

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



School District of  
St. Johns County,  
Florida



For the Fiscal Year Ended  
June 30, 2016



Building  
CHARACTER  
for a stronger community



# **St. Johns County School District**

**St. Augustine, Florida**

## **Comprehensive Annual Financial Report**

**For the  
Fiscal Year  
Ended June 30, 2016**



**Prepared By:  
Finance Department**

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
ST. AUGUSTINE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED  
June 30, 2016**

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# INTRODUCTORY SECTION

This section contains the following subsections:

- Letter of Transmittal
- Principal Officials – Elected
- Principal Officials - Appointed
- Organizational Chart

## The Six Pillars of Character<sup>SM</sup>



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SCHOOL BOARD

Beverly Slough  
District 1

Tommy Allen  
District 2

Bill Mignon  
District 3

Kelly Barrera  
District 4

Patrick Canan  
District 5



December 7, 2016

Dear Chairman, 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, 2016.

The accompanying report includes all funds of the District, the St. Johns County School Board Leasing Corporation, Inc. (Leasing Corporation), and the St. Johns County Education Foundation, Inc. (Foundation). 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.

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

*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.*

control framework that is designed both 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 their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The accounting firm of Cherry Bekaert LLP, 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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The 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 independent auditor 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 of prior audit findings; 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 requires 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, Article IX, Section 4, 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 1001, 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 Florida Statutes, 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 (State).

The geographical boundaries of the District are those of St. Johns County. During the 2015-16 fiscal year, the District operated 40 schools, including 18 elementary schools, seven middle schools, seven high schools, three K-8 schools, one alternative education center, three juvenile justice facilities and a virtual school. Additionally, the District sponsored five charter schools during the fiscal year ended June 30, 2016; however, the charter schools do not meet the criteria for being included as a component unit in the District's financial statements. In the 2015-16 fiscal year, the District provided educational opportunities to 36,240 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 2016-17 school year is 37,350 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. Although charter schools receive public funds, they operate independently of public school districts. Each charter school has its own board of directors and administrators. Each of the charter schools operating during the 2015-16 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.

## **GENERAL DESCRIPTION AND LOCATION**

St. Johns County (County) encompasses approximately 608 square miles of land along the Atlantic Ocean and is located in 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, St. Johns 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 St. Johns 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 its history, scenic beaches and recreational offerings are the county's 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 St. Johns 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 \$58,379 and a median household income of \$65,575, compared to the state's per-capita of \$26,499 and median of \$47,212. The unemployment rate in St. Johns County as of June, 2016, was 3.7 percent, which is the second lowest rate in the state of Florida.

Major employers in St. Johns 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 77,443 households within the county, with an estimated population of 226,640 for 2015, an increase of 19.3% over the last five years. The surge in population earns the county 16<sup>th</sup> place on the U.S. Census Bureau's "List of 100 Fastest Growing U.S. Counties with a Population of 10,000 or More".

## **MAJOR INITIATIVES**

### **District Goals**

On April 12, 2016, at the regular School Board meeting, the Board approved the adoption of the 2016-2021 Strategic Plan, aligning all of its strategic goals around the vision and mission of the District:

*Vision: All students will choose a learning path that leads to a well-rounded graduate who demonstrates good character and leadership.*

*Mission: 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.*

In order to support the District vision and mission, the District adopted nine core values. These core values are:

- Trustworthiness, respect, responsibility, fairness, caring, and citizenship are essential to the well-being of individuals and society.
- All individuals have intrinsic value.
- Every individual can contribute something of worth to society.
- Individuals are responsible and accountable for their choices and decisions.
- In order to grow and thrive, individuals need caring relationships and nurturing environment.
- Supportive family relationships are the foundation of the community.
- High expectations lead to higher performance which, in turn, empowers the individual and strengthens society.
- Continuous learning is a lifelong process that is essential to a productive and enriched life.
- A safe and orderly environment is conducive to learning.

Aligning with the vision, mission and core values of the strategic plan, the Board developed four strategic goals, with various strategies from which all initiatives and individual goals are being developed around. The four over-arching strategic goals are:

- College and Career Readiness Student Success Goal 2021: All students will graduate with a skill set prepared for college or a career.
- Flexible Learning and Success Goal 2021: All students will have the choice and flexibility to customize their learning path.

- Well-Rounded Student Success Goal 2021: All students will have the opportunity to demonstrate leadership and character, strengthen their life skills and participate in service to the community.
- Growth Management Success Goal 2021: St. Johns County School District will proactively manage systemic growth.

The tactical plan to support goals are:

- Academic and Student Services
  - Create opportunities that empower students to build good character, life, social and leadership skills.
  - Develop and implement a K-12 initiative to fully implement STEM concepts.
  - Build literacy skills that empower students to communicate effectively.
  - Build capacity to fully support the academic, wellness and safety needs of all students.
- Operations
  - Develop a K-12 continuum of technology integration, including necessary network infrastructure, to ensure teachers are well equipped to implement technology in the classroom.
  - Continue to design and construct schools that accommodate growth while maintaining high quality programming with an intentional student-focused environment.
  - Continue to improve district-wide safety and security measures.
  - Continue to improve and upgrade operational systems and services to better meet the needs of students and staff.
- Community Relations
  - Continue to enhance technology to effectively communicate with families, students, employees and community members by researching and seeking the best available communication methods.
  - Continue to build a culture of character by further integrating CHARACTER COUNTS! Initiatives and related programs throughout the St. Johns County School District while expanding into the community at large.
  - Continue to seek and expand business and community partnerships to provide more opportunities for students.
- Human Resources
  - Using a comprehensive recruitment approach, Human Resources will recruit high-quality personnel in all employee groups.
  - Align all professional development opportunities so all employees can grow professionally while performing at their highest potential.
  - Provide ongoing ethics and professional conduct training to all employee groups.

➤ Superintendent and School Board

- Align all decision-making in the best interest of students.
- Continue to influence state legislation and set policy at the local level to further the mission, vision and goals of the school district.
- Maintain a nurturing and supportive environment by continuing a culture that fosters teamwork and collaboration that emphasizes shared values, integrity and loyalty.

The implementation of the 2016-2021 Strategic Plan will be incorporated within annual capital or operational budgets with a high expectation of success.

**Capital Outlay Program**

The District's availability of funds for capital projects 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 capital revenue. In fact, the 2007-08 capital fund generated approximately \$46.8 million. The same capital fund generated only \$31.7 million in 2015-16. This disparity is due, in large part to the continuing negative impacts of previous years' declining property values as a result of the housing market collapse and the related economic meltdown. More importantly, the Florida Legislature reduced the allowable millage level from 2.0 mills to 1.75 mills in 2008-09 and then again to 1.5 mills in 2009-10. It currently remains at 1.5 mills for 2015-16. For the foreseeable future, capital and maintenance projects must be prioritized with a focus on critical needs only. The District will be forced to move away from both being prepared for growth and using preventive maintenance (in order to minimize costs) to meeting only critical needs.

**Class Size Reduction Amendment**

In November 2002, the voters of Florida amended the State Constitution to limit class size. The amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students. Based on the annual review for the 2015-16 fiscal year conducted by the Florida Department of Education, the District complied with constitutional maximums in all schools and classrooms.

**Health Insurance**

The District continues to monitor health insurance costs and implement plan changes to the District's health insurance plan to ensure the plan's fiscal soundness. In both fiscal years 2014-15 and 2015-16 the District has increased the combined employer contribution and employee premium by a total of 12 percent, respectively, and increased the retiree premium by 18 and 12 percent, respectively. The District's contributions to the plan continue to put a strain on its operating funds.

## **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.

St. Johns County students outperformed the state average as well as the national average on both the 2016 SAT and the 2016 ACT. Students also outperformed all other Florida students on the 2016 AP tests. In addition, St. Johns students outperformed the state average in the 2016 Readiness for College tests in math, reading and writing, as individual subjects, as well as all three of those subjects combined.

For the 2015-16 school year, St. Johns County students ranked first in all tested grades (3-10) in reading; ranked first in grades 4, 7 and 8, tied for first in grades 3 and 5, and was ranked second in grade 6 for math; and ranked first in the two tested grades of 5th and 8th for science.

Furthermore, our students ranked first in the state end of course exams in Civics, Algebra I, Geometry, Biology I and U.S. History; and, was ranked second in Algebra II.

Finally, St. Johns County students have been first in the state, out of 67 school districts, in total school accountability points for the past eight years, and St. Johns County School District is one of only three school districts in the state to receive an "A" grade for twelve consecutive years.

## **FINANCIAL INFORMATION**

### **Long-term Financial Planning**

St. Johns County School District continues to carefully monitor 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. In addition, long-term financial planning needs are addressed in the Five-Year District Facilities Work Plan encompassing all construction, maintenance and facility renovations. This Facilities Work Plan is an intricate part of long-term financial planning and is updated on an annual basis.

The slow recovery from the economic recession, per-student funding from the State below 2007-08 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, puts enormous pressure on the District's operating fund.

If the District does not see a significant improvement in per-student funding in the future, then it will be necessary to once again reduce operating and capital expenditure budgets.

At June 30, 2016, the unassigned fund balance in the general fund totaled \$5,802,555. In addition, 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 three percent of its estimated revenue from the first Florida Education Finance Program calculation under a stabilization arrangement for use in an emergency. The District classified the stabilization arrangement monies as committed fund balance and defines the circumstances that constitute an emergency are non-routine in nature. Additional information on the District's fund balance categories and related policies is discussed in the notes to the financial statements, specifically Note I.F.11 and III.M.

At June 30, 2016, the stabilization balance was \$7,853,547. In total, the unassigned fund balance and committed fund balance for economic stabilization represent five percent of total general fund revenues.

On November 3, 2015, the citizens of St. Johns County voted to approve a one-half cent local sales surtax to be used for capital improvements within the school district. Critical projects include those related to new construction, renovations, technology, and safety and security. The sales tax went into effect on January 1, 2016, and is expected to generate approximately \$13 million per year. As of September 2016, the District met its expected sales tax revenue of \$13 million and anticipates an estimated \$4.2 million by the end of the calendar year.

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. These bonds are secured by the one-half cent local sales surtax.

### **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 funds 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**

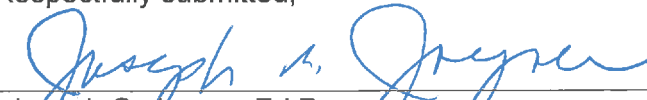
The Certified Public Accounting firm of Cherry Bekaert LLP performed the audit for the fiscal year ended June 30, 2016. The audit was conducted under United States' Generally Accepted Auditing Standards (GAAS), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Cherry Bekaert LLP's report on the basic financial statements and other matters is included in the financial section of this report.

### **ACKNOWLEDGEMENTS**

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,




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Joseph G. Joyner, Ed.D.  
Superintendent, St. Johns County School District



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Michael Degutis  
Chief Financial Officer



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Dawn Posey, CPA  
Director, Accounting and Payroll

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THE SCHOOL BOARD OF ST. JOHNS COUNTY, FLORIDA

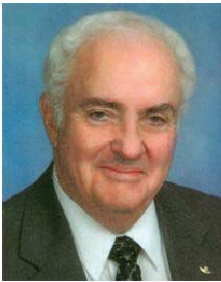
LIST OF PRINCIPAL OFFICIALS – ELECTED



**Mrs. Beverly Slough**  
District 1  
Member since 11/02  
Current term expires 11/18



**Mr. Thomas L. Allen, Jr., Chair**  
District 2  
Member since 11/96  
Current term expires 11/20



**Mr. Bill Mignon**  
District 3  
Member since 11/06  
Current term expires 11/18



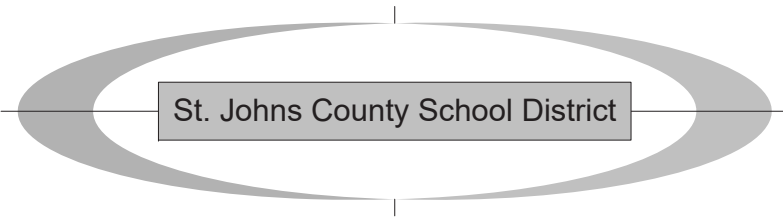
**Mrs. Kelly Barrera**  
District 4  
Member since 11/14  
Current term expires 11/18



**Mr. Patrick Canan**  
District 5  
Member since 11/12  
Current term expires 11/20

**THE SCHOOL BOARD OF ST. JOHNS COUNTY, FLORIDA**  
**LIST OF PRINCIPAL OFFICIALS – APPOINTED**

Joseph G. Joyner, Ed.D.	Superintendent
Martha Mickler	Assistant Superintendent
Brennan Asplen	Deputy Superintendent for Academic and Student Services
Nicole Cubbedge	Executive Director Planning and Government Relations
Michael Degutis	Chief Financial Officer
Cathy Hutchins	Associate Superintendent for Human Resources
Christina Langston	Chief of Community Relations
Cathy Mittelstadt	Associate Superintendent Student Support Services
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



**SCHOOL BOARD**

Executive Secretary  
Miriam Testasecca

**SUPERINTENDENT OF SCHOOLS**  
**Dr. Joseph G. Joyner**

Chief of Community Relations  
Christina Langston

Executive Assistant  
Vicki Moody

Assistant Superintendent  
Martha Mickler

Administrative Assistant  
Pat Alexander

Deputy Superintendent Academic & Student Services  
Brennan Asplen

Deputy Superintendent Operations  
**Vacant**

Associate Superintendent Curriculum & Instruction  
Dawn Sapp

Associate Superintendent Accountability & Intervention Services  
Scott Sherman

Associate Superintendent Student Support Services  
Cathy Mittelstadt

Associate Superintendent Human Resources  
Cathy Hutchins

Executive Director Planning & Government Relations  
Nicole Cubbedge

Executive Director Facilities & Operations  
Paul Rose

Chief Information Officer  
Bruce Patrou

Chief Financial Officer  
Michael Degutis

Board Approved August 9, 2016

# FINANCIAL SECTION

This section contains the following subsections:

- Report of Independent Auditor
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Notes to the Required Supplementary Information
- Other Supplementary Information – Combining and Individual Fund Statements and Schedules

## The Six Pillars of Character<sup>SM</sup>



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# Report of Independent Auditor

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## Report of Independent Auditor

The Honorable Members of the School Board  
St. Johns County School District  
St. Augustine, Florida

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit nor the fiduciary funds, which represent 100 percent of the component unit assets, net position, and revenues and 12 percent of the assets and 39 percent of the liabilities of the aggregate remaining fund information in the accompanying financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the fiduciary funds and the discretely presented component unit, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the St. Johns County School District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27 through 38, and the required supplementary information presented on 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.

### *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 introductory section, combining and individual fund statements and schedules, and statistical section, 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. The schedule of expenditures of federal awards on page 188 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements.

The combining and individual fund statements and schedules and the 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 the other auditor. In our opinion, the combining and individual fund statements and schedules and the 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 our report dated December 2, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida  
December 2, 2016

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# Management's Discussion and Analysis

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016. 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 2015-16 fiscal year are as follows:

- The District's total assets plus deferred outflows of resources exceeded its total liabilities plus deferred inflows of resources at June 30, 2016, by \$402,383,872 (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 \$118,656,185.
- In total, the District's net position increased \$50,441,041, which represents a 14 percent increase from the 2014-15 fiscal year. This increase is due to the one-half cent local sales tax receipts and sales tax revenue bond proceeds.
- The District's total government-wide revenues of \$386,817,563 were comprised of general revenues of \$331,344,430 or 86 percent of total government-wide revenues, and program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions of \$55,473,133 or 14 percent of total government-wide revenues. This compares to the prior fiscal year with government-wide revenues of \$338,051,123, which were comprised of general revenues of \$295,769,239 or 87 percent of total government-wide revenues, and charges for services, operating grants and contributions, and capital grants and contributions of \$42,281,884 or 13 percent of total government-wide revenues.
- The District's total expenses for governmental activities of \$336,376,522 were offset by program specific revenues of \$55,473,133. The remaining expenses were funded from general revenues and fund balance. In the prior fiscal year, total expenses of \$322,402,452 were offset with

program specific revenues of \$42,281,884 with the remaining expenses funded from general revenues and fund balance.

- The District's governmental funds reported a combined ending fund balance of \$193,636,471, an increase of \$61,027,791 or 46 percent in the 2015-16 fiscal year in comparison with the prior fiscal year's balance of \$132,608,680. This increase is due to the one-half cent local sales tax receipts and sales tax revenue bond proceeds.
- The General Fund total fund balance was \$43,084,215 as of June 30, 2016, and represents a decrease of \$5,145,523 or 11 percent as compared to the prior fiscal year's balance of \$48,229,738.
- The assigned and unassigned fund balance of the General Fund, which represents net current financial resources available for general appropriation by the Board, totaled \$33,392,273 at June 30, 2016 or 12 percent of total general revenues. In the 2014-15 fiscal year, the assigned and unassigned fund balance in the General Fund was \$37,870,900 or 15 percent of total General Fund revenues.
- The District's investment in capital assets (net of accumulated depreciation) increased by \$10,032,322 or 2 percent, from its balance of \$522,169,699 at June 30, 2015, to \$532,202,021 at June 30, 2016, mainly due to the donation of land, expansion projects, and new construction due to continuing growth.
- The District's capital asset-related long-term debt increased by a net amount of \$34,382,289, or 26 percent from its balance of \$130,692,953 at June 30, 2015 to \$165,075,242 at June 30, 2016, mainly due to the issuance of \$42,755,000 of Sales Tax Revenue Bonds, Series 2016.

## **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements.

In addition to the basic financial statements, this report also contains 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 regarding the overall financial position of the District, 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. Although a legally separate organization, the component unit is included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for this component unit 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 entity-wide perspective

contained in the government-wide statements. All of the District's funds may be classified within one of the broad categories discussed below.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 basic financial statements 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. The District maintains proprietary funds for its Internal Service Funds. 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's fiduciary fund is the agency fund used to account for the resources held for the school internal funds.

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

### **Notes to Financial Statements**

The notes to the basic financial statements 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 progress in funding its obligation to provide pension and other postemployment benefits to its employees.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	<b>Net Position, End of Year</b>	
	Governmental	
	Activities	
	6/30/16	6/30/15
Current and Other Assets	\$ 249,398,205	\$ 182,539,152
Capital Assets	532,202,021	522,169,699
<b>Total Assets</b>	<b>781,600,226</b>	<b>704,708,851</b>
<b>Deferred Outflow of Resources</b>	<b>37,442,130</b>	<b>26,226,656</b>
Long-Term Liabilities	362,156,415	290,835,988
Other Liabilities	40,207,056	31,137,342
<b>Total Liabilities</b>	<b>402,363,471</b>	<b>321,973,330</b>
<b>Deferred Inflow of Resources</b>	<b>14,295,013</b>	<b>57,019,346</b>
Net Position:		
Net Investment in Capital Assets	418,591,280	395,238,425
Restricted	102,448,777	84,324,801
Unrestricted (Deficit)	(118,656,185)	(127,620,395)
<b>Total Net Position</b>	<b>\$ 402,383,872</b>	<b>\$ 351,942,831</b>

The largest portion of the District's net position is its investment in capital assets (e.g., land; buildings; furniture, 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 District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt are provided from other sources, since the capital assets themselves are not to 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 \$25,676,260 in compensated absences payable, \$113,434,973 in pension benefits payable, and \$57,398,905 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 \$50,441,041 during the 2015-16 fiscal year. This increase is mainly attributable to the one-half cent local sales tax receipts and sales tax revenue bond proceeds.

The following is a summary of the District's operating results for the fiscal year ended June 30, 2016, compared to operating results for the fiscal year ended June 30, 2015:

	Operating Results for the Fiscal Year Ended		
	Governmental		Percent Change
	Activities		
	6/30/16	6/30/15	2015 to 2016
<b>Program Revenues:</b>			
Charges for Services	\$ 24,897,438	\$ 23,115,405	7.71%
Operating Grants and Contributions	13,836,488	13,178,882	4.99%
Capital Grants and Contributions	16,739,207	5,987,597	179.56%
<b>General Revenues:</b>			
Property Taxes, Levied for Operational Purposes	121,875,344	113,363,873	7.51%
Property Taxes, Levied for Capital Projects	31,911,983	29,106,294	9.64%
Local Sales Tax	8,791,558	-	N/A
Impact Fees	14,768,255	10,874,315	35.81%
Proportionate Share Concurrence	8,672,782	5,798,873	49.56%
Grants and Contributions Not Restricted to Specific Programs	138,868,615	131,468,770	5.63%
Unrestricted Investment Earnings	806,500	344,555	134.07%
Miscellaneous	5,649,393	4,812,559	17.39%
<b>Total Revenues</b>	<b>386,817,563</b>	<b>338,051,123</b>	<b>14.43%</b>
<b>Functions/Program Expenses:</b>			
Instruction	175,748,352	173,507,627	1.29%
Student Personnel Services	20,408,021	20,093,904	1.56%
Instructional Media Services	4,737,300	4,814,789	-1.61%
Instruction and Curriculum Development Services	6,113,077	6,271,030	-2.52%
Instructional Staff Training Services	5,656,429	5,806,845	-2.59%
Instruction Related Technology	7,376,343	6,515,405	13.21%
School Board	1,333,544	1,131,053	17.90%
General Administration	946,079	967,496	-2.21%
School Administration	16,717,692	16,444,564	1.66%
Facilities Acquisition and Construction	16,937,677	17,234,877	-1.72%
Fiscal Services	2,000,883	1,833,604	9.12%
Food Services	10,719,025	10,786,652	-0.63%
Central Services	14,939,898	13,673,785	9.26%
Student Transportation Services	13,187,377	13,111,533	0.58%
Operation of Plant	21,947,067	21,548,382	1.85%
Maintenance of Plant	8,278,732	8,509,014	-2.71%
Administrative Technology Services	586,180	689,818	-15.02%
Community Services	4,163,622	3,787,343	9.94%
Unallocated Interest on Long-Term Debt	4,579,224	5,674,732	-19.31%
<b>Total Functions/Program Expenses</b>	<b>336,376,522</b>	<b>332,402,453</b>	<b>1.20%</b>
<b>Change in Net Position</b>	<b>50,441,041</b>	<b>5,648,670</b>	<b>792.97%</b>
<b>Net Position - Beginning</b>	<b>351,942,831</b>	<b>346,294,161</b>	<b>1.63%</b>
<b>Net Position - Ending</b>	<b>\$ 402,383,872</b>	<b>\$ 351,942,831</b>	<b>14.33%</b>



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 86 percent of total revenues, whereas program revenues provide approximately 14 percent. The largest portion of program revenues (95 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 1,374 students, from 34,866 in the 2014-15 fiscal year to 36,240 in the 2015-16 fiscal year. The District had increases in program revenue due to the one-half cent local sales tax receipts and sales tax revenue bond proceeds. Revenues from property taxes increased as overall property values have increased. The District experienced an increase in grants and contributions not restricted to specific programs of \$7,399,845, or 6 percent, as compared to the prior fiscal year, mainly because of an increase in FEFP funding.

Instructional activities comprise the majority of the District's expenses, representing approximately 52 percent of total expenses of governmental activities for both the 2015-16 and 2014-15 fiscal years. Instructional expenses increased by \$2,240,725, or 1 percent, mainly as a result of hiring additional teachers to address the increase in student enrollment and salary increases. Overall, total expenses increased \$3,974,069, or 1 percent, as compared to total revenues, which increased \$48,766,440, or 14 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 the one-half cent local sales tax receipts and sales tax revenue bond proceeds.

## **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, 2016, the District's governmental funds reported combined ending fund balances of \$193,636,471 or an increase of \$61,027,791 in comparison with the prior fiscal year. Fund balance increases were attributable to the one-half cent local sales tax receipts and sales tax revenue bond proceeds, which are accounted for in the Capital Projects funds. Approximately 3 percent of total fund balance is unassigned \$5,722,395, which is available for spending at the District's discretion. The governmental fund balance can be broken down as follows: \$752,889 as nonspendable, \$151,074,970 as restricted, \$27,589,718 as assigned, and \$5,722,395 as unassigned.

## **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 \$5,802,555 and assigned fund balance was \$27,589,718, while the total fund balance was \$43,084,215. The District's General Fund's total fund balance for the 2015-16 fiscal year decreased by \$5,145,523 or 11 percent, as compared to the prior year. This decrease was anticipated as the District intentionally drew down on its fund balance when developing its 2015-16 budget plan.

Key factors for understanding this decrease are as follows:

- Total revenues increased by \$18,223,735, or 7 percent, mainly from an increase in property taxes, local donations, and State funding related to increases in enrollment.
- Total expenditures increased by \$12,702,033, or 5 percent, due mainly to increased salary and benefit costs.
- Total expenditures exceeded total revenues and net other financing sources, by \$5,145,523, due mainly to an increase in salary and benefit costs, and the District's plan to spend down General Fund reserves.

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 2015-16 fiscal year, all available resources were used for current debt-related expenditures. The total fund balance increased by \$3,401,767 in the current fiscal year to \$3,417,851, at June 30, 2016.

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 increased by \$2,964,380 in the current fiscal year to \$26,736,400, at June 30, 2016. This increase is mainly due to a decrease in transfers out to debt services funds for payment of principal and interest payments. Transfers out of \$16,452,476 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, 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. The total fund balance increased by \$60,702,420 to \$112,611,796, at June 30, 2016. This increase is mainly due to the issuance of \$42,755,000 of Sales Tax Revenue Bonds, Series 2016, and the one-half cent sales tax revenue of \$5,373,748.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the fiscal year, the District revises 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 \$11,607,711 or 5 percent (\$255,345,447 to \$266,953,158) and projected expenditures increased by \$13,044,868 or 4 percent (\$295,585,776 to \$308,630,644).

Actual General Fund revenues (\$269,643,539) were \$2,690,381 or 1 percent more than final budgeted amounts, and actual expenditures (\$281,665,675) were \$26,964,969 or 9 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 \$29,759,052. This provides maximum flexibility in funding for the General Fund to meet near-term shortfalls in revenue that are not matching current expenditure levels, in order to stabilize District programs until revenues recover to pre-recession levels.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### **Capital Assets**

The District's investment in capital assets (net of accumulated depreciation) as of June 30, 2016, totaled \$532,202,021. The capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio visual materials; and computer software.

Major capital asset additions during the current fiscal year included new equipment, construction, remodeling, renovations, and site improvements at several schools, including the construction of 22 classrooms at Crookshank Elementary School.

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

### **Long-Term Debt**

The District had total long-term debt outstanding of \$165,075,242 at the end of the current fiscal year related to the construction and acquisition of capital assets. This debt consisted of \$110,593,294 of Certificates of Participation, \$49,700,948 of Sales Tax Revenue Bonds, and \$4,781,000 of State School Bonds. The District's long-term debt increased a net amount of \$34,382,289, or 26 percent, mainly from the issuance \$42,755,000 of Sales Tax Revenue Bonds, Series 2016. This Series was issued to finance the cost of constructing and equipping a new K-8 school and a new elementary school.

Additional information on the District's long-term debt can be found in notes I.F.7, and III.K.1 through III.K.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, 2016**

	<b>Primary Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 156,729,855	\$ 785,158
Investments	111,334	-
Accounts Receivable	526,657	20,442
Land Contribution Receivable	9,227,500	-
Due from Other Agencies	6,977,040	-
Inventory	672,730	-
Prepaid Items	80,160	3,019
Restricted Cash and Cash Equivalents	75,072,929	-
<b>Total Current Assets</b>	<b>249,398,205</b>	<b>808,619</b>
Noncurrent Assets:		
Capital Assets:		
Capital Assets Not Being Depreciated	59,354,780	-
Capital Assets Being Depreciated, Net	472,847,241	3,137
<b>Total Noncurrent Assets</b>	<b>532,202,021</b>	<b>3,137</b>
<b>Total Assets</b>	<b>781,600,226</b>	<b>811,756</b>
<b>Deferred Outflows of Resources</b>		
Net Carrying Amount of Loss on Debt Refunding	2,624,183	-
Pension	34,817,947	-
<b>Total Deferred Outflows of Resources</b>	<b>37,442,130</b>	<b>-</b>
<b>Liabilities</b>		
Current Liabilities:		
Salaries and Benefits Payable	2,986,488	36,887
Payroll Deductions and Withholdings Payable	817,246	-
Accounts Payable	6,261,311	10,828
Due to Component Unit	170,858	-
Deposits Payable	311,866	-
Due to Other Agencies	221,821	-
Construction Contracts Payable	1,432,499	-
Construction Contracts Payable - Retained Percentage	715,887	-
Estimated Unpaid Claims - Self-Insurance Program	2,399,132	-
Unearned Revenue	9,236,762	-
Matured Bonds Payable	13,410,000	-
Matured Interest Payable	2,243,186	-
<b>Total Current Liabilities</b>	<b>40,207,056</b>	<b>47,715</b>
Noncurrent Liabilities:		
Long-term Liabilities:		
Portion Due Within One Year	22,440,708	-
Portion Due After One Year	339,715,707	-
<b>Total Noncurrent Liabilities</b>	<b>362,156,415</b>	<b>-</b>
<b>Total Liabilities</b>	<b>402,363,471</b>	<b>47,715</b>
<b>Deferred Inflows of Resources</b>		
Pension	14,295,013	-
<b>Total Deferred Inflows of Resources</b>	<b>14,295,013</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	418,591,280	3,137
Restricted for:		
State Required Carryover Programs	616,695	-
Food Service	1,230,782	-
Debt Service	8,245,909	-
Capital Projects	92,235,247	-
Other Purposes	120,144	389,940
Unrestricted (Deficit)	(118,656,185)	370,964
<b>Total Net Position</b>	<b>\$ 402,383,872</b>	<b>\$ 764,041</b>

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, 2016**

<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>
<b>Primary Government</b>				
Governmental Activities:				
Instruction	\$ 175,748,352	\$ 1,007,858	\$ -	\$ -
Student Personnel Services	20,408,021	-	-	-
Instructional Media Services	4,737,300	-	-	-
Instruction and Curriculum Development	6,113,077	-	-	-
Instructional Staff Training Services	5,656,429	-	-	-
Instruction Related Technology	7,376,343	-	-	-
School Board	1,333,544	-	-	-
General Administration	946,079	-	-	-
School Administration	16,717,692	-	-	-
Facilities Acquisition and Construction	16,937,677	-	-	15,059,785
Fiscal Services	2,000,883	-	-	-
Food Services	10,719,025	6,611,349	4,974,962	-
Central Services	14,939,898	11,365,620	-	-
Student Transportation Services	13,187,377	614,016	8,861,526	-
Operation of Plant	21,947,067	-	-	-
Maintenance of Plant	8,278,732	-	-	-
Administrative Technology Services	586,180	-	-	-
Community Services	4,163,622	5,298,595	-	-
Unallocated Interest on Long-term Debt	4,579,224	-	-	1,679,422
<b>Total Primary Government</b>	<b>\$ 336,376,522</b>	<b>\$ 24,897,438</b>	<b>\$ 13,836,488</b>	<b>\$ 16,739,207</b>
<b>Component Units</b>				
St. Johns County Education Foundation	\$ 896,773	\$ -	\$ 321,414	\$ -

**General Revenues**

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Impact Fees

Proportionate Share Concurrency

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning

**Net Position - Ending**

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



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

<b>Primary Government</b>	
<b>Governmental Activities</b>	<b>Component Unit</b>
\$ (174,740,494)	\$ -
(20,408,021)	-
(4,737,300)	-
(6,113,077)	-
(5,656,429)	-
(7,376,343)	-
(1,333,544)	-
(946,079)	-
(16,717,692)	-
(1,877,892)	-
(2,000,883)	-
867,286	-
(3,574,278)	-
(3,711,835)	-
(21,947,067)	-
(8,278,732)	-
(586,180)	-
1,134,973	-
(2,899,802)	-
<u>(280,903,389)</u>	<u>-</u>
-	<u>(575,359)</u>
121,875,344	-
31,911,983	-
8,791,558	-
138,868,615	592,014
806,500	1,358
5,649,393	-
14,768,255	-
8,672,782	-
<u>331,344,430</u>	<u>593,372</u>
<u>50,441,041</u>	<u>18,013</u>
<u>351,942,831</u>	<u>746,028</u>
<u>\$ 402,383,872</u>	<u>\$ 764,041</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>General Fund</u>	<u>Other Debt Service</u>	<u>Local Capital Improvement Fund</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 48,214,659	\$ -	\$ 27,134,709
Investments	75,721	17,931,767	-
Accounts Receivable	159,962	-	-
Due from Other Agencies	62,754	1,139,270	285
Due from Other Funds	663,081	-	-
Due from Component Units	683,296	-	-
Due from Internal Funds	75,898	-	-
Inventories	458,604	-	-
Prepaid Items	-	-	-
<b>Total Assets</b>	<u>\$ 50,393,975</u>	<u>\$ 19,071,037</u>	<u>\$ 27,134,994</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Salaries and Benefits Payable	\$ 2,892,031	\$ -	\$ -
Payroll Deductions and Withholdings Payable	787,957	-	-
Accounts Payable	3,278,231	-	388,100
Matured Certificates of Participation Payable	-	13,410,000	-
Matured Interest Payable	-	2,243,186	-
Construction Contracts Payable	-	-	10,494
Construction Contracts Payable - Retainage	-	-	-
Due to Other Funds	-	-	-
Due to Internal Funds	1,295	-	-
Due to Other Agencies	211,297	-	-
Due to Component Units	138,949	-	-
Deposits Payable	-	-	-
<b>Total Liabilities</b>	<u>7,309,760</u>	<u>15,653,186</u>	<u>398,594</u>
<b>Deferred inflows of resources</b>			
Unavailable Revenues and Land Contribution	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Prepaid Items	-	-	-
Inventories	458,604	-	-
Total Nonspendable Fund Balance	<u>458,604</u>	<u>-</u>	<u>-</u>
Restricted for:			
State Required Carryover Programs	616,695	-	-
Debt Service	-	3,417,851	-
Capital Projects	-	-	26,736,400
Food Service Operations	-	-	-
Restricted for Other Restrictions	120,144	-	-
Total Restricted Fund Balance	<u>736,839</u>	<u>3,417,851</u>	<u>26,736,400</u>
Committed for:			
Economic Stabilization	7,853,547	-	-
Committed for .25 Discretionary Millage	642,952	-	-
Total Committed Fund Balance	<u>8,496,499</u>	<u>-</u>	<u>-</u>
Assigned for:			
Budget Shortfall 2016-17 Fiscal Year	27,589,718	-	-
Total Assigned Fund Balance	<u>27,589,718</u>	<u>-</u>	<u>-</u>
Unassigned Fund Balance	5,802,555	-	-
<b>Total Fund Balances</b>	<u>43,084,215</u>	<u>3,417,851</u>	<u>26,736,400</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 50,393,975</u>	<u>\$ 19,071,037</u>	<u>\$ 27,134,994</u>

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

<b>Capital Projects - Other Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 58,854,870	\$ 2,353,241	\$ 136,557,479
52,424,438	4,828,058	75,259,984
276,896	1,886	438,744
3,554,303	1,537,132	6,293,744
-	-	663,081
-	-	683,296
-	-	75,898
-	214,125	672,729
-	80,160	80,160
<u>\$ 115,110,507</u>	<u>\$ 9,014,602</u>	<u>\$ 220,725,115</u>
\$ -	\$ 93,202	\$ 2,985,233
-	28,987	816,944
239,531	200,850	4,106,712
		13,410,000
		2,243,186
1,422,005	-	1,432,499
715,887	-	715,887
121,288	541,793	663,081
-	-	1,295
-	10,524	221,821
-	31,909	170,858
-	311,866	311,866
<u>2,498,711</u>	<u>1,219,131</u>	<u>27,079,382</u>
-	9,262	9,262
-	9,262	9,262
-	80,160	80,160
-	214,125	672,729
-	294,285	752,889
-	-	616,695
-	4,828,058	8,245,909
112,611,796	1,727,369	141,075,565
-	1,016,657	1,016,657
-	-	120,144
<u>112,611,796</u>	<u>7,572,084</u>	<u>151,074,970</u>
-	-	7,853,547
-	-	642,952
-	-	8,496,499
-	-	27,589,718
-	-	27,589,718
-	(80,160)	5,722,395
<u>112,611,796</u>	<u>7,786,209</u>	<u>193,636,471</u>
\$ 115,110,507	\$ 9,014,602	\$ 220,725,115

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016**

**Total Fund Balances - Governmental Funds** \$ 193,636,471

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. 532,202,021

Deferred outflows of resources are not available to pay for current expenditures and, therefore, are not reported in the governmental funds. This is the deferred outflow reported as a result of the net difference between the carrying amount of refunded debt and its reacquisition cost and certain changes in the net pension liability. 37,442,130

Deferred inflows of resources are not recognized as revenue in the current period and, therefore, are not reported in the government funds. This is the deferred inflow as a result of certain changes in the net pension liability. (14,295,013)

The 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. 14,983,643

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 and unamortized amounts at year-end consist of:

Certificates of Participation Payable	\$ 104,580,000	
Bonds Payable	54,481,948	
Unamortized Premiums	6,013,294	
Compensated Absences Payable	25,676,260	
Other Postemployment Benefits Payable	57,398,905	
Net Pension Liability	113,434,973	(361,585,380)

**Net Position - Governmental Activities** \$ 402,383,872

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, 2016**

	<u>General Fund</u>	<u>Other Debt Service</u>	<u>Local Capital Improvement Fund</u>
<b>Revenues</b>			
Federal Direct	\$ 212,987	\$ -	\$ -
Federal Through State and Local	27,950	-	-
State	135,315,745	-	-
Local:			
Property Taxes	121,875,344	-	31,911,983
Local Sales Taxes	-	3,417,810	-
Charges for Services - Food Service	-	-	-
Impact Fees	-	-	-
Other	12,211,513	56	235,453
<b>Total Revenues</b>	<u>269,643,539</u>	<u>3,417,866</u>	<u>32,147,436</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	167,782,703	-	-
Student Personnel Services	17,698,736	-	-
Instructional Media Services	4,678,354	-	-
Instruction and Curriculum Development	4,526,898	-	-
Instructional Staff Training Services	4,102,347	-	-
Instruction Related Technology	7,318,543	-	-
School Board	1,328,934	-	-
General Administration	372,369	-	-
School Administration	16,501,219	-	-
Facilities Acquisition and Construction	4,050,613	-	8,813,245
Fiscal Services	1,977,453	-	-
Food Services	-	-	-
Central Services	3,490,984	-	-
Student Transportation Services	11,924,560	-	-
Operation of Plant	21,797,610	-	-
Maintenance of Plant	8,199,549	-	-
Administrative Technology Services	581,874	-	-
Community Services	4,050,336	-	-
Capital Outlay:			
Facilities Acquisition and Construction	713,377	-	674,401
Other Capital Outlay	569,216	-	3,242,934
Debt Service:			
Retirement of Principal	-	13,410,000	-
Interest and Fiscal Charges	-	4,970,031	-
<b>Total Expenditures</b>	<u>281,665,675</u>	<u>18,380,031</u>	<u>12,730,580</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(12,022,136)</u>	<u>(14,962,165)</u>	<u>19,416,856</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	6,772,911	17,894,242	-
Transfers Out	-	-	(16,452,476)
Loss Recoveries	103,702	-	-
Issuance of Sales Tax Bonds	-	-	-
Premiums on Issuance of Long-Term Debt	-	469,690	-
<b>Total Other Financing Sources (Uses)</b>	<u>6,876,613</u>	<u>18,363,932</u>	<u>(16,452,476)</u>
<b>Net Change in Fund Balances</b>	(5,145,523)	3,401,767	2,964,380
<b>Fund Balances - Beginning</b>	48,229,738	16,084	23,772,020
<b>Fund Balances - Ending</b>	<u>\$ 43,084,215</u>	<u>\$ 3,417,851</u>	<u>\$ 26,736,400</u>

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

<b>Capital Projects - Other Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,799,735	\$ 2,012,722
-	15,951,783	15,979,733
127,725	1,964,046	137,407,516
-	-	153,787,327
5,373,748	-	8,791,558
-	6,611,348	6,611,348
14,768,255	-	14,768,255
9,213,258	239,388	21,899,668
<u>29,482,986</u>	<u>26,566,300</u>	<u>361,258,127</u>
-	5,930,649	173,713,352
-	2,448,074	20,146,810
-	-	4,678,354
-	1,510,073	6,036,971
-	1,491,283	5,593,630
-	-	7,318,543
-	-	1,328,934
-	569,327	941,696
-	-	16,501,219
1,536,085	2,519,702	16,919,645
-	-	1,977,453
-	10,639,904	10,639,904
-	-	3,490,984
-	51,129	11,975,689
-	333	21,797,943
-	-	8,199,549
-	-	581,874
-	63,505	4,113,841
8,931,658	222,208	10,541,644
99,114	252,641	4,163,905
-	706,000	14,116,000
-	1,058,787	6,028,818
<u>10,566,857</u>	<u>27,463,615</u>	<u>350,806,758</u>
<u>18,916,129</u>	<u>(897,315)</u>	<u>10,451,369</u>
-	1,002,062	25,669,215
(8,216,739)	(1,000,000)	(25,669,215)
-	-	103,702
42,755,000	-	42,755,000
7,248,030	-	7,717,720
<u>41,786,291</u>	<u>2,062</u>	<u>50,576,422</u>
60,702,420	(895,253)	61,027,791
51,909,376	8,681,462	132,608,680
<u>\$ 112,611,796</u>	<u>\$ 7,786,209</u>	<u>\$ 193,636,471</u>

**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, 2016**

**Net Change in Fund Balances - Governmental Funds** \$ 61,027,791

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 in excess of depreciation expense in the current period:

Capital Outlay Expenditures	\$ 14,705,548	
Depreciation Expense	(18,717,567)	
Donations	14,044,341	10,032,322

Long-term debt proceeds are reported as other financing sources in the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. The following details the amount of long-term bonded debt that was issued during the current period:

Sales Tax Revenue Bonds Issued	(42,755,000)	
Premium on Sales Tax Revenue Bonds Issued	(7,717,720)	(50,472,720)

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

Certificates of Participation Payable	13,410,000	
Bonds Payable	706,000	14,116,000

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

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

Loss on debt refunding is amortized over the life of the debt in the statement of activities, but is reported as expenditure in the fund statements. This is the amount of current loss 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 compensated absences. This is the net amount of vacation and sick leave used in excess of the amount paid in the current period.

136,053

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 increase in the postemployment healthcare benefits liability for the current fiscal year.

(77,013)

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

11,069,188

Deferred Outflows and Inflows are related to changes in the pension liability as reported in the statement of activities.

3,159,826

**Change in Net Position of Governmental Activities** \$ 50,441,041

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, 2016**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
Current Assets:	
Cash	\$ 20,096,656
Accounts Receivable	13,310
Total Current Assets	20,109,966
Noncurrent Assets:	
Capital Assets, Net of Depreciation	239,445
Total Noncurrent Assets:	239,445
 <b>Total Assets</b>	 20,349,411
 <b>Liabilities</b>	
Current Liabilities:	
Accrued Salaries and Benefits	1,255
Payroll Deductions and Withholdings Payable	302
Accounts Payable	2,154,599
Estimated Insurance Claims Payable	2,970,167
Total Liabilities	5,126,323
 <b>Net Position</b>	
Investment in Capital Assets	239,445
Unrestricted	14,983,643
<b>Total Net Position</b>	\$ 15,223,088

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 FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Insurance Premiums	\$ 50,548,466
Other Operating Revenues	768,905
<b>Total Operating Revenues</b>	51,317,371
<b>Operating Expenses</b>	
Insurance Claims	37,902,563
Fees and Other	14,826
Salaries	194,620
Employee Benefits	63,598
Purchased Services	2,118,352
Depreciation	37,186
<b>Total Operating Expenses</b>	40,331,145
<b>Operating Income</b>	10,986,226
<b>Nonoperating Revenues</b>	
Investment Income	45,775
<b>Change in Net Position</b>	11,032,001
<b>Net Position - Beginning</b>	4,191,087
<b>Net Position - Ending</b>	\$ 15,223,088

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, 2016**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Board Funds and Participants	\$ 51,317,371
Cash Payments to Suppliers for Goods and Services	(12,906,417)
Cash Payments to Employees	(258,218)
Cash Payments for Insurance Claims	(28,527,382)
<b>Net Cash Used by Operating Activities</b>	9,625,354
 <b>Cash Flows from Investing Activities</b>	
Investment Income	45,775
 <b>Net Increase in Cash</b>	9,671,129
 <b>Cash, Beginning of Year</b>	10,425,527
 <b>Cash, End of Year</b>	\$ 20,096,656
 <b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Operating Income	\$ 10,986,226
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	37,186
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(14,134)
Decrease in Due from Reinsurer	159,667
Increase in Salaries and Benefits Payable	1,255
Increase in Payroll Tax Liabilities	302
Decrease in Accounts Payable	(980,576)
Decrease in Estimated Insurance Claims Payable	(564,572)
Total Adjustments	(1,360,872)
 <b>Net Cash Provided by Operating Activities</b>	\$ 9,625,354

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, 2016**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 4,055,294
Due from Budgetary Funds	1,295
<b>TOTAL ASSETS</b>	<b>\$ 4,056,589</b>
<b>LIABILITIES</b>	
Due to Budgetary Funds	\$ 75,898
Internal Accounts Payable	3,980,691
<b>TOTAL LIABILITIES</b>	<b>\$ 4,056,589</b>

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

# Notes to the Financial Statements

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**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support. Likewise, 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, 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 part of the District. The St. Johns County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition

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of facilities and equipment as further discussed in note III.K.1. The Board of Directors of the Leasing Corporation are members of the School Board who elected to serve as ex-officio Directors. Due to the substantive economic relationship between the District and the Leasing Corporation and their shared governing body, 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 Unit.** The component unit column in the government-wide financial statements includes the financial data of the District's other component unit, the St. Johns County Education Foundation, Inc. (Foundation). 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 financial data reported on the accompanying statements was derived from the Foundation's audited financial statements for the fiscal year ended June 30, 2016. The audit report is filed in the District's administrative offices.

**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. Major individual governmental funds are reported as separate columns in the fund financial statements.

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.



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- 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 certificates of participation, and 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 new construction, renovation, and remodeling projects.
- 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.

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 include 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 monies collected at several schools in connection with school, student athletic, class, and club activities.

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, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**E. 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.

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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. 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. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances 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.

**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, money market funds, and short-term, highly liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida Prime, amounts placed with the Florida Education Investment Trust Fund (FEITF) and amounts in money market mutual funds.

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

**2. Investments**

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service monies, amounts placed with the SBA for

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participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, amounts placed in FEITF, and those made locally. 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 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 consist of commercial paper, obligations of United States Government agencies and instrumentalities, and corporate notes and bonds are reported at amortized cost, which approximates fair value. There are no limitations or restrictions on withdrawal of these funds.

Investments made locally consist of amounts placed in a money market mutual fund under a trust agreement in connection with certificates of participation financing arrangements, including QSCBs, and amounts placed in the FEITF, a Securities and Exchange Commission (SEC) Rule 2a7-like external investment pool, which are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at amortized cost, which approximates fair value. There are no limitations or restrictions on withdrawal of these funds.

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

**3. Restricted Cash and Cash Equivalents**

Certain assets held by a trustee under a trust agreement, in the name of the District, in connection with certificates of participation financing arrangements are classified as restricted assets on the statement of net position because they are set aside for repayment of maturing debt as required by the applicable debt covenants or represent proceeds from the sale of certificates of participation. In addition, revenue from the one-half cent local sales tax receipts is set aside for repayment of maturing debt of the Sales Tax Revenue Bonds, as required by the debt covenants or represent proceeds from the sale of these bonds.

These assets consist of \$15,653,226 restricted for the repayment of certificates of participation principal and interest payable on July 1, 2016, and reported as current liabilities on the statement of net position; \$4,716,724 restricted for the repayment of QSCBs principal that is maintained in a sinking fund account; \$2,278,540 restricted for the repayment of Sales Tax Revenue Bonds principal and interest; \$49,085,277 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 \$3,339,162 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 the 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

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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 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. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at fair 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 note III.E.

**6. Pensions**

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's 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.

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The District's retirement plans and related amounts are described in note III.F.

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 and using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable bond 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 is 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 note III.K.3.

8. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The deferred outflows for loss on debt refunding reported in the government-wide statement of net position results from the difference in the carrying value of the 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. The deferred outflows of resources related to pensions are discussed in note III.F.1.

In addition to liabilities, the statement of financial 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 a future period and, as such, will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category on the statement of net position. The deferred inflows of resources related to pensions are discussed in note III.F.1.

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.

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

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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 monies 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, 2016, the stabilization balance was \$7,853,547.

- **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 monies be used to support the maintenance and equipment needs of its educational facilities. The unspent portion of the additional discretionary millage monies, totaling \$642,952 at June 30, 2016, 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

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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 Department.

A schedule of revenue from State sources for the current fiscal year is presented in note III.O.1.

**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 2015 tax levy on September 15, 2015. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.



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

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

Millages and taxes levied for the current year are presented in note III.O.2.

**4. 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.

**5. Federal Revenue Sources**

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

**6. Compensated Absences**

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities 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.

**7. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing

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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 CHANGE**

**Change in Reporting Entity.** The ABLE School, Inc., Saint Augustine Montessori Community, Inc., St. Paul School of Excellence, Inc., the Therapeutic Learning Center Charter School and the St. Johns Community Campus Charter School operated by The ARC of the St. Johns, Inc., and the First Coast Technical Institute, Inc., d/b/a First Coast Technical College were reported as discretely presented component units in the 2014-15 financial statements as, collectively, these charter entities 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, ABLE School, Inc., and St. Paul School of Excellence, Inc., ceased operations. In addition, First Coast Technical College's operations deteriorated to the extent that the charter school ceased operations and merged its operations with the District effective July 1, 2016. As a result of these operational changes and declining significance in relation to the District, all charter entities have been removed as discretely presented component units in the District's 2015-16 financial statements. Accordingly, beginning net position for the component units as a whole has been restated (decreased) by \$4,126,788 to remove ABLE School's beginning net position of \$40,063, by \$3,424,681 to remove First Coast Technical College, by \$64,774 to remove St. Augustine Public Montessori, by (\$49,254) to remove St. Paul School of Excellence's beginning deficit net position, by \$386,095 to remove the Therapeutic Learning Center, and by \$260,429 to remove St. Johns Community Campus.

The adjustment to component unit beginning net position for the changes in reporting entity is as follows:

Net Position, Beginning, As Previously Reported	\$	4,872,816
Removal of ABLE School, Inc.		40,063
Removal of First Coast Technical Institute, Inc. (DBA First Coast Technical College)		3,424,681
Removal of St. Augustine Public Montessori		64,774
Removal of St. Paul School of Excellence, Inc. (Deficit)		(49,254)
Removal of Therapeutic Learning Center		386,095
Removal of St. Johns Community Campus		260,429
Net Position, Beginning, As Restated	<u>\$</u>	<u>746,028</u>

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**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**

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

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration (SBA):		
Florida PRIME (1) (2) (3)	58 Day Average	\$ 59,912,312
Debt Service Accounts	6 Months	111,334
Goldman Sachs Financial Square Treasury Obligations Fund (1) (2)	39 Day Average	15,236,337
FEITF (1)	41 Day Average	<u>5,052,040</u>
 Total Investments		 <u>\$ 80,312,023</u>

Notes: (1) Investments with original maturities of three months or less are considered cash equivalents for financial reporting purposes.

(2) Investments totaling \$20,369,951 were held under a trust agreement in connection with the Certificates of Participation, Series 2006, 2010-QSCB, 2012, 2013, and 2015 financing agreements, and is reported as restricted cash equivalents for financial reporting purposes (See note III.K.1).

(3) Investments totaling \$54,702,978 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 (See note III.K.1).

**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. The Goldman Sachs Financial Square Treasury Obligations Fund money market mutual fund and the FEITF are designed to maintain a \$1 per share net asset value and provide immediate liquidity to meet cash flow needs.

Florida PRIME, Goldman Sachs Financial Square Treasury Obligations Fund, and FEITF have a weighted average days to maturity (WAM) of 58 days, 39 days, and 41 days, respectively, at June 30, 2016. A portfolio's WA 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.

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**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; SEC 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 was rated AAAm by Standard and Poor's and the investments in Goldman Sachs Financial Square Treasury Obligations Fund was rated AAAm by Standard and Poor's and Aaa by Moody's Investors Service.

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.

**C. Due From Other Agencies**

The \$6,293,744 reported as due from other agencies primarily consists of \$3,174,126 due from the Department of Revenue related to the one-half cent local sales tax; \$1,060,656 due from the Florida Department of Education for remodeling, renovation, maintenance, repair, and site improvement projects of District facilities; \$400,715 due from the Florida Department of Education for reimbursement of Federal grant expenditures; and \$1,498,383 due from the St. Johns County Board of County Commissioners for the collection of educational impact fees.

**D. Land Contribution Receivable**

The \$9,227,500 reported as land contribution receivable represents the value of a high school property required to be donated to the District, in exchange for future impact fee credits, pursuant to an amended development order for the Twin Creeks Development of Regional Impact (DRI). The District is working with the developer on language regarding an access easement to this property. Accordingly, unearned revenue has been reported in the government-wide statement of net position until the property is conveyed to the District.

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**E. Changes in Capital Assets**

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 36,703,642	\$ 13,924,115	\$ -	\$ 50,627,757
Construction in Progress	63,485	8,663,538	-	8,727,023
Total Capital Assets Not Being Depreciated	36,767,127	22,587,653	-	59,354,780
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	24,849,107	172,349	-	25,021,456
Buildings and Fixed Equipment	645,504,849	1,695,141	-	647,199,990
Furniture, Fixtures, and Equipment	24,454,064	3,091,603	1,285,581	26,260,086
Motor Vehicles	20,948,975	1,037,694	1,375,772	20,610,897
Audio Visual Materials and Computer Software	4,247,870	165,449	65,574	4,347,745
Total Capital Assets Being Depreciated	720,004,865	6,162,236	2,726,927	723,440,174
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	15,710,148	673,486	-	16,383,634
Buildings and Fixed Equipment	181,039,089	14,671,984	-	195,711,073
Furniture, Fixtures, and Equipment	19,799,208	1,532,181	1,285,581	20,045,808
Motor Vehicles	13,889,565	1,753,631	1,375,772	14,267,424
Audio Visual Materials and Computer Software	4,164,283	86,285	65,574	4,184,994
Total Accumulated Depreciation	234,602,293	18,717,567	2,726,927	250,592,933
Total Capital Assets Being Depreciated, Net	485,402,572	(12,555,331)	-	472,847,241
Governmental Activities Capital Assets, Net	\$ 522,169,699	\$ 10,032,322	\$ -	\$ 532,202,021

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Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 10,676,230
Student Personnel Services	1,370,390
Instructional Media Services	309,259
Instruction and Curriculum Development Services	399,274
Instructional Staff Training Services	329,459
Instruction Related Technology	303,232
School Board	24,194
General Administration	22,988
School Administration	1,135,675
Facilities Acquisition and Construction	94,606
Fiscal Services	122,919
Food Services	415,091
Central Services	279,092
Student Transportation Services	1,753,631
Operation of Plant	782,361
Maintenance of Plant	410,866
Administrative Technology Services	22,590
Community Services	265,710
	<hr/>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 18,717,567</u></u>

**F. 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 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

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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' website [www.dms.myflorida.com](http://www.dms.myflorida.com).

The District's pension expense totaled \$9,800,089 for the fiscal year ended June 30, 2016.

**FRS Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight 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. Members of 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 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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

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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>% Value</u>
<b><i>Regular Class members initially enrolled before July 1, 2011</i></b>	
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
<b><i>Regular Class members initially enrolled on or after July 1, 2011</i></b>	
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
<b><i>Elected County Officers</i></b>	3.00
<b><i>Senior Management Service Class</i></b>	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 2015-16 fiscal year were as follows:

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

- Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.  
(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions, including employee contributions, to the Plan totaled \$9,965,075 for the fiscal year ended June 30, 2016. This excludes the HIS defined benefit pension plan contributions.



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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$54,551,392 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .422344002 percent, which was an increase of .016313957 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$4,746,028 related to the Plan. 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	\$ 5,734,803	\$ (1,269,053)
Change of assumptions	3,620,759	
Net difference between projected and actual earnings on FRS pension plan investments		(13,025,960)
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	4,041,428	
District FRS contributions subsequent to the measurement date	9,965,075	
<b>Total</b>	<b>\$ 23,362,065</b>	<b>\$ (14,295,013)</b>

The deferred outflows of resources related to pensions, totaling \$9,965,075, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ (3,552,901)
2018	(3,552,901)
2019	(3,552,901)
2020	7,193,922
2021	2,011,486
Thereafter	555,272
<b>Total</b>	<b>\$ (898,023)</b>

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

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

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

The actuarial assumptions used in the July 1, 2014, 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%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
<b>Total</b>	<u>100%</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 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	\$ 141,354,995	\$ 54,551,392	\$ (17,683,463)

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

Payables to the Pension Plan. At June 30, 2016, the District reported a payable of \$1,634,659 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2016.

**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 Division of Retirement within the Florida Department of Management Services.

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three 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.

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The District's contributions to the HIS Plan totaled \$2,994,840 for the fiscal year ended June 30, 2016.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2016, the District reported a net pension liability of \$58,883,581 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was .577379055 percent, which was an increase of .026157688 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$5,054,061 related to the HIS Plan. 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>
Change of assumptions	\$ 4,632,651
Net difference between projected and actual earnings on HIS pension plan investments	31,825
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	3,797,099
District contributions subsequent to the measurement date	2,994,307
	<hr/>
<b>Total</b>	<b>\$ 11,455,882</b>

The deferred outflows of resources related to pensions, totaling \$2,994,307, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 1,419,193
2018	1,419,193
2019	1,419,193
2020	1,412,714
2021	1,409,604
Thereafter	1,381,678
Total	\$ <u>8,461,575</u>

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

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.80 percent

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 3.80 percent, which is a reduction from 4.29 percent used at the preceding measurement date. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

	<b>1% Decrease (2.80%)</b>	<b>Current Discount Rate (3.80%)</b>	<b>1% Increase (4.80%)</b>
District's proportionate share of the net pension liability	\$67,095,100	\$ 58,883,581	\$52,036,407

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

Payables to the Pension Plan. At June 30, 2016, the District reported a payable of \$371,560 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2016.

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**2. FRS – Defined Contribution Pension Plan**

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

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. 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 five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$1,971,488 for the fiscal year ended June 30, 2016.

Payables to the Pension Plan. At June 30, 2016, the District reported a payable of \$336,997 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2016.

**G. 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 their 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.** 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 2015-16 fiscal year, 293 retirees received other postemployment benefits. The District provided required contributions of \$1,498,277 toward the annual OPEB cost, net of retiree contributions totaling \$2,365,863, which represents 1.9 percent of covered payroll.

**Annual OPEB Cost and Net OPEB Obligation.** The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and Financial Reporting*

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*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:

Description	Amount
Normal Cost (service cost for one year)	\$ 1,401,014
Amortization of Unfunded Actuarial Accrued Liability	1,320,714
Annual Required Contribution	2,721,728
Interest on Net OPEB Obligation	1,719,657
Adjustment to Annual Required Contribution	(2,866,095)
Annual OPEB Cost (Expense)	1,575,290
Contribution Toward the OPEB Cost	(1,498,277)
Increase in Net OPEB Obligation	77,013
Net OPEB Obligation, Beginning of Year	57,321,892
Net OPEB Obligation, End of Year	\$ 57,398,905

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2016, and the two preceding fiscal years, were as follows:

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013-14	\$4,523,681	\$1,872,824	41.4%	\$53,962,057
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

**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.



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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 required schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2016, and the District's 2015-16 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 3.70 to 7.80 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, 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 3 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, 2016, was 20 years.

**H. 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

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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 Professionals 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 \$792,777 during the 2015-16 fiscal year.

**I. 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, 2016:

General	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects		
\$ 1,031,240	\$ 5,850,659	\$ 7,363,934	\$ 439,561	\$ 14,685,394

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

Project	Contract Amount	Completed to Date	Balance Committed
Crookshank Elementary Expansion:			
Architect	\$ 240,000	\$ 218,393	\$ 21,607
Contractor	4,070,067	3,700,587	369,480
Direct Purchases	1,393,149	1,348,863	44,286
Sub Total	5,703,216	5,267,843	435,373
Nease High School Expansion:			
Architect	1,050,000	787,500	262,500
Contractor	12,000,000	525,168	11,474,832
Direct Purchases	10,248	10,248	-
Sub Total	13,060,248	1,322,916	11,737,332
New Elementary School "M"			
Architect	555,080	361,812	193,268
Contractor	19,599,000	-	19,599,000
Sub Total	20,154,080	361,812	19,792,268
New K-8 School "KK"			
Architect	1,105,275	652,112	453,163
New K-8 School "LL"			
Architect	1,174,275	729,482	444,793
Total	\$ 41,197,094	\$ 8,334,165	\$ 32,862,929

**J. 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

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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, and laser coverage on one member of \$775,000 per year. The program's administrator has been approved by the Florida Department of Financial Services, Office of Insurance Regulation. The funds for these coverages were established in accordance Chapter 112, Florida Statutes. The program is administered through the Internal Service Funds. Contributions to the program were made by the District and the First Coast Technical College, and covered by current and former employees and retirees of the District and the First Coast Technical College.

A liability in the amount of \$2,399,132 was actuarially determined for estimated insurance claims payable for claims incurred, but not reported for health and hospitalization coverage.

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

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014-15	\$ 2,798,588	\$ 33,091,451	\$ (33,049,783)	\$ 2,840,256
2015-16	2,840,256	27,918,640	(28,359,764)	2,399,132

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 was administered by the Florida School Boards Association program.

A liability in the amount of \$571,035 was actuarially determined to for estimated insurance claims payable for claims incurred, but not reported for workers' compensation coverage.

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

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014-15	\$ 735,528	\$ 101,849	\$ (142,894)	\$ 694,483
2015-16	694,483	44,170	(167,618)	571,035

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

**K. Long-Term Liabilities**

**1. Certificates of Participation**

Certificates of participation at June 30, 2016, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2010-QSCB	\$ 16,000,000	4.94 (1)	2027	\$ 16,000,000
Series 2012, Refunding	3,840,000	1.08	2018	9,510,000
Series 2013	29,895,000	3.00 - 5.00	2033	33,480,000
Series 2015, Refunding	54,845,000	5.00	2021	54,845,000
Total Certificates of Participation	<u>\$ 104,580,000</u>			<u>\$ 113,835,000</u>

Note: (1) The Series 2010-QSCBs (Qualified School Construction Bonds) are 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 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

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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

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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 and Valley Ridge Academy
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 15<sup>th</sup> 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>
2017	\$17,825,310	\$13,090,000	\$4,735,310
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
2022-2026	16,031,938	8,410,000	7,621,938
2027-2031	29,261,925	26,155,000	3,106,925
2032-2033	4,832,375	4,590,000	242,375
<b>Total Minimum Lease Payments</b>	<b>\$ 133,395,794</b>	<b>\$ 104,580,000</b>	<b>\$ 28,815,794</b>

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**2. Bonds Payable**

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

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2006A	\$ 325,000	4.250 - 4.625	2026
Series 2008A	1,115,000	4.25 - 5.00	2028
Series 2009A, Refunding	320,000	5.0	2019
Series 2009A	540,000	4.0 - 5.0	2029
Series 2010A	640,000	3.5 - 5.0	2030
Series 2011A, Refunding	250,000	3.0 - 5.0	2023
Series 2014A, Refunding	502,000	3.0 - 5.0	2025
Series 2014B, Refunding	1,089,000	2.0 - 5.0	2020
<b>Total State School Bonds</b>	<b>4,781,000</b>		
District Sales Tax Revenue Bonds Series 2016	42,755,000		
<b>Total Bonds Payable</b>	<b>\$ 47,536,000</b>		

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 State Board of Education 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 State Board of Education and the State Board of Administration.

**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 bond proceeds were issued to finance the cost of construction and equipping of a new K-8 school and a new elementary school. 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 recognized sales surtax revenue totaling \$8,791,558 during fiscal year 2016; debt service requirements for Series 2016, Sales Tax Revenue Bonds begin in fiscal year 2017. The pledge of sales surtax revenue for this debt service is through debt maturity.



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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2017	\$ 979,868	\$ 758,000	\$ 221,868
2018	995,578	811,000	184,578
2019	545,215	401,000	144,215
2020	443,621	319,000	124,621
2021	392,988	282,000	110,988
2022-2026	1,824,736	1,475,000	349,736
2027-2030	799,088	735,000	64,088
Total State School Bonds	<u>5,981,094</u>	<u>4,781,000</u>	<u>1,200,094</u>
District Sales Tax Revenue Bonds:			
2016	<u>54,653,010</u>	<u>42,755,000</u>	<u>11,898,010</u>
Total	<u>\$ 60,634,104</u>	<u>\$ 47,536,000</u>	<u>\$ 13,098,104</u>

**3. Changes in Long-Term Liabilities**

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable:					
Certificates of Participation	\$ 117,990,000	\$ -	\$ 13,410,000	\$ 104,580,000	\$ 13,090,000
Unamortized Premium	7,215,953	-	1,202,659	6,013,294	1,202,659
Total Certificates of Participation Payable	<u>125,205,953</u>	<u>-</u>	<u>14,612,659</u>	<u>110,593,294</u>	<u>14,292,659</u>
Bonds Payable					
District Sales Tax Revenue Bonds	-	42,755,000	-	42,755,000	2,220,000
Unamortized Premium	-	7,717,720	771,772	6,945,948	771,772
Total District Sales Tax Revenue Bonds	<u>-</u>	<u>50,472,720</u>	<u>771,772</u>	<u>49,700,948</u>	<u>2,991,772</u>
State School Bonds	5,487,000	-	706,000	4,781,000	758,000
Total Bonds Payable	<u>5,487,000</u>	<u>50,472,720</u>	<u>1,477,772</u>	<u>54,481,948</u>	<u>3,749,772</u>
Other Long-Term Liabilities:					
Estimated Insurance Claims Payable	694,483	44,170	167,618	571,035	167,618
Compensated Absences Payable	25,812,313	1,932,319	2,068,372	25,676,260	2,068,372
Postemployment Health Care Benefits Payable	57,321,892	1,575,290	1,498,277	57,398,905	-
Net Pension Liability	76,314,347	49,624,833	12,504,207	113,434,973	2,162,287
Total Governmental Activities	<u>\$ 290,835,988</u>	<u>\$ 103,649,332</u>	<u>\$ 32,328,905</u>	<u>\$ 362,156,415</u>	<u>\$ 22,440,708</u>

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

**L. Net Position – Net Investment in Capital Assets**

In the government-wide Statement of Net Position, the difference between total assets and total liabilities 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, 2016, is shown in the table below:

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated	
Depreciation	\$ 532,202,021
Plus Deferred Outflow for Net Carrying Amount of Debt Refunding	2,624,183
Less Related Debt, Net of Unspent Proceeds:	
Bonds Payable	\$ 54,481,948
Certificates of Participation Payable	110,593,294
Unspent Debt Proceeds	<u>(48,840,318)</u>
Total Related Debt, Net of Unspent Proceeds	<u>(116,234,924)</u>
Total Net Investment in Capital Assets	<u><u>\$ 418,591,280</u></u>

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**M. Fund Balance Reporting**

The following is a schedule of fund balances by category at June 30, 2016:

	<u>Major Funds</u>					Total Governmental Funds
	General	Debt Service - Other Debt Service	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventories	\$ 458,604	\$	\$	\$	\$ 214,125	\$ 672,729
Prepays					80,160	80,160
Total Nonspendable	<u>458,604</u>				<u>294,285</u>	<u>752,889</u>
<b>Restricted for:</b>						
State Required Carryover Programs	616,695					616,695
Full Service Schools	120,144					120,144
Food Service					1,016,657	1,016,657
Debt Service		3,417,851			4,828,058	8,245,909
Capital Projects			26,736,400	112,611,796	1,727,369	141,075,565
Total Restricted Fund Balance	<u>736,839</u>	<u>3,417,851</u>	<u>26,736,400</u>	<u>112,611,796</u>	<u>7,572,084</u>	<u>151,074,970</u>
<b>Committed for:</b>						
Economic Stabilization	7,853,547					7,853,547
0.25 Discretionary Millage	642,952					642,952
Total Committed Fund Balance	<u>8,496,499</u>					<u>8,496,499</u>
<b>Assigned for:</b>						
2016-17 Budget Shortfalls	17,873,513					17,873,513
Local Programs and Services	5,852,759					5,852,759
Extended Day Programs	3,489,966					3,489,966
School and Department Purchase Obligations	289,308					289,308
School Concurrency	84,172					84,172
Total Assigned Fund Balance	<u>27,589,718</u>					<u>27,589,718</u>
<b>Unassigned Fund Balance</b>	<u>5,802,555</u>				<u>(80,160)</u>	<u>5,722,395</u>
<b>Total Fund Balances</b>	<u>\$ 43,084,215</u>	<u>\$ 3,417,851</u>	<u>\$ 26,736,400</u>	<u>\$ 112,611,796</u>	<u>\$ 7,786,209</u>	<u>\$ 193,636,471</u>

The fund balance categories are discussed in the **Fund Balance Policies** note disclosure I.F.11.

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**N. 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	\$ 738,979	\$ 1,295
Nonmajor Governmental Agency		663,081
	1,295	75,898
Total	<u>\$ 740,274</u>	<u>\$ 740,274</u>

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.

**O. Revenues and Expenditures/Expenses**

**1. Schedule of State Revenue Sources**

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

Source	Amount
Florida Education Finance Program (FEFP):	
Transportation	\$ 8,681,526
Supplemental Academic Instruction	6,890,657
Instructional Materials	2,963,504
Comprehensive Reading Plan	1,683,248
Safe Schools	586,933
Florida Teachers Lead	603,103
Digital Classrooms Allocation	801,192
Other FEFP	65,160,669
Categorical Educational Program - Class Size Reduction	38,373,022
Workforce Development Program	4,455,931
School Recognition	3,084,279
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,418,170
Best and Brightest Teacher Scholarship Program	800,858
Voluntary Prekindergarten	770,043
Gross Receipts Tax (Public Education Capital Outlay)	503,106
Sales Tax Distribution (Formerly Racing Commission Funds)	206,750
Mobile Home License Tax	68,076
Food Service Supplement	63,658
Miscellaneous	292,791
Total	<u>\$ 137,407,516</u>

Accounting policies relating to certain State revenue sources are described in note I.G.2.

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**2. Property Taxes**

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

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	4.980	\$ 109,687,180
Basic Discretionary Local Effort	0.748	16,475,102
 <u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>33,038,307</u>
 TOTAL	<u>7.228</u>	<u>\$ 159,200,589</u>

Actual property taxes collected totaled 96.0 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.

**P. Interfund Transfers**

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 6,772,911	\$ -
Other Debt Service	17,894,242	
Capital Projects:		
Local Capital Improvement Fund		16,452,476
Other Capital Projects		8,216,739
Nonmajor Governmental	<u>1,002,062</u>	<u>1,000,000</u>
 Total	<u>\$ 25,669,215</u>	<u>\$ 25,669,215</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2016**

Interfund transfers represent permanent transfers of monies 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 2015-16 fiscal year:

	Group Medical Insurance	Group Dental Insurance	Group Vision Insurance	Workers' Compensation Liability Insurance	Total
Total Assets	<u>\$ 12,172,854</u>	<u>\$1,792,597</u>	<u>\$1,193,496</u>	<u>\$5,190,464</u>	<u>\$ 20,349,411</u>
Liabilities and Net Position:					
Salary & Benefit Payable	\$ 380	\$ -	\$ -	\$ 875	\$ 1,255
Accounts Payable	2,125,714	-	28,601	284	2,154,599
Payroll Deductions Payable	157	-	-	145	302
Estimated Insurance Claims Payable	2,091,300	254,277	53,555	571,035	2,970,167
Net Position:					
Net Investment in Capital Assets	239,445	-	-	-	239,445
Unrestricted Net Position	<u>7,715,858</u>	<u>1,538,320</u>	<u>1,111,340</u>	<u>4,618,125</u>	<u>14,983,643</u>
Total Liabilities and Net Position	<u>\$ 12,172,854</u>	<u>\$1,792,597</u>	<u>\$1,193,496</u>	<u>\$5,190,464</u>	<u>\$ 20,349,411</u>
Revenues:					
Insurance Premiums	\$ 46,395,695	\$2,797,138	\$ 777,048	\$1,347,490	\$ 51,317,371
Interest Revenue	<u>24,292</u>	<u>5,977</u>	<u>3,577</u>	<u>11,929</u>	<u>45,775</u>
Total Revenues	46,419,987	2,803,115	780,625	1,359,419	51,363,146
Total Expenses	<u>(35,389,565)</u>	<u>(2,931,214)</u>	<u>(626,645)</u>	<u>(1,383,721)</u>	<u>(40,331,145)</u>
Increase (Decrease) in Net Position	<u>\$ 11,030,422</u>	<u>\$ (128,099)</u>	<u>\$ 153,980</u>	<u>\$ (24,302)</u>	<u>\$ 11,032,001</u>

# 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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Federal Direct:				
Reserve Officers Training Corps	\$ 200,000	\$ 200,000	\$ 212,987	\$ 12,987
Federal Through State:				
Other Federal Through State	-	-	27,950	27,950
Total Federal Through State	-	-	27,950	27,950
State:				
Florida Education Finance Program	90,135,025	87,370,832	87,370,832	-
Workforce Development Program	-	4,323,713	4,323,713	-
Workforce Education Performance Incentive	-	132,218	132,218	-
CO&DS Withheld for Administrative Expense	-	20,889	20,889	-
Discretionary Lottery Funds	129,037	-	-	-
Class Size Reduction - Operating Funds	38,848,989	38,357,884	38,373,022	15,138
School Recognition Funds	2,572,747	3,084,279	3,084,279	-
Voluntary Prekindergarten Program	-	770,043	770,043	-
Other State:				
State License Tax	67,000	67,000	68,076	1,076
Miscellaneous State Revenue	206,750	1,172,672	1,172,673	1
Total State	131,959,548	135,299,530	135,315,745	16,215
Local:				
District School Taxes	121,065,742	121,065,742	121,537,883	472,141
Tax Redemptions	200,000	200,000	337,461	137,461
Rent	-	740,342	740,342	-
Investment Income	160,000	160,000	312,722	152,722
Net Increase in Fair Value of Investments	-	-	19,079	19,079
Gifts, Grants, and Bequests	-	558,897	633,600	74,703
Other Student Fees	7,000	7,000	6,385	(615)
Preschool Program Fees	-	268,703	268,703	-
Prekindergarten Early Intervention	-	-	105,503	105,503
School Age Child Care Fees	-	5,298,595	5,298,595	-
Other Schools Courses Classes	-	603,307	603,307	-
Bus Fees	139,600	139,600	39,198	(100,402)
Field Trips	142,500	142,500	574,819	432,319
Sale of Junk	50,000	50,000	87,814	37,814
Federal Indirect Cost Rate	600,000	600,000	569,327	(30,673)
Miscellaneous Local Revenues	821,057	1,618,942	2,952,119	1,333,177
Total Local	123,185,899	131,453,628	134,086,857	2,633,229
<b>Total Revenues</b>	<b>255,345,447</b>	<b>266,953,158</b>	<b>269,643,539</b>	<b>2,690,381</b>

(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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Current Education:				
Instruction:				
Salaries	\$ 116,349,821	\$ 114,900,126	\$ 108,715,934	\$ 6,184,192
Employee Benefits	40,801,488	40,620,646	37,809,430	2,811,216
Purchased Services	4,465,103	12,368,278	11,245,239	1,123,039
Energy Services	-	2,196	2,196	-
Materials and Supplies	17,425,543	10,686,859	5,294,783	5,392,076
Capital Outlay	369,836	1,693,450	1,488,720	204,730
Other	2,435,907	3,815,523	3,226,401	589,122
Total Instruction	<u>181,847,698</u>	<u>184,087,078</u>	<u>167,782,703</u>	<u>16,304,375</u>
Student Personnel Services:				
Salaries	11,844,279	12,741,114	12,410,797	330,317
Employee Benefits	4,108,066	4,735,704	4,567,890	167,814
Purchased Services	667,335	662,524	610,335	52,189
Materials and Supplies	98,303	126,030	90,427	35,603
Capital Outlay	10,823	16,242	11,084	5,158
Other	-	8,503	8,203	300
Total Student Personnel Services	<u>16,728,806</u>	<u>18,290,117</u>	<u>17,698,736</u>	<u>591,381</u>
Instructional Media Services:				
Salaries	3,135,686	3,150,350	3,097,193	53,157
Employee Benefits	1,318,096	1,296,150	1,252,303	43,847
Purchased Services	20,095	47,244	38,311	8,933
Materials and Supplies	141,299	92,217	72,042	20,175
Capital Outlay	119,336	232,365	216,479	15,886
Other	1,000	2,926	2,026	900
Total Instructional Media Services	<u>4,735,512</u>	<u>4,821,252</u>	<u>4,678,354</u>	<u>142,898</u>
Instruction and Curriculum Development:				
Salaries	3,538,017	3,345,505	3,274,214	71,291
Employee Benefits	1,089,967	1,088,305	1,019,236	69,069
Purchased Services	163,260	242,894	161,675	81,219
Materials and Supplies	49,211	65,641	57,272	8,369
Capital Outlay	7,360	15,254	11,658	3,596
Other	10,665	2,883	2,843	40
Total Instruction and Curriculum Development	<u>4,858,480</u>	<u>4,760,482</u>	<u>4,526,898</u>	<u>233,584</u>
Instructional Staff Training Services:				
Salaries	639,208	2,912,729	2,762,711	150,018
Employee Benefits	183,691	944,415	877,214	67,201
Purchased Services	148,332	542,026	417,739	124,287
Materials and Supplies	6,000	12,256	9,545	2,711
Other	7,324	43,230	35,138	8,092
Total Instructional Staff Training Services	<u>984,555</u>	<u>4,454,656</u>	<u>4,102,347</u>	<u>352,309</u>
Instruction Related Technology:				
Salaries	3,456,922	3,221,828	3,180,763	41,065
Employee Benefits	1,081,082	1,090,385	1,083,970	6,415
Purchased Services	2,881,413	3,094,016	3,046,014	48,002
Energy Services	4,000	4,000	1,667	2,333
Capital Outlay	100,070	120,943	6,129	114,814
Total Instruction Related Technology	<u>7,523,487</u>	<u>7,531,172</u>	<u>7,318,543</u>	<u>212,629</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget - Positive (Negative)</u>
<b>Expenditures (continued)</b>				
Current Education (continued):				
Board of Education:				
Salaries	\$ 221,974	\$ 227,526	\$ 223,435	\$ 4,091
Employee Benefits	117,646	123,692	116,845	6,847
Purchased Services	620,770	991,007	963,573	27,434
Materials and Supplies	4,453	5,156	4,400	756
Other	34,625	21,306	20,681	625
Total Board of Education	<u>999,468</u>	<u>1,368,687</u>	<u>1,328,934</u>	<u>39,753</u>
General Administration:				
Salaries	250,834	256,829	252,134	4,695
Employee Benefits	70,234	75,284	71,177	4,107
Purchased Services	9,000	37,289	33,097	4,192
Materials and Supplies	6,000	5,469	3,045	2,424
Other	13,500	13,960	12,916	1,044
Total General Administration	<u>349,568</u>	<u>388,831</u>	<u>372,369</u>	<u>16,462</u>
School Administration:				
Salaries	12,989,403	12,241,277	11,995,485	245,792
Employee Benefits	4,130,097	4,170,469	3,976,946	193,523
Purchased Services	653,118	485,585	279,166	206,419
Materials and Supplies	413,656	334,385	150,981	183,404
Capital Outlay	18,528	103,259	53,266	49,993
Other	37,455	52,703	45,375	7,328
Total School Administration	<u>18,242,257</u>	<u>17,387,678</u>	<u>16,501,219</u>	<u>886,459</u>
Facilities Acquisition and Construction:				
Salaries	1,028,890	1,004,143	990,475	13,668
Employee Benefits	319,596	353,463	340,094	13,369
Purchased Services	2,735,235	2,739,176	2,309,337	429,839
Energy Services	13,000	13,000	4,778	8,222
Materials and Supplies	56,844	63,977	5,048	58,929
Capital Outlay	469,377	1,006,857	386,375	620,482
Other	14,500	15,106	14,506	600
Total Facilities Acquisition and Construction	<u>4,637,442</u>	<u>5,195,722</u>	<u>4,050,613</u>	<u>1,145,109</u>
Fiscal Services:				
Salaries	1,254,225	1,305,238	1,285,838	19,400
Employee Benefits	405,248	460,558	442,926	17,632
Purchased Services	174,600	191,411	182,076	9,335
Materials and Supplies	22,128	20,763	15,947	4,816
Capital Outlay	532	2,762	1,642	1,120
Other	63,200	49,025	49,024	1
Total Fiscal Services	<u>1,919,933</u>	<u>2,029,757</u>	<u>1,977,453</u>	<u>52,304</u>
Central Services:				
Salaries	2,265,369	2,371,877	2,324,400	47,477
Employee Benefits	648,634	848,722	819,615	29,107
Purchased Services	358,660	336,355	263,609	72,746
Energy Services	5,500	5,500	2,089	3,411
Materials and Supplies	42,409	69,114	56,719	12,395
Capital Outlay	7,379	18,933	15,452	3,481
Other	5,900	10,327	9,100	1,227
Total Central Services	<u>3,333,851</u>	<u>3,660,828</u>	<u>3,490,984</u>	<u>169,844</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget - Positive (Negative)</u>
Current Education (concluded):				
Student Transportation Services:				
Salaries	\$ 6,295,207	\$ 6,287,496	\$ 6,287,496	\$ -
Employee Benefits	3,021,700	3,129,504	3,129,504	-
Purchased Services	479,467	646,014	571,333	74,681
Energy Services	2,345,920	2,162,459	1,080,912	1,081,547
Materials and Supplies	660,747	696,741	637,207	59,534
Capital Outlay	2,500	8,255	8,255	-
Other	200,900	209,853	209,853	-
Total Student Transportation Services	<u>13,006,441</u>	<u>13,140,322</u>	<u>11,924,560</u>	<u>1,215,762</u>
Operation of Plant:				
Salaries	7,404,338	7,626,934	7,476,440	150,494
Employee Benefits	3,459,467	3,661,134	3,526,900	134,234
Purchased Services	3,886,812	4,036,220	3,827,537	208,683
Energy Services	6,281,397	6,198,890	5,234,279	964,611
Materials and Supplies	1,368,975	1,194,677	1,124,719	69,958
Capital Outlay	71,242	245,382	192,603	52,779
Other	4,826	417,124	415,132	1,992
Total Operation of Plant	<u>22,477,057</u>	<u>23,380,361</u>	<u>21,797,610</u>	<u>1,582,751</u>
Maintenance of Plant:				
Salaries	4,329,650	4,296,420	4,236,655	59,765
Employee Benefits	1,552,629	1,581,220	1,541,871	39,349
Purchased Services	883,744	862,181	777,433	84,748
Energy Services	131,434	130,934	89,577	41,357
Materials and Supplies	680,667	619,507	503,294	116,213
Capital Outlay	852,403	1,254,915	1,049,089	205,826
Other	-	2,380	1,630	750
Total Maintenance of Plant	<u>8,430,527</u>	<u>8,747,557</u>	<u>8,199,549</u>	<u>548,008</u>
Administrative Technology Services:				
Salaries	295,943	308,468	229,686	78,782
Employee Benefits	96,181	107,271	88,031	19,240
Purchased Services	182,058	234,729	199,971	34,758
Materials and Supplies	5,000	8,226	5,927	2,299
Capital Outlay	55,763	62,174	57,723	4,451
Other	45,200	56,900	536	56,364
Total Administrative Technology Services	<u>680,145</u>	<u>777,768</u>	<u>581,874</u>	<u>195,894</u>
Community Services:				
Salaries	692,678	3,281,262	2,687,244	594,018
Employee Benefits	717,014	1,594,622	990,553	604,069
Purchased Services	218,464	298,077	51,042	247,035
Materials and Supplies	1,302,949	1,401,425	277,732	1,123,693
Capital Outlay	156,320	127,911	43,310	84,601
Other	17,558	23,103	455	22,648
Total Community Services	<u>3,104,983</u>	<u>6,726,400</u>	<u>4,050,336</u>	<u>2,676,064</u>
Capital Outlay:				
Facility Acquisition and Construction	1,210,024	1,195,865	713,377	482,488
Other Capital Outlay	515,542	686,111	569,216	116,895
Total Capital Outlay	<u>1,725,566</u>	<u>1,881,976</u>	<u>1,282,593</u>	<u>599,383</u>
<b>Total Expenditures</b>	<u>295,585,776</u>	<u>308,630,644</u>	<u>281,665,675</u>	<u>26,964,969</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (40,240,329)</u>	<u>\$ (41,677,486)</u>	<u>\$ (12,022,136)</u>	<u>\$ 29,655,350</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Loss Recoveries	-	-	103,702	103,702
Transfers In	5,985,883	6,772,911	6,772,911	-
<b>Total Other Financing Sources</b>	<u>5,985,883</u>	<u>6,772,911</u>	<u>6,876,613</u>	<u>103,702</u>
<b>Net Change in Fund Balance</b>	(34,254,446)	(34,904,575)	(5,145,523)	29,759,052
<b>Fund Balance - Beginning</b>	48,229,738	48,229,738	48,229,738	-
<b>Fund Balance - Ending</b>	<u>\$ 13,975,292</u>	<u>\$ 13,325,163</u>	<u>\$ 43,084,215</u>	<u>\$ 29,759,052</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR 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, 2009	\$ -	\$ 112,079,956	\$ 112,079,956	0%	\$ 121,342,166	92.37%
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 THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the FRS net pension liability (asset)	.422344002%	.406030045%	.389856442%
District's proportionate share of the FRS net pension liability (asset)	\$ 54,551,392	\$ 24,773,804	\$ 67,111,642
District's covered-employee payroll	\$ 151,156,449	\$ 142,416,195	\$ 132,401,222
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	36.09%	17.40%	50.69%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%	88.54%

Note: The amounts presented for each fiscal year were determined as of June 30.

**ST. JOHNS COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM (FRS) DEFINED BENEFIT PENSION PLAN**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 9,965,075	\$ 10,297,105	\$ 8,893,781
FRS contributions in relation to the contractually required contribution	9,965,075	10,297,105	8,893,781
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 153,838,291	\$ 151,156,449	\$ 142,416,195
FRS contributions as a percentage of covered-employee payroll	6.48%	6.81%	6.24%

Note: The amounts presented for each fiscal year were determined as of June 30.



**ST. JOHNS COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the HIS net pension liability (asset)	0.57737055%	0.55122137%	0.52312068%
District's proportionate share of the HIS net pension liability (asset)	\$ 58,883,581	\$ 51,540,543	\$ 45,544,533
District's covered-employee payroll	\$ 175,268,188	\$ 163,730,832	\$ 152,046,642
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	33.60%	31.49%	29.95%
HIS Plan fiduciary net position as a percentage of the total pension liability	.50%	.99%	1.78%

Note: The amounts presented for each fiscal year were determined as of June 30.

**ST. JOHNS COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 2,994,840	\$ 2,207,102	\$ 1,888,299
HIS contributions in relation to the contractually required contribution	2,994,840	2,207,102	1,888,299
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 180,412,066	\$ 175,268,188	\$ 163,730,832
HIS contributions as a percentage of covered-employee payroll	1.66%	1.26%	1.15%

Note: The amounts presented for each fiscal year were determined as of June 30.

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2016**

**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.
- 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.

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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, 2016**

	<u>Special Revenue</u>			<u>Debt Service</u>	
	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>Federal Economic Stimulus Fund</u>	<u>State Board of Education COBI Bonds Fund</u>	<u>ARRA Debt Service Fund</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,501,470	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	111,334	4,716,724
Accounts Receivable	1,697	189	-	-	-
Due From Other Agencies	-	467,214	-	-	-
Inventories	214,125	-	-	-	-
Prepaid Items	-	80,160	-	-	-
<b>Total Assets</b>	<u>\$ 1,717,292</u>	<u>\$ 547,563</u>	<u>\$ -</u>	<u>\$ 111,334</u>	<u>\$ 4,716,724</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Salaries and Benefits Payable	\$ 26,873	\$ 66,329	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings Payable	10,016	18,971	-	-	-
Accounts Payable	137,755	29,941	-	-	-
Construction Contracts Payable	-	31,909	-	-	-
Due to Other Agencies	-	10,524	-	-	-
Due to Budgetary Funds	-	389,889	-	-	-
Deposits Payable	311,866	-	-	-	-
<b>Total Liabilities</b>	<u>486,510</u>	<u>547,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	214,125	80,160	-	-	-
Restricted	1,016,657	-	-	111,334	4,716,724
Unassigned	-	(80,160)	-	-	-
<b>Total Fund Balances</b>	<u>1,230,782</u>	<u>-</u>	<u>-</u>	<u>111,334</u>	<u>4,716,724</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,717,292</u>	<u>\$ 547,563</u>	<u>\$ -</u>	<u>\$ 111,334</u>	<u>\$ 4,716,724</u>



<b>Capital Projects</b>		
<b>Public Education Capital Outlay Fund</b>	<b>Capital Outlay and Debt Service Fund</b>	<b>Total</b>
\$ 39,101	\$ 812,670	\$ 2,353,241
-	-	4,828,058
-	-	1,886
1,060,656	9,262	1,537,132
-	-	214,125
-	-	80,160
<u>\$ 1,099,757</u>	<u>\$ 821,932</u>	<u>\$ 9,014,602</u>
\$ -	\$ -	\$ 93,202
-	-	28,987
33,154	-	200,850
-	-	31,909
-	-	10,524
151,904	-	541,793
-	-	311,866
<u>185,058</u>	<u>-</u>	<u>1,219,131</u>
-	9,262	9,262
-	-	294,285
914,699	812,670	7,572,084
-	-	(80,160)
<u>914,699</u>	<u>812,670</u>	<u>7,786,209</u>
<u>\$ 1,099,757</u>	<u>\$ 821,932</u>	<u>\$ 9,014,602</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, 2016**

	Special Revenue			Debt Service	
	Food Service Fund	Other Federal Programs Fund	Federal Economic Stimulus Fund	State Board of Education COBI Bonds Fund	ARRA Debt Service Fund
<b>Revenues</b>					
Intergovernmental:					
Federal Direct	\$ -	\$ 1,065,058	\$ -	\$ -	\$ 734,677
Federal Through State and Local	4,911,304	10,683,199	357,280	-	-
State	63,658	-	-	944,745	-
Local:					
Charges for Services - Food Service	6,611,348	-	-	-	-
Other	198,256	-	-	-	10,425
<b>Total Revenues</b>	<u>11,784,566</u>	<u>11,748,257</u>	<u>357,280</u>	<u>944,745</u>	<u>745,102</u>
<b>Expenditures</b>					
Current Education:					
Instruction	-	5,573,369	357,280	-	-
Student Personnel Services	-	2,448,074	-	-	-
Instruction and Curriculum Development	-	1,510,073	-	-	-
Instructional Staff Training Services	-	1,491,283	-	-	-
General Administration	-	569,327	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-
Food Services	10,639,904	-	-	-	-
Student Transportation Services	-	51,129	-	-	-
Operation of Plant	-	333	-	-	-
Community Services	-	63,505	-	-	-
Capital Outlay:					
Facilities Acquisition and Construction	-	-	-	-	-
Other Capital Outlay	205,677	41,164	-	-	-
Debt Service:					
Retirement of Principal	-	-	-	706,000	-
Interest and Fiscal Charges	-	-	-	262,408	795,375
<b>Total Expenditures</b>	<u>10,845,581</u>	<u>11,748,257</u>	<u>357,280</u>	<u>968,408</u>	<u>795,375</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>938,985</u>	<u>-</u>	<u>-</u>	<u>(23,663)</u>	<u>(50,273)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	-	1,002,062
Transfers Out	(1,000,000)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,002,062</u>
<b>Net Change in Fund Balances</b>	(61,015)	-	-	(23,663)	951,789
<b>Fund Balances - Beginning</b>	1,291,797	-	-	134,997	3,764,935
<b>Fund Balances - Ending</b>	<u>\$ 1,230,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,334</u>	<u>\$ 4,716,724</u>

<b>Capital Projects</b>		
<b>Public Education Capital Outlay Fund</b>	<b>Capital Outlay and Debt Service Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 1,799,735
-	-	15,951,783
503,107	452,536	1,964,046
-	-	6,611,348
29,515	1,192	239,388
<u>532,622</u>	<u>453,728</u>	<u>26,566,300</u>
-	-	5,930,649
-	-	2,448,074
-	-	1,510,073
-	-	1,491,283
-	-	569,327
2,519,702	-	2,519,702
-	-	10,639,904
-	-	51,129
-	-	333
-	-	63,505
222,208	-	222,208
5,800	-	252,641
-	-	706,000
-	1,004	1,058,787
<u>2,747,710</u>	<u>1,004</u>	<u>27,463,615</u>
<u>(2,215,088)</u>	<u>452,724</u>	<u>(897,315)</u>
-	-	1,002,062
-	-	<u>(1,000,000)</u>
-	-	2,062
<u>(2,215,088)</u>	<u>452,724</u>	<u>(895,253)</u>
3,129,787	359,946	8,681,462
<u>\$ 914,699</u>	<u>\$ 812,670</u>	<u>\$ 7,786,209</u>

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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, 2016**

	<b>Other Debt Service Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Revenues</b>				
<b>Local Sources</b>				
Local Sales Tax	\$ -	\$ 3,417,810	\$ 3,417,810	\$ -
Interest on Investments	-	56	56	-
<b>Total Local Sources</b>	<u>-</u>	<u>3,417,866</u>	<u>3,417,866</u>	<u>-</u>
<b>Total Revenues</b>	<u>-</u>	<u>3,417,866</u>	<u>3,417,866</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Interest and Fiscal Charges	17,930,408	18,380,031	18,380,031	-
<b>Total Expenditures</b>	<u>17,930,408</u>	<u>18,380,031</u>	<u>18,380,031</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(17,930,408)</u>	<u>(14,962,165)</u>	<u>(14,962,165)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of Refunding Debt	-	469,690	469,690	-
Transfers in	17,914,372	17,894,242	17,894,242	-
<b>Total Other Financing Sources</b>	<u>17,914,372</u>	<u>18,363,932</u>	<u>18,363,932</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(16,036)	3,401,767	3,401,767	-
<b>Fund Balance - Beginning</b>	<u>16,084</u>	<u>16,084</u>	<u>16,084</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 48</u>	<u>\$ 3,417,851</u>	<u>\$ 3,417,851</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, 2016**

	<b>Local Capital Improvement Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Revenues</b>				
Local:				
Ad Valorem Property Taxes	\$ 31,703,669	\$ 31,703,669	\$ 31,911,983	\$ 208,314
Interest on Investments	150,000	150,000	106,381	(43,619)
Other Local Sources	-	-	129,072	129,072
<b>Total Revenues</b>	<u>31,853,669</u>	<u>31,853,669</u>	<u>32,147,436</u>	<u>293,767</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	25,804,437	26,927,383	8,813,245	(18,114,138)
Capital Outlay:				
Facilities Acquisition and Construction:	4,921,213	5,138,362	674,401	(4,463,961)
Other Capital Outlay	8,227,055	6,888,845	3,242,934	(3,645,911)
<b>Total Expenditures</b>	<u>38,952,705</u>	<u>38,954,590</u>	<u>12,730,580</u>	<u>(26,224,010)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,099,036)</u>	<u>(7,100,921)</u>	<u>19,416,856</u>	<u>26,517,777</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(16,454,361)	(16,452,476)	(16,452,476)	-
<b>Total Other Financing Sources</b>	<u>(16,454,361)</u>	<u>(16,452,476)</u>	<u>(16,452,476)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(23,553,397)	(23,553,397)	2,964,380	26,517,777
<b>Fund Balance - Beginning</b>	<u>23,772,020</u>	<u>23,772,020</u>	<u>23,772,020</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 218,623</u>	<u>\$ 218,623</u>	<u>\$ 26,736,400</u>	<u>\$ 26,517,777</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, 2016**

	Other Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original Budget	Final Budget		
<b>Revenues</b>				
State:				
Other State Sources	\$ -	\$ 38,913	\$ 127,725	\$ 88,812
<b>Total State Sources</b>	<u>-</u>	<u>38,913</u>	<u>127,725</u>	<u>88,812</u>
Local:				
Local Sales Tax	-	3,082,190	5,373,748	2,291,558
Impact Fees	10,000,000	10,000,000	14,768,255	4,768,255
Interest on Investments	-	526	302,687	302,161
Other Local Sources	-	22,972	8,910,571	8,887,599
<b>Total Local Sources</b>	<u>10,000,000</u>	<u>13,105,688</u>	<u>29,355,261</u>	<u>16,249,573</u>
<b>Total Revenues</b>	<u>10,000,000</u>	<u>13,144,601</u>	<u>29,482,986</u>	<u>16,338,385</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	5,412,974	6,052,917	1,536,085	(4,516,832)
Capital Outlay:				
Facilities Acquisition and Construction	48,651,413	100,144,263	8,931,658	(91,212,605)
Other Capital Outlay	25,390	1,089,283	99,114	(990,169)
<b>Total Expenditures</b>	<u>54,089,777</u>	<u>107,286,463</u>	<u>10,566,857</u>	<u>(96,719,606)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(44,089,777)</u>	<u>(94,141,862)</u>	<u>18,916,129</u>	<u>113,057,991</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of Sales Tax Bonds	-	42,755,000	42,755,000	-
Premiums on Issuance of Long-Term Debt	-	7,248,030	7,248,030	-
Transfers out	(8,225,046)	(8,216,739)	(8,216,739)	-
<b>Total Other Financing Sources</b>	<u>(8,225,046)</u>	<u>41,786,291</u>	<u>41,786,291</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(52,314,823)</u>	<u>(52,355,571)</u>	<u>60,702,420</u>	<u>113,057,991</u>
<b>Fund Balance - Beginning</b>	<u>52,314,823</u>	<u>52,314,823</u>	<u>51,909,376</u>	<u>(405,447)</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ (40,748)</u>	<u>\$ 112,611,796</u>	<u>\$ 112,652,544</u>

**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, 2016**

	<b>Food Service Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Federal Through State</b>				
National School Lunch Program	\$ 4,210,318	\$ 4,210,318	\$ 4,268,454	\$ 58,136
USDA Donated Foods	494,902	494,902	537,766	42,864
Summer Food Service Program	102,000	102,000	105,084	3,084
Total Federal Through State	<u>4,807,220</u>	<u>4,807,220</u>	<u>4,911,304</u>	<u>104,084</u>
<b>State</b>				
School Breakfast Supplement	37,000	37,000	26,316	(10,684)
School Lunch Supplement	25,000	25,000	37,342	12,342
Total State	<u>62,000</u>	<u>62,000</u>	<u>63,658</u>	<u>1,658</u>
<b>Local</b>				
Interest on Investment	3,000	3,000	8,183	5,183
Food Sales	6,963,563	6,963,563	6,611,348	(352,215)
Other Local Sources	250,000	250,000	190,073	(59,927)
Total Local	<u>7,216,563</u>	<u>7,216,563</u>	<u>6,809,604</u>	<u>(406,959)</u>
<b>Total Revenues</b>	<u>12,085,783</u>	<u>12,085,783</u>	<u>11,784,566</u>	<u>(301,217)</u>
<b>Expenditures</b>				
Current:				
Food Services:				
Salaries	3,832,832	3,932,832	3,918,871	(13,961)
Employee Benefits	1,911,707	1,919,207	1,919,075	(132)
Purchased Services	190,200	218,174	177,905	(40,269)
Energy Services	150,000	151,000	55,453	(95,547)
Materials and Supplies	5,206,601	4,302,087	4,155,580	(146,507)
Capital Outlay	22,000	55,335	52,061	(3,274)
Other	333,000	368,904	360,959	(7,945)
Capital Outlay:				
Other Capital Outlay	188,500	287,300	205,677	(81,623)
<b>Total Expenditures</b>	<u>11,834,840</u>	<u>11,234,839</u>	<u>10,845,581</u>	<u>(389,258)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>250,943</u>	<u>850,944</u>	<u>938,985</u>	<u>88,041</u>
<b>Other Financing Sources</b>				
Transfers Out	(250,000)	(1,000,000)	(1,000,000)	-
<b>Net Change in Fund Balance</b>	943	(149,056)	(61,015)	88,041
<b>Fund Balances - Beginning</b>	1,291,797	1,291,797	1,291,797	-
<b>Fund Balances - Ending</b>	<u>\$ 1,292,740</u>	<u>\$ 1,142,741</u>	<u>\$ 1,230,782</u>	<u>\$ 88,041</u>

**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, 2016**

	<b>Other Federal Programs Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Federal Direct Sources</b>				
Other Federal Direct	\$ 1,048,162	\$ 1,065,058	\$ 1,065,058	\$ -
Total Federal Direct Sources	<u>1,048,162</u>	<u>1,065,058</u>	<u>1,065,058</u>	<u>-</u>
<b>Federal Through State and Local Sources</b>				
Individuals with Disabilities Education Act	6,284,921	5,917,005	5,917,005	-
Title 1 and School Improvement Grants	3,798,931	3,380,765	3,380,765	-
Other Federal Through State and Local Sources	1,070,465	1,385,429	1,385,429	-
Total Federal Through State and Local Sources	<u>11,154,317</u>	<u>10,683,199</u>	<u>10,683,199</u>	<u>-</u>
<b>Total Revenues</b>	<u>12,202,479</u>	<u>11,748,257</u>	<u>11,748,257</u>	<u>-</u>
<b>Expenditures</b>				
Current Education:				
Instruction:				
Salaries	2,812,773	2,564,276	2,564,276	-
Employee Benefits	1,063,079	1,063,717	1,063,717	-
Purchased Services	859,751	1,359,017	1,359,017	-
Materials and Supplies	388,311	175,995	175,995	-
Capital Outlay	112,627	201,290	201,290	-
Other	99,343	209,074	209,074	-
Total Instruction	<u>5,335,884</u>	<u>5,573,369</u>	<u>5,573,369</u>	<u>-</u>
Student Personnel Services:				
Salaries	1,662,135	1,722,249	1,722,249	-
Employee Benefits	644,948	572,594	572,594	-
Purchased Services	181,576	102,375	102,375	-
Materials and Supplies	68,806	50,429	50,429	-
Capital Outlay	5,950	427	427	-
Other	1,136	-	-	-
Total Student Personnel Services	<u>2,564,551</u>	<u>2,448,074</u>	<u>2,448,074</u>	<u>-</u>
Instruction and Curriculum Development:				
Salaries	969,159	1,028,759	1,028,759	-
Employee Benefits	361,025	293,292	293,292	-
Purchased Services	697,732	168,572	168,572	-
Materials and Supplies	14,185	8,554	8,554	-
Capital Outlay	12,650	7,491	7,491	-
Other	7,704	3,405	3,405	-
Total Instruction and Curriculum Development	<u>2,062,455</u>	<u>1,510,073</u>	<u>1,510,073</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, 2016**

<b>Expenditures (concluded)</b>	<b>Other Federal Programs Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
Instructional Staff Training Services:				
Salaries	\$ 806,373	\$ 781,329	\$ 781,329	\$ -
Employee Benefits	289,081	212,351	212,351	-
Purchased Services	257,794	454,507	454,507	-
Materials and Supplies	5,754	5,577	5,577	-
Capital Outlay	1,350	1,327	1,327	-
Other	48,202	36,192	36,192	-
Total Instructional Staff Training Services	<u>1,408,554</u>	<u>1,491,283</u>	<u>1,491,283</u>	<u>-</u>
General Administration:				
Other	615,020	569,327	569,327	-
Total General Administration	<u>615,020</u>	<u>569,327</u>	<u>569,327</u>	<u>-</u>
Student Transportation Services:				
Purchased Services	93,806	50,343	50,343	-
Capital Outlay	-	786	786	-
Total Student Transportation Services	<u>93,806</u>	<u>51,129</u>	<u>51,129</u>	<u>-</u>
Operation of Plant:				
Purchased Services	72	61	61	-
Materials and Supplies	200	272	272	-
Total Operation of Plant	<u>272</u>	<u>333</u>	<u>333</u>	<u>-</u>
Community Services:				
Salaries	33,619	44,737	44,737	-
Employee Benefits	13,892	14,476	14,476	-
Purchased Services	50	1,815	1,815	-
Materials and Supplies	122	866	866	-
Capital Outlay	50	1,611	1,611	-
Other	-	-	-	-
Total Community Services	<u>47,733</u>	<u>63,505</u>	<u>63,505</u>	<u>-</u>
Capital Outlay:				
Other Capital Outlay	74,204	41,164	41,164	-
<b>Total Expenditures</b>	<u>12,202,479</u>	<u>11,748,257</u>	<u>11,748,257</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balances - Beginning</b>	-	-	-	-
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2016**

	Federal Economic Stimulus Programs Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
<b>Revenues</b>				
<b>Federal Through State and Local Sources</b>				
ARRA Race to the Top	\$ 361,699	\$ 357,280	\$ 357,280	\$ -
Total Federal Through State and Local Sources	<u>361,699</u>	<u>357,280</u>	<u>357,280</u>	<u>-</u>
<b>Total Revenues</b>	<u>361,699</u>	<u>357,280</u>	<u>357,280</u>	<u>-</u>
<b>Expenditures</b>				
Current Education:				
Instruction:				
Capital Outlay	357,312	357,280	357,280	-
Total Instruction	<u>357,312</u>	<u>357,280</u>	<u>357,280</u>	<u>-</u>
Instruction and Curriculum Development:				
Salaries	3,373	-	-	-
Employee Benefits	1,014	-	-	-
Total Instruction and Curriculum Development	<u>4,387</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>361,699</u>	<u>357,280</u>	<u>357,280</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016**

	<b>State Board of Education COBI Bonds Fund</b>			
	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State:				
Debt Service for State Board of Education/COBI Bonds	\$ -	\$ 944,565	\$ 944,565	\$ -
State Board of Education/COBI Bond Interest	-	180	180	-
<b>Total Revenues</b>	<u>-</u>	<u>944,745</u>	<u>944,745</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Retirement of Principal	-	706,000	706,000	-
Interest and Fiscal Charges	-	262,408	262,408	-
<b>Total Expenditures</b>	<u>-</u>	<u>968,408</u>	<u>968,408</u>	<u>-</u>
<b>(Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(23,663)</u>	<u>(23,663)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(23,663)	(23,663)	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>134,997</u>	<u>134,997</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 111,334</u>	<u>\$ 111,334</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, 2016**

	<b>ARRA Debt Service Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Federal Direct Sources</b>				
Other Federal Direct	\$ 733,491	\$ 734,677	\$ 734,677	\$ -
<b>Total Federal Direct Sources</b>	<u>733,491</u>	<u>734,677</u>	<u>734,677</u>	<u>-</u>
<b>Local Sources</b>				
Interest on Investments	-	10,425	10,425	-
<b>Total Local Sources</b>	<u>-</u>	<u>10,425</u>	<u>10,425</u>	<u>-</u>
<b>Total Revenues</b>	<u>733,491</u>	<u>745,102</u>	<u>745,102</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Interest and Fiscal Charges	794,900	795,375	795,375	-
<b>Total Expenditures</b>	<u>794,900</u>	<u>795,375</u>	<u>795,375</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(61,409)</u>	<u>(50,273)</u>	<u>(50,273)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,002,585	1,002,062	1,002,062	-
<b>Total Other Financing Sources</b>	<u>1,002,585</u>	<u>1,002,062</u>	<u>1,002,062</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	941,176	951,789	951,789	-
<b>Fund Balance - Beginning</b>	<u>3,764,935</u>	<u>3,764,935</u>	<u>3,764,935</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 4,706,111</u>	<u>\$ 4,716,724</u>	<u>\$ 4,716,724</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, 2016**

	<b>Public Education Capital Outlay Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Revenues</b>				
State:				
Public Education Capital Outlay	\$ 503,106	\$ 503,107	\$ 503,107	\$ -
Total State Sources	503,106	503,107	503,107	-
Local:				
Other Local Revenue	-	-	29,515	29,515
Total Local Sources	-	-	29,515	29,515
<b>Total Revenues</b>	<b>503,106</b>	<b>503,107</b>	<b>532,622</b>	<b>29,515</b>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	3,430,949	3,404,886	2,519,702	885,184
Capital Outlay:				
Facilities Acquisition and Construction:	201,944	222,208	222,208	
Other Capital Outlay	-	5,800	5,800	
<b>Total Expenditures</b>	<b>3,632,893</b>	<b>3,632,894</b>	<b>2,747,710</b>	<b>885,184</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(3,129,787)</b>	<b>(3,129,787)</b>	<b>(2,215,088)</b>	<b>914,699</b>
<b>Net Change in Fund Balance</b>	<b>(3,129,787)</b>	<b>(3,129,787)</b>	<b>(2,215,088)</b>	<b>914,699</b>
<b>Fund Balance - Beginning</b>	<b>3,129,787</b>	<b>3,129,787</b>	<b>3,129,787</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 914,699</b>	<b>\$ 914,699</b>



**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, 2016**

	<u>Capital Outlay and Debt Service Fund</u>			
	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State:				
CO&DS Distributed	\$ 416,785	\$ 448,419	\$ 448,419	\$ -
Interest Undistributed CO/DS	-	4,117	4,117	-
Total State Sources	<u>416,785</u>	<u>452,536</u>	<u>452,536</u>	<u>-</u>
Local:				
Interest on Investments	-	-	1,192	1,192
Total Local Sources	<u>-</u>	<u>-</u>	<u>1,192</u>	<u>1,192</u>
<b>Total Revenues</b>	<u>416,785</u>	<u>452,536</u>	<u>453,728</u>	<u>1,192</u>
<b>Expenditures</b>				
Debt Service:				
Interest and Fiscal Charges	-	1,004	1,004	-
Capital Outlay:				
Facilities Acquisition and Construction:	776,731	752,799	-	(752,799)
<b>Total Expenditures</b>	<u>776,731</u>	<u>753,803</u>	<u>1,004</u>	<u>(752,799)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(359,946)</u>	<u>(301,267)</u>	<u>452,724</u>	<u>753,991</u>
<b>Net Change in Fund Balance</b>	(359,946)	(301,267)	452,724	753,991
<b>Fund Balance - Beginning</b>	<u>359,946</u>	<u>359,946</u>	<u>359,946</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 58,679</u>	<u>\$ 812,670</u>	<u>\$ 753,991</u>

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## 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  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 11,920,243	\$ 1,792,483	\$ 1,193,466	\$ 5,190,464	\$ 20,096,656
Accounts Receivable	13,166	114	30	-	13,310
<b>Total Current Assets</b>	<u>11,933,409</u>	<u>1,792,597</u>	<u>1,193,496</u>	<u>5,190,464</u>	<u>20,109,966</u>
Noncurrent Assets:					
Capital Assets:					
Capital Assets Being Depreciated, Net	239,445	-	-	-	239,445
<b>Total Noncurrent Assets</b>	<u>239,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,445</u>
<b>Total Assets</b>	<u>12,172,854</u>	<u>1,792,597</u>	<u>1,193,496</u>	<u>5,190,464</u>	<u>20,349,411</u>
<b>Liabilities</b>					
Current Liabilities:					
Accrued Salaries and Benefits	380	-	-	875	1,255
Payroll Deductions and Withholdings Payable	157	-	-	145	302
Accounts Payable	2,125,714	-	28,601	284	2,154,599
Estimated Unpaid Claims - Self-Insurance Program	2,091,300	254,277	53,555	571,035	2,970,167
<b>Total Liabilities</b>	<u>4,217,551</u>	<u>254,277</u>	<u>82,156</u>	<u>572,339</u>	<u>5,126,323</u>
<b>Total Liabilities</b>	<u>4,217,551</u>	<u>254,277</u>	<u>82,156</u>	<u>572,339</u>	<u>5,126,323</u>
<b>Net Position</b>					
Net Investment in Capital Assets	239,445	-	-	-	239,445
Unrestricted	7,715,858	1,538,320	1,111,340	4,618,125	14,983,643
<b>Total Net Position</b>	<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>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
<b>Operating Revenues</b>					
Premium Revenue	\$ 45,626,790	\$ 2,797,138	\$ 777,048	\$ 1,347,490	\$ 50,548,466
Other Operating Revenues	768,905	-	-	-	768,905
<b>Total Operating Revenues</b>	<u>46,395,695</u>	<u>2,797,138</u>	<u>777,048</u>	<u>1,347,490</u>	<u>51,317,371</u>
<b>Operating Expenses</b>					
Insurance Claims	33,100,855	2,931,214	626,645	1,243,849	37,902,563
Fees and Other	14,826	-	-	-	14,826
Salaries	87,689	-	-	106,931	194,620
Employee Benefits	30,657	-	-	32,941	63,598
Purchased Services	2,118,352	-	-	-	2,118,352
Depreciation	37,186	-	-	-	37,186
<b>Total Operating Expenses</b>	<u>35,389,565</u>	<u>2,931,214</u>	<u>626,645</u>	<u>1,383,721</u>	<u>40,331,145</u>
<b>Operating Income (Loss)</b>	11,006,130	(134,076)	150,403	(36,231)	10,986,226
<b>Nonoperating Revenue</b>					
Investment Income	24,292	5,977	3,577	11,929	45,775
<b>Total Nonoperating Revenues</b>	<u>24,292</u>	<u>5,977</u>	<u>3,577</u>	<u>11,929</u>	<u>45,775</u>
<b>Change in Net Position</b>	11,030,422	(128,099)	153,980	(24,302)	11,032,001
<b>Net Position - Beginning</b>	<u>(3,075,119)</u>	<u>1,666,419</u>	<u>957,360</u>	<u>4,642,427</u>	<u>4,191,087</u>
<b>Net Position - Ending</b>	<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>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers and Users	\$ 46,395,695	\$ 2,797,138	\$ 777,048	\$ 1,347,490	\$ 51,317,371
Cash Payments to Suppliers for Goods and Services	(11,431,244)	(226,986)	(39,906)	(1,208,281)	(12,906,417)
Cash Payments to Employees for Services	(118,346)	-	-	(139,872)	(258,218)
Cash Payments for Interfund Services Used	(25,088,310)	(2,710,353)	(561,101)	(167,618)	(28,527,382)
<b>Net Cash Used by Operating Activities</b>	<u>9,757,795</u>	<u>(140,201)</u>	<u>176,041</u>	<u>(168,281)</u>	<u>9,625,354</u>
<b>Cash Flows from Investing Activities</b>					
Investment Income	24,292	5,977	3,577	11,929	45,775
<b>Net Cash Provided by Investing Activities</b>	<u>24,292</u>	<u>5,977</u>	<u>3,577</u>	<u>11,929</u>	<u>45,775</u>
<b>Net Decrease in Cash</b>	9,782,087	(134,224)	179,618	(156,352)	9,671,129
<b>Cash, Beginning of Year</b>	<u>2,138,156</u>	<u>1,926,706</u>	<u>1,013,849</u>	<u>5,346,816</u>	<u>10,425,527</u>
<b>Cash, End of Year</b>	<u>\$ 11,920,243</u>	<u>\$ 1,792,482</u>	<u>\$ 1,193,467</u>	<u>\$ 5,190,464</u>	<u>\$ 20,096,656</u>

**Reconciliation of Operating Loss to Net Cash Used by Operating Activities**

Operating Income (Loss)	\$ 11,006,130	\$ (134,076)	\$ 150,403	\$ (36,231)	\$ 10,986,226
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:					
Depreciation Expense	37,186	-	-	-	37,186
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(4,512)	-	-	(9,622)	(14,134)
Decrease in Due from Reinsurer	158,426	972	269	-	159,667
Increase in Salaries and Benefits Payable	380	-	-	875	1,255
Increase in Payroll Tax Liabilities	157	-	-	145	302
Increase (Decrease) in Accounts Payable	(995,884)	(12)	15,320	-	(980,576)
Increase (Decrease) in Estimated Insurance Claims Payable	(444,088)	(7,085)	10,049	(123,448)	(564,572)
Total Adjustments	<u>(1,248,335)</u>	<u>(6,125)</u>	<u>25,638</u>	<u>(132,050)</u>	<u>(1,360,872)</u>
<b>Net Cash Used by Operating Activities</b>	<u>\$ 9,757,795</u>	<u>\$ (140,201)</u>	<u>\$ 176,041</u>	<u>\$ (168,281)</u>	<u>\$ 9,625,354</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  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Internal Accounts - Student Activity Funds</u>				
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
<b>Assets</b>				
Cash	\$ 3,657,858	\$ 13,822,377	\$ 13,424,941	\$ 4,055,294
Due from Other Funds	-	1,295	-	1,295
<b>Total Assets</b>	<u>\$ 3,657,858</u>	<u>\$ 13,823,672</u>	<u>\$ 13,424,941</u>	<u>\$ 4,056,589</u>
<b>Liabilities</b>				
Internal Accounts Payable	\$ 3,516,818	\$ 463,873	\$ -	\$ 3,980,691
Due to Other Funds	141,040	-	65,142	75,898
<b>Total Liabilities</b>	<u>\$ 3,657,858</u>	<u>\$ 463,873</u>	<u>\$ 65,142</u>	<u>\$ 4,056,589</u>

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# STATISTICAL SECTION

This section contains the following subsections:

- Financial Trends Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

## The Six Pillars of Character<sup>SM</sup>



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

Table 1

	<u>Fiscal Year Ending</u>			
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 418,591,280	\$ 395,238,425	\$ 400,396,915	\$ 385,966,274
Restricted	102,448,777	84,324,801	63,258,637	63,672,508
Unrestricted	<u>(118,656,185)</u>	<u>(127,620,395)</u>	<u>(19,927,295)</u>	<u>(8,521,151)</u>
Total Net Position	<u>\$ 402,383,872</u>	<u>\$ 351,942,831</u>	<u>\$ 443,728,257</u>	<u>\$ 441,117,631</u>

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

Table 1

<b>Fiscal Year Ending</b>					
<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
\$ 386,087,241	\$ 381,731,717	\$ 367,627,073	\$ 356,650,107	\$ 344,070,304	\$ 304,856,960
60,943,371	71,477,555	86,518,843	92,284,614	89,793,876	75,769,666
(753,280)	15,237,326	16,671,195	8,711,520	(2,603,568)	3,660,016
<u>\$ 446,277,332</u>	<u>\$ 468,446,598</u>	<u>\$ 470,817,111</u>	<u>\$ 457,646,241</u>	<u>\$ 431,260,612</u>	<u>\$ 384,286,642</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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 175,748,352	\$ 173,507,627	\$ 169,143,833	\$ 157,997,830
Pupil Personnel Services	20,408,021	20,093,904	18,267,087	16,255,387
Instructional Media Services	4,737,300	4,814,789	4,873,199	4,624,282
Instruction and Curriculum Development Services	6,113,077	6,271,030	5,914,184	6,650,112
Instructional Staff Training Services	5,656,429	5,806,845	5,415,067	4,589,316
Instruction Related Technology	7,376,343	6,515,405	5,809,924	5,348,639
School Board	1,333,544	1,131,053	984,863	811,347
General Administration	946,079	967,496	984,561	857,608
School Administration	16,717,692	16,444,564	15,758,884	14,196,372
Facilities Services - Non-Capitalized	16,937,677	17,234,877	11,944,402	11,401,141
Fiscal Services	2,000,883	1,833,604	1,951,820	1,885,777
Food Services	10,719,025	10,786,652	11,294,658	10,942,673
Central Services	14,939,898	13,673,785	12,079,000	11,439,124
Student Transportation Services	13,187,377	13,111,533	13,480,462	12,789,656
Operation of Plant	21,947,067	21,548,382	21,103,349	20,031,090
Maintenance of Plant	8,278,732	8,509,014	8,383,597	8,088,888
Administrative Technology Services	586,180	689,818	669,036	915,741
Community Services	4,163,622	3,787,343	3,466,553	3,429,051
Unallocated Interest on Long-Term Debt	4,579,224	5,674,732	6,481,995	5,130,125
Depreciation Expense (1)	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>\$ 336,376,522</b>	<b>\$ 332,402,453</b>	<b>\$ 318,006,474</b>	<b>\$ 297,384,159</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
Instruction	\$ 1,007,858	\$ 828,625	\$ 899,448	\$ 972,222
Food Services	6,611,349	6,829,933	7,601,358	7,313,047
Central Services	11,365,620	10,044,757	8,669,662	8,153,733
Student Transportation Services	614,016	571,486	637,884	536,743
Community Services	5,298,595	4,840,604	4,051,792	3,655,614
Operating Grants and Contributions	13,836,488	13,178,882	12,282,754	11,740,415
Capital Grants and Contributions	16,739,207	5,987,597	6,088,899	1,359,299
<b>Total Government Program Revenues</b>	<b>55,473,133</b>	<b>42,281,884</b>	<b>40,231,797</b>	<b>33,731,073</b>
<b>Total Government Activities Net Expenses</b>	<b>\$ (280,903,389)</b>	<b>\$ (290,120,569)</b>	<b>\$ (277,774,677)</b>	<b>\$ (263,653,086)</b>
<b>General Revenues:</b>				
<b>Governmental Activities:</b>				
Property Taxes Levied for Operational Purposes	\$ 121,875,344	\$ 113,363,873	\$ 110,543,223	\$ 109,605,169
Property Taxes Levied for Debt Services	-	-	590	161
Property Taxes Levied for Capital Projects	31,911,983	29,106,294	27,436,618	26,586,165
Local Sales Tax	8,791,558	-	-	-
Grants and Contributions Not Restricted to Specific Programs	138,868,615	131,468,770	120,979,009	105,766,468
Unrestricted Investment Earnings	806,500	344,555	355,206	358,579
Impact Fees	14,768,255	10,874,315	14,353,236	11,252,793
Proportionate Share Concurrency	8,672,782	5,798,873	2,219,581	-
Miscellaneous	5,649,393	4,812,559	4,497,840	4,924,050
<b>Total Governmental Activities General Revenues</b>	<b>331,344,430</b>	<b>295,769,239</b>	<b>280,385,303</b>	<b>258,493,385</b>
<b>Total Governmental Activities Changes in Net Position</b>	<b>\$ 50,441,041</b>	<b>\$ 5,648,670</b>	<b>\$ 2,610,626</b>	<b>\$ (5,159,701)</b>

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

Source: District Records - Audited Statement of Activities



Fiscal Year Ending					
June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
\$ 154,917,563	\$ 160,281,144	\$ 149,605,024	\$ 130,868,120	\$ 142,172,487	\$ 125,637,856
15,666,971	15,648,973	14,664,107	13,331,579	14,264,865	13,720,144
4,482,159	4,665,654	4,403,526	4,326,422	4,889,540	4,110,963
6,724,688	6,918,909	6,905,514	6,256,992	6,958,472	4,817,856
5,537,121	4,231,265	4,119,292	1,116,232	2,938,628	2,434,480
4,858,653	4,585,612	4,125,375	4,293,504	4,416,000	2,952,182
776,477	828,837	611,608	907,915	748,707	885,707
802,006	911,113	1,239,831	709,971	683,478	742,817
14,085,674	14,770,442	14,307,319	14,039,344	15,365,892	13,040,280
16,169,015	14,570,383	13,329,194	15,128,959	15,239,267	13,420,809
1,940,256	1,809,452	1,709,074	1,561,967	1,741,933	1,699,941
10,330,383	10,190,739	10,099,703	9,745,406	9,761,921	8,730,423
10,620,862	10,704,206	9,872,040	9,171,157	9,238,846	3,159,311
12,778,049	12,635,262	11,601,230	11,006,462	12,432,170	10,943,331
19,738,298	20,507,802	19,687,578	19,089,150	19,986,510	18,508,657
8,173,519	8,365,885	8,321,679	7,385,181	7,641,627	6,749,947
1,122,670	1,276,100	989,902	615,646	711,975	702,651
3,442,864	3,434,471	3,199,704	2,818,592	3,289,408	3,168,830
6,459,711	6,538,768	5,976,322	6,975,767	7,367,002	6,844,500
-	-	-	14,732,919	14,985,571	12,098,675
<u>\$ 298,626,939</u>	<u>\$ 302,875,017</u>	<u>\$ 284,768,022</u>	<u>\$ 274,081,285</u>	<u>\$ 294,834,299</u>	<u>\$ 254,369,360</u>
\$ 979,611	\$ 928,607	\$ 774,672	\$ 667,159	\$ 735,788	\$ 679,626
6,887,399	6,781,231	6,672,953	6,829,888	6,755,526	6,376,187
7,654,626	7,649,455	6,957,622	6,589,283	6,415,051	7,664,994
687,218	594,259	611,252	584,952	495,869	525,082
3,477,107	3,435,011	3,040,347	2,848,957	3,111,402	2,888,020
11,611,790	11,176,025	10,627,344	10,156,000	9,921,994	9,321,886
1,338,497	3,100,334	4,241,963	10,631,115	39,397,746	59,341,984
<u>32,636,248</u>	<u>33,664,922</u>	<u>32,926,153</u>	<u>38,307,354</u>	<u>66,833,376</u>	<u>86,797,779</u>
<u>\$ (265,990,691)</u>	<u>\$ (269,210,095)</u>	<u>\$ (251,841,869)</u>	<u>\$ (235,773,931)</u>	<u>\$ (228,000,923)</u>	<u>\$ (167,571,581)</u>
\$ 117,952,145	\$ 124,940,872	\$ 134,871,191	\$ 135,767,675	\$ 130,709,363	\$ 121,464,047
1,540	9,358	80,220	3,801,388	3,734,353	3,818,505
27,311,388	28,559,447	32,345,363	41,547,372	47,005,625	42,847,383
-	-	-	-	-	-
87,959,836	104,710,192	88,050,130	69,913,393	79,285,801	64,070,560
382,110	378,848	658,962	2,944,537	5,686,763	10,902,349
6,533,308	3,696,569	4,199,095	3,647,900	5,374,822	8,140,146
-	-	-	-	-	-
3,681,097	4,544,296	4,807,778	4,537,295	3,178,166	3,305,455
<u>243,821,424</u>	<u>266,839,582</u>	<u>265,012,739</u>	<u>262,159,560</u>	<u>274,974,893</u>	<u>254,548,445</u>
<u>\$ (22,169,267)</u>	<u>\$ (2,370,513)</u>	<u>\$ 13,170,870</u>	<u>\$ 26,385,629</u>	<u>\$ 46,973,970</u>	<u>\$ 86,976,864</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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>General Fund</b>				
Nonspendable	\$ 458,604	\$ 457,003	\$ 456,023	\$ 408,686
Restricted	736,839	558,519	504,966	411,842
Committed	8,496,499	9,343,316	10,083,976	9,840,195
Assigned	27,589,718	31,916,339	44,866,279	34,230,880
Unassigned	5,802,555	5,954,561	3,719,159	22,533,440
<b>Total General Fund</b>	<b>\$ 43,084,215</b>	<b>\$ 48,229,738</b>	<b>\$ 59,630,403</b>	<b>\$ 67,425,043</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 294,285	\$ 534,025	\$ 247,117	\$ 240,416
Restricted	150,338,131	84,090,387	76,388,394	94,220,308
Assigned	-	-	-	1,985,311
Unassigned	(80,160)	(245,470)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 150,552,256</b>	<b>\$ 84,378,942</b>	<b>\$ 76,635,511</b>	<b>\$ 96,446,035</b>
<b>Combined Governmental Funds</b>	<b>\$ 193,636,471</b>	<b>\$ 132,608,680</b>	<b>\$ 136,265,914</b>	<b>\$ 163,871,078</b>

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

<b>Fiscal Year Ending</b>					
<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>June 30, 2007</b>
\$ 417,950	\$ 405,047	\$ 348,808	\$ 320,939	\$ 274,499	\$ 269,836
432,531	511,686	570,331	936,375	1,079,714	897,941
9,744,667	10,416,995	-	-	-	-
28,212,720	25,867,464	45,520,392	29,089,278	14,942,590	10,578,700
28,197,928	32,160,733	10,926,622	7,966,577	8,384,001	8,161,867
<u>\$ 67,005,796</u>	<u>\$ 69,361,925</u>	<u>\$ 57,366,153</u>	<u>\$ 38,313,169</u>	<u>\$ 24,680,804</u>	<u>\$ 19,908,344</u>
\$ 115,079	\$ 135,929	\$ 153,636	\$ 124,690	\$ 152,446	\$ 166,597
64,964,333	87,054,166	86,389,942	92,488,821	90,692,729	141,643,317
1,977,943	3,118,121	2,905,932	2,173,889	1,979,117	2,098,814
-	-	-	-	-	-
<u>\$ 67,057,355</u>	<u>\$ 90,308,216</u>	<u>\$ 89,449,510</u>	<u>\$ 94,787,400</u>	<u>\$ 92,824,292</u>	<u>\$ 143,908,728</u>
<u>\$ 134,063,151</u>	<u>\$ 159,670,141</u>	<u>\$ 146,815,663</u>	<u>\$ 133,100,569</u>	<u>\$ 117,505,096</u>	<u>\$ 163,817,072</u>

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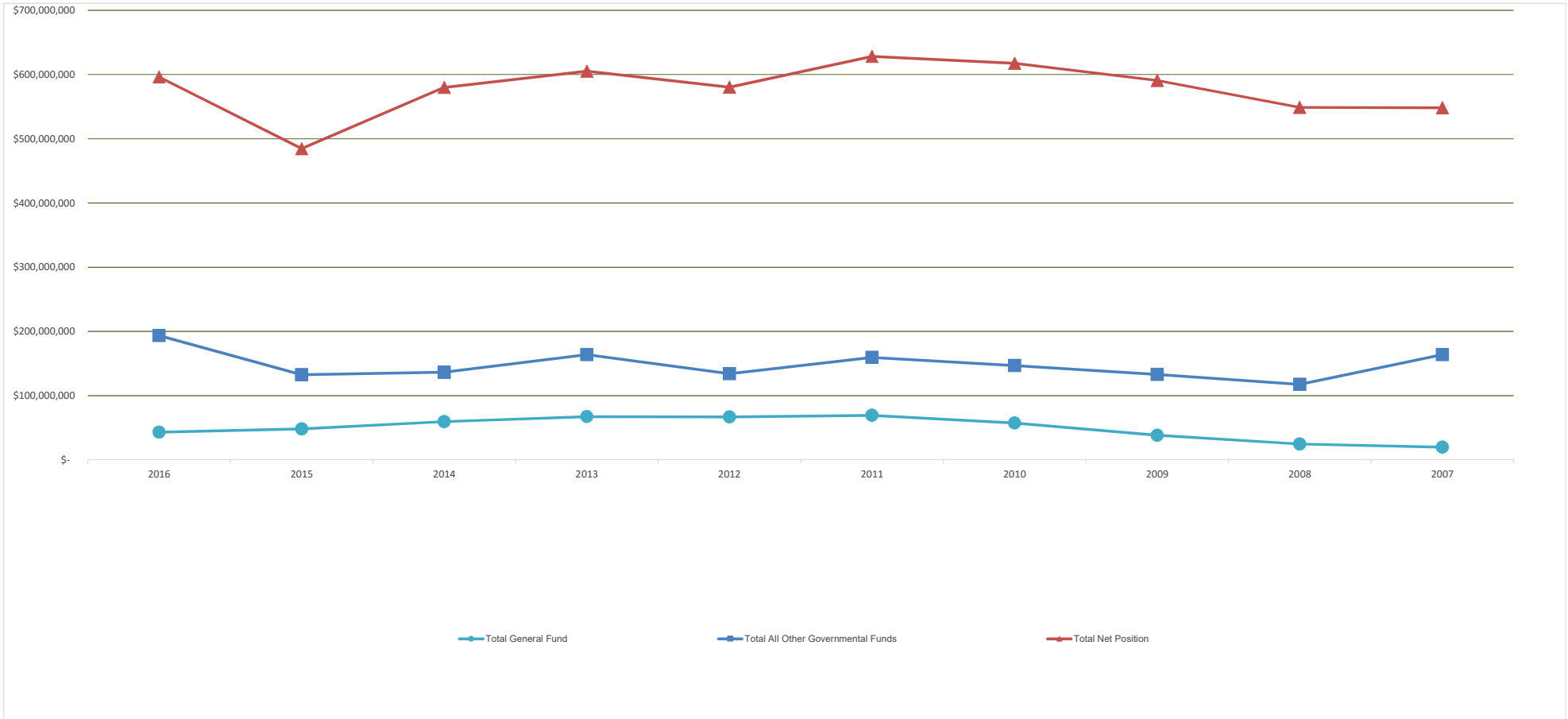
# St. Johns County School District

## Fund Balances of Governmental Funds and Entity-Wide Net Position

### Last Ten Fiscal Years

(Unaudited)

Table 4



**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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>Revenues:</b>				
Federal Direct	\$ 2,012,722	\$ 2,016,511	\$ 1,969,171	\$ 2,063,315
Federal Through State and Local	15,979,733	16,301,292	16,156,919	16,492,355
State	137,407,516	132,111,564	123,190,493	100,198,339
Local	205,858,156	177,312,413	172,544,842	165,089,569
<b>Total Revenues</b>	<b>\$ 361,258,127</b>	<b>\$ 327,741,780</b>	<b>\$ 313,861,425</b>	<b>\$ 283,843,578</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 173,713,352	\$ 166,285,130	\$ 154,956,534	\$ 141,722,015
Pupil Personnel Services	20,146,810	19,163,308	16,575,149	14,384,677
Instructional Media Services	4,678,354	4,596,139	4,428,460	4,099,002
Instruction and Curriculum				
Development Services	6,036,971	5,986,021	5,370,095	5,881,386
Instructional Staff Training Services	5,593,630	5,577,666	4,970,645	4,126,647
Instruction Related Technology	7,318,543	6,325,529	5,444,025	4,956,272
School Board	1,328,934	1,113,640	948,786	771,199
General Administration	941,696	951,078	950,822	816,256
School Administration	16,501,219	15,676,630	14,283,564	12,540,468
Facilities Services-Non-Capitalized	16,919,645	17,169,829	11,812,811	11,251,810
Fiscal Services	1,977,453	1,754,238	1,789,279	1,690,579
Food Service	10,639,904	10,499,785	10,728,782	10,258,058
Central Services	3,490,984	3,433,160	3,073,100	2,897,297
Pupil Transportation Services	11,975,689	11,936,633	11,753,442	10,957,226
Operation of Plant	21,797,943	21,022,508	20,066,380	18,786,364
Maintenance of Plant	8,199,549	8,217,320	7,798,237	7,376,191
Administrative Technology Services	581,874	673,692	636,452	879,687
Community Services	4,113,841	3,622,644	3,168,268	3,069,720
<b>Capital Outlay:</b>				
Facilities Acquisition and Construction	10,541,644	4,084,979	36,272,988	12,237,879
Other Capital Outlay	4,163,905	3,498,969	3,880,880	453,923
<b>Debt Service:</b>				
Principal	14,116,000	13,640,000	13,266,952	20,842,301
Interest and Fiscal Charges	6,028,818	6,439,901	6,563,411	7,119,524
<b>Total Expenditures</b>	<b>350,806,758</b>	<b>331,668,799</b>	<b>338,739,062</b>	<b>297,118,481</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>10,451,369</b>	<b>(3,927,019)</b>	<b>(24,877,637)</b>	<b>(13,274,903)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	25,669,215	25,006,073	24,726,295	26,599,543
Transfers Out	(25,669,215)	(25,006,073)	(27,666,345)	(28,593,311)
Sale of Capital Assets	-	-	-	-
Loss Recoveries	103,702	50,088	35,107	97,198
Issuance of Bonds	42,755,000	-	-	-
Issuance of Refunding Bonds	-	1,526,000	581,000	-
Issuance of Certificates of Participation	-	-	-	33,480,000
Issuance of Refunding Certificates of Participation	-	54,845,000	-	9,510,000
Premiums on Issuance of Long-Term Debt	7,717,720	8,563,675	92,853	1,989,400
Payment to Refunding Bonds Escrow Agent	-	(64,714,978)	(496,437)	-
Discounts on Issuance of Long-Term Debt	-	-	-	-
Inception of Note	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>50,576,422</b>	<b>269,785</b>	<b>(2,727,527)</b>	<b>43,082,830</b>
<b>Net Change in Fund Balances</b>	<b>\$ 61,027,791</b>	<b>\$ (3,657,234)</b>	<b>\$ (27,605,164)</b>	<b>\$ 29,807,927</b>
Debt Service as a percentage of non-capital expenditures	5.99%	6.20%	6.64%	9.83%

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

Fiscal Year Ending					
June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
\$ 2,063,113	\$ 1,712,363	\$ 1,376,428	\$ 1,275,641	\$ 1,209,942	\$ 1,301,809
15,880,593	33,614,193	27,569,835	11,826,076	12,493,112	11,716,499
82,819,288	83,219,037	71,329,746	76,914,992	116,185,892	109,563,034
167,774,751	173,884,147	187,965,821	202,685,296	206,249,296	200,408,866
<u>\$ 268,537,745</u>	<u>\$ 292,429,740</u>	<u>\$ 288,241,830</u>	<u>\$ 292,702,005</u>	<u>\$ 336,138,242</u>	<u>\$ 322,990,208</u>
\$ 136,589,812	\$ 143,683,378	\$ 133,854,033	\$ 129,575,728	\$ 133,557,842	\$ 120,173,738
13,605,240	13,783,619	12,996,768	13,187,850	13,326,955	13,063,236
3,902,185	4,128,627	3,903,255	4,281,330	4,583,153	3,916,676
5,854,593	6,087,616	6,106,328	6,187,576	6,497,000	4,587,743
4,851,618	3,780,661	3,679,990	1,108,092	2,811,791	2,367,221
4,447,798	4,192,252	3,751,307	4,260,340	4,204,676	2,842,737
732,108	788,653	573,530	904,656	728,090	870,942
758,688	868,489	1,199,390	706,321	657,397	724,347
12,234,529	13,012,941	12,641,011	13,881,588	14,331,557	12,402,502
15,994,499	14,342,022	13,174,859	15,116,225	15,165,735	13,373,560
1,708,202	1,613,804	1,528,169	1,545,942	1,635,757	1,627,536
9,589,834	9,566,283	9,448,373	9,693,286	9,431,101	8,519,479
2,569,821	2,703,091	2,609,331	2,557,018	2,658,847	3,054,051
10,803,374	10,797,519	10,047,099	9,805,216	10,803,093	9,734,120
18,360,752	19,305,767	18,590,272	18,995,645	19,402,740	18,137,880
7,365,550	7,617,122	7,614,377	7,325,763	7,273,202	6,515,624
1,081,440	1,238,683	916,162	611,482	693,319	688,400
3,027,835	3,062,495	2,816,474	2,790,542	3,083,236	3,026,864
22,743,648	17,886,977	8,685,616	13,610,315	108,363,419	112,923,411
492,267	809,813	967,603	570,186	851,637	1,436,939
11,029,112	10,586,055	14,038,124	13,540,314	13,652,969	14,633,898
6,500,662	6,592,354	6,541,271	6,975,767	7,418,452	8,617,298
<u>294,243,567</u>	<u>296,448,221</u>	<u>275,683,342</u>	<u>277,231,182</u>	<u>381,131,968</u>	<u>363,238,202</u>
<u>(25,705,822)</u>	<u>(4,018,481)</u>	<u>12,558,488</u>	<u>15,470,823</u>	<u>(44,993,726)</u>	<u>(40,247,994)</u>
25,821,616	25,403,957	24,532,439	39,084,717	27,406,702	25,480,425
(25,821,616)	(25,403,957)	(24,532,439)	(39,084,717)	(30,206,702)	(25,480,425)
2,350	-	28,039	1,641	-	-
95,531	79,374	3,619	123,009	5,300	1,113
-	740,000	560,000	-	1,425,000	520,000
320,000	-	980,000	-	-	-
-	16,000,000	-	-	-	145,000,000
-	-	-	-	-	-
48,683	53,586	108,355	-	51,450	2,218,816
(367,732)	-	(1,003,470)	-	-	-
-	-	-	-	-	(446,018)
-	-	480,063	-	-	-
<u>98,832</u>	<u>16,872,960</u>	<u>1,156,606</u>	<u>124,650</u>	<u>(1,318,250)</u>	<u>147,293,911</u>
<u>\$ (25,606,990)</u>	<u>\$ 12,854,479</u>	<u>\$ 13,715,094</u>	<u>\$ 15,595,473</u>	<u>\$ (46,311,976)</u>	<u>\$ 107,045,917</u>
6.47%	6.18%	7.74%	7.80%	7.75%	9.34%

**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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
<b>Revenues:</b>				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 212,987	\$ 222,452	\$ 241,660	\$ 238,907
Miscellaneous Federal Direct	-	-	-	40,830
<b>Total Federal Sources</b>	<b>212,987</b>	<b>222,452</b>	<b>241,660</b>	<b>279,737</b>
Federal Through State and Local Sources:				
Other Federal Through State and Local Sources	27,950	-	-	-
State Sources:				
Florida Education Finance Program (FEFP)	87,370,832	81,016,794	71,697,891	55,976,610
Class Size Reduction	38,373,022	37,283,259	35,491,525	34,429,631
Transportation	-	-	-	-
Instructional Materials	2,963,504	-	-	-
Other Restricted State Sources	3,854,322	8,221,879	7,506,071	8,085,317
District Discretionary Lottery Funds	-	125,216	328,168	-
CO&DS Withheld for SBE/COBI Bonds	20,889	20,160	18,865	18,468
Other State Sources	2,733,176	263,396	688,770	277,634
<b>Total State Sources</b>	<b>135,315,745</b>	<b>126,930,704</b>	<b>115,731,290</b>	<b>98,787,660</b>
Local Sources:				
Ad Valorem Property Taxes	121,875,344	113,363,873	110,543,223	109,605,170
Investment Income	331,801	166,706	186,513	186,552
Other Local Sources	11,879,712	10,736,067	9,784,688	9,841,714
<b>Total Local Sources</b>	<b>134,086,857</b>	<b>124,266,646</b>	<b>120,514,424</b>	<b>119,633,436</b>
<b>Total Revenues</b>	<b>269,643,539</b>	<b>251,419,802</b>	<b>236,487,374</b>	<b>218,700,833</b>
<b>Expenditures: (by object)</b>				
Salaries	171,430,899	163,853,801	153,027,950	138,752,008
Employee Benefits	61,654,503	56,119,308	50,165,202	43,147,301
Purchased Services	24,977,487	24,142,444	22,121,988	22,572,884
Energy Services	6,415,498	7,202,909	7,441,411	6,949,387
Material and Supplies	8,309,090	9,371,862	7,708,894	8,426,609
Capital Outlay	4,824,377	4,819,129	3,599,090	3,239,560
Other Expenditures	4,053,821	3,454,189	3,084,078	2,839,712
<b>Total Expenditures</b>	<b>281,665,675</b>	<b>268,963,642</b>	<b>247,148,613</b>	<b>225,927,461</b>
Excess of Revenues over (under) Expenditures	(12,022,136)	(17,543,840)	(10,661,239)	(7,226,628)
<b>Other Financing Sources (Uses), Net</b>	<b>6,876,613</b>	<b>6,143,175</b>	<b>2,866,599</b>	<b>7,645,875</b>
Net Change in Fund Balances	(5,145,523)	(11,400,665)	(7,794,640)	419,247
Beginning Fund Balances	48,229,738	59,630,403	67,425,043	67,005,796
Adjustment to Fund Balance	-	-	-	-
<b>Ending Fund Balances</b>	<b>\$ 43,084,215</b>	<b>\$ 48,229,738</b>	<b>\$ 59,630,403</b>	<b>\$ 67,425,043</b>
<b>Breakdown of Fund Balances</b>				
Nonspendable	\$ 458,604	\$ 457,003	\$ 456,023	\$ 408,686
Spendable:				
Restricted	736,839	558,519	504,966	411,842
Committed	8,496,499	9,343,316	10,083,976	9,840,195
Assigned	27,589,718	31,916,339	44,866,279	34,230,880
Unassigned	5,802,555	5,954,561	3,719,159	22,533,440
<b>Total Fund Balances</b>	<b>\$ 43,084,215</b>	<b>\$ 48,229,738</b>	<b>\$ 59,630,403</b>	<b>\$ 67,425,043</b>
Fund Balance as Percentage of Revenue:				
Assigned and Unassigned	12.38%	15.06%	20.54%	25.96%
Unassigned	2.15%	2.37%	1.57%	10.30%

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



Fiscal Year Ending					
June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
\$ 239,518	\$ 238,825	\$ 225,262	\$ 219,716	\$ 218,109	\$ 220,638
65,292	75,961	94,778	139,100	75,050	135,316
304,810	314,786	320,040	358,816	293,159	355,954
-	-	-	-	-	-
39,509,811	39,160,640	29,918,368	16,265,160	24,135,211	25,290,894
33,645,694	32,899,241	31,340,215	29,287,515	27,252,286	20,993,265
-	-	-	7,330,755	7,330,813	6,842,879
-	-	-	3,035,942	2,934,916	2,943,399
7,891,457	8,292,998	7,960,231	9,921,023	11,335,572	10,228,919
101,503	114,448	83,726	711,932	1,354,797	1,064,346
17,685	17,196	17,024	16,468	16,149	15,340
279,989	302,897	372,749	280,040	1,027,170	1,005,662
81,446,139	80,787,420	69,692,313	66,848,835	75,386,914	68,384,704
117,952,144	124,940,872	134,871,191	135,767,674	130,709,363	121,464,048
201,672	169,759	260,715	978,487	2,295,597	1,741,453
8,581,680	9,286,579	8,636,852	7,595,287	6,419,411	7,309,990
126,735,496	134,397,210	143,768,758	144,341,448	139,424,371	130,515,491
208,486,445	215,499,416	213,781,111	211,549,099	215,104,444	199,256,149
137,453,762	123,883,922	121,206,446	127,588,452	133,067,843	116,315,867
40,156,123	43,858,568	42,253,912	43,246,943	44,229,257	40,772,240
22,193,670	21,419,388	20,252,383	21,864,681	21,955,859	20,096,490
7,365,458	7,334,990	7,126,031	7,666,530	8,304,829	7,454,311
7,166,959	8,402,751	5,903,146	6,775,308	7,750,464	8,351,630
3,236,547	5,865,164	3,682,938	1,688,519	1,715,867	2,199,379
2,591,770	2,556,775	2,412,852	2,457,547	2,208,521	2,049,571
220,164,289	213,321,558	202,837,708	211,287,980	219,232,640	197,239,488
(11,677,844)	2,177,858	10,943,403	261,119	(4,128,196)	2,016,661
9,321,715	9,817,914	8,109,581	13,371,246	8,900,656	9,117,228
(2,356,129)	11,995,772	19,052,984	13,632,365	4,772,460	11,133,889
69,361,925	57,366,153	38,313,169	24,680,804	19,908,344	11,183,455
-	-	-	-	-	(2,409,000)
\$ 67,005,796	\$ 69,361,925	\$ 57,366,153	\$ 38,313,169	\$ 24,680,804	\$ 19,908,344
\$ 417,950	\$ 405,047	\$ 348,808	\$ 320,939	\$ 274,499	\$ 269,836
432,531	511,686	570,331	936,375	1,079,714	897,941
9,744,667	10,416,995	-	-	-	-
28,212,720	25,867,464	45,520,392	29,089,278	14,942,590	10,578,700
28,197,928	32,160,733	10,926,622	7,966,577	8,384,001	8,161,867
\$ 67,005,796	\$ 69,361,925	\$ 57,366,153	\$ 38,313,169	\$ 24,680,804	\$ 19,908,344
27.06%	26.93%	26.40%	17.52%	10.84%	9.41%
13.53%	14.92%	5.11%	3.77%	3.90%	4.10%

**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, 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	135,767,674	3,801,388	41,547,372	181,116,434	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
June 30, 2007	121,464,047	3,818,505	42,847,383	168,129,935	8,140,146	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

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

Table 8

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						
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%
2006-07	N/A	N/A	N/A	N/A	21,276,679,826	831,854,254	23,410,747	22,131,944,827	7.6690	31,890,615,563	69.40%

- (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>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
<b>Direct</b>										
<b>St. Johns County School District</b>										
General Fund (Required Local Effort)	4.9800	5.0940	5.2960	5.4350	5.7310	5.5710	5.3030	5.1110	4.9320	5.0310
General Fund (Discretionary)	0.7480	0.7480	0.7480	0.7480	0.7480	0.9980	0.9980	0.6190	0.6290	0.6380
Debt Service Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1620	0.1600	0.1800
Capital Projects Fund	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.7500	2.0000	2.0000
<b>Total School District</b>	<b>7.2280</b>	<b>7.3420</b>	<b>7.5440</b>	<b>7.6830</b>	<b>7.9790</b>	<b>8.0690</b>	<b>7.8010</b>	<b>7.6420</b>	<b>7.7210</b>	<b>7.8490</b>
<b>Overlapping</b>										
<b>Board of County Commissioners</b>										
General Fund	5.1475	5.3900	5.3900	5.3900	5.2900	4.9000	4.8000	4.2900	4.2214	4.9275
Transportation Trust	0.7100	0.5300	0.5300	0.5300	0.6300	0.6300	0.7300	0.7300	0.7652	0.9000
County Health Unit Debt Service	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0200
<b>Total General County</b>	<b>5.8746</b>	<b>5.9371</b>	<b>5.9371</b>	<b>5.9371</b>	<b>5.9371</b>	<b>5.5471</b>	<b>5.5471</b>	<b>5.0371</b>	<b>5.0037</b>	<b>5.8475</b>
<b>Total County-Wide</b>	<b>13.1026</b>	<b>13.2791</b>	<b>13.4811</b>	<b>13.6201</b>	<b>13.9161</b>	<b>13.6161</b>	<b>13.3481</b>	<b>12.6791</b>	<b>12.7247</b>	<b>13.6965</b>
<b>Municipalities</b>										
City of St. Augustine	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	6.8232	6.3129	6.6000
Town of Hastings	8.5375	8.6000	8.6000	9.2397	8.0000	8.0000	8.0000	8.0000	7.7087	8.0000
City of St. Augustine Beach	2.3992	2.3992	2.3992	2.3992	2.3992	2.3992	2.2875	1.8011	1.5864	1.8000
St. Augustine Beach Bond	0.5000	0.0800	0.0787	0.0787	0.0787	0.2000	0.5000	0.0000	0.0000	0.0000
<b>Special Districts</b>										
Water Management	0.3023	0.3164	0.3313	0.3313	0.3313	0.4158	0.4158	0.4158	0.4158	0.4620
Fire	1.4625	1.4000	1.4000	1.4000	1.4000	1.2000	1.3000	1.0620	1.0954	1.2000
Anastasia Mosquito Control	0.1773	0.2450	0.1325	0.1325	0.1325	0.1325	0.1325	0.1325	0.1344	0.1500
St. Augustine Airport Authority	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1697	0.1697	0.1807	0.2055
St. Augustine Port, Waterway and Beach District	0.0638	0.0638	0.0638	0.0638	0.0614	0.0614	0.0539	0.0454	0.0454	0.0473
Vilano Street Lighting	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0114	0.0690
St. Augustine South Lighting	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.1328	0.1580
Ponte Vedra Beach MSD	0.3750	0.3750	0.3750	0.3430	0.3430	0.2750	0.2750	0.2750	0.3510	0.3700
Florida Inland Navigation	0.0320	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0345	0.0385
Summer Haven MSTU	8.5000	8.5000	8.5000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	0.0000

Source: St. Johns County Tax Collector

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

Table 10

Taxpayer	Fiscal Year			Fiscal Year		
	June 30, 2016			June 30, 2007		
	Rank	Taxable Assessed Value	Percentage of Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Florida Power & Light	1	\$ 163,648,339	0.72%	1	\$ 118,959,685	0.48%
CWI Sawgrass Hotel LLC	2	112,743,091	0.56%			
Ponte Vedra Corp	3	60,645,054	0.30%	2	110,639,572	0.45%
BellSouth Telecommunications	4	42,501,519	0.21%	4	55,322,815	0.23%
Life Care Pastoral Services Inc.	5	40,884,038	0.20%			
St Aug-St Johns Co Airport	6	40,149,140	0.20%			
Bluegreen Vacations Unlimited	7	35,277,382	0.17%			
Florida East Coast RY	8	30,109,010	0.15%	10	35,124,408	0.14%
Remington FL Investors LLC	9	28,899,400	0.14%			
CPG Partners LP	10	27,698,858	0.14%			
South Jacksonville Properties				3	68,595,313	0.28%
St. Joe Corporation				5	55,138,334	0.22%
CW Twin Creek LLC				6	52,953,280	0.22%
RQB Resort LP				7	49,909,668	0.20%
Ring Power Corporation				8	46,268,656	0.19%
Sonoc Company				9	38,599,795	0.16%
Total Principal Taxpayers		582,555,831	2.79%		631,511,526	2.57%
Total		\$ 22,025,538,098	97.21%		\$ 22,131,944,827	97.43%

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
2015-16	\$ 159,200,589	\$ 153,787,327	96.60%	\$ -	\$ 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	179,042,453	97.50%	2,073,981	181,116,434	98.63%
2007-08	186,423,226	181,299,700	97.25%	149,641	181,449,341	97.33%
2006-07	169,729,885	167,838,287	98.89%	291,648	168,129,935	99.06%

Source: St. Johns County Tax Collector and District Records

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

Fiscal Year	Governmental Activities <sup>(1)</sup>						Total Primary Government	Percentage of Personal Income (3)	Per Capita (3)
	Sales Tax Revenue Bonds	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation <sup>(2)</sup>	Capital Leases	Installment Purchases			
2015-16	\$ 49,700,948	\$ -	\$ 4,781,000	\$ 110,593,294	\$ -	\$ -	\$ 165,075,242	1.298%	\$ 772.95
2014-15	N/A	-	5,487,000	125,205,953	-	-	130,692,953	1.091%	630.02
2013-14	N/A	-	6,461,000	135,260,000	-	-	141,721,000	1.227%	703.19
2012-13	N/A	-	7,035,000	147,790,000	66,952	-	154,891,952	1.449%	789.98
2011-12	N/A	-	8,035,000	124,925,000	144,253	-	133,104,253	1.346%	690.19
2010-11	N/A	-	8,325,000	135,270,000	218,365	-	143,813,365	1.570%	756.76
2009-10	N/A	-	8,160,000	129,210,000	289,420	-	137,659,420	1.387%	738.58
2008-09	N/A	3,830,000	8,155,000	138,795,000	357,543	-	151,137,543	1.689%	828.13
2007-08	N/A	7,545,000	8,670,000	148,040,000	422,857	-	164,677,857	1.975%	935.50
2006-07	N/A	11,185,000	7,700,000	156,950,000	485,476	585,349	176,905,826	N/A	N/A

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 "Demographics and Economic Statistics"

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross General Obligation Bonded Debt (3)</b>	<b>Less Respective Debt Service Funds (4)</b>	<b>Net General Obligation Bonded Debt</b>	<b>Percentage of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2015-16	213,566	\$ 22,025,538,098	\$ -	\$ -	\$ -	0.00%	\$0.00
2014-15	207,443	20,112,527,630	-	-	-	0.00%	0.00
2013-14	201,541	18,902,284,525	-	590	(590)	0.00%	(0.00)
2012-13	196,071	18,311,335,706	-	161	(161)	0.00%	(0.00)
2011-12	192,852	18,741,442,710	-	1,540	(1,540)	0.00%	(0.01)
2010-11	190,039	19,648,576,160	-	9,358	(9,358)	0.00%	(0.05)
2009-10	186,383	21,723,492,191	-	80,220	(80,220)	0.00%	(0.43)
2008-09	182,504	24,548,768,849	3,830,000	3,801,388	28,612	0.00%	0.16
2007-08	176,032	24,655,895,497	7,545,000	3,734,353	3,810,647	0.02%	21.65
2006-07	N/A	22,131,944,827	11,185,000	3,818,505	7,366,495	0.03%	N/A

(1) Population from Statistical Table "Demographics and Economic Statistics"

(2) Assessed Value from Statistical Table "Assessed and 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, 2016**  
**(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
<b>St. Johns County Board of County Commissioners</b>					
Capital Improvement Revenue Bonds	\$ 29,741,700			100%	\$ 29,741,700
Sales Tax Revenue Bonds	127,545,432			100%	127,545,432
Transportation Improvement Revenue Bonds	52,664,471			100%	52,664,471
Other Debt	11,240,264			100%	11,240,264
Subtotal St. Johns County Board of County Commissioners	<u>221,191,867</u>				<u>221,191,867</u>
<b>City of St. Augustine Beach</b>					
Serial Bonds	4,051,971	16%	636,971	0%	-
Subtotal City of St. Augustine Beach	<u>4,051,971</u>		<u>636,971</u>		<u>-</u>
<b>City of St. Augustine</b>					
Revenue Bonds	23,307,992				
Other Debt	175,046				
Subtotal City of St. Augustine	<u>23,483,038</u>				
Subtotal Overlapping Debt	<u>248,726,876</u>				
<b>School Board of St. Johns County</b>					
Certificates of Participation	110,593,294	100%	110,593,294	100%	110,593,294
State School Bonds	4,781,000	100%	4,781,000	100%	4,781,000
Sales Tax Revenue Bonds	49,700,948	100%	49,700,948	100%	49,700,948
Subtotal Direct Debt	<u>165,075,242</u>		<u>165,075,242</u>		<u>165,075,242</u>
Totals	<u>\$ 413,802,118</u>		<u>\$ 165,712,213</u>		<u>\$ 386,267,109</u>

**Source:** Debt outstanding data obtained from each governmental unit's Comprehensive Annual Financial Report dated September 30, 2015.

**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.

**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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Assessed Value	\$ 22,025,538,098	\$ 20,112,527,630	\$ 18,902,284,525	\$ 18,311,335,706
Debt Limit on Assessed Value	N/A	N/A	N/A	N/A
Voter Approved Debt Limit:				
Bonds Payable	\$ -	\$ -	\$ -	\$ -
Less: Amount Available for Debt Service	-	-	-	-
Debt Applicable to Debt Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ -	\$ -	\$ -	\$ -
Applicable Debt as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

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.

Fiscal Year Ending					
June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
\$ 18,741,442,710	\$ 19,648,576,160	\$ 21,723,492,191	\$ 24,548,768,849	\$ 24,655,895,497	\$ 22,131,944,827
N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ 3,830,000	\$ 7,545,000	\$ 11,185,000
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 3,830,000	\$ 7,545,000	\$ 11,185,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	
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
2006-07	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 of \$3,417,810 is due during the 2016-17 fiscal year on October 1, 2016.

(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 Nine Fiscal Years  
(Unaudited)**

Table 17

<b>Fiscal Year</b>	<b>Taxable Assessed Valuation (5)</b>	<b>Principal Payments (2)(3)</b>	<b>Interest Payments (4)</b>	<b>Total Annual Lease Payments</b>	<b>Millage Levy to Provide 1.00x Coverage (1)</b>
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	0.97 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	0.75 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
2006-07	22,131,944,827	3,535,000	732,641	4,267,641	0.201 mills

- (1) Millage rate calculated using 95% of the taxable assessed valuation; 96% beginning in fiscal year 2010-11.
- (2) The District first issued COPs in November 2005, with the first payment due during the 2006-07 fiscal year.
- (3) Includes \$1,458,944 payment to the Qualified School Construction Bond sinking fund for repayment of outstanding debt.
- (4) Interest amounts are net of Qualified School Construction Bond Federal interest subsidy.
- (5) Taxable Assessed Valuation from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records

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

Table 18

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts in thousands) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>Unemployment Rate (2)</b>	<b>School Enrollment (3)</b>	<b>Government-wide Governmental Activities Expenses (4)</b>	<b>Cost per Student (5)</b>
2015-16	213,566	\$12,721,968	\$58,379	42.6	3.7%	36,240	\$336,376,522	\$9,282
2014-15	207,443	11,979,102	57,167	42.4	4.0%	34,840	332,402,452	9,541
2013-14	201,541	11,548,948	57,098	42.4	4.8%	33,371	318,006,474	9,529
2012-13	196,071	10,688,203	51,056	42.2	5.8%	32,357	297,384,159	9,191
2011-12	192,852	9,886,029	49,029	42.2	6.8%	31,297	298,626,939	9,542
2010-11	190,039	9,158,117	46,869	42.7	8.0%	30,353	302,875,017	9,979
2009-10	186,383	9,921,862	50,935	42.4	8.7%	29,549	284,768,022	9,637
2008-09	182,504	8,948,447	51,041	N/A	8.5%	28,825	274,081,285	9,508
2007-08	176,032	8,339,380	49,498	N/A	5.0%	27,728	294,834,299	10,633
2006-07	N/A	N/A	N/A	N/A	3.3%	26,356	254,369,360	9,651

Sources:

- (1) University of Florida, Bureau of Economic and Business Research
- (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  
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									
					2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>Elementary Schools</b>														
John A. Crookshank Elementary	1959	88,160	15	880	733	747	676	660	686	653	628	546	504	470
Cunningham Creek Elementary	1995	131,196	24	1,094	935	895	813	761	761	789	784	760	804	840
Durbin Creek Elementary	2003	137,090	20	1,230	571	522	932	887	1,092	1,043	941	885	797	780
W.D. Hartley Elementary	1980	119,106	0	729	681	713	689	654	622	661	644	643	626	605
Hickory Creek Elementary	2005	108,556	0	760	621	591	824	793	592	619	636	625	637	659
R.B. Hunt Elementary	1955	86,704	8	699	652	662	694	694	693	656	647	604	602	614
Julington Creek Elementary	1972	127,121	5	1,118	977	1,016	1,066	1,062	974	975	1,014	1,052	1,030	1,007
Ketterlinus Elementary	1924	73,961	1	485	434	441	468	441	476	460	462	484	465	500
Otis A. Mason Elementary	1992	79,896	0	669	584	596	573	591	584	543	530	521	555	548
Mill Creek Elementary	1991	135,233	8	1,115	1,092	1,015	913	787	1,054	1,038	1,033	903	799	1,319
Ocean Palms Elementary	1996	102,998	13	901	830	707	897	817	765	774	813	829	814	789
Osceola Elementary	1991	110,278	6	856	616	614	643	668	711	665	657	624	608	631
Palencia Elementary	2012	105,244	0	731	703	681	601	536	0	0	0	0	0	0
PV/PV Rawlings Elementary (1)	1958	158,511	3	1,387	1,023	1,032	1,311	1,251	1,212	1,152	1,140	1,088	1,088	1,054
South Woods Elementary	2005	100,805	6	742	579	576	583	568	570	557	570	599	588	596
Timberlin Creek Elementary	2005	129,551	15	1,030	914	918	925	924	916	877	820	797	1,349	1,197
Wards Creek Elementary	2007	125,267	12	984	890	896	816	800	756	740	715	688	662	0
The Webster School	1959	123,880	2	995	561	572	525	512	577	561	542	551	560	584
<b>Total Elementary</b>				<b>16,405</b>	<b>13,394</b>	<b>13,194</b>	<b>13,949</b>	<b>13,406</b>	<b>13,041</b>	<b>12,763</b>	<b>12,576</b>	<b>12,199</b>	<b>12,489</b>	<b>12,193</b>
<b>Kindergarten - Grade 8 Schools</b>														
Liberty Pines Academy	2008	175,888	20	1,490	1,413	1,375	1,367	1,326	1,243	1,152	1,067	892	0	0
Patriot Oaks Academy	2014	166,662	12	1,396	1,342	1,045	0	0	0	0	0	0	0	0
Valley Ridge Academy	2014	171,461	20	1,555	1,443	1,084	0	0	0	0	0	0	0	0
<b>Total Kindergarten - Grade 8</b>				<b>4,441</b>	<b>4,197</b>	<b>3,504</b>	<b>1,367</b>	<b>1,326</b>	<b>1,243</b>	<b>1,152</b>	<b>1,067</b>	<b>892</b>	<b>0</b>	<b>0</b>
<b>Middle Schools</b>														
Fruit Cove Middle	2001	143,551	10	1,278	1,159	1,232	1,323	1,392	1,449	1,358	1,258	1,269	1,192	1,186
Gamble Rogers Middle	1994	127,078	0	904	830	813	835	847	876	870	921	941	897	906
Alice B. Landrum Middle	1991	148,128	9	1,125	1,087	1,141	1,293	1,252	1,225	1,168	1,146	1,129	1,124	1,067
R.J. Murray Middle	1953	126,022	0	983	704	739	765	752	693	670	639	698	808	874
Pacetti Bay Middle	2007	170,155	10	1,260	1,223	1,084	1,044	1,011	956	857	751	674	613	0
Sebastian Middle	1991	128,256	0	815	620	622	626	645	669	631	620	647	584	755
Switzerland Point Middle	1991	138,741	6	1,005	1,211	1,265	1,256	1,168	960	969	979	1,058	1,195	1,263
<b>Total Middle</b>				<b>7,370</b>	<b>6,834</b>	<b>6,896</b>	<b>7,142</b>	<b>7,067</b>	<b>6,828</b>	<b>6,523</b>	<b>6,314</b>	<b>6,415</b>	<b>6,412</b>	<b>6,051</b>
<b>High Schools</b>														
Bartram Trail High (2)	2000	291,178	1	1,970	1,971	1,874	1,718	1,650	1,606	1,547	1,506	1,769	2,589	2,575
Creekside High	2008	238,316	18	1,869	1,909	1,876	1,828	1,756	1,632	1,496	1,404	1,005	0	0
Pedro Menendez High	2000	216,172	2	1,488	1,321	1,286	1,285	1,313	1,363	1,319	1,385	1,538	1,466	1,462
Allen D. Nease High	1980	221,402	24	1,971	1,947	1,778	1,707	1,655	1,580	1,510	1,441	1,578	2,273	2,070
Ponte Vedra High	2008	255,308	2	1,584	1,532	1,526	1,513	1,487	1,483	1,439	1,269	922	0	0
St. Augustine High	1959	220,598	1	1,805	1,606	1,632	1,600	1,657	1,635	1,574	1,520	1,464	1,588	1,562
St. Johns Technical High (3)	1971	223,628	0	N/A	257	212	157	141	143	201	215	241	177	199
<b>Total High</b>				<b>10,687</b>	<b>10,542</b>	<b>10,184</b>	<b>9,808</b>	<b>9,659</b>	<b>9,442</b>	<b>9,086</b>	<b>8,740</b>	<b>8,516</b>	<b>8,094</b>	<b>7,868</b>



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

Table 20

	Placed in Service	Square Footage	Portables	Capacity	Full-Time Equivalent Enrollment Data									
					2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>Charter Schools</b>														
The ABLE School (4)	N/A	N/A	N/A	N/A	55	85	102	125	132	156	136	126	128	87
First Coast Technical College (5)	1971	278,769	9	1,680	32	25	15	59	54	38	139	146	157	
St. Augustine Public Montessori	N/A	N/A	N/A	N/A	92	59	47	35	0	0	0	0	0	0
St. Johns Community Campus (ARC)	N/A	N/A	N/A	N/A	31	22	16	10	12	13	0	0	0	0
St. Paul School of Excellence (4)	N/A	N/A	N/A	N/A	56	60	60	44	0	0	0	0	0	0
Therapeutic Learning Center (ARC)	N/A	N/A	N/A	N/A	18	13	15	18	16	14	23	11	10	
Total Charter				1,680	284	264	255	291	214	221	298	283	295	87
<b>Specialty Schools</b>														
Hastings Youth Academy	N/A	N/A	N/A	N/A	136	142	152	117	124	213	218	226	177	N/A
St. Johns County Detention Center	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	53	41	N/A
St. Johns Juvenile Residential	N/A	N/A	N/A	N/A	96	86	59	64	65	62	51	30	42	N/A
St. Johns Youth Academy	N/A	N/A	N/A	N/A	0	6	44	47	45	52	47	0	0	N/A
St. Johns County Jail	N/A	N/A	N/A	N/A	2	1	1	1	0	0	0	2	5	N/A
Gaines Alternative	1924	37,288	0	263	27	38	45	52	48	41	34	29	80	62
Transitions (6)	N/A	N/A	N/A	N/A	31	30	28	19	19	17	28	24	22	24
K8 Virtual	N/A	N/A	N/A	N/A	3	4	56	26	34	29	14	8	0	0
St. Johns Virtual School	N/A	N/A	N/A	N/A	404	206	236	109	75	101	82	67	9	0
St. Johns Virtual Instruction	N/A	N/A	N/A	N/A	37	44	0	0	0	0	0	0	0	0
McKay Scholarship	N/A	N/A	N/A	N/A	253	241	229	173	119	93	80	81	63	71
Total Specialty				263	988	798	850	608	529	608	554	520	439	157
Total District				40,846	36,240	34,840	33,371	32,357	31,297	30,353	29,549	28,825	27,728	26,356

Source: District Records

- (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) First Coast Technical College is a conversion Charter School and currently resides in a District facility.
- (6) Transitions program is located at Gaines Alternative School.

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

Table 21

<b>Fiscal Year</b>	<b>(1) Instructional</b>	<b>(2) Administrative</b>	<b>(3) Support Services</b>	<b>Total</b>	<b>Ratio of Students to Instructional Personnel</b>	<b>Ratio of Instructional Personnel to School Administrators</b>
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
2006-07	1,757	118	1,389	3,264	15.00	14.89

- (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

<b>Fiscal Year</b>	<b>Minimum Salary <sup>(1)</sup></b>	<b>Maximum Salary <sup>(1)</sup></b>	<b>St. Johns Average Salary <sup>(2)</sup></b>
2015-16	\$38,000	\$66,150	\$47,266
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
2006-07	35,400	61,250	45,032

(1) District Records

(2) FDOE Bureau of Education Information & Accountability Services

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# SINGLE AUDIT SECTION

**The Six Pillars of Character<sup>SM</sup>**



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## Federal Reports and Schedules

- Report of Independent Auditor Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*
- Report of Independent Auditor each Major Federal Program and Report on Internal Control over Compliance
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings – Federal Awards

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**Report of Independent Auditor 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 Honorable Members of the  
St. Johns County District School Board  
St. Augustine, Florida

We have audited, in accordance with the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the St. Johns County School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2016. Our report includes reference to other auditors who audited the financial statements of the fiduciary funds and the discretely presented component unit, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 the 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

A handwritten signature in black ink that reads "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida  
December 2, 2016

## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

The Honorable Members of the  
St. Johns County District School Board  
St. Augustine, Florida

### **Report on Compliance for Each Major Federal Program**

We have audited the St. Johns County School District (the "District") 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 year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for 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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### **Opinion on Each 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 each of its major federal programs for the year ended June 30, 2016.

## Report on Internal Control over Compliance

Management of the District 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 requirements that could have a direct and material effect on a 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.

*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 combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Orlando, Florida  
December 2, 2016

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ST. JOHNS COUNTY SCHOOL DISTRICT  
 SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL  
 ASSISTANCE PROGRAM EXPENDITURES  
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
<b>United States Department of Agriculture</b>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	13002	\$ 773,887	\$ -
National School Lunch Program	10.555	13001, 13003	4,032,333	
Summer Food Service Program for Children	10.559	13006, 13007	105,084	
<b>Total United States Department of Agriculture</b>			<u>4,911,304</u>	
<b>United States Department of Education:</b>				
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	5,793,920	
Special Education - Preschool Grants	84.173	267	123,086	
Volusia County District School Board:				
Special Education - Grants to States	84.027	7754	3,268	
<b>Total Special Education Cluster</b>			<u>5,920,274</u>	
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191,193	231,662	231,662
Title I Grants to Local Educational Agencies	84.010	212,223,226	3,380,765	
Career and Technical Education - Basic Grants to States	84.048	161	463,254	165,461
Education of Homeless Children and Youth	84.196	127	67,101	
English Language Acquisition Grants	84.365	102	45,583	
Improving Teacher Quality State Grants	84.367	224	574,561	
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RA111	357,280	
<b>Total United States Department of Education</b>			<u>11,040,480</u>	<u>397,123</u>
<b>United States Department of Health and Human Services:</b>				
Direct:				
Head Start Cluster:				
Head Start	93.6 (3a)	N/A	1,000,429	
<b>Total United States Department of Health and Human Services</b>			<u>1,000,429</u>	
<b>Corporation for National and Community Service:</b>				
Direct:				
Retired and Senior Volunteer Program	94.002 (3b)	N/A	64,629	
<b>Total Corporation for National and Community Service</b>			<u>64,629</u>	
<b>United States Department of Defense:</b>				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	63,194	
Air Force Junior Reserve Officers Training Corps	None	N/A	54,055	
Navy Junior Reserve Officers Training Corps	None	N/A	142,631	
<b>Total United States Department of Defense</b>			<u>259,880</u>	
<b>Total Expenditures of Federal Awards</b>			<u>\$ 17,276,722</u>	<u>\$ 397,123</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards represent amounts expended from Federal Programs during the 2015-16 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

**Grant Contingency**

The grant revenue amounts received are subject to audit and adjustments. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the District. In the opinion of management, all grant expenses are in compliance with the terms of the grant agreement and applicable federal and state law and regulations.

**Indirect Cost Rate**

The District did not elect the 10% de minimis indirect cost rate, but instead used a rate negotiated with the Florida Department of Education.

**2. NONCASH ASSISTANCE – NATIONAL SCHOOL LUNCH PROGRAM**

Included in the amount reported for the National School Lunch Program was \$537,766 of donated food received during the 2015-16 fiscal year. Donated food is valued at fair value as determined at the time of donation.

**3. DIRECT AWARD GRANT NUMBERS**

- (a) The Head Start grants awarded directly from the Department of Health and Human Services Administration for Children and Families are provided under agreement number 04CH4653-03-00.
- (b) The Retired and Senior Volunteer Program grants awarded directly from the Corporation for National and Community Service are provided under agreement number 15SRSFL014

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2016

**Part I - Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified that are not considered to be a material weakness(es)?            yes     x     none reported

Noncompliance material to financial statements noted?            yes     x     no

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified that are not considered to be a material weakness(es)?            yes     x     none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)            yes     x     no

Identification of major programs:

<u>Name of Program or Cluster</u>	<u>CFDA Number</u>
Special Education Cluster	84.027/84.173
Head Start	93.600

Dollar threshold used to determine Type A programs:

Federal \$ 750,000

Auditee qualified as low-risk auditee for federal purposes?     x     yes            no



**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2016*

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**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**SUMMARY OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN**

*FOR THE YEAR ENDED JUNE 30, 2016*

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**Summary of Prior Year Findings**

There were no findings reported in the prior year.

**Corrective Action Plan**

There are no audit findings reported in the Schedule of Findings and Questioned Costs for the year ended December 31, 2016; therefore, a Corrective Action Plan is not required.

# OTHER REPORTS

## The Six Pillars of Character<sup>SM</sup>



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## Independent Auditor's Management Letter

Honorable Chairman and Members of the  
St. Johns County District School Board  
St. Augustine, Florida

### Report of the Financial Statements

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the St. Johns County School District (the "District") as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2016. We did not audit the financial statements of the discretely presented component unit nor the fiduciary funds; those financial statements were audited by other auditors.

### Auditor's Responsibility

We conducted our audit 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; 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"); and Chapter 10.800, Rules of the Auditor General.

### Other Reporting Required by *Government Auditing Standards*

We have issued our Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Report of Independent Accountant on Compliance with Local Government Investment Policies; and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 2, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings and recommendations were made in the preceding annual financial audit report.

### Financial Condition

Section 10.804(1)(f)2., Rules of the Auditor General, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the District met any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Transparency**

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District maintains on its Web site the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined the District maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

## **Other Matters**

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.804(1)(f)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.800, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida  
December 2, 2016

**Report of Independent Accountant on Compliance  
With Local Government Investment Policies**

Honorable Chairman and Members of the  
St. Johns County District School Board  
St. Augustine, Florida

**Report on Compliance**

We have examined the St. Johns County School District (the "District's") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

**Scope**

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

**Opinion**

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.



Orlando, Florida  
December 2, 2016

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