported information is accurate, and errors or omissions may occur and not be timely detected when reporting expenditures to or drawing down funds from ED.

Recommendation

The District should implement procedures to ensure that the Federally required reconciliations of District accounting records to the grants management system and COD system are timely performed and documented and that any identified differences are timely resolved. Such procedures should include appropriate training of personnel regarding the reconciliation process, and supervisory review and approval of the reconciliation process to ensure records are maintained to document who, how, and when reconciliations are performed and to confirm the accuracy and timeliness of the reconciliations.

District Response

The District is in the process of updating written procedures to provide for the timely reconciliation of District accounting records to the grants management system and COD system. These procedures will also provide that the reconciliations are timely performed, documented, and appropriately reviewed.

U.S. DEPARTMENT OF EDUCATION

Finding Number	2017-005
CFDA Number	84.063
Program Title	Student Financial Assistance Cluster – Federal Pell Grant Program (Program)
Compliance Requirement	Special Test and Provisions – Enrollment Reporting – National Student Loan Data System (NSLDS)
Pass-Through Entity	Not Applicable
Federal Grant/Contract Number and Grant Years	P063P153554 – 2016 P063P163554 – 2017
Statistically Valid Sample	No
Finding Type	Noncompliance and Significant Deficiency
Questioned Costs	Not Applicable
Prior Year Finding	Not Applicable

Finding

The District did not always accurately and timely report Program enrollment data.

Criteria

Title 34, Section 685.309(b)(2), CFR, requires the District to submit reports in accordance with deadlines established by the ED. The ED Dear Colleague Letter GEN 14-07 provides that enrollment information will be requested from schools every 60 days and schools will be required to respond to those requests using the NSLDS within 15 days of the date that the ED sends the electronic enrollment reporting roster to the school or to the school's designated third-party servicer.

Condition

From the population of 45 students who received Program funds and were selected for our eligibility and disbursements and return of Title IV funds tests, we examined records related to 26 students to determine whether the District

accurately and timely reported enrollment changes using the NSLDS. We found that the District:

- Had not reported as of August 22, 2017:
 - The enrollment of 1 student.
 - The correct enrollment status for 20 students, including 11 students who were reported as full-time students but had withdrawn and 9 students who were reported as withdrawn but had re-enrolled prior to our testing.
- Reported enrollment status changes for 5 other students from 108 to 290 days after the students' enrollment status had changed.

Cause	Because of personnel changes in the student financial aid office, enrollment information requests containing student roster files were sent to an incorrect e-mail address and new student financial aid personnel were unaware they needed to update the e-mail address to receive roster file notifications. In addition, according to District personnel, the District did not perform documented, independent verifications to ensure that all roster files received from the ED were reported accurately and timely to the NSLDS.
Effect	When the NSLDS is not timely provided with accurate information, the NSLDS cannot be used to monitor and evaluate the enrollment status of Program grant recipients.
Recommendation	The District should enhance procedures to ensure that all roster files received from the ED are reported accurately and timely to the NSLDS. Such procedures should include documented, independent verifications to confirm that the ED roster files are reported accurately and timely.
District Response	The District is in the process of updating written procedures to provide for the accurate and timely reporting of roster files received from the ED and reported to the NSLDS. These procedures will include a documented independent verification process to confirm that the ED roster files are accurately and timely reported.

ADDITIONAL MATTER

FINANCIAL REPORTING

Finding Number	AM 2017-001
Opinion Unit	Aggregate Discretely Presented Component Units
Financial Statements Account Titles	Various
Adjustment Amounts	Not Applicable
Prior Year Finding	Not Applicable
Finding	District financial reporting procedures need improvement to ensure consistent, proper reporting of charter schools as discretely presented component units.
Criteria	State Board of Education (SBE) Rule 6A-1.0071, Florida Administrative Code, and related instructions from the Florida Department of Education (FDOE) prescribe the exhibits and schedules that should be prepared as part of the District's annual financial report (AFR). Section 1010.01, Florida Statutes, requires that these exhibits and schedules be prepared in accordance with generally accepted accounting principles (GAAP). In addition, GAAP provide that the financial reporting entity consists of the primary government and its

component units. GAAP further define component units as legally separate organizations for which the primary government is financially accountable.

In October 2012 and January 2014, the FDOE provided guidance directing school districts to report charter schools as discretely presented component units (DPCUs), unless the charter schools were reported as component units of other governmental entities in accordance with GAAP. In addition, in November 2013, the FDOE General Counsel provided that, pursuant to the Article IX, Section 4 of the State Constitution, charter schools are public schools and each school district has constitutional responsibility for all public schools within the school district.

Condition

Pursuant to guidance from the FDOE, the District was responsible for reporting six charter schools as DPCUs on the District's financial statements for the 2014-15 and 2015-16 fiscal years and three charter schools as DPCUs for the 2016-17 fiscal year. Although the District appropriately reported the charter schools as DPCUs on the AFRs presented for audit for the 2014-15, 2015-16, and 2016-17 fiscal years, the District did not report the six charter schools as DPCUs on the financial statements included in the District's Comprehensive Annual Financial Report (CAFR) for the 2015-16 fiscal year.

Cause

The District's CAFR for the fiscal year ended June 30, 2016, indicated that the District had a change in reporting entity to remove the six charter schools from beginning net position, thus decreasing beginning net position by \$4,126,788. The CAFR also indicated that the DCPUs were reported as discretely presented component units in the 2014-15 financial statements as, collectively, the charter schools were considered to be of such significance that exclusion would cause the District's financial statements to be misleading. During the 2015-16 fiscal year, three of the six charter schools ceased operations and, because the charter schools significance to the District had declined, all six charter schools were removed as DCPUs in the District's 2015-16 financial statements and the charter schools' financial activities were not reported.

Effect

Excluding charter schools as DPCUs from school district financial statements may cause financial statement users to misunderstand the reporting entity's financial activities and incorrectly assess the reporting entity's financial position. In addition, inconsistent financial reporting of charter schools between the various financial reports (AFR and CAFR) does not provide for comparable financial statements.

For the 2016-17 fiscal year, the financial activities of the three charter schools comprise 78 percent of the liabilities, 66 percent of the revenues, 64 percent of the expenses, 62 percent of the assets, and 61 percent of net position for the financial activities reported by the District for aggregate DPCUs.

Recommendation

The District should improve financial reporting procedures to ensure consistent, proper reporting of DPCUs on the District's financial statements.

District Response

To ensure consistency and allow for comparability between financial statements, the District will continue to report charter schools as discretely presented component units.

**Estimated Corrective
Action Date**

Not applicable

**District Contact and
Telephone Number**

Michael Degutis, Chief Financial Officer
(904) 547-7651

PRIOR AUDIT FOLLOW-UP

There were no financial statement or Federal awards audit findings in the prior audit report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The District did not have prior audit findings required to be reported under 2 CFR 200.511.

CORRECTIVE ACTION PLAN



St. Johns County District School Board Management's Corrective Action Plans For the Fiscal Year Ended June 30, 2017

Federal Awards Finding Number: *2017-001.*

Planned Corrective Action: The District is in the process of updating written procedures to include verification of student information, including documented supervisory review and approval of verification information to confirm the accuracy and propriety of the verifications.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Chris Force, Principal, First Coast Technical College and Dawn Posey, Director of Accounting and Payroll

Federal Awards Finding Number: *2017-002.*

Planned Corrective Action: The District is in the process of updating written procedures to provide for the accurate calculation of Program disbursements based on student attendance dates and in accordance with FSA Handbook guidance. These procedures will include documented supervisory review and approval of disbursements to confirm disbursements are correctly calculated and made before the 60 percent completion point of the payment period.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Chris Force, Principal, First Coast Technical College and Dawn Posey, Director of Accounting and Payroll

Federal Awards Finding Number: 2017-003.

Planned Corrective Action: The District is in the process of updating written procedures to provide for the accurate and timely calculation of the return of Title IV funds and post-withdrawal disbursement to students. These procedures will include documented, independent verification to confirm the accuracy and timeliness of the Title IV funds return calculations and post-withdrawal disbursement to students

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Chris Force, Principal, First Coast Technical College and Dawn Posey, Director of Accounting and Payroll

Federal Awards Finding Number: 2017-004.

Planned Corrective Action: The District is in the process of updating written procedures to provide for the timely reconciliation of District accounting records to the grants management system and COD system. These procedures will also provide that the reconciliations are timely performed, documented, and appropriately reviewed.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Chris Force, Principal, First Coast Technical College and Dawn Posey, Director of Accounting and Payroll

Federal Awards Finding Number: 2017-005.

Planned Corrective Action: The District is in the process of updating written procedures to provide for the accurate and timely reporting of roster files received from the ED and reported to the NSLDS. These procedures will include a documented independent verification process to confirm that the ED roster files are accurately and timely reported.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Chris Force, Principal, First Coast Technical College and Dawn Posey, Director of Accounting and Payroll

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2017



Comprehensive
Annual
Financial
Report

St. Johns County
School District

