



# Comprehensive Annual Financial Report

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ST. JOHNS COUNTY SCHOOL DISTRICT  
St. Augustine, Florida

FISCAL YEAR ENDED June 30, 2018



St. Johns County  
School District  
St. Augustine, Florida

# Comprehensive Annual Financial Report

For the Fiscal Year ended  
June 30, 2018

Prepared by  
Department  
of Finance



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**ST. JOHNS COUNTY SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED June 30, 2018**

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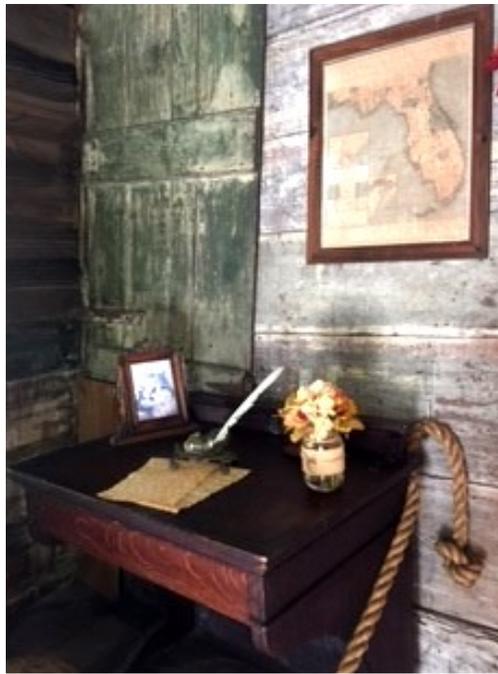
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THE OLDEST  
WOOD SCHOOL  
HOUSE IN THE USA  
ST AUGUSTINE  
FLORIDA



## INTRODUCTION





## LETTER OF TRANSMITTAL

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**Tim Forson**  
*Superintendent of Schools*

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

**SCHOOL BOARD**

Beverly Slough  
*District 1*

Tommy Allen  
*District 2*

Bill Mignon  
*District 3*

Kelly Barrera  
*District 4*

Patrick Canan  
*District 5*

December 5, 2018

Dear School Board Members and 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, 2018.



The accompanying report includes all funds of the District; the St. Johns County School Board Leasing Corporation, Inc. (Leasing Corporation); the St. Johns County Education Foundation, Inc. D/B/A INK! (Foundation); and three charter schools: St. Augustine Public Montessori School, operated by St. Augustine Montessori Community, Inc., and the Therapeutic Learning Center Charter School along with St. Johns Community Campus Charter School, both of which are operated by The Arc of the St. Johns, Inc.

The Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities, and is considered to be a blended component unit. The Foundation is a not-for-profit corporation organized and operated as a direct support organization under Section 1001.453, Florida Statutes, to raise funds; receive, hold, invest and administer property; and to make expenditures for the benefit of the District. The charter schools are component units of the District, requiring discrete presentation in the basic financial statements. Charter school applications and contracts are approved and monitored by the District throughout the contract periods. Charter schools are funded by the State and funds pass through the District for distribution to each charter school. Charter schools may also receive grants and donations that do not pass through the District's financial system. The District receives a majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based on the number of full-time equivalent students enrolled at the charter school.

*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.*

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

The 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, 2018, 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, 2018, 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 schedule of prior audit findings and corrective action plan; and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, are included in the Single Audit section.

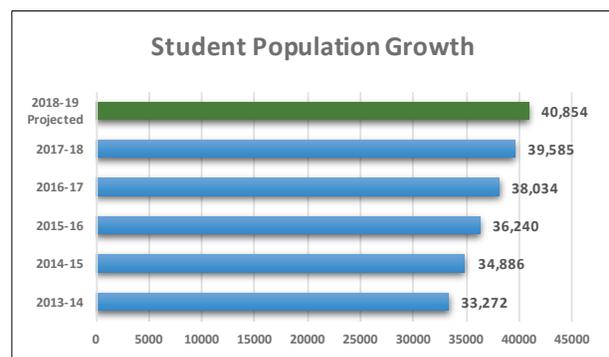
GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A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

## PROFILE OF THE DISTRICT

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

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

The geographical boundaries of the District are those of St. Johns County. During the 2017-18 fiscal year, the District operated 41 schools, including 19 elementary schools, 3 K-8 schools, 7 middle schools, 7 high schools, 1 technical college, 1 alternative education center, 2 juvenile justice facilities and 1 virtual school. The District also has 3 charter schools that are component units of the District. In the 2017-18 fiscal year, the District provided educational opportunities to 39,585 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 District’s student growth has increased approximately 19 percent over the last 5 years and continues to steadily grow. The projected enrollment for the 2018-19 school year is 40,854 unweighted full-time equivalent students.



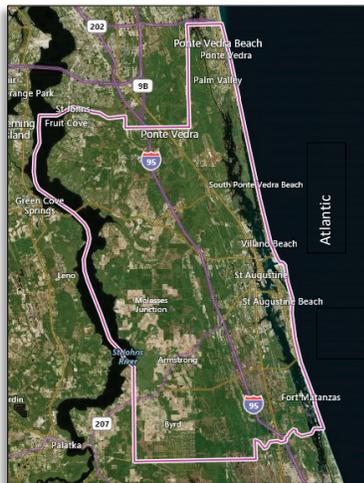
Although charter schools receive public funds, they operate independently of public school districts. Each charter school has its own board of directors and administrators. Each of the charter schools operating within the District during the 2017-18 school year provided an alternative choice with a specific educational focus.

However, State law requires that all charters be issued by the local School Board and mandates that charter schools receive no more than two consecutive “F” grades from the State Board of Education or else become subject to closure.

The District owns 49 buildings, with an average age of 30.3 years. In the last 10 years, two elementary schools, three kindergarten through eighth grade (K-8) schools, and two high schools have been built. The District continues to renovate and expand existing facilities to meet the increasing demand of student growth. In August 2018 the District opened two kindergarten through eighth grade (K-8) schools.

## GENERAL DESCRIPTION AND LOCATION

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



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

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

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

THE PLAYERS commitment to the support of the students of St. Johns County is significant and is evidenced by their willingness to serve as the title sponsor to the District’s CHARACTER

COUNTS! initiative. Through CHARACTER COUNTS!, THE PLAYERS will sponsor multiple District programs, including *Where Everybody Belongs* mentorship program; *Link Crew* mentorship program; *Character Cup*, a student-centered event highlighting physical education; and *Pursuing Victory with Honor* Student Advisory Council. In addition to supporting the CHARACTER COUNTS! programs, THE PLAYERS will purchase the curriculum and equipment needed to provide *The First Tee Golf in Schools Program* for every elementary and K-8 school in the District.

Complementing the County's history, scenic beaches, and recreational offerings are its residential developments. Nocatee, a master-planned community located in Ponte Vedra, is one of the top selling communities in the County and ranked the seventh best-selling community in the nation.

## ECONOMIC CONDITIONS AND OUTLOOK

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

Socioeconomic indicators are above average with a per-capita income of \$61,423 and a median household income of \$69,523, compared to the state's per-capita of \$27,598 and median of \$48,900. The unemployment rate in the County, as of June 2018, was 3.1 percent, which is a decrease from last year's unemployment rate of 3.3 percent, and is tied for the lowest unemployment rate in the state of Florida.

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

There are 81,308 households within the County, with an estimated population of 235,087 for 2017, an approximate increase of 16.3 percent over the last five years. The surge in population earns the County 14<sup>th</sup> place on the U.S. Census Bureau's "List of 100 Fastest Growing U.S. Counties with Population of 10,000 or More."

## MAJOR INITIATIVES

**Keeping Students Safe** During the 2018 Legislative Session, the Florida Legislature passed the Marjory Stoneman Douglas High School Public Safety Act, a comprehensive law that includes provisions to address the safety and security of students and schools throughout Florida. This law requires each district school board and district school superintendent to

cooperate with law enforcement agencies to assign one or more safe school officers at each school facility. Since 1986, the St. Johns County School Board and the St. Johns County Sheriff's Office have participated in a cooperative funding agreement of the School Youth Resource Deputy Program and plan to continue this cooperative funding agreement with the enactment of the Marjory Stoneman Douglas High School Public Safety Act. Furthermore, as a result of this law, the District recently went LIVE with the FortifyFI app (available for download on Apple and Android devices) which allows any student, educator, parent or member of the public to anonymously and easily report school safety concerns directly to law enforcement and school administrators. FortifyFI app training is being provided by District personnel.

**Enhancing Mental Health Services** On July 10, 2018, the District's Mental Health Assistance Allocation Plan was Board approved. This plan was developed to address the delivery of evidence-based mental health services to support all levels of need. These needs are discussed, in general, in the following three tiers:

- Tier 1 – Elementary school students will receive classroom lessons which will help students manage emotions and apply interpersonal skills. Middle school students will receive lessons to support substance abuse prevention and safe and healthy relationships. High school HOPE classes will be enhanced by supplemental instruction in mental health awareness provided by licensed mental health counselors. Also at the high school level, school-wide prevention programs addressing topics including substance abuse, suicide, bullying and dating violence will be implemented.
- Tier 2 – School-based counseling will be provided from a school counselor, school social worker or school psychologist.
- Tier 3 – Supplemental counseling services may be provided through the addition of individual and/or group counseling with a District mental health counselor or outside provider.

### **Investing in Students and Schools**

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

- **Professional Learning Communities (PLCs)** The framework for teacher evaluations utilized in the District is based upon a model focused on improving instructional performance to meet the needs of all students. The PLCs process allows educators to work collaboratively in recurring cycles of collective inquiry and action research to achieve better results for the students they serve. PLCs work by providing a collaborative work environment, increasing team approach to student success, and increasing teacher awareness of data driven instruction. PLCs are implemented districtwide in order to assist all school administrators, teachers, and staff to grow in instructional practices.
- **Advancement Via Individual Determination (AVID)** AVID is a system focused on training educators to use methodologies that develop students' critical thinking, literacy and math skills for success in high school, college, and a career. The philosophy of the AVID system is for educators to not only provide academic and social support, but to hold students accountable to the highest standards, encouraging them to personal achievement through hard work and determination. AVID is especially effective for students underrepresented in higher education. A benefit to teachers and students, AVID is implemented at the elementary and secondary levels and is aligned to the District's strategic plan goals for college readiness, academic and student services goals, as well as human resources and professional development goals.
- **Bring Your Own Device (BYOD)** The District is committed to providing students and staff a next generation learning environment in which every student has access to learning experiences and instruction, designed around communication, collaboration, creativity, and critical thinking. To expand the integration of technology in the classroom, the District promotes the use of student owned mobile devices in school through a program known as Bring Your Own Device (BYOD). The BYOD program allows students to use their own technology during the school day (when authorized by the teacher) to enhance the learning experience.
- **i-Ready** The District implemented the i-Ready program to help drive student success through diagnostic and growth monitoring assessments and highly engaging computer-based lessons that motivate students at their level of ability and help quickly move them to grade level and beyond.
- **Academy of Law and Homeland Security** The Academy of Law and Homeland Security was established at St. Augustine High School to prepare students for the opportunity to work in careers that will allow them to serve and protect the public, state, and country. Specifically, the course progression is designed to introduce students to the various academic and career opportunities in law, law enforcement, and other homeland security related fields. With the support of the St. Johns County Sherriff's Office and other law agencies, students receive authentic learning experiences through field studies, guest speakers, and internships. Possible industry certifications include 911 dispatcher, private security agent, first responder, and certified legal assistant.

## ACCOMPLISHMENTS

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

District students exceeded the state average as well as the national average on both the 2017 SAT (most recent data available) and the 2018 ACT. Students also outperformed all other Florida students on the 2018 AP tests. In addition, District students exceeded the state average in the 2018 College Readiness Benchmark tests in English, math, science, and reading, as individual subjects, as well as all four of those subjects combined.

For the 2017-18 school year, District students ranked first in reading in all tested grades (3-10). Math testing results ranked District students first in grade 6; tied for first in grades 3-5; second in grade 7; and third for grade 8. District students also ranked first in science in the tested grades of 5 and 8.

Finally, District students have been first in the State (out of 67 school districts) in total school accountability points for the past 10 years, and the District is one of only two school districts in the State to receive an "A" grade for 14 consecutive years.

## FINANCIAL INFORMATION

**Long-term Financial Planning** The 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.

The District's operating fund has experienced financial pressure due to the slow recovery from the economic recession; per-student funding from the State below 2007-08 fiscal year funding level; student growth; class size reduction initiative; professional development training for the teachers; cost increases for health care; and the continuing need to pay competitive teacher salaries in a classroom environment where the demands on our teachers continue to compound. In addition, as a result of the Marjory Stoneman Douglas High School Public Safety Act, the District's operating fund has experienced increased financial pressure to fully cover safety and security measures, including school campus capital improvements, as well as the cost of mental health professionals.

In the past, the District could depend on a 2 to 3 percent increase in the base student allocation when making financial decisions to best meet the needs of the students. These needs include the ability to competitively compensate teachers. Florida continues to trail the country in teacher salaries and will be severely challenged in the years ahead to adequately staff

classrooms with qualified teachers given the national shortage. Over the last two years, the budget process has been challenging because the base student allocation increase was 1.04 percent and .01 percent for the 2017-18 and 2018-19 fiscal years, respectively. The .01 percent increase for the 2018-19 fiscal year represents only a 47 cent increase for each student. If the District does not see a significant improvement in base student allocation funding in the future, then it will be necessary to once again reduce operating and capital expenditure budgets.

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

The District's availability of funds for capital projects needs continues to be restricted. Currently, the District is growing at a rate of 4.6 percent per year and has endured several years of declining local capital outlay millage funding. In fact, for 2007-08 fiscal year, local capital outlay millage generated approximately \$47 million, but only generated \$37.4 million for the 2017-18 fiscal year.

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

Furthermore, the Florida Legislature has reduced the required local effort school tax rate for the past three years by reducing the required local effort to the "rolled back rate" and; thereby, preventing the local revenue to grow with the tax roll. This reduction has severely impacted the District's ability to perform preventive maintenance at the District's educational facilities and to meet the District's increasing capital needs, mainly due to student growth, related to new construction, technology, and school buses. These legislative decisions are significantly impeding the ability of the District to meet increasing capital needs. To add to this challenge, the 2018 Legislature's enactment of the Marjory Stoneman Douglas High School Public Safety Act requires Florida school districts to perform a physical school campus threat assessment of each school. Keeping in mind that Florida's schools average 30 years of age and were designed with multiple entrances on an open campus, the identification of unfunded capital security enhancement projects that are necessary to decrease the threat of active shooters is extensive and places an additional strain on the District's capital revenue stream.

In an effort to compensate for decisions made by the Florida Legislature, the District pursued other means of funding. Specifically, on November 3, 2015, the citizens of the County voted to approve a one-half cent local sales surtax to be used for capital improvements within the school district. The sales tax went into effect on January 1, 2016, and is expected to generate approximately \$150 million over the next ten years. These funds are earmarked to meet the needs of an increasing student population. These needs include new construction and school

expansions to maintain high quality education facilities; such as, roof replacements and site improvements; the provision of new technology to prepare children for 21<sup>st</sup> century learning (classroom technology upgrades at 34 schools); providing student and teacher instructional devices at 36 schools; infrastructure improvements; and, to continue to keep children safe, security cameras, monitoring systems, secure doors and entrances, and a GPS system for school buses. Specifically, during the 2017-18 fiscal year, the one-half cent local sales tax revenue provided funding for the construction of 2 kindergarten through eighth (K-8) grade schools which opened in August 2018. Each school was constructed with 73 classrooms and 1,496 student stations. Overall, while the one-half cent local sales surtax has assisted the District in funding capital needs, currently and for the foreseeable future, the District operates in an environment in which projects are prioritized with a focus on critical needs only. The District has been forced to move away from being prepared both for growth and using preventive maintenance (in order to minimize costs) to a philosophy of meeting only critical needs.

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

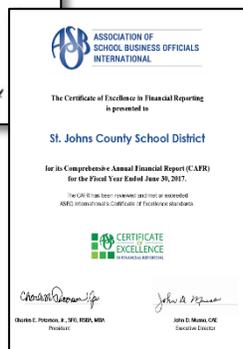
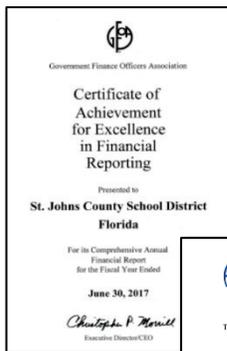
Budgetary information is integrated in the accounting system and, to facilitate budget control, budget balances are encumbered when purchase requisitions are created. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

**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 (a) the cost of a control should not exceed the benefits likely to be derived, and (b) 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, 2018. The audit was conducted under the United States' Generally Accepted Auditing Standards (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Cherry Bekaert LLP's report on the basic financial statements and other matters is included in the financial section of this report.

## AWARDS AND ACKNOWLEDGMENTS

**Excellence in Financial Reporting** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Johns County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This is the second consecutive year the District achieved both these prestigious awards.



In order to be awarded the GFOA Certificate of Achievement and the ASBO Certificate of Excellence in Financial Reporting, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

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

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

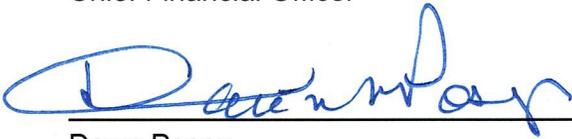
Respectfully submitted,



\_\_\_\_\_  
Tim Forson  
Superintendent, St. Johns County School District



\_\_\_\_\_  
Michael Degutis  
Chief Financial Officer



\_\_\_\_\_  
Dawn Posey  
Director, Accounting and Payroll

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# St. Johns County School District

## BOARD MEMBERS

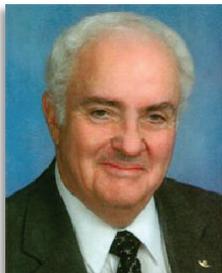
Elected



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



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



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



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



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

# St. Johns County School District

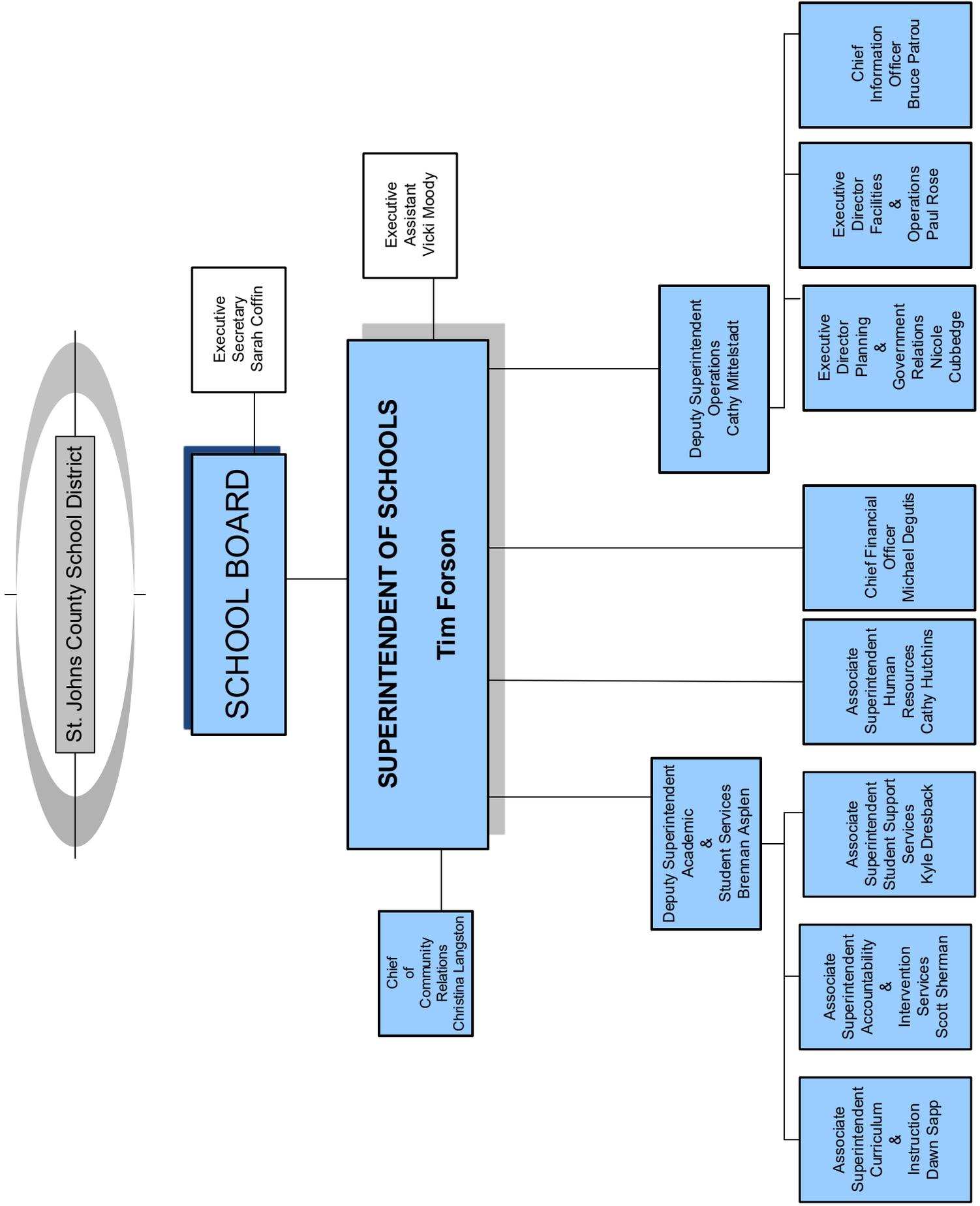
## PRINCIPAL OFFICIALS Appointed

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

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

**St. Johns County School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.', written over a horizontal line.

**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE**  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**St. Johns County School District  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

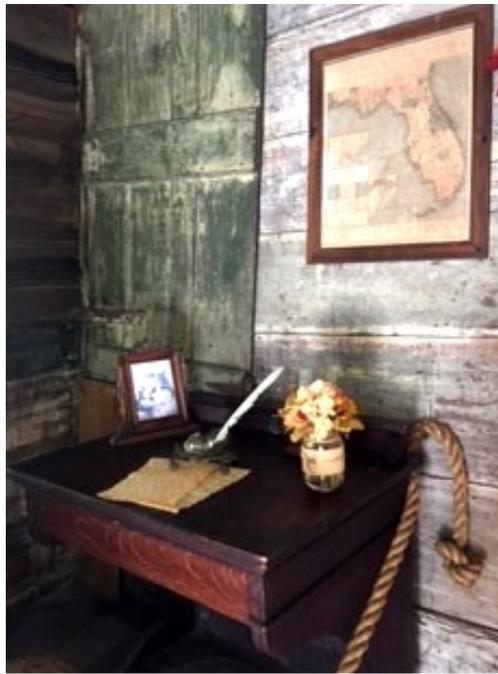
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THE OLDEST  
WOOD SCHOOL  
HOUSE IN THE USA  
ST AUGUSTINE  
FLORIDA



FINANCIAL





## 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 units, 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, 2018, 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 units nor the fiduciary funds, which represent 100 percent of the component unit assets, net position, and revenues and 8 percent of the assets and 38 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 discretely presented component units and fiduciary funds, 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 reports of the 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 units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note 1 to the financial statements, effective July 1, 2017, the District adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information as presented in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the 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 other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 5, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cheryl Behrert" followed by a stylized flourish.

Orlando, Florida  
December 5, 2018

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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, 2018. 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

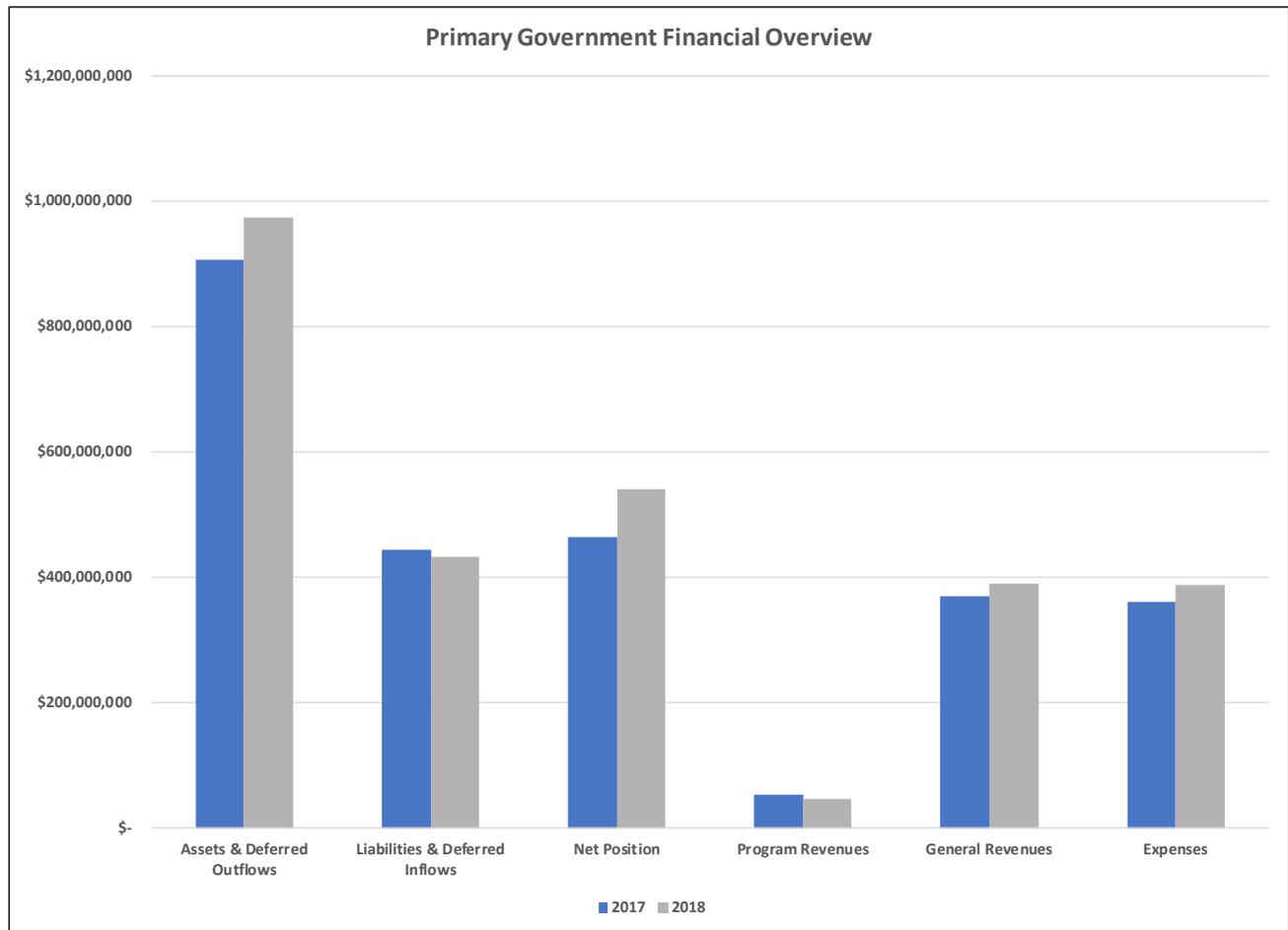
Key financial highlights for the 2017-18 fiscal year are as follows:

- The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at June 30, 2018, by \$541,568,780 (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 \$84,129,442.
- In total, the District's net position increased \$50,285,395, which represents a 10 percent increase from the 2016-17 fiscal year. This increase resulted from the effect of government activities, most of which was invested capital assets.
- The District's total government-wide revenues of \$437,163,612 were comprised of general revenues of \$391,044,856, or 89 percent of total government-wide revenues, and program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions of \$46,118,756, or 11 percent of total government-wide revenues. This compares to the prior fiscal year with government-wide revenues of \$423,283,248, which were comprised of general revenues of \$369,498,136, or 87 percent of total government-wide revenues, and charges for services, operating grants and contributions, and capital grants and contributions of \$53,785,112, or 13 percent of total government-wide revenues.
- The District's total expenses for governmental activities of \$386,878,217 were offset by program specific revenues of \$46,118,756. The remaining expenses were funded from general revenues and fund balance. In the prior fiscal year, total expenses of \$361,548,555 were offset

with program specific revenues of \$53,785,112, with the remaining expenses funded from general revenues and fund balance.

- The District's governmental funds reported a combined ending fund balance of \$178,391,592, a decrease of \$7,921,525, or 4 percent, in the 2017-18 fiscal year in comparison with the prior fiscal year's balance of \$186,313,117.
- The General Fund total fund balance was \$54,931,346 as of June 30, 2018, and represents an increase of \$7,104,024, or 15 percent, as compared to the prior fiscal year's balance of \$47,827,322.
- The assigned and unassigned fund balance of the General Fund, which represents net current financial resources available for general appropriation by the Board, totaled \$43,087,755 at June 30, 2018, or 14 percent, of total general revenues. For the 2016-17 fiscal year, the assigned and unassigned fund balance in the General Fund was \$37,422,204, or 13 percent of total General Fund revenues.
- The District's investment in capital assets (net of accumulated depreciation) increased by \$41,967,788, or 7 percent, from its balance of \$583,479,978 at June 30, 2017, to \$625,447,766 at June 30, 2018, mainly due to the construction of Palm Valley Academy and Freedom Crossing Academy.
- The District's capital asset-related long-term debt decreased by a net amount of \$21,165,431, or 14 percent, from its balance of \$147,900,811 at June 30, 2017, to \$126,735,380 at June 30, 2018, mainly due to the redemption of debt principal.

The Primary Government financial overview for the 2016-17 and 2017-18 fiscal years is shown below:



## OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

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

## Government-Wide Financial Statements

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

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

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

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

and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

## **Fund Financial Statements**

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the 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, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near term financing requirements.

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Debt Service – Other Debt Service Fund, Capital Projects – Sections 1011.14/1011.15 Loan Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

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

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

## **Notes to Financial Statements**

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

## **Other Information**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2018, compared to net position as of June 30, 2017:

	Net Position, End of Year	
	Governmental	
	Activities	
	6/30/18	6/30/17
Current and Other Assets	\$ 265,153,998	\$ 250,234,958
Capital Assets	625,447,766	583,479,978
<b>Total Assets</b>	<b>890,601,764</b>	<b>833,714,936</b>
<b>Deferred Outflows of Resources</b>	<b>84,066,760</b>	<b>73,667,222</b>
Long-Term Liabilities	369,079,608	402,608,209
Other Liabilities	50,883,552	37,268,129
<b>Total Liabilities</b>	<b>419,963,160</b>	<b>439,876,338</b>
<b>Deferred Inflows of Resources</b>	<b>13,136,584</b>	<b>3,387,255</b>
Net Position:		
Net Investment in Capital Assets	499,241,608	454,071,103
Restricted	126,456,614	122,864,096
Unrestricted (Deficit)	(84,129,442)	(112,816,634)
<b>Total Net Position</b>	<b>\$ 541,568,780</b>	<b>\$ 464,118,565</b>

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

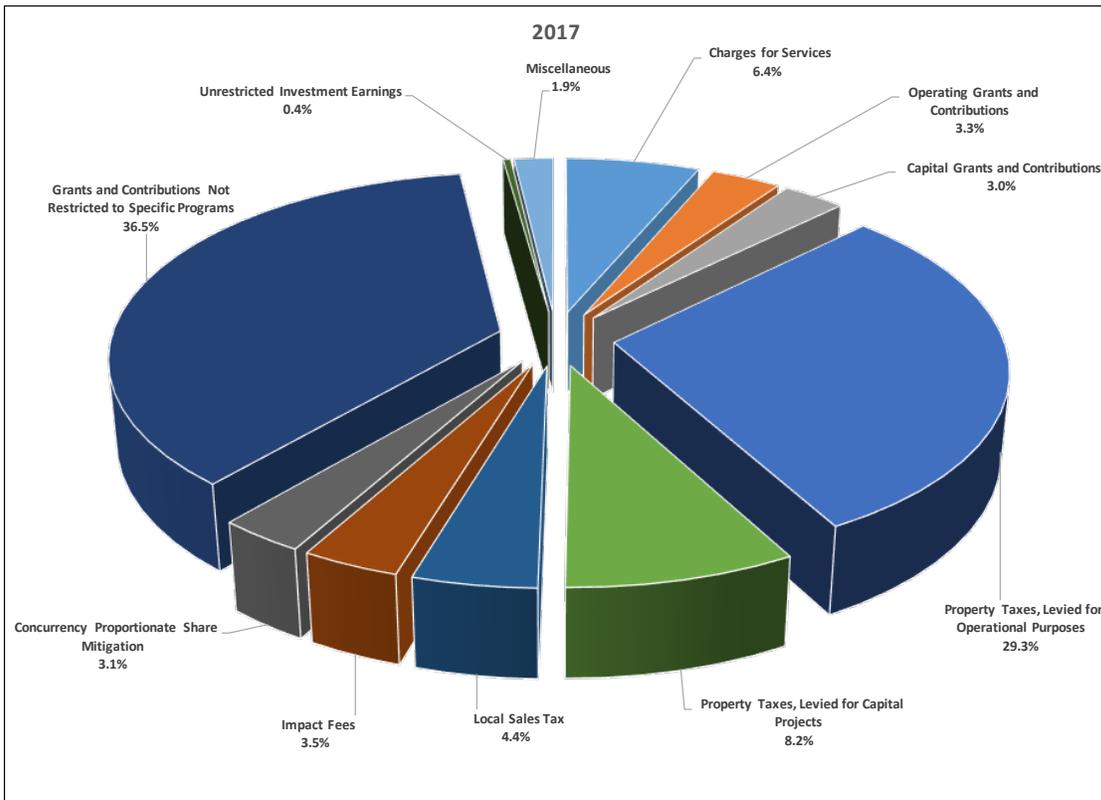
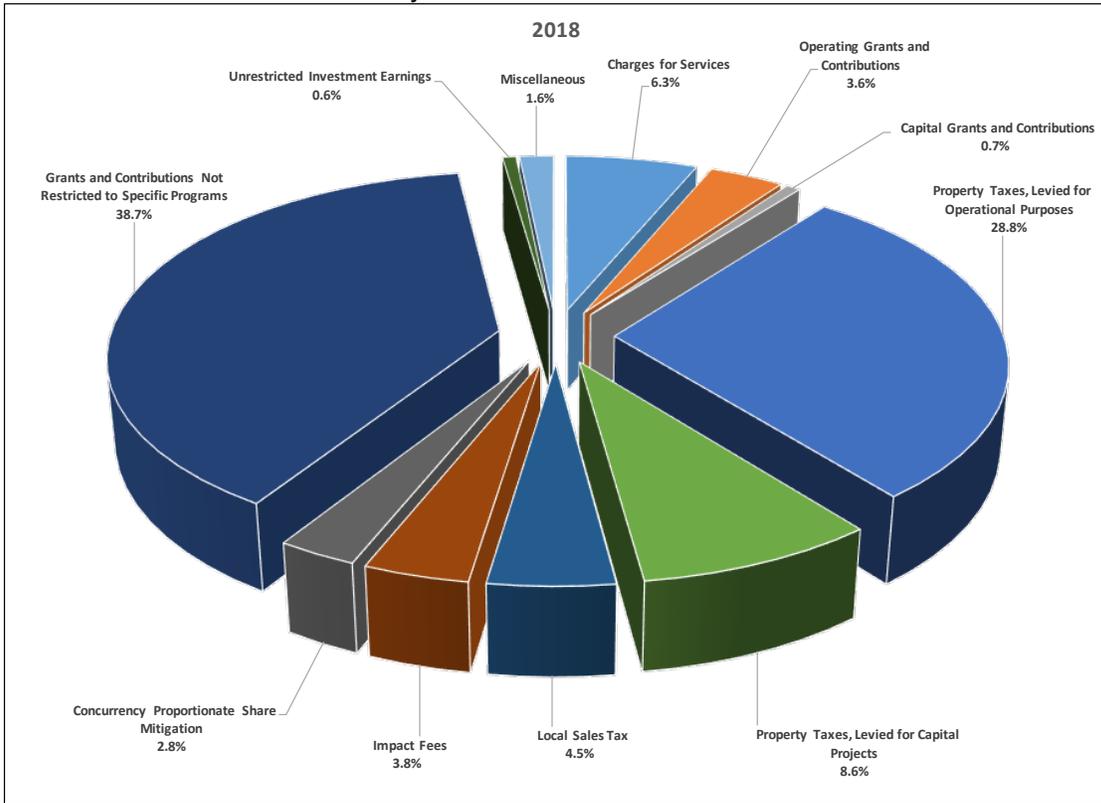
The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's deficit unrestricted net position was the result, in

part, of accruing long-term liabilities of \$28,547,971 in compensated absences payable, \$183,425,248 in net pension liability, and \$30,120,974 in other postemployment benefits payable. These long-term liabilities are funded on a pay-as-you-go basis.

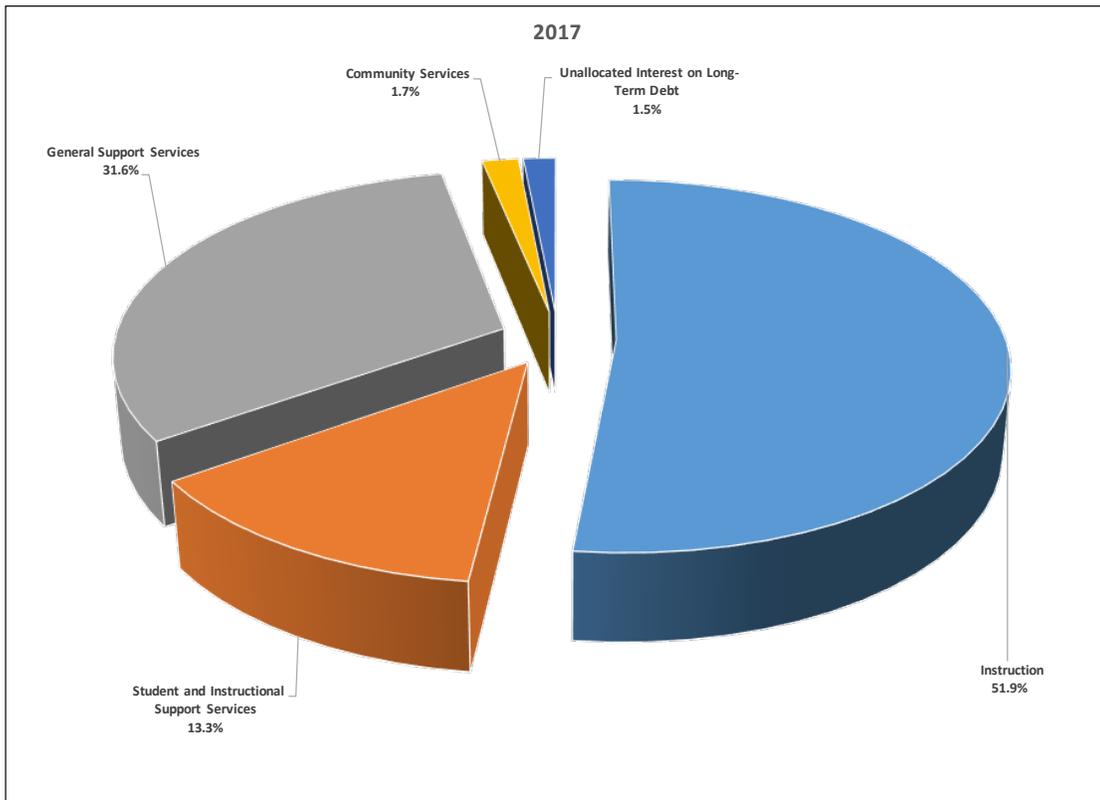
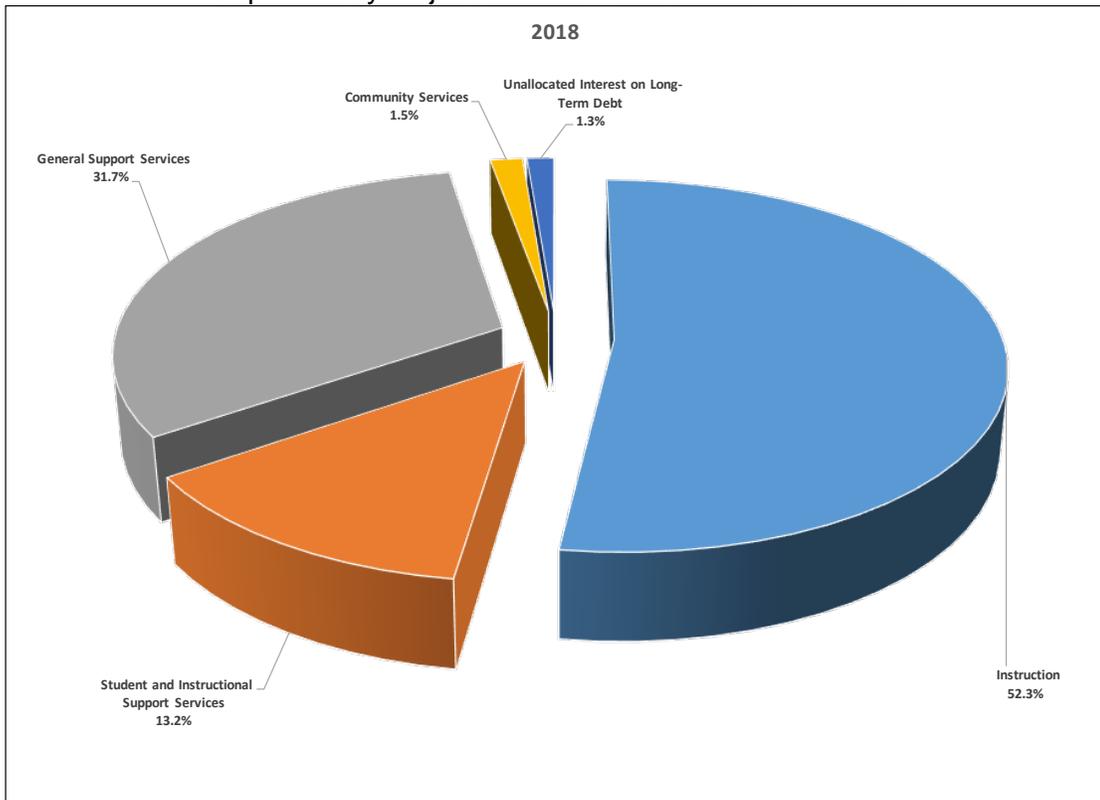
The District's total net position increased by \$50,285,395 during the 2017-18 fiscal year. This increase mainly represents the degree to which ongoing revenues have exceeded ongoing expenses. Details of the revenues and expenses composing the increase are as follows:

	Operating Results for the Fiscal Year Ended		
	Governmental		Percent Change
	Activities		
	6/30/18	6/30/17	2017 to 2018
Program Revenues:			
Charges for Services	\$ 27,562,285	\$ 27,064,722	1.84%
Operating Grants and Contributions	15,584,317	14,089,939	10.61%
Capital Grants and Contributions	2,972,154	12,630,451	-76.47%
General Revenues:			
Property Taxes, Levied for Operational Purposes	125,817,426	124,230,710	1.28%
Property Taxes, Levied for Capital Projects	37,414,585	34,713,042	7.78%
Local Sales Tax	19,693,454	18,703,292	5.29%
Impact Fees	16,425,242	14,772,417	11.19%
Concurrency Proportionate Share Mitigation	12,422,554	13,031,153	-4.67%
Grants and Contributions Not Restricted to Specific Programs	169,390,142	154,674,221	9.51%
Unrestricted Investment Earnings	2,798,952	1,501,027	86.47%
Miscellaneous	7,082,501	7,872,274	-10.03%
<b>Total Revenues</b>	<b>437,163,612</b>	<b>423,283,248</b>	<b>3.28%</b>
Functions/Program Expenses:			
Instruction	202,277,076	187,540,860	7.86%
Student Personnel Services	24,663,188	22,952,254	7.45%
Instructional Media Services	5,292,377	4,935,265	7.24%
Instruction and Curriculum Development Services	7,340,407	6,917,491	6.11%
Instructional Staff Training Services	4,394,698	5,030,613	-12.64%
Instruction-Related Technology	9,172,168	8,314,188	10.32%
School Board	1,018,794	1,053,151	-3.26%
General Administration	1,079,020	1,111,417	-2.91%
School Administration	20,180,295	18,959,332	6.44%
Facilities Acquisition and Construction	18,756,749	15,663,417	19.75%
Fiscal Services	2,161,532	2,129,474	1.51%
Food Services	12,508,993	11,336,864	10.34%
Central Services	15,854,739	15,405,980	2.91%
Student Transportation Services	16,200,947	14,816,533	9.34%
Operation of Plant	24,958,641	23,761,404	5.04%
Maintenance of Plant	9,428,942	9,178,014	2.73%
Administrative Technology Services	652,932	675,389	-3.33%
Community Services	5,963,267	6,230,419	-4.29%
Unallocated Interest on Long-Term Debt	4,973,452	5,536,490	-10.17%
<b>Total Functions/Program Expenses</b>	<b>386,878,217</b>	<b>361,548,555</b>	<b>7.01%</b>
<b>Change in Net Position</b>	<b>50,285,395</b>	<b>61,734,693</b>	<b>-18.55%</b>
<b>Net Position - Beginning, Restated</b>	<b>491,283,385</b>	<b>402,383,872</b>	<b>22.09%</b>
<b>Net Position - Ending</b>	<b>\$ 541,568,780</b>	<b>\$ 464,118,565</b>	<b>16.69%</b>

### Governmental Activities Revenue by Source – Statement of Activities



### Governmental Activities Expenses by Major Function – Statement of Activities



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 89 percent of total revenues, whereas program revenues provide approximately 11 percent. The largest portion of program revenues (90 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 1,551 students, from 38,034 in the 2016-17 fiscal year to 39,585 in the 2017-18 fiscal year. The District experienced an increase in grants and contributions not restricted to specific programs of \$14,715,921, or 10 percent, as compared to the prior fiscal year, mainly because of an increase in FEFP funding due to student growth.

Instructional activities represent the majority of the District's expenses, representing approximately 52 percent of total expenses of governmental activities for both the 2017-18 and 2016-17 fiscal years. Instruction expenses increased by \$14,736,216, or 8 percent, mainly as a result of hiring additional teachers to address the increase in student enrollment and salary increases. Overall, total expenses increased \$25,329,662, or 7 percent, as compared to total revenues, which increased \$13,880,364, or 3 percent. The increase in total expenses is mainly attributable to an increase in salaries and benefits. The increase in total revenues is mainly attributable to FEFP funding, one-half cent local sales tax receipts, and concurrency proportionate share mitigation.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

### **Governmental Funds**

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

As of June 30, 2018, the District's governmental funds reported combined ending fund balances of \$178,391,592 or a decrease of \$7,921,525 in comparison with the prior fiscal year. The fund balance decrease was mainly attributable to the Capital Projects – Other Capital Projects Fund. Approximately 9 percent of total fund balance, or \$14,900,777, is unassigned, which is available for spending at the District's discretion. The governmental fund balance can be broken down as follows: \$1,097,187 as nonspendable, \$125,302,089 as restricted, \$9,200,723 as committed, and \$27,890,816 as assigned.

Fund Balance	2018	2017	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 54,931,346	\$ 47,827,322	\$ 7,104,024	14.85%
Debt Service - Other Debt Service Fund	4,786,086	4,722,439	63,647	1.35%
Capital Projects - Sections 1011.14/1011.15 Loan Fund	(264,060)	-	(264,060)	0.00%
Capital Projects - Local Capital Improvement Fund	26,645,446	26,685,434	(39,988)	-0.15%
Capital Projects - Other Capital Projects Fund	81,115,449	97,054,039	(15,938,590)	-16.42%
Other Governmental Fund (nonmajor)	11,177,325	10,023,883	1,153,442	11.51%
Total Fund Balances	<u>\$ 178,391,592</u>	<u>\$ 186,313,117</u>	<u>\$ (7,921,525)</u>	<u>-4.25%</u>

## 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 \$15,196,939 and assigned fund balance was \$27,890,816, while the total fund balance was \$54,931,346. The District's General Fund's total fund balance for the 2017-18 fiscal year increased by \$7,104,024 or 15 percent, as compared to the prior year.

Key factors for understanding this increase are as follows:

- Total revenues increased by \$17,926,923, or 6 percent, mainly from an increase in property taxes and State funding related to increases in enrollment.
- Total expenditures increased by \$14,566,308, or 5 percent, due mainly to increased salary and benefit costs, which was offset by costs associated with the reduction of administrative staff and delaying filling vacant positions.
- Transfers in were comparable to prior year.

The Debt Service – Other Debt Service Fund is used to account for financial resources used to pay debt service principal, interest, and related costs for the certificates of participation and sales tax revenue bonds. For the 2017-18 fiscal year, the total fund balance increased by \$63,647 in the current fiscal year to \$4,786,086, at June 30, 2018.

The Capital Projects – Sections 1011.14/1011.15 Loan Fund is used to account for the financial resources generated by the District’s Revenue Anticipation Note, Series 2018, that was undertaken for the acquisition, construction, installation and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school. At June 30, 2018, this fund had a deficit fund balance of \$264,060. Additional information related to this deficit can be found in Note III to the financial statements.

The Capital Projects – Local Capital Improvement Fund is used to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects. The total fund balance decreased by \$39,988 in the current fiscal year to \$26,645,446, at June 30, 2018.

The Capital Projects – Other Capital Projects Fund is mainly used to account for the financial resources received from certificates of participation proceeds, sales tax revenue bond proceeds, half-cent local sales tax receipts, local impact fees, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects. The total fund balance decreased by \$15,938,590 to \$81,115,449, at June 30, 2018. This decrease is related to the construction of Palm Valley Academy and Freedom Crossing Academy.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the fiscal year, the District amended its budget to address unanticipated changes in revenues and expenditures. Differences between the General Fund original budget and the final amended budget were not significant for either revenues or expenditures. Projected revenues increased by \$13,924,109 or 5 percent (\$290,802,445 to \$304,726,554) and projected expenditures increased by \$27,114,417 or 9 percent (\$308,988,106 to \$336,102,523).

Actual General Fund revenues (\$307,503,831) were \$2,777,277 or 0.9 percent more than final budgeted amounts, and actual expenditures (\$306,963,944) were \$29,138,579 or 10 percent less than anticipated. The District continuously reviews cost saving measures and incremental increases in expenditures to avoid budget shortfall. The variance between the General Fund’s budgeted and actual expenditures is a reflection of the District’s practice to fully appropriate all potential obligations. The actual ending fund balance exceeded the estimated fund balance in the final budget by \$32,098,364. Positive budget balances include amounts assigned for budget shortfalls and other District and local programs and services.

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

The District's investment in capital assets (net of accumulated depreciation) as of June 30, 2018, totaled \$625,447,766. The capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset additions during the current fiscal year included construction of Palm Valley Academy and Freedom Crossing Academy.

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

### Long-Term Debt

The District had total long-term debt outstanding of \$126,735,380 at the end of the current fiscal year related to the construction and acquisition of capital assets. This debt consisted of \$81,452,976 of Certificates of Participation, \$42,197,404 of District Sales Tax Revenue Bonds, and \$3,085,000 of State School Bonds. The District's long-term debt decreased a net amount of \$21,165,431, or 14 percent, mainly from the redemption of debt principal.

Additional information on the District's long-term debt can be found in Notes I.F.8, and IV.J.2 through IV.J.5 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.

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## BASIC FINANCIAL STATEMENTS

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**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	<u>Primary Governmental Activities</u>	<u>Component Units</u>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 195,544,031	\$ 1,993,273
Restricted Cash and Cash Equivalents	44,957,296	699
Restricted Cash with Fiscal/Service Agents	15,340,191	-
Investments	74,487	-
Accounts Receivable	528,182	27,579
Due from Component Units	9,636	-
Due from Other Agencies	7,602,988	-
Prepaid Items	32,102	20,143
Inventories	1,065,085	-
<b>Total Current Assets</b>	<u>265,153,998</u>	<u>2,041,694</u>
Noncurrent Assets:		
Capital Assets:		
Capital Assets Not Being Depreciated	130,437,526	-
Capital Assets Being Depreciated, Net	495,010,240	121,380
<b>Total Noncurrent Assets</b>	<u>625,447,766</u>	<u>121,380</u>
<b>Total Assets</b>	<u>890,601,764</u>	<u>2,163,074</u>
<b>Deferred Outflows of Resources</b>		
Net Carrying Amount of Loss on Debt Refunding	1,574,509	-
Pension	81,444,939	-
Other Postemployment Benefits	1,047,312	-
<b>Total Deferred Outflows of Resources</b>	<u>84,066,760</u>	<u>-</u>
<b>Liabilities</b>		
Current Liabilities:		
Salaries and Benefits Payable	1,956,939	85,091
Payroll Deductions and Withholdings Payable	657,087	-
Accounts Payable	6,514,870	95,593
Matured Certificates of Participation Payable	13,645,000	-
Matured Interest Payable	1,695,191	-
Notes Payable	15,100,000	-
Construction Contracts Payable	5,113,272	-
Construction Contracts Payable - Retainage	2,431,719	-
Due to Primary Government	-	9,636
Due to Other Agencies	57,086	-
Deposits Payable	457,106	-
Unearned Revenue	305,838	-
Estimated Insurance Claims Payable	2,949,444	-
<b>Total Current Liabilities</b>	<u>50,883,552</u>	<u>190,320</u>
Noncurrent Liabilities:		
Long-term Liabilities:		
Portion Due Within One Year	23,829,101	-
Portion Due After One Year	345,250,507	-
<b>Total Noncurrent Liabilities</b>	<u>369,079,608</u>	<u>-</u>
<b>Total Liabilities</b>	<u>419,963,160</u>	<u>190,320</u>
<b>Deferred Inflows of Resources</b>		
Pension	11,100,410	-
Other Postemployment Benefits	2,036,174	-
<b>Total Deferred Inflows of Resources</b>	<u>13,136,584</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	499,241,608	121,380
Restricted for:		
State Required Carryover Programs	731,389	-
Food Service	2,124,783	-
Debt Service	11,553,888	-
Capital Projects	110,826,862	-
Other Purposes	1,219,692	239,693
Unrestricted (Deficit)	<u>(84,129,442)</u>	<u>1,611,681</u>
<b>Total Net Position</b>	<u>\$ 541,568,780</u>	<u>\$ 1,972,754</u>

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, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
Instruction	\$ 202,277,076	\$ 2,773,576	\$ -	\$ -
Student Personnel Services	24,663,188	-	-	-
Instructional Media Services	5,292,377	-	-	-
Instruction and Curriculum Development	7,340,407	-	-	-
Instructional Staff Training Services	4,394,698	-	-	-
Instruction-Related Technology	9,172,168	-	-	-
School Board	1,018,794	-	-	-
General Administration	1,079,020	-	-	-
School Administration	20,180,295	-	-	-
Facilities Acquisition and Construction	18,756,749	-	-	1,265,555
Fiscal Services	2,161,532	-	-	-
Food Services	12,508,993	6,999,606	6,033,764	-
Central Services	15,854,739	11,619,739	-	-
Student Transportation Services	16,200,947	691,665	9,550,553	-
Operation of Plant	24,958,641	-	-	-
Maintenance of Plant	9,428,942	-	-	-
Administrative Technology Services	652,932	-	-	-
Community Services	5,963,267	5,477,699	-	-
Unallocated Interest on Long-term Debt	4,973,452	-	-	1,706,599
<b>Total Primary Government</b>	<b>\$ 386,878,217</b>	<b>\$ 27,562,285</b>	<b>\$ 15,584,317</b>	<b>\$ 2,972,154</b>
<b>Component Units</b>				
Charter Schools/Foundation	\$ 2,852,729	\$ 12,437	\$ 239,702	\$ 80,886

**General Revenues**

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Impact Fees

Concurrency Proportionate Share Mitigation

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning

Adjustments to Beginning Net Position (see Note II)

Net Position - Beginning - Restated

**Net Position - Ending**

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

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

<b>Primary Government</b>	
<b>Governmental Activities</b>	<b>Component Units</b>
\$ (199,503,500)	\$ -
(24,663,188)	-
(5,292,377)	-
(7,340,407)	-
(4,394,698)	-
(9,172,168)	-
(1,018,794)	-
(1,079,020)	-
(20,180,295)	-
(17,491,194)	-
(2,161,532)	-
524,377	-
(4,235,000)	-
(5,958,729)	-
(24,958,641)	-
(9,428,942)	-
(652,932)	-
(485,568)	-
(3,266,853)	-
<u>(340,759,461)</u>	<u>-</u>
-	<u>(2,519,704)</u>
125,817,426	-
37,414,585	-
19,693,454	-
16,425,242	-
12,422,554	-
169,390,142	2,531,795
2,798,952	1,369
7,082,501	-
<u>391,044,856</u>	<u>2,533,164</u>
<u>50,285,395</u>	<u>13,460</u>
464,118,565	1,959,294
27,164,820	-
<u>491,283,385</u>	<u>1,959,294</u>
<u>\$ 541,568,780</u>	<u>\$ 1,972,754</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2018**

	<b>General Fund</b>	<b>Debt Service - Other Debt Service Fund</b>	<b>Capital Projects - Sections 1011.14/1011.15 Loan Fund</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 58,194,692	\$ -	\$ -
Restricted Cash and Cash Equivalents	-	3,194,461	14,997,563
Restricted Cash with Fiscal/Service Agents	-	15,340,191	-
Investments	-	-	-
Accounts Receivable	496,457	-	-
Due from Component Units	9,636	-	-
Due from Other Agencies	579,292	1,591,625	-
Due from Other Funds	1,362,974	-	-
Prepaid Items	-	-	-
Inventories	691,787	-	-
<b>Total Assets</b>	<b>\$ 61,334,838</b>	<b>\$ 20,126,277</b>	<b>\$ 14,997,563</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Salaries and Benefits Payable	\$ 1,868,001	\$ -	\$ -
Payroll Deductions and Withholdings Payable	629,548	-	-
Accounts Payable	3,418,508	-	13,186
Matured Certificates of Participation Payable	-	13,645,000	-
Matured Interest Payable	-	1,695,191	-
Notes Payable	-	-	15,100,000
Construction Contracts Payable	169,611	-	122,952
Construction Contracts Payable - Retainage	-	-	-
Due to Other Agencies	11,986	-	-
Due to Other Funds	-	-	25,485
Deposits Payable	-	-	-
Unearned Revenue	305,838	-	-
<b>Total Liabilities</b>	<b>6,403,492</b>	<b>15,340,191</b>	<b>15,261,623</b>
<b>Fund Balances</b>			
Nonspendable	691,787	-	-
Restricted	1,951,081	4,786,086	-
Committed	9,200,723	-	-
Assigned	27,890,816	-	-
Unassigned	15,196,939	-	(264,060)
<b>Total Fund Balances</b>	<b>54,931,346</b>	<b>4,786,086</b>	<b>(264,060)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61,334,838</b>	<b>\$ 20,126,277</b>	<b>\$ 14,997,563</b>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 27,606,541	\$ 64,277,395	\$ 4,182,582	\$ 154,261,210
-	20,071,956	6,693,316	44,957,296
-	-	-	15,340,191
-	-	74,487	74,487
-	30,360	1,097	527,914
-	-	-	9,636
-	3,595,471	1,836,600	7,602,988
-	-	-	1,362,974
-	-	32,102	32,102
-	-	373,298	1,065,085
<u>\$ 27,606,541</u>	<u>\$ 87,975,182</u>	<u>\$ 13,193,482</u>	<u>\$ 225,233,883</u>

\$ -	\$ -	\$ 87,367	\$ 1,955,368
-	-	27,370	656,918
549,785	20,463	59,877	4,061,819
-	-	-	13,645,000
-	-	-	1,695,191
-	-	-	15,100,000
411,310	4,407,551	1,848	5,113,272
-	2,431,719	-	2,431,719
-	-	45,100	57,086
-	-	1,337,489	1,362,974
-	-	457,106	457,106
-	-	-	305,838
<u>961,095</u>	<u>6,859,733</u>	<u>2,016,157</u>	<u>46,842,291</u>

-	-	405,400	1,097,187
26,645,446	81,115,449	10,804,027	125,302,089
-	-	-	9,200,723
-	-	-	27,890,816
-	-	(32,102)	14,900,777
<u>26,645,446</u>	<u>81,115,449</u>	<u>11,177,325</u>	<u>178,391,592</u>
<u>\$ 27,606,541</u>	<u>\$ 87,975,182</u>	<u>\$ 13,193,482</u>	<u>\$ 225,233,883</u>

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2018**

**Total Fund Balances - Governmental Funds** \$ 178,391,592

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. 625,447,766

The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in government-wide statements, but is not reported in the governmental funds. 1,574,509

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

Deferred Outflows	\$ 81,444,939	
Deferred Inflows	<u>(11,100,410)</u>	70,344,529

Deferred outflows of resources and deferred inflows of resources related to other postemployment healthcare benefits costs are applicable to future period and; therefore, are reported in the statement of net position, but not in the governmental funds.

Deferred Outflows	1,047,312	
Deferred Inflows	<u>(2,036,174)</u>	(988,862)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position less depreciable assets, net of accumulated depreciation. 35,628,819

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

Bonds Payable	(45,282,404)	
Certificates of Participation Payable	(77,845,000)	
Unamortized Premiums on Certificates of Participation	(3,607,976)	
Compensated Absences Payable	(28,547,971)	
Postemployment Healthcare Benefits Payable	(30,120,974)	
Net Pension Liability	<u>(183,425,248)</u>	<u>(368,829,573)</u>

**Total Net Position - Governmental Activities** \$ 541,568,780

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, 2018**

	General Fund	Debt Service - Other Debt Service Fund	Capital Projects - Sections 1011.14/1011.15 Loan Fund
<b>Revenues</b>			
Federal Direct Sources	\$ 235,288	\$ -	\$ -
Federal Through State and Local Sources	53,433	-	-
State Sources	165,204,418	-	-
Local Sources:			
Property Taxes	125,817,426	-	-
Local Sales Taxes	-	5,698,250	-
Charges for Services - Food Service	-	-	-
Impact Fees	-	-	-
Concurrency Proportionate Share Mitigation	-	-	-
Other	16,193,266	9,038	66,972
<b>Total Revenues</b>	<b>307,503,831</b>	<b>5,707,288</b>	<b>66,972</b>
<b>Expenditures</b>			
Current - Education:			
Instruction	181,189,785	-	-
Student Personnel Services	19,917,927	-	-
Instructional Media Services	4,884,761	-	-
Instruction and Curriculum Development	4,837,880	-	-
Instructional Staff Training Services	3,301,165	-	-
Instruction-Related Technology	8,740,035	-	-
School Board	987,297	-	-
General Administration	344,483	-	-
School Administration	18,605,209	-	-
Facilities Acquisition and Construction	5,441,845	-	6,491
Fiscal Services	2,008,493	-	-
Food Services	52,450	-	-
Central Services	3,886,467	-	-
Student Transportation Services	13,759,748	-	-
Operation of Plant	23,941,144	-	-
Maintenance of Plant	8,867,238	-	-
Administrative Technology Services	623,092	-	-
Community Services	5,012,486	-	-
Capital Outlay:			
Facilities Acquisition and Construction	204,812	-	274,051
Charter School Local Capital Improvement	-	-	-
Other Capital Outlay	357,627	-	17,505
Debt Service:			
Retirement of Principal	-	17,385,000	-
Interest and Fiscal Charges	-	5,300,606	32,985
<b>Total Expenditures</b>	<b>306,963,944</b>	<b>22,685,606</b>	<b>331,032</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>539,887</b>	<b>(16,978,318)</b>	<b>(264,060)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	6,452,406	17,041,965	-
Transfers Out	(70,777)	-	-
Loss Recoveries	182,508	-	-
Payment to Refunding Bonds Escrow Agent	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,564,137</b>	<b>17,041,965</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>7,104,024</b>	<b>63,647</b>	<b>(264,060)</b>
<b>Fund Balances - Beginning</b>	<b>47,827,322</b>	<b>4,722,439</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 54,931,346</b>	<b>\$ 4,786,086</b>	<b>\$ (264,060)</b>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,353,428	\$ 2,588,716
-	-	17,735,326	17,788,759
-	122,296	2,132,735	167,459,449
37,414,585	-	-	163,232,011
-	13,995,204	-	19,693,454
-	-	6,999,606	6,999,606
-	16,425,242	-	16,425,242
-	12,422,554	-	12,422,554
476,852	1,223,288	344,086	18,313,502
<u>37,891,437</u>	<u>44,188,584</u>	<u>29,565,181</u>	<u>424,923,293</u>
-	-	6,259,188	187,448,973
-	-	2,839,971	22,757,898
-	-	-	4,884,761
-	-	1,930,881	6,768,761
-	-	802,791	4,103,956
-	-	-	8,740,035
-	-	-	987,297
-	-	706,972	1,051,455
-	-	-	18,605,209
8,349,286	4,437,664	397,078	18,632,364
-	-	-	2,008,493
-	-	11,900,546	11,952,996
-	-	17,857	3,904,324
-	-	107,325	13,867,073
-	-	165	23,941,309
-	-	-	8,867,238
-	-	-	623,092
-	-	601,639	5,614,125
7,804,051	48,658,080	456,578	57,397,572
78,378	-	-	78,378
4,374,712	237,597	268,909	5,256,350
-	-	806,000	18,191,000
-	-	955,633	6,289,224
<u>20,606,427</u>	<u>53,333,341</u>	<u>28,051,533</u>	<u>431,971,883</u>
<u>17,285,010</u>	<u>(9,144,757)</u>	<u>1,513,648</u>	<u>(7,048,590)</u>
70,777	-	945,237	24,510,385
(17,395,775)	(6,793,833)	(250,000)	(24,510,385)
-	-	-	182,508
-	-	(1,055,443)	(1,055,443)
<u>(17,324,998)</u>	<u>(6,793,833)</u>	<u>(360,206)</u>	<u>(872,935)</u>
(39,988)	(15,938,590)	1,153,442	(7,921,525)
26,685,434	97,054,039	10,023,883	186,313,117
<u>\$ 26,645,446</u>	<u>\$ 81,115,449</u>	<u>\$ 11,177,325</u>	<u>\$ 178,391,592</u>

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Net Change in Fund Balances - Governmental Funds** \$ (7,921,525)

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

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

Capital Outlay Expenditures	\$ 62,653,922	
Depreciation Expense	(20,795,823)	
Other Donations and Adjustments	<u>109,689</u>	41,967,788

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

State Board of Education Bonds Deceased	<u>1,000,000</u>	1,000,000
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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	13,645,000	
Bonds Payable	<u>4,546,000</u>	18,191,000

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

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

Loss on Refundings is amortized over the life of the debt in the statement of activities, but is reported as expense in the governmental funds in the year debt is refunded. This is the amount of the loss and the current amortization: (524,837)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the compensated absences. This is the net amount of compensated absences (i.e., vacation and sick leave) earned in excess of the amount used in the current period: (1,032,774)

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

FRS Pension Contribution	11,585,668	
HIS Pension Contribution	3,213,102	
FRS Pension Expense	(20,540,669)	
HIS Pension Expense	<u>(5,646,616)</u>	(11,388,515)

Other postemployment healthcare benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net amount of other postemployment healthcare benefits earned in excess of contributions made during the period:

OPEB Contribution	1,047,312	
OPEB Expense	<u>(2,400,752)</u>	(1,353,440)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities, except that depreciation is reported with governmental activities depreciation expense above: 9,373,267

**Change in Net Position of Governmental Activities** \$ 50,285,395

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, 2018**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 41,282,821
Accounts Receivable	267
	<b>41,283,088</b>
<b>Total Current Assets</b>	
Noncurrent Assets:	
Building and Fixed Equipment	299,292
Less, Accumulated Depreciation	(117,223)
Furniture, Fixtures, and Equipment	153,700
Less, Accumulated Depreciation	(153,700)
	<b>182,069</b>
<b>Total Noncurrent Assets</b>	
	<b>41,465,157</b>
<b>Total Assets</b>	
<b>Liabilities</b>	
Current Liabilities:	
Salaries and Benefits Payable	1,570
Payroll Deductions and Withholdings Payable	169
Accounts Payable	2,453,051
Estimated Insurance Claims Payable	2,981,535
	<b>5,436,325</b>
<b>Total Current Liabilities</b>	
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	217,944
	<b>217,944</b>
<b>Total Noncurrent Liabilities</b>	
	<b>5,654,269</b>
<b>Total Liabilities</b>	
<b>Net Position</b>	
Investment in Capital Assets	182,069
Unrestricted	35,628,819
	<b>35,810,888</b>
<b>Total Net Position</b>	
	<b>\$ 35,810,888</b>

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

**ST. JOHNS COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Insurance Premiums	\$ 53,514,932
Other Operating Revenues	2,131,934
<b>Total Operating Revenues</b>	55,646,866
<b>Operating Expenses</b>	
Insurance Claims	38,108,346
Fees and Other	5,417,470
Salaries	279,967
Employee Benefits	86,115
Purchased Services	2,710,083
Depreciation	20,454
<b>Total Operating Expenses</b>	46,622,435
<b>Operating Income</b>	9,024,431
<b>Nonoperating Revenues</b>	
Investment Income	328,383
<b>Change in Net Position</b>	9,352,814
<b>Net Position - Beginning</b>	26,458,074
<b>Net Position - Ending</b>	\$ 35,810,888

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, 2018**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Board Funds and Participants	\$ 55,646,866
Cash Payments to Suppliers for Goods and Services	(8,129,208)
Cash Payments to Employees	(366,082)
Cash Payments for Insurance Claims	(37,739,342)
<b>Net Cash Provided by Operating Activities</b>	9,412,234
<b>Cash Flows from Investing Activities</b>	
Investment Income	328,383
<b>Net Increase in Cash and Cash Equivalents</b>	9,740,617
<b>Cash and Cash Equivalents, Beginning of Year</b>	31,542,204
<b>Cash and Cash Equivalents, End of Year</b>	\$ 41,282,821
 <b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Operating Income	\$ 9,024,431
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	20,454
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	32,953
Increase in Salaries and Benefits Payable	240
Increase in Payroll Deductions and Withholdings Payable	(143)
Increase in Accounts Payable	(34,705)
Decrease in Estimated Insurance Claims Payable	369,004
Total Adjustments	387,803
<b>Net Cash Provided by Operating Activities</b>	\$ 9,412,234

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, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 4,667,889</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 168,656
Internal Accounts Payable	<u>4,499,233</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 4,667,889</u>

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

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## NOTES TO FINANCIAL STATEMENTS

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## NOTES TO FINANCIAL STATEMENTS

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-Wide Financial Statements

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

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

#### B. Reporting Entity

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

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

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

**Blended Component Unit** Blended component units are, in substance, part of the primary District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The St. Johns County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note. Due to the substantive

economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

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

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

The financial data reported on the accompanying statements was derived from the Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2018. The audit reports are filed in the District's administrative offices at 40 Orange Street, St. Augustine, Florida 32084.

### **C. Basis of Presentation: Government-Wide Financial Statements**

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

from the government-wide financial statements except for interfund services provided and used.

#### **D. Basis of Presentation: Fund Financial Statements**

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Certificates of Participation, the 2010 Qualified School Construction Bond, and the 2016 District Sales Tax Revenue Bonds.
- Capital Projects – Sections 1011.14/1011.15 Loan Fund – to account for the financial resources generated by the District's Revenue Anticipation Note, Series 2018, in the amount of \$15,100,000 borrowed on April 13, 2018, under the provisions of Section 1011.14, Florida Statutes, of which the proceeds are to be used for the acquisition, construction, installation and equipping of various capital improvements related to educational facilities within the District, including, but not limited to, the renovation and expansion of Mill Creek Elementary to Mill Creek Academy, a K-8 school.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including renovation and remodeling projects, motor vehicle purchases, and debt service payments.
- Capital Projects – Other Capital Projects Fund – to account mainly for the financial resources received from certificates of participation proceeds, sales tax revenue bond proceeds, one-half cent local sales tax receipts, local impact fees, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and debt service payments.

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

- Internal Service Funds – to account for the District's self-insured health and hospitalization programs, which includes medical, dental, and vision plans, and the District's self-insured workers' compensation program (for claims incurred prior to June 30, 2008).

- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain transfers between the funds included in governmental activities are eliminated in the preparation of the governmental-wide financial statements.

## **E. Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Interest associated with the current fiscal period is considered to be susceptible to accrual and so have been

recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

The Foundation is accounted for under the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

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

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

### **1. Cash and Cash Equivalents**

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

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

### **2. Investments**

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

The District's investments in Florida PRIME, which meets all of the necessary criteria to elect to measure their investments at amortized cost, 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.

Investments made locally consist of amounts placed in the FEITF, a qualifying external investment pool. These investments are reported at amortized cost, which approximates fair value.

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

### **3. Restricted Cash and Cash Equivalents**

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

These assets consist of \$15,349,152 restricted for the repayment of certificates of participation principal and interest payable, of which \$15,340,191 is payable on July 1, 2018, and reported as current liabilities on the statement of net position; \$6,693,316 restricted for the repayment of QSCBs principal that is maintained in a sinking fund account; \$3,185,500 restricted for the repayment of sales tax revenue bonds principal and interest; \$8,069,581 of sales tax revenue bonds proceeds restricted for the cost of construction and equipping a new K-8 school and a new elementary school; \$12,002,375 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; and \$14,997,563 revenue anticipation note proceeds restricted for capital improvements to educational facilities within the District, specifically the renovation and expansion of Mill Creek Elementary to Mill Creek Academy, a K-8 school.

### **4. Inventories and Prepaid Items**

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

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

## 5. Capital Assets

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

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

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

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

## 6. Pensions

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

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

## **7. Contingencies**

A grantee's administration of federal funds are subject to review by grantor agencies for compliance with applicable federal regulations. Any findings of noncompliance as a result of the review may constitute a liability and require the funds to be restored to the program.

Due to a deteriorating financial condition, on July 1, 2016, First Coast Technical College (FCTC) ceased to exist as a charter school owned and operated by First Coast Technical Institute, Inc. (FCTI) and the St. Johns County School Board began operating the school as a part of the St. Johns County School District. In December 2017, the U. S. Department of Education (ED) conducted a program review of the Student Financial Assistance Cluster - Federal Pell Grant Program (Pell Program) administered by FCTC for the period July 1, 2016 through November 30, 2017 (last draw down). As a result of the program review, effective December 13, 2017, FCTC was placed on Heightened Cash Monitoring 2 (HCM2). Under the HCM2, FCTC continues to obligate funds under the Pell Program to eligible students and requests reimbursement from ED through documentation of student eligibility. In a letter dated May 30, 2018, from the ED, findings of noncompliance were referenced to the applicable statutes and regulations and the specific action required of FCTC to comply with the statute and regulation. FCTC's response to this program review is due to ED on February 15, 2019, with time allowed for further questions and review by ED. Any amounts due to ED as a result of their program review are uncertain at this time. As such, a liability is not recorded in the financial statements.

## **8. Long-Term Liabilities**

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

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

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

## **9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has

three items that qualify for reporting in this category. The deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) are discussed in subsequent notes. The net carrying amount for loss on debt refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized, as a component of interest expense, over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

#### **10. 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.

#### **11. 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.

#### **12. Fund Balance Policies**

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

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

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

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

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

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

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

At June 30, 2018, the stabilization balance was \$8,941,077.

- **Discretionary Millage** In accordance with Section 1011.71(1), Florida Statutes, the District levied an additional 0.25 discretionary millage for critical operating needs. The School Board adopted the additional discretionary millage on September 28, 2010, and specified that the moneys be used to support the maintenance and equipment needs of its educational facilities. The unspent portion of the additional discretionary millage moneys, totaling \$259,646 at June 30, 2018, is classified as committed fund balance.

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

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

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

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

### **2. State Revenue Sources**

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

The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

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

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

### **3. District Property Taxes**

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

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

The Board adopted the 2017 tax levy on September 14, 2017. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

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

#### **4. Federal Revenue Sources**

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

#### **5. Sales Tax Revenue**

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

#### **6. Educational Impact Fees**

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

#### **7. Concurrency Proportionate Share Mitigation**

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

of local educational impact fees based on the amount of proportionate share mitigation provided, and the proportionate share mitigation revenue is recognized when payment is made to the District. The County or municipality then approves final construction plans.

## **8. Compensated Absences**

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

## **9. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

## **II. ACCOUNTING CHANGE**

**Governmental Accounting Standards Board Statement No. 75** The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This Statement addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflow of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about a government's OPEB liability. Due to the implementation of GASB Statement No. 75, the beginning net position of the District was increased as follows:

Description	<u>Amount</u>
Beginning Net Position Prior to Restatement	\$ 464,118,565
Change in OPEB Plan Liability	\$ (25,157,561)
Deferred Outflows of Resources	<u>(2,007,259)</u>
Net Adjustment to Beginning Net position	<u>27,164,820</u>
Beginning Net Position as Restated	<u><u>\$ 491,283,385</u></u>

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Deficit Net Position in Major Capital Projects Fund

The following major capital projects fund has a deficit net position balance at June 30, 2018:

<u>Fund</u>	<u>Beginning Net Position</u>	<u>Change in Net Position</u>	<u>Ending Net Position</u>
Capital Projects - Sections 1011.14/1011.15 Loan	\$ -	\$ (264,060)	\$ (264,060)

The deficit net position reported in the Capital Projects – Sections 1011.14/1011.15 Loan Fund is attributed to the reported liability of \$15,100,000 generated by the issuance of Revenue Anticipation Note, Series 2018. These proceeds are for the acquisition, construction, installation and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school. The deficit will be eliminated during the subsequent years as the pledged proceeds are received and the note is paid in full.

### IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

#### A. Cash Deposits with Financial Institutions

##### Custodial Credit Risk-Deposits

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

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

#### B. Investments

##### Fair Value Measurement

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

The District's investments at June 30, 2018, are reported as follows:

Investments by Fair Value Level	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SBA - Debt Service Accounts	\$ 74,487	\$ 74,487	\$ -	\$ -
<b>Investments Reported at Amortized Cost</b>				
Florida PRIME	143,041,531			
FEITF	5,170,133			
Total Investments Reported at Amortized	148,211,664			
<b>Total Investments</b>	<b>\$ 148,286,151</b>			

### Interest Rate Risk

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

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

The District's investments at June 30, 2018, have the following maturities:

Investments	Maturities	Fair Value
SBA		
Florida PRIME (1) (2) (3) (4)	30 Day Average	\$ 143,041,531
Debt Service Accounts	6 months	74,487
FEITF (1)	32 Day Average	5,170,133
		<u>\$ 148,286,151</u>

Notes:

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

(2) Investments totaling \$6,702,276 are held under a trust agreement in connection with the Certificates of Participation, Series 2010 (Qualified School Construction Bond), 2012, 2013, and 2015 financing agreements, and are reported as restricted cash equivalents for financial reporting purposes.

(3) Investments totaling \$23,257,457 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.

(4) Investments totaling \$14,997,563 related to the proceeds of the District's Revenue Anticipation Note, borrowed on April 13, 2018, are reported as restricted cash equivalents for financial reporting purposes.

For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that “the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust funds. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust funds, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustee, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

### **Credit Risk**

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA’s Florida PRIME, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District’s investment policy does not further limit its investment choices.

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

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

**C. Due From Other Agencies**

The \$7,602,988 reported as due from other agencies primarily consists of \$3,625,265 due from the Florida Department of Revenue related to the one-half cent local sales tax; \$1,515,204 due from the St. Johns County Board of County Commissioners for the collection of educational impact fees; and \$935,684 due from the FDOE for reimbursement of Federal grant expenditures.

**D. Changes in Capital Assets**

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 59,855,257	\$ -	\$ -	\$ 59,855,257
Construction in Progress	54,767,253	49,074,719	33,259,703	70,582,269
Total Capital Assets Not Being Depreciated	<u>114,622,510</u>	<u>49,074,719</u>	<u>33,259,703</u>	<u>130,437,526</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,057,164	118,649	-	25,175,813
Buildings and Fixed Equipment	655,453,016	41,463,907	-	696,916,923
Furniture, Fixtures, and Equipment	26,749,120	2,115,735	1,684,449	27,180,406
Motor Vehicles	24,822,196	3,218,894	1,272,098	26,768,992
Audio Visual Materials and Computer Software	4,366,669	31,410	131,730	4,266,349
Total Capital Assets Being Depreciated	<u>736,448,165</u>	<u>46,948,595</u>	<u>3,088,277</u>	<u>780,308,483</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	16,929,329	522,759	-	17,452,088
Buildings and Fixed Equipment	210,574,123	15,589,890	-	226,164,013
Furniture, Fixtures, and Equipment	20,790,916	2,427,185	1,684,449	21,533,652
Motor Vehicles	15,081,065	2,157,602	1,272,098	15,966,569
Audio Visual Materials and Computer Software	4,215,264	98,387	131,730	4,181,921
Total Accumulated Depreciation	<u>267,590,697</u>	<u>20,795,823</u>	<u>3,088,277</u>	<u>285,298,243</u>
Total Capital Assets Being Depreciated, Net	<u>468,857,468</u>	<u>26,152,772</u>	<u>-</u>	<u>495,010,240</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 583,479,978</u></u>	<u><u>\$ 75,227,491</u></u>	<u><u>\$ 33,259,703</u></u>	<u><u>\$ 625,447,766</u></u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 11,914,124
Student Personnel Services	1,530,868
Instructional Media Services	327,512
Instruction and Curriculum Development Services	459,307
Instructional Staff Training Services	233,604
Instruction-Related Technology	347,212
School Board	25,308
General Administration	22,147
School Administration	1,265,554
Facilities Acquisition and Construction	99,942
Fiscal Services	122,965
Food Services	446,734
Central Services	269,712
Student Transportation Services	2,157,602
Operation of Plant	817,409
Maintenance of Plant	451,319
Administrative Technology Services	23,976
Community Services	280,528
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 20,795,823</u></b>

## E. Retirement Plans

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

#### General Information about the FRS

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

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

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

The District's FRS and HIS pension expense totaled \$26,187,285 for the fiscal year ended June 30, 2018.

### **FRS Pension Plan**

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

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

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

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

**Benefits Provided** Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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 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:

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>Percent Value</u></b>
<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 2017-18 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	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
DROP - Applicable to Members from All of the Above Classes	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)

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

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

The District's contributions to the Plan totaled \$11,585,668 for the fiscal year ended June 30, 2018.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* At June 30, 2018, the District reported a liability of \$120,277,383 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.406626478 percent, which was an increase of 0.003503773 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized the Plan pension expense of \$20,540,669. 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	\$ 11,038,569	\$ 666,275
Change of assumptions	40,421,693	-
Net difference between projected and actual earnings on FRS pension plan investments	-	2,980,774
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	2,807,744	1,861,414
District FRS contributions subsequent to the measurement date	11,585,668	-
<b>Total</b>	<b>\$ 65,853,674</b>	<b>\$ 5,508,463</b>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$11,585,668, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. 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>
2019	\$ 6,748,560
2020	17,095,441
2021	11,796,513
2022	2,152,767
2023	7,930,709
Thereafter	3,035,553
<b>Total</b>	<b><u>\$ 48,759,543</u></b>

Actuarial Assumptions The total pension liability in the July 1, 2017, 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	7.10 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, 2017, 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:

<b>Asset Class</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean			2.6%	1.9%

Note:

<sup>(1)</sup> As outlined in the Plan's investment policy

**Discount Rate** The discount rate used to measure the total pension liability was 7.1 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2017 valuation was updated from 7.6 percent to 7.1 percent.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.1 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 (6.1 percent) or 1 percentage point higher (8.1 percent) than the current rate:

	<b>1% Decrease (6.1%)</b>	<b>Current Discount Rate (7.1%)</b>	<b>1% Increase (8.1%)</b>
District's proportionate share of the net pension liability	\$ 217,694,800	\$ 120,277,383	\$ 39,398,609

**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, 2018, the District reported a payable of \$1,815,728 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2018.

### **HIS Pension Plan**

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

Benefits Provided For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$3,213,102 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2018, the District reported a net pension liability of \$63,147,865 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the

District's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.590583056 percent, which was an increase of 0.006400776 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized the HIS Plan pension expense of \$5,646,616. 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	\$ -	\$ 131,484
Change of assumptions	8,876,419	5,460,463
Net difference between projected and actual earnings on HIS pension plan investments	35,020	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	3,466,724	-
District HIS contributions subsequent to the measurement date	3,213,102	-
<b>Total</b>	<b>\$ 15,591,265</b>	<b>\$ 5,591,947</b>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,213,102, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. 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>
2019	\$ 1,878,326
2020	1,871,700
2021	1,868,519
2022	1,340,134
2023	544,803
Thereafter	(717,266)
<b>Total</b>	<b>\$ 6,786,216</b>

Actuarial Assumptions The total pension liability in the July 1, 2017, 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	3.58 percent

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

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

Discount Rate The discount rate used to measure the total pension liability was 3.58 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2017 valuation was updated from 2.85 percent to 3.58 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.58 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 (2.58 percent) or 1 percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
District's proportionate share of the net pension liability	\$ 72,060,077	\$ 63,147,865	\$ 55,724,485

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, 2018, the District reported a payable of \$389,836 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2018.

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2017-18 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$2,665,327 for the fiscal year ended June 30, 2018.

Payables to the Investment Plan At June 30, 2018, the District reported a payable of \$407,169 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2018.

#### **F. Other Postemployment Benefit Plan – OPEB Plan**

The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, for reporting the employers' OPEB Plan liability.

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, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental, and vision coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. 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 retiree healthcare costs are generally greater than active employee healthcare costs. The District does not offer any explicit subsidies for retiree coverage. 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 entity. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Employees Covered by Benefit Terms At June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	310
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	<u>3,528</u>
Total	<u><u>3,838</u></u>

Total OPEB Liability The District’s total OPEB liability of \$30,120,974 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	3.70 percent to 7.80 percent, including inflation as used in the July 1, 2016 actuarial valuation of the Florida Retirement System
Discount Rate	2.92 at the beginning of the measurement period to 3.56 percent as of June 30, 2017
Healthcare Cost Trend Rates	7.00 percent decreasing to an ultimate trend rate of 4.24 percent plus .39 percent increase for excise tax

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014, adopted by the FRS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Changes in the Total OPEB Liability

	<b>Amount</b>
<b>Balance at June 30, 2017</b>	\$ 56,921,216
Adjustment Due to GASB 75	(25,157,561)
<b>Balance at June 30, 2017, as Restated</b>	<u>\$ 31,763,655</u>
<b>Changes for the year:</b>	
Service Cost	1,661,807
Interest	946,718
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(2,243,947)
Benefit Payments	(2,007,259)
<b>Net Changes</b>	<u>(1,642,681)</u>
<b>Balance at June 30, 2018</b>	<u><u>\$ 30,120,974</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56 percent) or 1 percentage point higher (4.56 percent) than the current rate:

	<b>1% Decrease (2.56%)</b>	<b>Current Discount Rate (3.56%)</b>	<b>1% Decrease (4.56%)</b>
Total OPEB Liability	<u>\$ 33,723,217</u>	<u>\$ 30,120,974</u>	<u>\$ 27,013,262</u>

Sensitivity of the District's Total OPEB Plan Liability to the Healthcare Cost Trend Rates The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.24 percent) or 1 percentage point higher (8.00 percent decreasing to 5.24 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (6.00% decreasing to 3.24%)</b>	<b>Healthcare Cost Trend Rates (7.00% decreasing to 4.24%)</b>	<b>1% Increase (8.00% decreasing to 5.24%)</b>
Total OPEB Liability	<u>\$ 25,887,936</u>	<u>\$ 30,120,974</u>	<u>\$ 35,417,759</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$2,400,752. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ -	\$ 2,036,174
Change in Assumptions or Other Inputs	-	-
Benefits Paid Subsequent to the Measurement Date	1,047,312	-
<b>Total</b>	<u>\$ 1,047,312</u>	<u>\$ 2,036,174</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,047,312 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2019	\$ 207,773
2020	207,773
2021	207,773
2022	207,773
2023	207,773
Thereafter	997,309
<b>Total</b>	<u>\$ 2,036,174</u>

### G. Special Termination Benefits

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

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

salary times the number of years of St. Johns County District School Board service or \$10,000, whichever is less, provided that the employee retires by the end of the first fiscal year of eligibility.

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

In addition to payments for accrued leave and regular termination benefits, the District reported expenditures for special termination benefits, totaling \$800,870 during the 2017-18 fiscal year.

**H. Construction and Other Significant Commitments**

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

The following is a schedule of encumbrances at June 30, 2018. The major Debt Service – Other Debt Service Fund had no encumbrances at June 30, 2018.

Major Funds					
General	Capital Projects - Sections 1011.14/1011.15 Loan Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,268,709	\$ 373,762	\$ 7,478,074	\$ 15,112,517	\$ 591,723	\$ 24,824,785

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Palm Valley Academy	\$ 36,599,061	\$ 33,928,424	\$ 2,670,637
Freedom Crossing Academy	34,362,307	32,084,978	2,277,329
Nease High School Expansion	4,619,490	2,981,906	1,637,584
<b>Total</b>	<u>\$ 75,580,858</u>	<u>\$ 68,995,308</u>	<u>\$ 6,585,550</u>

**I. Risk Management Programs**

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

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

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

A liability in the amount of \$2,949,444 was actuarially determined for estimated insurance claims payable for claims incurred but not reported (IBNR) for health and hospitalization coverage.

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

Fiscal Year	Balance at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016-17	\$ 2,399,132	\$ 33,588,639	\$ (33,555,457)	\$ 2,432,314
2017-18	2,432,314	38,224,381	(37,707,251)	2,949,444

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

A liability in the amount of \$250,035 was actuarially determined for estimated insurance claims payable for claims IBNR for workers' compensation coverage.

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

Fiscal Year	Balance at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016-17	\$ 571,035	\$ (133,148)	\$ (39,726)	\$ 398,161
2017-18	398,161	(116,035)	(32,091)	250,035

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

## J. Long-Term Liabilities

### 1. Notes Payable

Notes payable at June 30, 2018, are as follows:

Note Description	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
Revenue Anticipation Note, Series 2018	\$ 15,100,000	2.68	2019	\$ 15,100,000

On April 13, 2018, the District entered a financing arrangement under the provisions of Section 1011.14, Florida Statutes, which authorizes district school boards to create

obligations for a period of one year, in anticipation of budgeted revenues accruing on a current basis, without pledging the credit of the District or requiring future levy of taxes for certain purposes. These obligations may be extended from year to year, with the consent of the lender, for a period not to exceed four years, for a total of five years, including the initial year of the loan. The Revenue Anticipation Note, Series 2018, was undertaken for the acquisition, construction, installation and equipping of various capital improvements related to educational facilities, including, but not limited to, the renovation and expansion of Mill Creek Elementary School to Mill Creek Academy, a K-8 school.

Amounts payable for the planned extended repayment of the Section 1011.14, Florida Statutes, bank loan is as follows:

<b>Fiscal Year Ending June 30</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 3,178,191	\$ 2,787,000	\$ 391,191
2020	3,286,988	2,957,000	329,988
2021	3,287,741	3,037,000	250,741
2022	3,287,349	3,118,000	169,349
2023	3,286,787	3,201,000	85,787
<b>Total</b>	<b>\$ 16,327,056</b>	<b>\$ 15,100,000</b>	<b>\$ 1,227,056</b>

## 2. Certificates of Participation

Certificates of Participation outstanding at June 30, 2018, are as follows:

<b>Series</b>	<b>Amount Outstanding</b>	<b>Interest Rates (Percent)</b>	<b>Lease Term Maturity</b>	<b>Original Amount</b>
Series 2010-QSCB	\$ 16,000,000	4.94 (1)	2027	\$ 16,000,000
Series 2013	27,350,000	3.00 - 5.00	2033	33,480,000
Series 2015, Refunding	34,495,000	5.00	2021	54,845,000
Subtotal	77,845,000			
Unamortized Premium	3,607,976			
<b>Total Certificates of Participation</b>	<b>\$ 81,452,976</b>			<b>\$ 104,325,000</b>

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

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

As a condition of the financing arrangement, the District gave a ground lease on District properties to the Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the properties included under the Ground Lease Agreements for the benefit of the securers of the certificates for the remaining term of the ground leases or until the certificates are paid in full.

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

A summary of the lease terms are as follows:

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

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

<u>Certificates</u>	<u>Description of Properties</u>
Series 2010-QSCB	Construction of Palencia Elementary
Series 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>
2019	\$ 15,869,987	\$ 12,270,000	\$ 3,599,987
2020	15,876,487	12,890,000	2,986,487
2021	15,871,987	13,530,000	2,341,987
2022	3,205,488	1,540,000	1,665,488
2023	3,208,488	1,620,000	1,588,488
2024-2028	31,631,675	25,090,000	6,541,675
2029-2033	12,080,588	10,905,000	1,175,588
<b>Total Minimum Lease Payments</b>	<b>97,744,700</b>	<b>77,845,000</b>	<b>19,899,700</b>
Unamortized Premium	3,607,976	3,607,976	-
<b>Total Certificates of Participation Payable</b>	<b>\$ 101,352,676</b>	<b>\$ 81,452,976</b>	<b>\$ 19,899,700</b>

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2019	\$ 1,202,659
2020	1,202,659
2021	1,202,658
<b>Total</b>	<b>\$ 3,607,976</b>

### 3. Bonds Payable

Bonds payable at June 30, 2018, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2009A, Refunding	\$ 110,000	5.0	2019
Series 2009A	510,000	4.0 - 5.0	2029
Series 2010A	590,000	3.5 - 5.0	2030
Series 2011A, Refunding	195,000	3.0 - 5.0	2023
Series 2014A, Refunding	408,000	3.0 - 5.0	2025
Series 2014B, Refunding	119,000	2.0 - 5.0	2020
Series 2017A, Refunding	1,153,000	3.0 - 5.0	2028
<b>Total State School Bonds</b>	<b>3,085,000</b>		
District Sales Tax Revenue Bonds:			
Series 2016	36,795,000		
Unamortized Premium	5,402,404		
<b>Total District Sales Tax Revenue Bonds</b>	<b>42,197,404</b>		
<b>Total Bonds Payable</b>	<b>\$ 45,282,404</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 SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investments of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

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

The District has pledged a total of \$44,623,375 of sales surtax revenue in connection with the Sales Tax Revenue Bonds, Series 2016, described above. During the 2017-18 fiscal year, the District recognized sales surtax revenue totaling \$19,693,454 and expended \$5,635,850 (29 percent) of these revenues for debt service directly collateralized by these

revenues. The pledged revenues are committed until final maturity of the debt on October 1, 2025. Approximately 32 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds, and \$4,777,125 is restricted for future debt service requirements as of June 30, 2018.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2018, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2019	\$ 532,070	\$ 394,000	\$ 138,070
2020	423,670	305,000	118,670
2021	376,550	271,000	105,550
2022	385,350	293,000	92,350
2023	393,000	314,000	79,000
2024-2028	1,490,290	1,288,000	202,290
2029-2030	231,988	220,000	11,988
<b>Total State School Bonds</b>	<b>3,832,918</b>	<b>3,085,000</b>	<b>747,918</b>
District Sales Tax Revenue Bonds, Series 2016			
2019	5,598,375	3,855,000	1,743,375
2020	5,590,875	4,045,000	1,545,875
2021	5,588,500	4,250,000	1,338,500
2022	5,580,750	4,460,000	1,120,750
2023	5,577,125	4,685,000	892,125
2024-2026	16,687,750	15,500,000	1,187,750
<b>Subtotal</b>	<b>44,623,375</b>	<b>36,795,000</b>	<b>7,828,375</b>
<b>Unamortized Premium</b>	<b>5,402,404</b>	<b>5,402,404</b>	<b>-</b>
<b>Total District Sales Tax Revenue Bonds, Series 2016</b>	<b>50,025,779</b>	<b>42,197,404</b>	<b>7,828,375</b>
<b>Total Bonds Payable</b>	<b>\$ 53,858,697</b>	<b>\$ 45,282,404</b>	<b>\$ 8,576,293</b>

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

<u>Fiscal Year Ending June 30</u>	<u>Interest</u>
2019	\$ 771,772
2020	771,772
2021	771,772
2022	771,772
2023	771,772
2024-2025	1,543,544
<b>Total</b>	<b>\$ 5,402,404</b>

**4. Defeased Debt**

**Refunding State School Bonds** On April 27, 2017, the FDOE issued SBE, Capital Outlay Refunding Bonds, Series 2017A. The District's portion of the refunding SBE Capital Outlay Bonds, Series 2017A, was \$1,173,000. The refunding bonds established a trust account for the District's \$1,000,000 portion of the SBE Capital Outlay Bonds, Series 2008A, maturing January 1, 2018, and later. Accordingly, the SBE Capital Outlay Bonds were called during the 2017-18 fiscal year and, as a result, the trust account assets and the liability for the in substance defeased bonds were removed from the government-wide financial statements as of June 30, 2018.

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

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Certificates of Participation Payable:					
Certificates of Participation	\$ 91,490,000	\$ -	\$ 13,645,000	\$ 77,845,000	\$ 12,270,000
Unamortized Premium	4,810,635	-	1,202,659	3,607,976	1,202,659
Total Certificates of Participation Payable	96,300,635	-	14,847,659	81,452,976	13,472,659
Bonds Payable:					
District Sales Tax Revenue Bonds	40,535,000	-	3,740,000	36,795,000	3,855,000
Unamortized Premium	6,174,176	-	771,772	5,402,404	771,772
Total District Sales Tax Revenue Bonds	46,709,176	-	4,511,772	42,197,404	4,626,772
State School Bonds	4,891,000	-	1,806,000	3,085,000	394,000
Total Bonds Payable	51,600,176	-	6,317,772	45,282,404	5,020,772
Other Long-Term Liabilities:					
Estimated Insurance Claims Payable	398,161	-	148,126	250,035	32,091
Compensated Absences Payable	27,515,197	2,629,122	1,596,348	28,547,971	1,596,348
Other Postemployment Benefits Payable	56,921,216	2,400,752	29,200,994 *	30,120,974	2,007,259
Net Pension Liability	169,872,824	93,936,247	80,383,823	183,425,248	1,699,972
<b>Total Governmental Activities</b>	<b>\$ 402,608,209</b>	<b>\$ 98,966,121</b>	<b>\$ 132,494,722</b>	<b>\$ 369,079,608</b>	<b>\$ 23,829,101</b>

\*Includes a \$25,157,561 restatement adjustment related to the implementation of GASB 75.

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

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

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

The composition of net investment in capital assets as of June 30, 2018, is shown in the table below:

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated	
Depreciation	\$ 625,447,766
Plus Deferred Outflow for Net Carrying Amount of Debt Refunding	1,574,509
Less Related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 81,452,976
Bonds Payable	45,282,404
Construction and Retainage Payable	7,544,991
Unspent Debt Proceeds	(6,499,704)
Total Related Debt, Net of Unspent Proceeds	<u>(127,780,667)</u>
<b>Total Net Investment in Capital Assets</b>	<b><u><u>\$ 499,241,608</u></u></b>

## L. Fund Balance Reporting

The following is a schedule of fund balances by category at June 30, 2018:

	Major Funds						Total Governmental Funds
	General	Debt Service - Other Debt Service	Capital Projects - Sections 1011.14/1011.15 Loan Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Inventories	\$ 691,787	\$ -	\$ -	\$ -	\$ -	\$ 373,298	\$ 1,065,085
Prepays	-	-	-	-	-	32,102	32,102
Total Nonspendable	691,787	-	-	-	-	405,400	1,097,187
<b>Restricted for:</b>							
State Required Carryover Programs	731,389	-	-	-	-	-	731,389
Full Service Schools	146,345	-	-	-	-	-	146,345
Hurricane Shelter Project	1,030,944	-	-	-	-	-	1,030,944
Best and Brightest	42,403	-	-	-	-	-	42,403
Food Service	-	-	-	-	-	1,751,485	1,751,485
Debt Service	-	4,786,086	-	-	-	6,767,803	11,553,889
Capital Projects	-	-	-	26,645,446	81,115,449	2,284,739	110,045,634
Total Restricted Fund Balance	1,951,081	4,786,086	-	26,645,446	81,115,449	10,804,027	125,302,089
<b>Committed for:</b>							
Economic Stabilization	8,941,077	-	-	-	-	-	8,941,077
0.25 Discretionary Millage	259,646	-	-	-	-	-	259,646
Total Committed Fund Balance	9,200,723	-	-	-	-	-	9,200,723
<b>Assigned for:</b>							
2018-19 Budget Shortfalls	12,253,130	-	-	-	-	-	12,253,130
School Programs and Services	6,721,663	-	-	-	-	-	6,721,663
Extended Day Programs	3,984,365	-	-	-	-	-	3,984,365
District Programs and Services	2,626,637	-	-	-	-	-	2,626,637
Department Operations	1,088,631	-	-	-	-	-	1,088,631
First Coast Technical College	1,130,318	-	-	-	-	-	1,130,318
School Concurrency	86,072	-	-	-	-	-	86,072
Total Assigned Fund Balance	27,890,816	-	-	-	-	-	27,890,816
<b>Unassigned Fund Balance</b>	15,196,939	-	(264,060)	-	-	(32,102)	14,900,777
<b>Total Fund Balances</b>	<u>\$ 54,931,346</u>	<u>\$ 4,786,086</u>	<u>\$ (264,060)</u>	<u>\$ 26,645,446</u>	<u>\$ 81,115,449</u>	<u>\$ 11,177,325</u>	<u>\$ 178,391,592</u>

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

## M. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
<b>Major:</b>		
General	\$ 1,362,974	\$ -
Capital Projects - Sections 1011.14/1011.15 Loan Fund	-	25,485
Nonmajor Governmental	-	1,337,489
<b>Total</b>	<u>\$ 1,362,974</u>	<u>\$ 1,362,974</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.

**N. Revenues and Expenditures/Expenses**

**1. Schedule of State Revenue Sources**

The following is a schedule of the District's State revenue sources for the 2017-18 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program (FEFP):	
Transportation	\$ 9,550,553
Supplemental Academic Instruction	7,691,931
Instructional Materials	3,302,721
Comprehensive Reading Plan	1,812,403
Digital Classrooms Allocation	1,117,903
Florida Teachers Lead	639,159
Safe Schools	588,431
Other FEFP	85,859,376
Categorical Educational Program - Class Size Reduction	42,060,125
Workforce Development Program	4,341,488
Best and Brightest Teacher Scholarship Program	3,564,400
School Recognition	2,990,608
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,572,324
Voluntary Prekindergarten Program	1,078,270
Gross Receipts Tax (Public Education Capital Outlay)	521,177
Sales Tax Distribution (Formerly Racing Commission Funds)	206,750
Discretionary Lottery Funds	70,618
Mobile Home License Tax	70,330
Food Service Supplement	62,449
Miscellaneous	358,433
<b>Total</b>	<b>\$ 167,459,449</b>

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

**2. Property Taxes**

The following is a summary of millages and taxes levied on the 2017 tax roll for the 2017-18 fiscal year:

	<b>Millages</b>	<b>Taxes Levied</b>
<b>General Fund</b>		
Nonvoted School Tax:		
Required Local Effort	4.295	\$ 110,999,853
Basic Discretionary Local Effort	0.748	19,331,290
<b>Capital Projects -</b>		
<b>Local Capital Improvement Fund</b>		
Nonvoted Tax:		
Local Capital Improvements	1.500	38,765,956
<b>Total</b>	6.543	\$ 169,097,099

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

**O. Interfund Transfers**

The following is a summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2018:

<b>Funds</b>	<b>Interfund</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>
Major:		
General	\$ 6,452,406	\$ 70,777
Other Debt Service	17,041,965	-
Capital Projects:		
Local Capital Improvement	70,777	17,395,775
Other Capital Projects	-	6,793,833
Nonmajor Governmental	945,237	250,000
<b>Total</b>	\$ 24,510,385	\$ 24,510,385

Interfund transfers represent permanent transfers of moneys between funds. The transfers out of the General Fund were to restore capital outlay tax levy funds to the Capital Projects – Local Capital Improvement Fund for certain unallowed expenditures incurred in the prior year. 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 were 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 support the General Fund for expenses related to school food service operations.

## V. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the internal service funds for the 2017-18 fiscal year.

	<b>Group Health and Hospitalization Insurance</b>	<b>Group Dental Insurance</b>	<b>Group Vision Insurance</b>	<b>Workers' Compensation Liability Insurance</b>	<b>Total</b>
<b>Total Assets</b>	<b>\$ 33,451,943</b>	<b>\$1,411,997</b>	<b>\$1,723,420</b>	<b>\$4,877,797</b>	<b>\$ 41,465,157</b>
Liabilities and Net Position:					
Salaries and Benefits Payable	\$ 437	\$ -	\$ -	\$ 1,133	\$ 1,570
Payroll Deductions and Withholdings Payable	166	-	-	3	169
Accounts Payable	2,417,730	61	34,824	436	2,453,051
Estimated Insurance Claims Payable	2,626,941	268,623	53,880	250,035	3,199,479
Net Position:					
Investment in Capital Assets	182,069	-	-	-	182,069
Unrestricted Net Position	28,224,600	1,143,313	1,634,716	4,626,190	35,628,819
<b>Total Liabilities and Net Position</b>	<b>\$ 33,451,943</b>	<b>\$1,411,997</b>	<b>\$1,723,420</b>	<b>\$4,877,797</b>	<b>\$ 41,465,157</b>
Revenues:					
Operating Revenues	\$ 50,411,036	\$2,952,765	\$ 838,014	\$1,445,051	\$ 55,646,866
Investment Income	257,970	13,439	15,004	41,970	328,383
Total Revenues	50,669,006	2,966,204	853,018	1,487,021	55,975,249
Total Expenses	(41,262,522)	(3,168,564)	(611,105)	(1,580,244)	(46,622,435)
<b>Increase (Decrease) in Net Position</b>	<b>\$ 9,406,484</b>	<b>\$ (202,360)</b>	<b>\$ 241,913</b>	<b>\$ (93,223)</b>	<b>\$ 9,352,814</b>

## VI. LITIGATION

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

## 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, 2018**

	<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 Sources:				
Reserve Officers Training Corps	\$ 200,000	\$ 200,000	\$ 235,288	\$ 35,288
Federal Through State Sources:				
Other Federal Through State	-	53,433	53,433	-
State Sources:				
Florida Education Finance Program	111,405,172	110,562,477	110,562,477	-
Workforce Development Program	4,341,488	4,341,488	4,341,488	-
CO&DS Withheld for Administrative Expense	-	23,215	23,215	-
Discretionary Lottery Funds	660,382	70,618	70,618	-
Class Size Reduction - Operating Funds	42,175,179	42,060,125	42,060,125	-
School Recognition Funds	2,687,277	2,990,608	2,990,608	-
Voluntary Prekindergarten Program	-	1,078,270	1,078,270	-
State License Tax	67,000	67,000	70,330	3,330
Miscellaneous State Revenue	206,750	5,205,393	4,007,287	(1,198,106)
<b>Total State Sources</b>	<b>161,543,248</b>	<b>166,399,194</b>	<b>165,204,418</b>	<b>(1,194,776)</b>
Local Sources:				
District School Taxes	125,035,358	125,035,358	125,548,376	513,018
Tax Redemptions	200,000	200,000	269,050	69,050
Rent	95,000	1,022,422	1,095,577	73,155
Investment Income	200,000	200,000	696,626	496,626
Net Increase in Fair Value of Investments	-	-	75,976	75,976
Gifts, Grants, and Bequests	-	820,516	1,762,821	942,305
Other Student Fees	232,000	232,000	299,898	67,898
Preschool Program Fees	-	462,792	462,792	-
Prekindergarten Early Intervention	-	-	79,877	79,877
School Age Child Care Fees	-	5,477,699	5,477,699	-
Other Schools Courses Classes	5,000	555,805	552,505	(3,300)
Bus Fees	-	105,269	51,308	(53,961)
Field Trips	-	465,567	640,358	174,791
Sale of Junk	-	50,000	109,327	59,327
Federal Indirect Cost Rate	-	600,000	706,972	106,972
Miscellaneous Local Revenues	3,291,839	2,846,499	4,181,530	1,335,031
<b>Total Local Sources</b>	<b>129,059,197</b>	<b>138,073,927</b>	<b>142,010,692</b>	<b>3,936,765</b>
<b>Total Revenues</b>	<b>290,802,445</b>	<b>304,726,554</b>	<b>307,503,831</b>	<b>2,777,277</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, 2018**

	<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	\$ 124,155,890	\$ 124,384,732	\$ 121,497,869	\$ 2,886,863
Employee Benefits	42,605,970	45,713,690	42,004,586	3,709,104
Purchased Services	2,826,230	7,686,010	6,427,668	1,258,342
Energy Services	-	12,673	12,542	131
Materials and Supplies	17,236,116	15,191,076	6,459,510	8,731,566
Capital Outlay	1,114,303	2,006,617	1,494,008	512,609
Other	2,698,802	3,567,705	3,293,602	274,103
Total Instruction	<u>190,637,311</u>	<u>198,562,503</u>	<u>181,189,785</u>	<u>17,372,718</u>
Student Personnel Services:				
Salaries	13,276,246	14,037,436	13,944,738	92,698
Employee Benefits	4,826,573	5,358,439	5,065,806	292,633
Purchased Services	788,606	825,766	812,957	12,809
Materials and Supplies	99,441	113,525	86,374	27,151
Capital Outlay	6,084	11,317	7,190	4,127
Other	3,300	2,583	862	1,721
Total Student Personnel Services	<u>19,000,250</u>	<u>20,349,066</u>	<u>19,917,927</u>	<u>431,139</u>
Instructional Media Services:				
Salaries	3,307,956	3,293,079	3,287,026	6,053
Employee Benefits	1,332,418	1,412,668	1,330,443	82,225
Purchased Services	33,493	52,974	42,514	10,460
Energy Services	-	200	117	83
Materials and Supplies	152,896	103,831	82,882	20,949
Capital Outlay	67,077	153,572	134,412	19,160
Other	577	14,217	7,367	6,850
Total Instructional Media Services	<u>4,894,417</u>	<u>5,030,541</u>	<u>4,884,761</u>	<u>145,780</u>
Instruction and Curriculum Development:				
Salaries	3,371,994	3,592,778	3,559,131	33,647
Employee Benefits	1,081,886	1,174,763	1,118,163	56,600
Purchased Services	176,268	191,533	132,096	59,437
Materials and Supplies	23,795	25,812	21,635	4,177
Capital Outlay	900	7,570	3,686	3,884
Other	5,700	6,941	3,169	3,772
Total Instruction and Curriculum Development	<u>4,660,543</u>	<u>4,999,397</u>	<u>4,837,880</u>	<u>161,517</u>
Instructional Staff Training Services				
Salaries	311,851	2,103,981	2,082,153	21,828
Employee Benefits	99,104	773,083	708,729	64,354
Purchased Services	26,410	397,821	239,209	158,612
Materials and Supplies	2,128	17,955	4,211	13,744
Other	-	304,229	266,863	37,366
Total Instructional Staff Training Services	<u>439,493</u>	<u>3,597,069</u>	<u>3,301,165</u>	<u>295,904</u>
Instruction-Related Technology:				
Salaries	3,697,048	3,692,793	3,687,881	4,912
Employee Benefits	1,244,515	1,238,609	1,207,336	31,273
Purchased Services	4,059,899	4,038,525	3,808,384	230,141
Energy Services	2,000	2,940	2,935	5
Capital Outlay	23,300	172,957	33,499	139,458
Total Instruction-Related Technology	<u>9,026,762</u>	<u>9,145,824</u>	<u>8,740,035</u>	<u>405,789</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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
Current Education (continued):				
Board of Education:				
Salaries	\$ 230,000	\$ 235,753	\$ 235,412	\$ 341
Employee Benefits	119,600	125,100	121,390	3,710
Purchased Services	729,850	732,105	609,830	122,275
Materials and Supplies	5,000	3,818	2,665	1,153
Other	17,500	18,624	18,000	624
Total Board of Education	<u>1,101,950</u>	<u>1,115,400</u>	<u>987,297</u>	<u>128,103</u>
General Administration:				
Salaries	230,000	232,023	231,610	413
Employee Benefits	71,645	80,645	80,636	9
Purchased Services	7,500	31,740	29,075	2,665
Materials and Supplies	12,000	10,475	1,942	8,533
Capital Outlay	-	500	500	-
Other	9,000	9,000	720	8,280
Total General Administration	<u>330,145</u>	<u>364,383</u>	<u>344,483</u>	<u>19,900</u>
School Administration:				
Salaries	13,663,580	14,445,440	13,438,632	1,006,808
Employee Benefits	4,597,548	4,806,156	4,403,942	402,214
Purchased Services	500,778	555,336	369,889	185,447
Energy Services	4,000	3,882	3,882	-
Materials and Supplies	558,531	568,653	212,513	356,140
Capital Outlay	557	93,889	52,426	41,463
Other	32,050	130,075	123,925	6,150
Total School Administration	<u>19,357,044</u>	<u>20,603,431</u>	<u>18,605,209</u>	<u>1,998,222</u>
Facilities Acquisition and Construction:				
Salaries	1,037,594	1,058,555	1,058,057	498
Employee Benefits	360,031	360,333	350,981	9,352
Purchased Services	3,536,686	3,734,915	3,373,908	361,007
Energy Services	10,750	11,750	6,830	4,920
Materials and Supplies	7,550	75,674	7,093	68,581
Capital Outlay	3,115	1,254,037	622,984	631,053
Other	18,040	22,602	21,992	610
Total Facilities Acquisition and Construction	<u>4,973,766</u>	<u>6,517,866</u>	<u>5,441,845</u>	<u>1,076,021</u>
Fiscal Services:				
Salaries	1,393,571	1,298,899	1,298,708	191
Employee Benefits	475,866	445,852	434,936	10,916
Purchased Services	172,896	207,222	196,241	10,981
Materials and Supplies	20,900	20,865	18,227	2,638
Capital Outlay	-	1,108	1,108	-
Other	63,300	60,701	59,273	1,428
Total Fiscal Services	<u>2,126,533</u>	<u>2,034,647</u>	<u>2,008,493</u>	<u>26,154</u>
Food Services:				
Salaries	-	-	44,224	(44,224)
Employee Benefits	-	-	8,226	(8,226)
Total Food Services	<u>-</u>	<u>-</u>	<u>52,450</u>	<u>(52,450)</u>
Central Services:				
Salaries	2,470,859	2,517,849	2,648,037	(130,188)
Employee Benefits	867,563	850,932	866,156	(15,224)
Purchased Services	332,097	317,597	315,473	2,124
Energy Services	3,500	3,500	2,585	915
Materials and Supplies	39,939	49,266	37,877	11,389
Capital Outlay	700	10,094	8,840	1,254
Other	6,500	12,070	7,499	4,571
Total Central Services	<u>3,721,158</u>	<u>3,761,308</u>	<u>3,886,467</u>	<u>(125,159)</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, 2018**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Current Education (concluded):				
Student Transportation Services:				
Salaries	\$ 6,812,529	\$ 6,812,529	\$ 6,828,539	\$ (16,010)
Employee Benefits	3,610,640	3,610,640	3,332,505	278,135
Purchased Services	629,989	868,733	668,700	200,033
Energy Services	1,955,711	1,797,591	1,397,254	400,337
Materials and Supplies	1,085,000	1,148,434	1,123,146	25,288
Capital Outlay	-	57,655	46,946	10,709
Other	392,318	392,318	362,658	29,660
Total Student Transportation Services	<u>14,486,187</u>	<u>14,687,900</u>	<u>13,759,748</u>	<u>928,152</u>
Operation of Plant:				
Salaries	8,040,852	7,857,423	7,820,089	37,334
Employee Benefits	3,971,242	3,840,984	3,704,258	136,726
Purchased Services	4,677,512	4,829,607	4,654,481	175,126
Energy Services	6,389,139	6,492,533	5,891,361	601,172
Materials and Supplies	1,509,494	1,365,474	1,278,312	87,162
Capital Outlay	71,001	171,947	158,589	13,358
Other	-	436,623	434,054	2,569
Total Operation of Plant	<u>24,659,240</u>	<u>24,994,591</u>	<u>23,941,144</u>	<u>1,053,447</u>
Maintenance of Plant:				
Salaries	4,638,609	4,728,658	4,675,250	53,408
Employee Benefits	1,723,708	1,746,742	1,687,731	59,011
Purchased Services	839,293	1,023,790	1,131,946	(108,156)
Energy Services	117,583	114,990	114,991	(1)
Materials and Supplies	632,610	697,722	536,715	161,007
Capital Outlay	675,900	886,178	719,306	166,872
Other	-	1,300	1,299	1
Total Maintenance of Plant	<u>8,627,703</u>	<u>9,199,380</u>	<u>8,867,238</u>	<u>332,142</u>
Administrative Technology Services:				
Salaries	331,558	257,979	244,433	13,546
Employee Benefits	113,327	104,327	93,590	10,737
Purchased Services	237,623	290,324	249,368	40,956
Materials and Supplies	6,750	7,774	6,773	1,001
Capital Outlay	12,880	32,185	27,350	4,835
Other	475	1,578	1,578	-
Total Administrative Technology Services	<u>702,613</u>	<u>694,167</u>	<u>623,092</u>	<u>71,075</u>
Community Services:				
Salaries	135,953	3,695,966	2,847,426	848,540
Employee Benefits	52,182	1,850,791	1,058,577	792,214
Purchased Services	47,156	237,997	43,830	194,167
Materials and Supplies	2,000	1,851,856	290,782	1,561,074
Capital Outlay	-	131,998	32,432	99,566
Other	-	770,423	739,439	30,984
Total Community Services	<u>237,291</u>	<u>8,539,031</u>	<u>5,012,486</u>	<u>3,526,545</u>
Capital Outlay:				
Facility Acquisition and Construction	-	1,226,700	204,812	1,021,888
Other Capital Outlay	5,700	679,319	357,627	321,692
Total Capital Outlay	<u>5,700</u>	<u>1,906,019</u>	<u>562,439</u>	<u>1,343,580</u>
<b>Total Expenditures</b>	<u>308,988,106</u>	<u>336,102,523</u>	<u>306,963,944</u>	<u>29,138,579</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Deficiency of Revenues Over Expenditures</b>	<u>\$ (18,185,661)</u>	<u>\$ (31,375,969)</u>	<u>\$ 539,887</u>	<u>\$ 31,915,856</u>
<b>Other Financing Sources</b>				
Transfers In	6,452,406	6,452,406	6,452,406	-
Transfers Out	-	(70,777)	(70,777)	-
Loss Recoveries	-	-	182,508	182,508
<b>Total Other Financing Sources</b>	<u>6,452,406</u>	<u>6,381,629</u>	<u>6,564,137</u>	<u>182,508</u>
<b>Net Change in Fund Balance</b>	(11,733,255)	(24,994,340)	7,104,024	32,098,364
<b>Fund Balance - Beginning</b>	<u>47,827,322</u>	<u>47,827,322</u>	<u>47,827,322</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 36,094,067</u>	<u>\$ 22,832,982</u>	<u>\$ 54,931,346</u>	<u>\$ 32,098,364</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS<sup>(1)</sup>**

Measurement Year Ended June 30,	2017
<b>Total OPEB Liability</b>	
Service Cost	\$ 1,661,807
Interest on the Total OPEB Liability	946,718
Changes in benefit terms	-
Difference between expected and actual experience of the Total OPEB Liability	-
Changes in assumptions and other inputs	(2,243,947)
Benefit payments	(2,007,259)
Net change in Total OPEB Liability	(1,642,681)
Total OPEB Liability - Beginning	31,763,655
Total OPEB Liability - Ending	\$ 30,120,974
<b>Estimated Covered-Employee Payroll</b>	\$ 152,336,960
<b>Total OPEB liability as a percentage of Covered-Employee Payroll</b>	19.77%

Note:

- (1) The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years of information as available.

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

Fiscal Year Ending June 30,	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll <sup>(3)</sup>	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2017	0.406626478%	\$ 120,277,383	\$ 186,572,661	64.47%	83.89%
2016	0.403122705%	101,788,799	182,142,038	55.88%	84.88%
2015	0.422344002%	54,551,392	175,337,962	31.11%	92.00%
2014	0.406030045%	24,773,804	164,428,190	15.07%	96.09%
2013	0.389856442%	67,111,642	152,046,642	44.14%	88.54%

Notes:

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

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

Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll <sup>(3)</sup>	FRS Contributions as a Percentage of Covered Payroll
2018	\$ 11,585,668	\$ 11,585,668	\$ -	\$ 193,442,819	5.99%
2017	10,585,488	10,585,488	-	186,572,661	5.67%
2016	9,965,075	9,965,075	-	182,142,038	5.47%
2015	10,297,105	10,297,105	-	175,337,962	5.87%
2014	8,893,781	8,893,781	-	164,428,190	5.41%

Notes:

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

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

Fiscal Year Ending June 30,	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll <sup>(3)</sup>	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2017	0.590583056%	\$ 63,147,865	\$ 186,572,661	33.85%	1.64%
2016	0.584182280%	68,084,025	182,142,038	37.38%	0.97%
2015	0.577379055%	58,883,581	175,337,962	33.58%	0.50%
2014	0.551221367%	51,540,543	164,428,190	31.35%	0.99%
2013	0.523120679%	45,544,533	152,046,642	29.95%	1.78%

Notes:

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

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

Fiscal Year Ending June 30,	HIS Contractually Required Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll <sup>(3)</sup>	HIS Contributions as a Percentage of Covered Payroll
2018	\$ 3,213,102	\$ 3,213,102	\$ -	\$ 193,442,819	1.66%
2017	3,125,536	3,125,536	-	186,572,661	1.68%
2016	2,994,840	2,994,840	-	182,142,038	1.64%
2015	2,207,102	2,207,102	-	175,337,962	1.26%
2014	1,888,299	1,888,299	-	164,428,190	1.15%

Notes:

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

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### I. 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.

### II. SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS

- Changes in assumptions and other inputs include the change in the discount rate from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.
- There are no assets accumulated in a trust to pay related benefits.

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

*Changes in assumptions.* The long-term expected rate of return was decreased from 7.60 percent to 7.10 percent.

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

*Changes in assumptions.* The municipal bond rate used to determine total pension liability was increased from 2.85 percent to 3.58 percent.

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OTHER SUPPLEMENTARY INFORMATION  
COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

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## OTHER SUPPLEMENTARY INFORMATION

### COMBINING STATEMENTS

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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, 2018**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>State Board of Education COBI Bonds Fund</u>	<u>ARRA Debt Service Fund</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,247,044	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	-	-	-	6,693,316
Investments	-	-	74,487	-
Accounts Receivable	640	457	-	-
Due From Other Agencies	-	1,485,551	-	-
Prepaid Items	-	32,102	-	-
Inventories	373,298	-	-	-
<b>Total Assets</b>	<u>\$ 2,620,982</u>	<u>\$ 1,518,110</u>	<u>\$ 74,487</u>	<u>\$ 6,693,316</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Salaries and Benefits Payable	\$ 26,533	\$ 60,834	\$ -	\$ -
Payroll Deductions and Withholdings Payable	8,510	18,860	-	-
Accounts Payable	4,050	55,827	-	-
Construction Contracts Payable	-	-	-	-
Due to Other Agencies	-	45,100	-	-
Due to Other Funds	-	1,337,489	-	-
Deposits Payable	457,106	-	-	-
<b>Total Liabilities</b>	<u>496,199</u>	<u>1,518,110</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	373,298	32,102	-	-
Restricted	1,751,485	-	74,487	6,693,316
Unassigned	-	(32,102)	-	-
<b>Total Fund Balances</b>	<u>2,124,783</u>	<u>-</u>	<u>74,487</u>	<u>6,693,316</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,620,982</u>	<u>\$ 1,518,110</u>	<u>\$ 74,487</u>	<u>\$ 6,693,316</u>

<b>Capital Projects</b>		
<b>Public Education Capital Outlay Fund</b>	<b>Capital Outlay and Debt Service Fund</b>	<b>Total</b>
\$ 18,487	\$ 1,917,051	\$ 4,182,582
-	-	6,693,316
-	-	74,487
-	-	1,097
351,049	-	1,836,600
-	-	32,102
-	-	373,298
<u>\$ 369,536</u>	<u>\$ 1,917,051</u>	<u>\$ 13,193,482</u>
\$ -	\$ -	\$ 87,367
-	-	27,370
-	-	59,877
1,848	-	1,848
-	-	45,100
-	-	1,337,489
-	-	457,106
<u>1,848</u>	<u>-</u>	<u>2,016,157</u>
-	-	405,400
367,688	1,917,051	10,804,027
-	-	(32,102)
<u>367,688</u>	<u>1,917,051</u>	<u>11,177,325</u>
<u>\$ 369,536</u>	<u>\$ 1,917,051</u>	<u>\$ 13,193,482</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, 2018**

	Special Revenue		Debt Service	
	Food Service Fund	Other Federal Programs Fund	State Board of Education COBI Bonds Fund	ARRA Debt Service Fund
<b>Revenues</b>				
Federal Direct Sources	\$ -	\$ 1,616,380	\$ -	\$ 737,048
Federal Through State and Local Sources	5,971,316	11,764,010	-	-
State Sources	62,449	-	969,550	-
Local Sources:				
Charges for Services - Food Service	6,999,606	-	-	-
Other	221,116	-	-	105,081
<b>Total Revenues</b>	<u>13,254,487</u>	<u>13,380,390</u>	<u>969,550</u>	<u>842,129</u>
<b>Expenditures</b>				
Current Education:				
Instruction	-	6,259,188	-	-
Student Personnel Services	-	2,839,971	-	-
Instruction and Curriculum Development	-	1,930,881	-	-
Instructional Staff Training Services	-	802,791	-	-
General Administration	-	706,972	-	-
Facilities Acquisition and Construction	-	-	-	-
Food Services	11,900,546	-	-	-
Central Services	-	17,857	-	-
Student Transportation Services	-	107,325	-	-
Operation of Plant	-	165	-	-
Community Services	-	601,639	-	-
Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	155,308	113,601	-	-
Debt Service:				
Retirement of Principal	-	-	806,000	-
Interest and Fiscal Charges	-	-	160,962	793,400
<b>Total Expenditures</b>	<u>12,055,854</u>	<u>13,380,390</u>	<u>966,962</u>	<u>793,400</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,198,633</u>	<u>-</u>	<u>2,588</u>	<u>48,729</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	945,237
Transfers Out	(250,000)	-	-	-
Payment to Refunding Bonds Escrow Agent	-	-	(1,055,443)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(250,000)</u>	<u>-</u>	<u>(1,055,443)</u>	<u>945,237</u>
<b>Net Change in Fund Balances</b>	948,633	-	(1,052,855)	993,966
<b>Fund Balances - Beginning</b>	<u>1,176,150</u>	<u>-</u>	<u>1,127,342</u>	<u>5,699,350</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,124,783</u>	<u>\$ -</u>	<u>\$ 74,487</u>	<u>\$ 6,693,316</u>

<b>Capital Projects</b>		
<b>Public Education Capital Outlay Fund</b>	<b>Capital Outlay and Debt Service Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 2,353,428
-	-	17,735,326
521,177	579,559	2,132,735
-	-	6,999,606
5,363	12,526	344,086
526,540	592,085	29,565,181
-	-	6,259,188
-	-	2,839,971
-	-	1,930,881
-	-	802,791
-	-	706,972
397,078	-	397,078
-	-	11,900,546
-	-	17,857
-	-	107,325
-	-	165
-	-	601,639
456,578	-	456,578
-	-	268,909
-	-	806,000
-	1,271	955,633
853,656	1,271	28,051,533
(327,116)	590,814	1,513,648
-	-	945,237
-	-	(250,000)
-	-	(1,055,443)
-	-	(360,206)
(327,116)	590,814	1,153,442
694,804	1,326,237	10,023,883
<u>\$ 367,688</u>	<u>\$ 1,917,051</u>	<u>\$ 11,177,325</u>

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## OTHER SUPPLEMENTARY SCHEDULES

### Individual Budgetary Comparison Schedules

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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, 2018**

	<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>				
Local Sources:				
Local Sales Taxes	\$ 5,638,975	\$ 5,638,975	\$ 5,698,250	\$ 59,275
Interest on Investments	-	-	9,038	9,038
<b>Total Revenues</b>	<u>5,638,975</u>	<u>5,638,975</u>	<u>5,707,288</u>	<u>68,313</u>
<b>Expenditures</b>				
Debt Service:				
Retirement of Principal	17,385,000	17,385,000	17,385,000	-
Interest and Fiscal Charges	5,298,732	5,302,732	5,300,606	2,126
<b>Total Expenditures</b>	<u>22,683,732</u>	<u>22,687,732</u>	<u>22,685,606</u>	<u>2,126</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(17,044,757)</u>	<u>(17,048,757)</u>	<u>(16,978,318)</u>	<u>70,439</u>
<b>Other Financing Sources</b>				
Transfers In	<u>17,044,757</u>	<u>17,048,757</u>	<u>17,041,965</u>	<u>(6,792)</u>
<b>Net Change in Fund Balance</b>	-	-	63,647	63,647
<b>Fund Balance - Beginning</b>	<u>4,722,439</u>	<u>4,722,439</u>	<u>4,722,439</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 4,722,439</u>	<u>\$ 4,722,439</u>	<u>\$ 4,786,086</u>	<u>\$ 63,647</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR CAPITAL PROJECTS - SECTIONS 1011.14/1011.15 LOAN FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Sections 1011.14/1011.15 Loan 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 Sources:				
Interest on Investments	\$ -	\$ -	\$ 66,972	\$ 66,972
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>66,972</u>	<u>66,972</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	-	94,852	6,491	88,361
Debt Service:				
Interest and Fiscal Charges	-	32,985	32,985	-
Capital Outlay:				
Facilities Acquisition and Construction	-	14,931,371	274,051	14,657,320
Other Capital Outlay	-	40,792	17,505	23,287
<b>Total Expenditures</b>	<u>-</u>	<u>15,100,000</u>	<u>331,032</u>	<u>14,768,968</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>-</u>	<u>(15,100,000)</u>	<u>(264,060)</u>	<u>14,835,940</u>
<b>Other Financing Sources</b>				
Transfers In	-	-	-	-
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(15,100,000)</u>	<u>(264,060)</u>	<u>14,835,940</u>
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ (15,100,000)</u>	<u>\$ (264,060)</u>	<u>\$ 14,835,940</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, 2018**

	<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 Sources:				
Property Taxes	\$ 37,190,767	\$ 37,190,767	\$ 37,414,585	\$ 223,818
Interest on Investments	150,000	157,377	362,049	204,672
Other	-	-	114,803	114,803
<b>Total Revenues</b>	<u>37,340,767</u>	<u>37,348,144</u>	<u>37,891,437</u>	<u>543,293</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	27,506,869	27,490,232	8,349,286	19,140,946
Capital Outlay:				
Facilities Acquisition and Construction	12,902,136	12,910,812	7,804,051	5,106,761
Charter School Local Capital Improvement	-	-	78,378	(78,378)
Other Capital Outlay	6,123,961	6,092,836	4,374,712	1,718,124
<b>Total Expenditures</b>	<u>46,532,966</u>	<u>46,493,880</u>	<u>20,606,427</u>	<u>25,887,453</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(9,192,199)</u>	<u>(9,145,736)</u>	<u>17,285,010</u>	<u>26,430,746</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	70,777	70,777
Transfers Out	(17,427,691)	(17,395,775)	(17,395,775)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(17,427,691)</u>	<u>(17,395,775)</u>	<u>(17,324,998)</u>	<u>70,777</u>
<b>Net Change in Fund Balance</b>	(26,619,890)	(26,541,511)	(39,988)	26,501,523
<b>Fund Balance - Beginning</b>	<u>26,685,434</u>	<u>26,685,434</u>	<u>26,685,434</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 65,544</u>	<u>\$ 143,923</u>	<u>\$ 26,645,446</u>	<u>\$ 26,501,523</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, 2018**

	<b>Other Capital Projects 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 Sources:	\$ -	\$ 31,916	\$ 122,296	\$ 90,380
Local Sources:				
Local Sales Taxes	12,926,555	12,926,555	13,995,204	1,068,649
Impact Fees	12,000,000	12,000,000	16,425,242	4,425,242
Concurrency Proportionate Share Mitigation	-	-	12,422,554	12,422,554
Interest on Investments	-	-	1,122,812	1,122,812
Other	-	1,974,894	100,476	(1,874,418)
Total Local Sources	<u>24,926,555</u>	<u>26,901,449</u>	<u>44,066,288</u>	<u>17,164,839</u>
<b>Total Revenues</b>	<u>24,926,555</u>	<u>26,933,365</u>	<u>44,188,584</u>	<u>17,255,219</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	15,038,433	16,075,606	4,437,664	11,637,942
Capital Outlay:				
Facilities Acquisition and Construction	101,406,412	99,334,957	48,658,080	50,676,877
Other Capital Outlay	1,079,264	2,109,546	237,597	1,871,949
<b>Total Expenditures</b>	<u>117,524,109</u>	<u>117,520,109</u>	<u>53,333,341</u>	<u>64,186,768</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(92,597,554)</u>	<u>(90,586,744)</u>	<u>(9,144,757)</u>	<u>81,441,987</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(6,820,682)</u>	<u>(6,856,598)</u>	<u>(6,793,833)</u>	<u>62,765</u>
<b>Net Change in Fund Balance</b>	<u>(99,418,236)</u>	<u>(97,443,342)</u>	<u>(15,938,590)</u>	<u>81,504,752</u>
<b>Fund Balance - Beginning</b>	<u>99,632,726</u>	<u>97,054,039</u>	<u>97,054,039</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 214,490</u>	<u>\$ (389,303)</u>	<u>\$ 81,115,449</u>	<u>\$ 81,504,752</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, 2018**

	<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>				
Federal Through State Sources:				
National School Lunch Program	\$ 4,364,200	\$ 4,364,200	\$ 5,296,821	\$ 932,621
USDA Donated Foods	616,455	616,455	587,692	(28,763)
Summer Food Service Program	105,000	105,000	86,803	(18,197)
Total Federal Through State Sources	<u>5,085,655</u>	<u>5,085,655</u>	<u>5,971,316</u>	<u>885,661</u>
State Sources:				
School Breakfast Supplement	24,882	23,670	23,670	-
School Lunch Supplement	39,086	38,779	38,779	-
Total State Sources	<u>63,968</u>	<u>62,449</u>	<u>62,449</u>	<u>-</u>
Local Sources:				
Food Sales	7,263,563	7,263,563	6,999,606	(263,957)
Interest on Investments	30,000	30,000	19,490	(10,510)
Other	250,000	250,000	201,626	(48,374)
Total Local Sources	<u>7,543,563</u>	<u>7,543,563</u>	<u>7,220,722</u>	<u>(322,841)</u>
<b>Total Revenues</b>	<u>12,693,186</u>	<u>12,691,667</u>	<u>13,254,487</u>	<u>562,820</u>
<b>Expenditures</b>				
Current:				
Food Services:				
Salaries	4,082,748	4,167,748	4,162,322	5,426
Employee Benefits	2,123,029	2,098,029	2,083,569	14,460
Purchased Services	228,450	237,275	167,199	70,076
Energy Services	113,000	113,731	82,528	31,203
Materials and Supplies	5,517,293	5,300,371	4,780,529	519,842
Capital Outlay	72,000	312,060	155,902	156,158
Other	338,000	475,847	468,497	7,350
Capital Outlay:				
Other Capital Outlay	203,500	171,440	155,308	16,132
<b>Total Expenditures</b>	<u>12,678,020</u>	<u>12,876,501</u>	<u>12,055,854</u>	<u>820,647</u>
<b>Excess of Revenues Over Expenditures</b>	<u>15,166</u>	<u>(184,834)</u>	<u>1,198,633</u>	<u>1,383,467</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(234,834)</u>	<u>(434,834)</u>	<u>948,633</u>	<u>1,383,467</u>
<b>Fund Balances - Beginning</b>	<u>1,176,150</u>	<u>1,176,150</u>	<u>1,176,150</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 941,316</u>	<u>\$ 741,316</u>	<u>\$ 2,124,783</u>	<u>\$ 1,383,467</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, 2018**

	<b>Other Federal Programs Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Direct Sources	\$ 1,078,896	\$ 1,616,380	\$ 1,616,380	\$ -
Federal Through State and Local Sources:				
Individuals with Disabilities Education Act	6,422,382	6,462,952	6,462,952	-
Title I and School Improvement Grants	3,661,789	3,289,210	3,289,210	-
Other Federal Through State and Local Sources	2,097,301	2,011,848	2,011,848	-
Total Federal Through State and Local Sources	12,181,472	11,764,010	11,764,010	-
<b>Total Revenues</b>	<b>13,260,368</b>	<b>13,380,390</b>	<b>13,380,390</b>	<b>-</b>
<b>Expenditures</b>				
Current Education:				
Instruction:				
Salaries	3,347,960	3,194,626	3,194,626	-
Employee Benefits	1,212,499	1,275,712	1,275,712	-
Purchased Services	729,597	830,701	830,701	-
Materials and Supplies	497,441	202,083	202,083	-
Capital Outlay	124,860	216,278	216,278	-
Other	209,089	539,788	539,788	-
Total Instruction	6,121,446	6,259,188	6,259,188	-
Student Personnel Services:				
Salaries	1,987,956	1,953,534	1,953,534	-
Employee Benefits	750,707	619,056	619,056	-
Purchased Services	219,736	209,825	209,825	-
Materials and Supplies	72,501	42,421	42,421	-
Capital Outlay	8,000	15,135	15,135	-
Other	10,182	-	-	-
Total Student Personnel Services	3,049,082	2,839,971	2,839,971	-
Instruction and Curriculum Development:				
Salaries	1,435,351	1,387,741	1,387,741	-
Employee Benefits	544,741	410,561	410,561	-
Purchased Services	122,106	114,405	114,405	-
Materials and Supplies	26,299	13,123	13,123	-
Capital Outlay	12,300	4,361	4,361	-
Other	1,674	690	690	-
Total Instruction and Curriculum Development	2,142,471	1,930,881	1,930,881	-

(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, 2018**

<b>Expenditures (concluded)</b>	<b>Other Federal Programs Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Instructional Staff Training Services:				
Salaries	\$ 433,925	\$ 413,413	\$ 413,413	\$ -
Employee Benefits	144,279	89,206	89,206	-
Purchased Services	197,491	207,870	207,870	-
Materials and Supplies	15,103	3,291	3,291	-
Capital Outlay	600	215	215	-
Other	49,242	88,796	88,796	-
Total Instructional Staff Training Services	840,640	802,791	802,791	-
General Administration:				
Other	750,028	706,972	706,972	-
Central Services:				
Purchased Services	7,250	17,857	17,857	-
Student Transportation Services:				
Purchased Services	184,337	107,325	107,325	-
Operation of Plant:				
Purchased Services	84	49	49	-
Materials and Supplies	200	116	116	-
Total Operation of Plant	284	165	165	-
Community Services:				
Salaries	44,471	37,746	37,746	-
Employee Benefits	15,631	11,316	11,316	-
Purchased Services	30,078	19,190	19,190	-
Materials and Supplies	50	44,966	44,966	-
Capital Outlay	-	-	-	-
Other	-	488,421	488,421	-
Total Community Services	90,230	601,639	601,639	-
Capital Outlay:				
Other Capital Outlay	74,600	113,601	113,601	-
<b>Total Expenditures</b>	<b>13,260,368</b>	<b>13,380,390</b>	<b>13,380,390</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balances - Beginning</b>	-	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2018**

	<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 Sources:				
Debt Service for State Board of Education/COBI Bonds	\$ -	\$ 963,774	\$ 963,774	\$ -
State Board of Education/COBI Bond Interest	-	5,776	5,776	-
<b>Total Revenues</b>	<u>-</u>	<u>969,550</u>	<u>969,550</u>	<u>-</u>
<b>Expenditures</b>				
Debt Service:				
Retirement of Principal	-	806,000	806,000	-
Interest and Fiscal Charges	-	160,962	160,962	-
<b>Total Expenditures</b>	<u>-</u>	<u>966,962</u>	<u>966,962</u>	<u>-</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>-</u>	<u>2,588</u>	<u>2,588</u>	<u>-</u>
<b>Other Financing Sources</b>				
Payment to Refunding Bonds Escrow Agent	-	(1,055,443)	(1,055,443)	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(1,055,443)</u>	<u>(1,055,443)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(1,052,855)</u>	<u>(1,052,855)</u>	<u>-</u>
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>1,127,342</u>	<u>1,127,342</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 74,487</u>	<u>\$ 74,487</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, 2018**

	<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>Revenues</b>				
Federal Direct Sources	\$ 733,491	\$ 733,491	\$ 737,048	\$ 3,557
Local Sources:				
Interest on Investments	-	-	105,081	105,081
<b>Total Revenues</b>	<u>733,491</u>	<u>733,491</u>	<u>842,129</u>	<u>108,638</u>
<b>Expenditures</b>				
Debt Service:				
Interest and Fiscal Charges	793,525	793,525	793,400	125
<b>Deficiency of Revenues Over Expenditures</b>	<u>(60,034)</u>	<u>(60,034)</u>	<u>48,729</u>	<u>108,513</u>
<b>Other Financing Sources</b>				
Transfers In	1,001,210	1,001,210	945,237	(55,973)
<b>Net Change in Fund Balance</b>	941,176	941,176	993,966	52,790
<b>Fund Balance - Beginning</b>	<u>5,675,814</u>	<u>5,699,350</u>	<u>5,699,350</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 6,616,990</u>	<u>\$ 6,640,526</u>	<u>\$ 6,693,316</u>	<u>\$ 52,790</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, 2018**

	<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 Sources:				
Public Education Capital Outlay	\$ 521,177	\$ 521,177	\$ 521,177	\$ -
Local Sources:				
Other	-	-	5,363	5,363
<b>Total Revenues</b>	<u>521,177</u>	<u>521,177</u>	<u>526,540</u>	<u>5,363</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	694,804	403,035	397,078	5,957
Capital Outlay:				
Facilities Acquisition and Construction	521,177	812,946	456,578	356,368
<b>Total Expenditures</b>	<u>1,215,981</u>	<u>1,215,981</u>	<u>853,656</u>	<u>362,325</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(694,804)</u>	<u>(694,804)</u>	<u>(327,116)</u>	<u>367,688</u>
<b>Net Change in Fund Balance</b>	(694,804)	(694,804)	(327,116)	367,688
<b>Fund Balance - Beginning</b>	<u>694,804</u>	<u>694,804</u>	<u>694,804</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,688</u>	<u>\$ 367,688</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, 2018**

	<b>Capital Outlay and 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>				
State Sources:				
CO&DS Distributed	\$ 403,954	\$ 403,954	\$ 560,653	\$ 156,699
Interest Undistributed CO&DS	-	18,906	18,906	-
Total State Sources	<u>403,954</u>	<u>422,860</u>	<u>579,559</u>	<u>156,699</u>
Local Sources:				
Interest on Investments	-	-	12,526	12,526
<b>Total Revenues</b>	<u>403,954</u>	<u>422,860</u>	<u>592,085</u>	<u>169,225</u>
<b>Expenditures</b>				
Current Education:				
Facilities Acquisition and Construction	-	-	-	-
Capital Outlay:				
Facilities Acquisition and Construction:	1,730,190	1,730,190	-	1,730,190
Debt Service:				
Interest and Fiscal Charges	-	-	1,271	(1,271)
<b>Total Expenditures</b>	<u>1,730,190</u>	<u>1,730,190</u>	<u>1,271</u>	<u>1,728,919</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,326,236)</u>	<u>(1,307,330)</u>	<u>590,814</u>	<u>1,898,144</u>
<b>Net Change in Fund Balance</b>	(1,326,236)	(1,307,330)	590,814	1,898,144
<b>Fund Balance - Beginning</b>	<u>1,326,236</u>	<u>1,326,237</u>	<u>1,326,237</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 18,907</u>	<u>\$ 1,917,051</u>	<u>\$ 1,898,144</u>

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## INTERNAL SERVICE FUNDS

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

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

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

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

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

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2018**

	<u>Health and Hospitalization Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Assets</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 33,269,607	\$ 1,411,997	\$ 1,723,420	\$ 4,877,797	\$ 41,282,821
Accounts Receivable	267	-	-	-	267
<b>Total Current Assets</b>	<u>33,269,874</u>	<u>1,411,997</u>	<u>1,723,420</u>	<u>4,877,797</u>	<u>41,283,088</u>
Noncurrent Assets:					
Capital Assets:					
Capital Assets Being Depreciated, Net	182,069	-	-	-	182,069
<b>Total Assets</b>	<u>33,451,943</u>	<u>1,411,997</u>	<u>1,723,420</u>	<u>4,877,797</u>	<u>41,465,157</u>
<b>Liabilities</b>					
Current Liabilities:					
Salaries and Benefits Payable	437	-	-	1,133	1,570
Payroll Deductions and Withholdings Payable	166	-	-	3	169
Accounts Payable	2,417,730	61	34,824	436	2,453,051
Estimated Health Insurance Claims Payable	2,626,941	268,623	53,880	32,091	2,981,535
<b>Total Current Liabilities</b>	<u>5,045,274</u>	<u>268,684</u>	<u>88,704</u>	<u>33,663</u>	<u>5,436,325</u>
Long-term Liabilities:					
Estimated Insurance Claims Payable	-	-	-	217,944	217,944
<b>Total Long-term Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,944</u>	<u>217,944</u>
<b>Total Liabilities</b>	<u>5,045,274</u>	<u>268,684</u>	<u>88,704</u>	<u>251,607</u>	<u>5,654,269</u>
<b>Net Position</b>					
Investment in Capital Assets	182,069	-	-	-	182,069
Unrestricted	28,224,600	1,143,313	1,634,716	4,626,190	35,628,819
<b>Total Net Position</b>	<u>\$ 28,406,669</u>	<u>\$ 1,143,313</u>	<u>\$ 1,634,716</u>	<u>\$ 4,626,190</u>	<u>\$ 35,810,888</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Health and Hospitalization Insurance</u>	<u>Dental Insurance</u>	<u>Vision Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Operating Revenues</b>					
Insurance Premiums	\$ 48,279,102	\$ 2,952,765	\$ 838,014	\$ 1,445,051	\$ 53,514,932
Other Operating Revenues	2,131,934	-	-	-	2,131,934
<b>Total Operating Revenues</b>	<u>50,411,036</u>	<u>2,952,765</u>	<u>838,014</u>	<u>1,445,051</u>	<u>55,646,866</u>
<b>Operating Expenses</b>					
Insurance Claims	34,755,916	2,919,149	549,316	(116,035)	38,108,346
Fees and Other	3,666,727	249,415	61,789	1,439,539	5,417,470
Salaries	85,095	-	-	194,872	279,967
Employee Benefits	24,247	-	-	61,868	86,115
Purchased Services	2,710,083	-	-	-	2,710,083
Depreciation	20,454	-	-	-	20,454
<b>Total Operating Expenses</b>	<u>41,262,522</u>	<u>3,168,564</u>	<u>611,105</u>	<u>1,580,244</u>	<u>46,622,435</u>
<b>Operating Income (Loss)</b>	<u>9,148,514</u>	<u>(215,799)</u>	<u>226,909</u>	<u>(135,193)</u>	<u>9,024,431</u>
<b>Nonoperating Revenue</b>					
Investment Income	257,970	13,439	15,004	41,970	328,383
<b>Change in Net Position</b>	9,406,484	(202,360)	241,913	(93,223)	9,352,814
<b>Net Position - Beginning</b>	<u>19,000,185</u>	<u>1,345,673</u>	<u>1,392,803</u>	<u>4,719,413</u>	<u>26,458,074</u>
<b>Net Position - Ending</b>	<u>\$ 28,406,669</u>	<u>\$ 1,143,313</u>	<u>\$ 1,634,716</u>	<u>\$ 4,626,190</u>	<u>\$ 35,810,888</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Health and Hospitalization Insurance	Dental Insurance	Vision Insurance	Workers' Compensation	Total
<b>Cash Flows from Operating Activities</b>					
Cash Received from Board Funds and Participants	\$ 50,411,036	\$ 2,952,765	\$ 838,014	\$ 1,445,051	\$ 55,646,866
Cash Payments to Suppliers for Goods and Services	(6,367,701)	(246,705)	(75,341)	(1,439,461)	(8,129,208)
Cash Payments to Employees	(109,342)	-	-	(256,740)	(366,082)
Cash Payments for Insurance Claims	(34,261,443)	(2,909,146)	(536,662)	(32,091)	(37,739,342)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>9,672,550</u>	<u>(203,086)</u>	<u>226,011</u>	<u>(283,241)</u>	<u>9,412,234</u>
<b>Cash Flows from Investing Activities</b>					
Investment Income	257,970	13,439	15,004	41,970	328,383
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	9,930,520	(189,647)	241,015	(241,271)	9,740,617
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>23,339,087</u>	<u>1,601,644</u>	<u>1,482,405</u>	<u>5,119,068</u>	<u>31,542,204</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 33,269,607</u>	<u>\$ 1,411,997</u>	<u>\$ 1,723,420</u>	<u>\$ 4,877,797</u>	<u>\$ 41,282,821</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ 9,148,514	\$ (215,799)	\$ 226,909	\$ (135,193)	\$ 9,024,431
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	20,454	-	-	-	20,454
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	29,713	2,688	552	-	32,953
Increase in Salaries and Benefits Payable	30	-	-	210	240
Increase (Decrease) in Payroll Deductions and Withholdings Payable	3	-	-	(146)	(143)
Increase (Decrease) in Accounts Payable	(20,637)	22	(14,104)	14	(34,705)
Increase (Decrease) in Estimated Insurance Claims Payable	494,473	10,003	12,654	(148,126)	369,004
Total Adjustments	<u>524,036</u>	<u>12,713</u>	<u>(898)</u>	<u>(148,048)</u>	<u>387,803</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 9,672,550</u>	<u>\$ (203,086)</u>	<u>\$ 226,011</u>	<u>\$ (283,241)</u>	<u>\$ 9,412,234</u>

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## FIDUCIARY FUNDS—AGENCY FUNDS

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

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS - AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Internal Accounts - Student Activity Funds</b>			
	<b>July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2018</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 4,311,792	\$ 14,847,980	\$ 14,491,883	\$ 4,667,889
 <b>Liabilities</b>				
Accounts Payable	\$ 168,549	\$ 168,656	\$ 168,549	\$ 168,656
Internal Accounts Payable	4,143,243	14,679,324	14,323,334	4,499,233
<b>Total Liabilities</b>	<b>\$ 4,311,792</b>	<b>\$ 14,847,980</b>	<b>\$ 14,491,883</b>	<b>\$ 4,667,889</b>

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# COMBINING FINANCIAL STATEMENTS COMPONENT UNITS

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**ST. JOHNS COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
June 30, 2018**

	<b>St. Johns County Education Foundation, Inc.</b>	<b>St. Augustine Public Montessori School</b>	<b>Therapeutic Learning Center Charter School</b>	<b>St. Johns Community Campus Charter School</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 650,259	\$ 85,403	\$ 441,244	\$ 816,367	\$ 1,993,273
Restricted Cash and Cash Equivalents	699	-	-	-	699
Accounts Receivable	27,579	-	-	-	27,579
Prepaid Items	5,351	13,271	-	1,521	20,143
Capital Assets Being Depreciated, Net	1,423	-	68,080	51,877	121,380
Total Assets	<u>685,311</u>	<u>98,674</u>	<u>509,324</u>	<u>869,765</u>	<u>2,163,074</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Salaries and Benefits Payable	22,875	25,426	11,734	25,056	85,091
Accounts Payable	8,902	1,074	22,645	62,972	95,593
Due to Primary Government	9,636	-	-	-	9,636
Total Current Liabilities	<u>41,413</u>	<u>26,500</u>	<u>34,379</u>	<u>88,028</u>	<u>190,320</u>
<b>NET POSITION</b>					
Investment in Capital Assets	1,423	-	68,080	51,877	121,380
Restricted for Special Revenue - Other	239,693	-	-	-	239,693
Unrestricted	402,782	72,174	406,865	729,860	1,611,681
Total Net Position	<u>\$ 643,898</u>	<u>\$ 72,174</u>	<u>\$ 474,945</u>	<u>\$ 781,737</u>	<u>\$ 1,972,754</u>

**ST. JOHNS COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	St. Johns County Education Foundation, Inc.	St. Augustine Public Montessori School	Therapeutic Learning Center Charter School	St. Johns Community Campus Charter School	Total
<b>Expenses</b>					
Instruction	\$ 668,972	\$ 545,682	\$ 212,212	\$ 398,505	\$ 1,825,371
Student Support Services	-	14,186	-	-	14,186
Instruction and Curriculum Development Services	-	-	2,599	13,642	16,241
School Administration	-	361,778	31,918	81,490	475,186
Facilities Acquisition and Construction	-	-	42,000	82,000	124,000
Central Services	249,873	-	-	-	249,873
Student Transportation Services	-	-	-	34,080	34,080
Operation of Plant	-	-	6,433	10,310	16,743
Maintenance of Plant	-	26,570	20,099	8,060	54,729
Administrative Technology Services	-	-	40	840	880
Community Services	-	22,709	-	-	22,709
Depreciation - Unallocated	-	-	8,792	9,939	18,731
Total Expenses	<u>918,845</u>	<u>970,925</u>	<u>324,093</u>	<u>638,866</u>	<u>2,852,729</u>
<b>Program Revenues</b>					
Charges for Services	-	12,437	-	-	12,437
Operating Grants and Contributions	239,702	-	-	-	239,702
Capital Grants and Contributions	-	80,886	-	-	80,886
Total Program Revenues	<u>239,702</u>	<u>93,323</u>	<u>-</u>	<u>-</u>	<u>333,025</u>
Net Program Expense	<u>(679,143)</u>	<u>(877,602)</u>	<u>(324,093)</u>	<u>(638,866)</u>	<u>(2,519,704)</u>
<b>General Revenues</b>					
Grants and Contributions Not Restricted to Specific Programs	555,425	912,255	273,819	790,296	2,531,795
Unrestricted Interest Earnings	1,369	-	-	-	1,369
Total General Revenues	<u>556,794</u>	<u>912,255</u>	<u>273,819</u>	<u>790,296</u>	<u>2,533,164</u>
Change in Net Position	<u>(122,349)</u>	<u>34,653</u>	<u>(50,274)</u>	<u>151,430</u>	<u>13,460</u>
Net Position - Beginning	<u>766,247</u>	<u>37,521</u>	<u>525,219</u>	<u>630,307</u>	<u>1,959,294</u>
Net Position - Ending	<u>\$ 643,898</u>	<u>\$ 72,174</u>	<u>\$ 474,945</u>	<u>\$ 781,737</u>	<u>\$ 1,972,754</u>

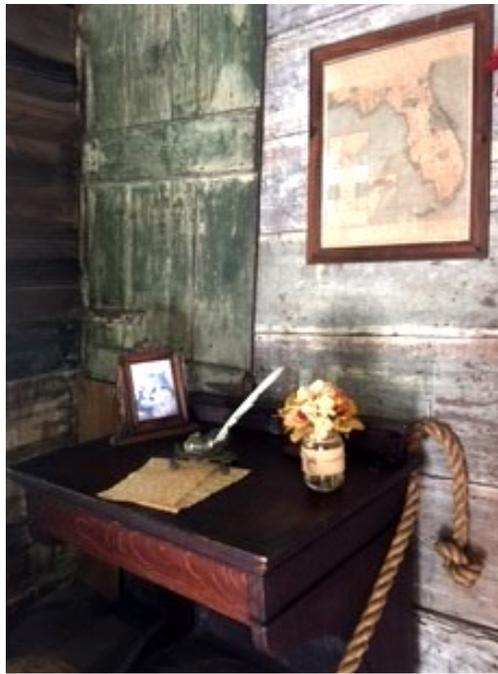
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THE OLDEST  
WOOD SCHOOL  
HOUSE IN THE USA  
ST AUGUSTINE  
FLORIDA



STATISTICAL





## Contents

This part of the School Board’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the District’s overall financial health.

### 160 Financial Trends

These schedules contain trend information to help the reader understand how the district’s financial performance and well-being have changed over time.

### 173 Revenue Capacity

These schedules contain information to help the reader assess the District’s most significant local revenue, the property tax.

### 180 Debt Capacity

These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

### 190 Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.

### 192 Operating Information

These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.

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

	<b>Fiscal Year Ending</b>			
	<b>June 30, 2009</b>	<b>June 30, 2010</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 356,650,107	\$ 367,627,073	\$ 381,731,717	\$ 386,087,241
Restricted	92,284,614	86,518,843	71,477,555	60,943,371
Unrestricted	8,711,520	16,671,195	15,237,326	(753,280)
Total Net Position	<u>\$ 457,646,241</u>	<u>\$ 470,817,111</u>	<u>\$ 468,446,598</u>	<u>\$ 446,277,332</u>

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

<b>Fiscal Year Ending</b>					
<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
\$ 385,966,274	\$ 400,396,915	\$ 395,238,425	\$ 418,591,280	\$ 454,071,103	\$ 499,241,608
63,672,508	63,258,637	84,324,801	102,448,777	122,864,096	126,456,614
<u>(8,521,151)</u>	<u>(19,927,295)</u>	<u>(127,620,395)</u>	<u>(118,656,185)</u>	<u>(112,816,634)</u>	<u>(84,129,442)</u>
<u>\$ 441,117,631</u>	<u>\$ 443,728,257</u>	<u>\$ 351,942,831</u>	<u>\$ 402,383,872</u>	<u>\$ 464,118,565</u>	<u>\$ 541,568,780</u>

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

	Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 130,868,120	\$ 149,605,024	\$ 160,281,144	\$ 154,917,563
Student Personnel Services	13,331,579	14,664,107	15,648,973	15,666,971
Instructional Media Services	4,326,422	4,403,526	4,665,654	4,482,159
Instruction and Curriculum Development Services	6,256,992	6,905,514	6,918,909	6,724,688
Instructional Staff Training Services	1,116,232	4,119,292	4,231,265	5,537,121
Instruction-Related Technology	4,293,504	4,125,375	4,585,612	4,858,653
School Board	907,915	611,608	828,837	776,477
General Administration	709,971	1,239,831	911,113	802,006
School Administration	14,039,344	14,307,319	14,770,442	14,085,674
Facilities Services - Non-Capitalized	15,128,959	13,329,194	14,570,383	16,169,015
Fiscal Services	1,561,967	1,709,074	1,809,452	1,940,256
Food Services	9,745,406	10,099,703	10,190,739	10,330,383
Central Services	9,171,157	9,872,040	10,704,206	10,620,862
Student Transportation Services	11,006,462	11,601,230	12,635,262	12,778,049
Operation of Plant	19,089,150	19,687,578	20,507,802	19,738,298
Maintenance of Plant	7,385,181	8,321,679	8,365,885	8,173,519
Administrative Technology Services	615,646	989,902	1,276,100	1,122,670
Community Services	2,818,592	3,199,704	3,434,471	3,442,864
Unallocated Interest on Long-Term Debt	6,975,767	5,976,322	6,538,768	6,459,711
Depreciation Expense (1)	14,732,919	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>274,081,285</b>	<b>284,768,022</b>	<b>302,875,017</b>	<b>298,626,939</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
Instruction	667,159	774,672	928,607	979,611
Food Services	6,829,888	6,672,953	6,781,231	6,887,399
Central Services	6,589,283	6,957,622	7,649,455	7,654,626
Student Transportation Services	584,952	611,252	594,259	687,218
Community Services	2,848,957	3,040,347	3,435,011	3,477,107
Operating Grants and Contributions	10,156,000	10,627,344	11,176,025	11,611,790
Capital Grants and Contributions	10,631,115	4,241,963	3,100,334	1,338,497
<b>Total Government Program Revenues</b>	<b>38,307,354</b>	<b>32,926,153</b>	<b>33,664,922</b>	<b>32,636,248</b>
<b>Total Government Activities Net Expenses</b>	<b>(235,773,931)</b>	<b>(251,841,869)</b>	<b>(269,210,095)</b>	<b>(265,990,691)</b>
<b>General Revenues:</b>				
<b>Governmental Activities:</b>				
Property Taxes Levied for Operational Purposes	135,767,675	134,871,191	124,940,872	117,952,145
Property Taxes Levied for Debt Services	3,801,388	80,220	9,358	1,540
Property Taxes Levied for Capital Projects	41,547,372	32,345,363	28,559,447	27,311,388
Local Sales Tax	-	-	-	-
Impact Fees	3,647,900	4,199,095	3,696,569	6,533,308
Concurrency Proportionate Share Mitigation	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	69,913,393	88,050,130	104,710,192	87,959,836
Unrestricted Investment Earnings	2,944,537	658,962	378,848	382,110
Miscellaneous	4,537,295	4,807,778	4,544,296	3,681,097
<b>Total Governmental Activities General Revenues</b>	<b>262,159,560</b>	<b>265,012,739</b>	<b>266,839,582</b>	<b>243,821,424</b>
<b>Total Governmental Activities Changes in Net Position</b>	<b>\$ 26,385,629</b>	<b>\$ 13,170,870</b>	<b>\$ (2,370,513)</b>	<b>\$ (22,169,267)</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

Table 2

Fiscal Year Ending					
June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
\$ 157,997,830	\$ 169,143,833	\$ 173,507,627	\$ 175,748,352	\$ 187,540,860	\$ 202,277,076
16,255,387	18,267,087	20,093,904	20,408,021	22,952,254	24,663,188
4,624,282	4,873,199	4,814,789	4,737,300	4,935,265	5,292,377
6,650,112	5,914,184	6,271,030	6,113,077	6,917,491	7,340,407
4,589,316	5,415,067	5,806,845	5,656,429	5,030,613	4,394,698
5,348,639	5,809,924	6,515,405	7,376,343	8,314,188	9,172,168
811,347	984,863	1,131,053	1,333,544	1,053,151	1,018,794
857,608	984,561	967,496	946,079	1,111,417	1,079,020
14,196,372	15,758,884	16,444,564	16,717,692	18,959,332	20,180,295
11,401,141	11,944,402	17,234,877	16,937,677	15,663,417	18,756,749
1,885,777	1,951,820	1,833,604	2,000,883	2,129,474	2,161,532
10,942,673	11,294,658	10,786,652	10,719,025	11,336,864	12,508,993
11,439,124	12,079,000	13,673,785	14,939,898	15,405,980	15,854,739
12,789,656	13,480,462	13,111,533	13,187,377	14,816,533	16,200,947
20,031,090	21,103,349	21,548,382	21,947,067	23,761,404	24,958,641
8,088,888	8,383,597	8,509,014	8,278,732	9,178,014	9,428,942
915,741	669,036	689,818	586,180	675,389	652,932
3,429,051	3,466,553	3,787,343	4,163,622	6,230,419	5,963,267
5,130,125	6,481,995	5,674,732	4,579,224	5,536,490	4,973,452
-	-	-	-	-	-
297,384,159	318,006,474	332,402,453	336,376,522	361,548,555	386,878,217
972,222	899,448	828,625	1,007,858	2,906,508	2,773,576
7,313,047	7,601,358	6,829,933	6,611,349	6,685,453	6,999,606
8,153,733	8,669,662	10,044,757	11,365,620	11,344,144	11,619,739
536,743	637,884	571,486	614,016	659,226	691,665
3,655,614	4,051,792	4,840,604	5,298,595	5,469,391	5,477,699
11,740,415	12,282,754	13,178,882	13,836,488	14,089,939	15,584,317
1,359,299	6,088,899	5,987,597	16,739,207	12,630,451	2,972,154
33,731,073	40,231,797	42,281,884	55,473,133	53,785,112	46,118,756
(263,653,086)	(277,774,677)	(290,120,569)	(280,903,389)	(307,763,443)	(340,759,461)
109,605,169	110,543,223	113,363,873	121,875,344	124,230,710	125,817,426
161	590	-	-	-	-
26,586,165	27,436,618	29,106,294	31,911,983	34,713,042	37,414,585
-	-	-	8,791,558	18,703,292	19,693,454
11,252,793	14,353,236	10,874,315	14,768,255	14,772,417	16,425,242
-	2,219,581	5,798,873	8,672,782	13,031,153	12,422,554
105,766,468	120,979,009	131,468,770	138,868,615	154,674,221	169,390,142
358,579	355,206	344,555	806,500	1,501,027	2,798,952
4,924,050	4,497,840	4,812,559	5,649,393	7,872,274	7,082,501
258,493,385	280,385,303	295,769,239	331,344,430	369,498,136	391,044,856
\$ (5,159,701)	\$ 2,610,626	\$ 5,648,670	\$ 50,441,041	\$ 61,734,693	\$ 50,285,395

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

	Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
<b>General Fund</b>				
Nonspendable	\$ 320,939	\$ 348,808	\$ 405,047	\$ 417,950
Restricted	936,375	570,331	511,686	432,531
Committed	-	-	10,416,995	9,744,667
Assigned	29,089,278	45,520,392	25,867,464	28,212,720
Unassigned	7,966,577	10,926,622	32,160,733	28,197,928
<b>Total General Fund</b>	<u>38,313,169</u>	<u>57,366,153</u>	<u>69,361,925</u>	<u>67,005,796</u>
<b>All Other Governmental Funds</b>				
Nonspendable	124,690	153,636	135,929	115,079
Restricted	92,488,821	86,389,942	87,054,166	64,964,333
Assigned	2,173,889	2,905,932	3,118,121	1,977,943
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>94,787,400</u>	<u>89,449,510</u>	<u>90,308,216</u>	<u>67,057,355</u>
<b>Combined Governmental Funds</b>	<u>\$ 133,100,569</u>	<u>\$ 146,815,663</u>	<u>\$ 159,670,141</u>	<u>\$ 134,063,151</u>

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

Source: District Records - Audited Balance Sheet - Governmental Funds

Table 3

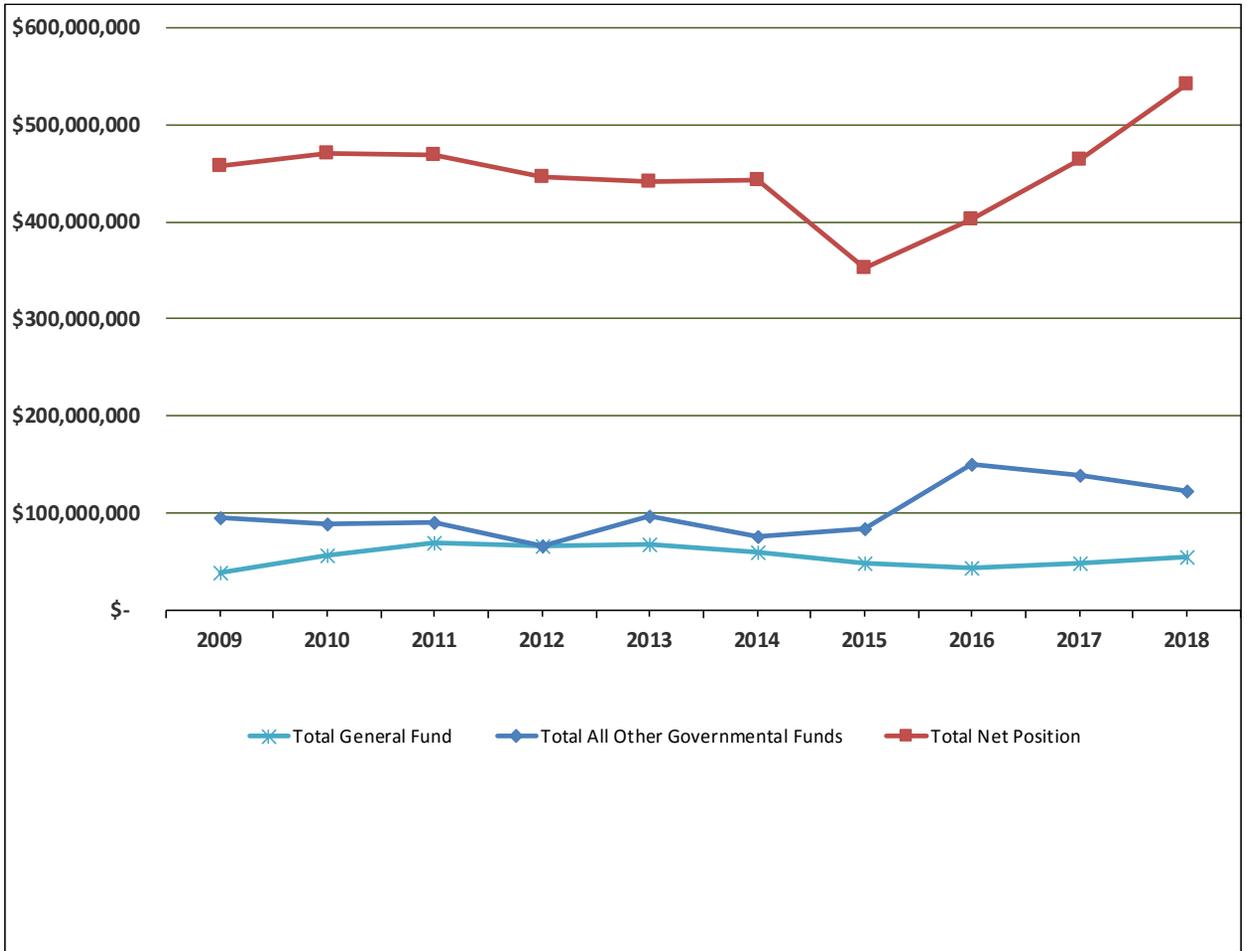
<b>Fiscal Year Ending</b>					
<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>
\$ 408,686	\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053	\$ 691,787
411,842	504,966	558,519	736,839	770,891	1,951,081
9,840,195	10,083,976	9,343,316	8,496,499	8,802,174	9,200,723
34,230,880	44,866,279	31,916,339	27,589,718	24,608,338	27,890,816
22,533,440	3,719,159	5,954,561	5,802,555	12,813,866	15,196,939
<u>67,425,043</u>	<u>59,630,403</u>	<u>48,229,738</u>	<u>43,084,215</u>	<u>47,827,322</u>	<u>54,931,346</u>
240,416	247,117	534,025	294,285	289,201	405,400
94,220,308	76,388,394	84,090,387	150,338,131	138,214,709	123,351,008
1,985,311	-	-	-	-	-
-	-	(245,470)	(80,160)	(18,115)	(296,162)
<u>96,446,035</u>	<u>76,635,511</u>	<u>84,378,942</u>	<u>150,552,256</u>	<u>138,485,795</u>	<u>123,460,246</u>
<u>\$ 163,871,078</u>	<u>\$ 136,265,914</u>	<u>\$ 132,608,680</u>	<u>\$ 193,636,471</u>	<u>\$ 186,313,117</u>	<u>\$ 178,391,592</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)**

	Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
<b>Revenues:</b>				
Federal Direct Sources	\$ 1,275,641	\$ 1,376,428	\$ 1,712,363	\$ 2,063,113
Federal Through State and Local Sources	11,826,076	27,569,835	33,614,193	15,880,593
State Sources	76,914,992	71,329,746	83,219,037	82,819,288
Local Sources	202,685,296	187,965,821	173,884,147	167,774,751
<b>Total Revenues</b>	<b>292,702,005</b>	<b>288,241,830</b>	<b>292,429,740</b>	<b>268,537,745</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	129,575,728	133,854,033	143,683,378	136,589,812
Student Personnel Services	13,187,850	12,996,768	13,783,619	13,605,240
Instructional Media Services	4,281,330	3,903,255	4,128,627	3,902,185
Instruction and Curriculum Development Services	6,187,576	6,106,328	6,087,616	5,854,593
Instructional Staff Training Services	1,108,092	3,679,990	3,780,661	4,851,618
Instruction-Related Technology	4,260,340	3,751,307	4,192,252	4,447,798
School Board	904,656	573,530	788,653	732,108
General Administration	706,321	1,199,390	868,489	758,688
School Administration	13,881,588	12,641,011	13,012,941	12,234,529
Facilities Acquisition and Construction	15,116,225	13,174,859	14,342,022	15,994,499
Fiscal Services	1,545,942	1,528,169	1,613,804	1,708,202
Food Service	9,693,286	9,448,373	9,566,283	9,589,834
Central Services	2,557,018	2,609,331	2,703,091	2,569,821
Student Transportation Services	9,805,216	10,047,099	10,797,519	10,803,374
Operation of Plant	18,995,645	18,590,272	19,305,767	18,360,752
Maintenance of Plant	7,325,763	7,614,377	7,617,122	7,365,550
Administrative Technology Services	611,482	916,162	1,238,683	1,081,440
Community Services	2,790,542	2,816,474	3,062,495	3,027,835
<b>Capital Outlay:</b>				
Facilities Acquisition and Construction	13,610,315	8,685,616	17,886,977	22,743,648
Charter School Local Capital Improvement	-	-	-	-
Other Capital Outlay	570,186	967,603	809,813	492,267
<b>Debt Service:</b>				
Retirement of Principal	13,540,314	14,038,124	10,586,055	11,029,112
Interest and Fiscal Charges	6,975,767	6,541,271	6,592,354	6,500,662
<b>Total Expenditures</b>	<b>277,231,182</b>	<b>275,683,342</b>	<b>296,448,221</b>	<b>294,243,567</b>
Excess of Revenues over (under) Expenditures	15,470,823	12,558,488	(4,018,481)	(25,705,822)
<b>Other Financing Sources (Uses)</b>				
Transfers In	39,084,717	24,532,439	25,403,957	25,821,616
Transfers Out	(39,084,717)	(24,532,439)	(25,403,957)	(25,821,616)
Sale of Capital Assets	1,641	28,039	-	2,350
Loss Recoveries	123,009	3,619	79,374	95,531
Issuance of Bonds	-	560,000	740,000	-
Issuance of Refunding Bonds	-	980,000	-	320,000
Issuance of Certificates of Participation	-	-	16,000,000	-
Issuance of Refunding Certificates of Participation	-	-	-	-
Premiums on Issuance of Long-Term Debt	-	108,355	53,586	48,683
Payment to Refunding Bonds Escrow Agent	-	(1,003,470)	-	(367,732)
Inception of Note	-	480,063	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>124,650</b>	<b>1,156,606</b>	<b>16,872,960</b>	<b>98,832</b>
<b>Net Change in Fund Balances</b>	<b>\$ 15,595,473</b>	<b>\$ 13,715,094</b>	<b>\$ 12,854,479</b>	<b>\$ (25,606,990)</b>
Debt Service as a percentage of non-capital expenditures	7.80%	7.74%	6.18%	6.47%

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

Table 5

Fiscal Year Ending						
June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	
\$ 2,063,315	\$ 1,969,171	\$ 2,016,511	\$ 2,012,722	\$ 3,247,061	\$ 2,588,716	
16,492,355	16,156,919	16,301,292	15,979,733	16,032,220	17,788,759	
100,198,339	123,190,493	132,111,564	137,407,516	152,528,640	167,459,449	
165,089,569	172,544,842	177,312,413	205,858,156	229,577,539	237,086,369	
<u>283,843,578</u>	<u>313,861,425</u>	<u>327,741,780</u>	<u>361,258,127</u>	<u>401,385,460</u>	<u>424,923,293</u>	
141,722,015	154,956,534	166,285,130	173,713,352	177,071,071	187,448,973	
14,384,677	16,575,149	19,163,308	20,146,810	21,600,040	22,757,898	
4,099,002	4,428,460	4,596,139	4,678,354	4,649,185	4,884,761	
5,881,386	5,370,095	5,986,021	6,036,971	6,516,212	6,768,761	
4,126,647	4,970,645	5,577,666	5,593,630	4,770,762	4,103,956	
4,956,272	5,444,025	6,325,529	7,318,543	8,006,521	8,740,035	
771,199	948,786	1,113,640	1,328,934	1,030,837	987,297	
816,256	950,822	951,078	941,696	1,084,904	1,051,455	
12,540,468	14,283,564	15,676,630	16,501,219	17,834,742	18,605,209	
11,251,810	11,812,811	17,169,829	16,919,645	15,582,576	18,632,364	
1,690,579	1,789,279	1,754,238	1,977,453	2,013,798	2,008,493	
10,258,058	10,728,782	10,499,785	10,639,904	10,940,838	11,952,996	
2,897,297	3,073,100	3,433,160	3,490,984	3,802,148	3,904,324	
10,957,226	11,753,442	11,936,633	11,975,689	12,621,274	13,867,073	
18,786,364	20,066,380	21,022,508	21,797,943	23,029,103	23,941,309	
7,376,191	7,798,237	8,217,320	8,199,549	8,762,090	8,867,238	
879,687	636,452	673,692	581,874	653,557	623,092	
3,069,720	3,168,268	3,622,644	4,113,841	5,953,015	5,614,125	
12,237,879	36,272,988	4,084,979	10,541,644	54,328,964	57,397,572	
-	-	-	-	-	78,378	
453,923	3,880,880	3,498,969	4,163,905	7,119,390	5,256,350	
20,842,301	13,266,952	13,640,000	14,116,000	16,068,000	18,191,000	
7,119,524	6,563,411	6,439,901	6,028,818	7,469,704	6,289,224	
<u>297,118,481</u>	<u>338,739,062</u>	<u>331,668,799</u>	<u>350,806,758</u>	<u>410,908,731</u>	<u>431,971,883</u>	
<u>(13,274,903)</u>	<u>(24,877,637)</u>	<u>(3,927,019)</u>	<u>10,451,369</u>	<u>(9,523,271)</u>	<u>(7,048,590)</u>	
26,599,543	24,726,295	25,006,073	25,669,215	24,748,812	24,510,385	
(28,593,311)	(27,666,345)	(25,006,073)	(25,669,215)	(24,748,812)	(24,510,385)	
-	-	-	-	-	-	
97,198	35,107	50,088	103,702	848,297	182,508	
-	-	-	42,755,000	-	-	
-	581,000	1,526,000	-	1,173,000	-	
33,480,000	-	-	-	-	-	
9,510,000	-	54,845,000	-	-	-	
1,989,400	92,853	8,563,675	7,717,720	178,620	-	
-	(496,437)	(64,714,978)	-	-	(1,055,443)	
-	-	-	-	-	-	
<u>43,082,830</u>	<u>(2,727,527)</u>	<u>269,785</u>	<u>50,576,422</u>	<u>2,199,917</u>	<u>(872,935)</u>	
<u>\$ 29,807,927</u>	<u>\$ (27,605,164)</u>	<u>\$ (3,657,234)</u>	<u>\$ 61,027,791</u>	<u>\$ (7,323,354)</u>	<u>\$ (7,921,525)</u>	
9.83%	6.64%	6.20%	5.99%	6.74%	6.63%	

**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)**

	Fiscal Year Ending			
	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
<b>Revenues:</b>				
Federal Direct Sources:				
Reserve Officer Training Corps (ROTC)	\$ 219,716	\$ 225,262	\$ 238,825	\$ 239,518
Miscellaneous Federal Direct	139,100	94,778	75,961	65,292
<b>Total Federal Sources</b>	<b>358,816</b>	<b>320,040</b>	<b>314,786</b>	<b>304,810</b>
Federal Through State and Local Sources:				
Other Federal Through State and Local Sources	-	-	-	-
State Sources:				
Florida Education Finance Program (FEFP)	10,253,652	14,397,724	23,119,734	23,559,090
Class Size Reduction	29,287,515	31,340,215	32,899,241	33,645,694
Supplemental Academic Instruction	6,011,508	5,846,834	5,984,541	5,908,410
Transportation	7,330,755	7,110,044	7,569,262	7,653,948
Instructional Materials	3,035,942	2,563,766	2,487,103	2,388,363
Other Restricted State Sources	9,921,023	7,960,231	8,292,998	7,891,457
District Discretionary Lottery Funds	711,932	83,726	114,448	101,503
CO&DS Withheld for SBE/COBI Bonds	16,468	17,024	17,196	17,685
Other State Sources	280,040	372,749	302,897	279,989
<b>Total State Sources</b>	<b>66,848,835</b>	<b>69,692,313</b>	<b>80,787,420</b>	<b>81,446,139</b>
Local Sources:				
Ad Valorem Property Taxes	135,767,674	134,871,191	124,940,872	117,952,144
Investment Income	978,487	260,715	169,759	201,672
Other Local Sources	7,595,287	8,636,852	9,286,579	8,581,680
<b>Total Local Sources</b>	<b>144,341,448</b>	<b>143,768,758</b>	<b>134,397,210</b>	<b>126,735,496</b>
<b>Total Revenues</b>	<b>211,549,099</b>	<b>213,781,111</b>	<b>215,499,416</b>	<b>208,486,445</b>
<b>Expenditures: (by object)</b>				
Salaries	127,588,452	121,206,446	123,883,922	137,453,762
Employee Benefits	43,246,943	42,253,912	43,858,568	40,156,123
Purchased Services	21,864,681	20,252,383	21,419,388	22,193,670
Energy Services	7,666,530	7,126,031	7,334,990	7,365,458
Material and Supplies	6,775,308	5,903,146	8,402,751	7,166,959
Capital Outlay	1,688,519	3,682,938	5,865,164	3,236,547
Other Expenditures	2,457,547	2,412,852	2,556,775	2,591,770
<b>Total Expenditures</b>	<b>211,287,980</b>	<b>202,837,708</b>	<b>213,321,558</b>	<b>220,164,289</b>
Excess of Revenues over (under) Expenditures	261,119	10,943,403	2,177,858	(11,677,844)
<b>Other Financing Sources (Uses), Net</b>	<b>13,371,246</b>	<b>8,109,581</b>	<b>9,817,914</b>	<b>9,321,715</b>
Net Change in Fund Balances	13,632,365	19,052,984	11,995,772	(2,356,129)
Beginning Fund Balances	24,680,804	38,313,169	57,366,153	69,361,925
Ending Fund Balances	<b>\$ 38,313,169</b>	<b>\$ 57,366,153</b>	<b>\$ 69,361,925</b>	<b>\$ 67,005,796</b>
<b>Breakdown of Fund Balances</b>				
Nonspendable	\$ 320,939	\$ 348,808	\$ 405,047	\$ 417,950
Spendable:				
Restricted	936,375	570,331	511,686	432,531
Committed	-	-	10,416,995	9,744,667
Assigned	29,089,278	45,520,392	25,867,464	28,212,720
Unassigned	7,966,577	10,926,622	32,160,733	28,197,928
<b>Total Fund Balances</b>	<b>\$ 38,313,169</b>	<b>\$ 57,366,153</b>	<b>\$ 69,361,925</b>	<b>\$ 67,005,796</b>
Fund Balance as Percentage of Revenue:				
Assigned and Unassigned	17.52%	26.40%	26.93%	27.06%
Unassigned	3.77%	5.11%	14.92%	13.53%

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

Table 6

Fiscal Year Ending					
June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
\$ 238,907	\$ 241,660	\$ 222,452	\$ 212,987	\$ 207,912	\$ 235,288
40,830	-	-	-	-	-
279,737	241,660	222,452	212,987	207,912	235,288
-	-	-	27,950	-	53,433
39,490,108	54,652,035	63,180,234	68,835,145	78,931,079	90,017,272
34,429,631	35,491,525	37,283,259	38,373,022	40,443,832	42,060,125
6,252,795	6,370,592	6,510,859	6,890,657	7,523,430	7,691,931
7,743,836	8,018,856	8,430,294	8,681,526	9,016,927	9,550,553
2,489,872	2,656,408	2,895,407	2,963,504	3,231,781	3,302,721
8,085,316	7,506,071	8,232,088	8,593,368	8,411,325	8,693,481
-	328,168	125,216	-	641,470	70,618
18,468	18,865	20,160	20,889	22,216	23,215
277,634	688,770	253,187	957,634	1,869,139	3,794,502
98,787,660	115,731,290	126,930,704	135,315,745	150,091,199	165,204,418
109,605,170	110,543,223	113,363,873	121,875,344	124,230,710	125,817,426
186,552	186,513	166,706	331,801	344,880	772,602
9,841,714	9,784,688	10,736,067	11,879,712	14,702,207	15,420,664
119,633,436	120,514,424	124,266,646	134,086,857	139,277,797	142,010,692
218,700,833	236,487,374	251,419,802	269,643,539	289,576,908	307,503,831
138,752,008	153,027,950	163,853,801	171,430,899	180,885,979	189,429,213
43,147,301	50,165,202	56,119,308	61,654,503	64,691,035	67,577,992
22,572,884	22,121,988	24,142,444	24,977,487	21,652,409	23,105,568
6,949,387	7,441,411	7,202,909	6,415,498	6,869,373	7,432,498
8,426,609	7,708,894	9,371,862	8,309,090	8,507,857	10,170,658
3,239,560	3,599,090	4,819,129	4,824,377	5,694,659	3,905,715
2,839,712	3,084,078	3,454,189	4,053,821	4,096,324	5,342,300
225,927,461	247,148,613	268,963,642	281,665,675	292,397,636	306,963,944
(7,226,628)	(10,661,239)	(17,543,840)	(12,022,136)	(2,820,728)	539,887
7,645,875	2,866,599	6,143,175	6,876,613	7,563,835	6,564,137
419,247	(7,794,640)	(11,400,665)	(5,145,523)	4,743,107	7,104,024
67,005,796	67,425,043	59,630,403	48,229,738	43,084,215	47,827,322
\$ 67,425,043	\$ 59,630,403	\$ 48,229,738	\$ 43,084,215	\$ 47,827,322	\$ 54,931,346
\$ 408,686	\$ 456,023	\$ 457,003	\$ 458,604	\$ 832,053	\$ 691,787
411,842	504,966	558,519	736,839	770,891	1,951,081
9,840,195	10,083,976	9,343,316	8,496,499	8,802,174	9,200,723
34,230,880	44,866,279	31,916,339	27,589,718	24,608,338	27,890,816
22,533,440	3,719,159	5,954,561	5,802,555	12,813,866	15,196,939
\$ 67,425,043	\$ 59,630,403	\$ 48,229,738	\$ 43,084,215	\$ 47,827,322	\$ 54,931,346
25.96%	20.54%	15.06%	12.38%	12.92%	14.01%
10.30%	1.57%	2.37%	2.15%	4.43%	4.94%

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**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 <sup>(2)</sup>
	Operational Purposes	Debt Service <sup>(1)</sup>	Capital Projects			
June 30, 2018	\$ 125,817,426	\$ -	\$ 37,414,585	\$ 163,232,011	\$ 16,425,242	\$ 19,693,454
June 30, 2017	124,230,710	-	34,713,042	158,943,752	14,772,417	18,703,292
June 30, 2016	121,875,344	-	31,911,983	153,787,327	14,768,255	8,791,558
June 30, 2015	113,363,873	-	29,106,294	142,470,167	10,874,315	N/A
June 30, 2014	110,543,223	590	27,436,618	137,980,431	14,353,236	N/A
June 30, 2013	109,605,169	161	26,586,165	136,191,495	11,252,793	N/A
June 30, 2012	117,952,145	1,540	27,311,388	145,265,073	6,533,308	N/A
June 30, 2011	124,940,872	9,358	28,559,447	153,509,677	3,696,569	N/A
June 30, 2010	134,871,191	80,220	32,345,363	167,296,774	4,199,095	N/A
June 30, 2009	135,767,675	3,801,388	41,547,372	181,116,435	3,647,900	N/A

(1) The final payment for the General Obligation Refunding Bonds, Series 2003, was made on December 1, 2009. The collection of delinquent property taxes received in subsequent years related to this debt were to satisfy prior years' unpaid taxes.

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

Source: Audited Statement of Activities and District Records

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

Taxable Assessed Value					
Real Property <sup>(1)</sup>					
Fiscal Year	Residential	Commercial	Industrial	Other	Total
2017-18	\$ 21,912,849,723	\$ 2,068,828,851	\$ 358,896,307	\$ 546,735,103	\$ 24,887,309,984
2016-17	20,289,798,888	1,928,457,303	326,009,022	534,568,223	23,078,833,436
2015-16	18,661,845,889	1,833,884,423	269,876,387	484,502,489	21,250,109,188
2014-15	N/A	N/A	N/A	N/A	19,375,395,555
2013-14	N/A	N/A	N/A	N/A	18,184,098,691
2012-13	N/A	N/A	N/A	N/A	17,593,945,549
2011-12	N/A	N/A	N/A	N/A	17,998,416,825
2010-11	N/A	N/A	N/A	N/A	18,861,886,431
2009-10	N/A	N/A	N/A	N/A	20,902,052,307
2008-09	N/A	N/A	N/A	N/A	23,719,424,896

- (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

Table 8

<b>Personal Property <sup>(2)</sup></b>	<b>Centrally Assessed <sup>(3)</sup></b>	<b>Total Taxable Value</b>	<b>Total Direct Rate <sup>(4)</sup></b>	<b>Estimated Actual Values <sup>(5)</sup></b>	<b>Ratio of Assessed to Actual Values</b>
\$ 919,720,891	\$ 36,939,670	\$ 25,843,970,545	6.5430	\$ 33,598,950,865	76.92%
829,777,860	34,986,118	23,943,597,414	6.8670	31,458,495,123	76.11%
743,519,629	31,909,281	22,025,538,098	7.2280	28,823,781,972	76.41%
706,397,144	30,734,931	20,112,527,630	7.3420	25,732,438,120	78.16%
695,055,988	23,129,846	18,902,284,525	7.5440	24,103,300,375	78.42%
695,545,687	21,844,470	18,311,335,706	7.6830	23,281,282,992	78.65%
717,828,512	25,197,373	18,741,442,710	7.9790	24,121,331,116	77.70%
762,436,149	24,253,580	19,648,576,160	8.0690	25,496,837,638	77.06%
794,162,750	27,277,134	21,723,492,191	7.8010	28,933,068,224	75.08%
793,061,691	36,282,262	24,548,768,849	7.4800	34,409,074,432	71.34%

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

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
<b>Direct</b>				
<b>St. Johns County School District</b>				
General Fund (Required Local Effort)	5.1110	5.3030	5.5710	5.7310
General Fund (Discretionary)	0.6190	0.9980	0.9980	0.7480
Debt Service Fund	0.1620	0.0000	0.0000	0.0000
Capital Projects Fund	1.7500	1.5000	1.5000	1.5000
<b>Total School District</b>	<u>7.6420</u>	<u>7.8010</u>	<u>8.0690</u>	<u>7.9790</u>
<b>Overlapping</b>				
<b>Board of County Commissioners</b>				
General Fund	4.2900	4.8000	4.9000	5.2900
Transportation Trust	0.7300	0.7300	0.6300	0.6300
County Health Unit Debt Service	0.0171	0.0171	0.0171	0.0171
<b>Total General County</b>	<u>5.0371</u>	<u>5.5471</u>	<u>5.5471</u>	<u>5.9371</u>
<b>Total County-Wide</b>	<u>12.6791</u>	<u>13.3481</u>	<u>13.6161</u>	<u>13.9161</u>
<b>Municipalities</b>				
City of St. Augustine	6.8232	7.5000	7.5000	7.5000
Town of Hastings	8.0000	8.0000	8.0000	8.0000
City of St. Augustine Beach	1.8011	2.2875	2.3992	2.3992
St. Augustine Beach Bond	0.0000	0.5000	0.2000	0.0787
<b>Special Districts</b>				
Water Management	0.4158	0.4158	0.4158	0.3313
Fire	1.0620	1.3000	1.2000	1.4000
Anastasia Mosquito Control	0.1325	0.1325	0.1325	0.1325
St. Augustine Airport Authority	0.1697	0.1697	0.0000	0.0000
St. Augustine Port, Waterway and Beach District	0.0454	0.0539	0.0614	0.0614
Vilano Street Lighting	0.0500	0.0500	0.0500	0.0500
St. Augustine South Lighting	0.2100	0.2100	0.2100	0.2100
Ponte Vedra Beach MSD	0.2750	0.2750	0.2750	0.3430
Florida Inland Navigation	0.0345	0.0345	0.0345	0.0345
Summer Haven MSTU	10.0000	10.0000	10.0000	10.0000

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

Table 9

<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
5.4350	5.2960	5.0940	4.9800	4.6190	4.2950
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
<u>7.6830</u>	<u>7.5440</u>	<u>7.3420</u>	<u>7.2280</u>	<u>6.8670</u>	<u>6.5430</u>
5.3900	5.3900	5.3900	5.1475	5.1200	5.1000
0.5300	0.5300	0.5300	0.7100	0.7300	0.7500
0.0171	0.0171	0.0171	0.0171	0.0171	0.0171
<u>5.9371</u>	<u>5.9371</u>	<u>5.9371</u>	<u>5.8746</u>	<u>5.8671</u>	<u>5.8671</u>
<u>13.6201</u>	<u>13.4811</u>	<u>13.2791</u>	<u>13.1026</u>	<u>12.7341</u>	<u>12.4101</u>
7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
9.2397	8.6000	8.6000	8.5375	8.3552	7.9922
2.3992	2.3992	2.3992	2.3992	2.3992	2.3992
0.0787	0.0787	0.0800	0.5000	0.5000	0.5000
0.3313	0.3313	0.3164	0.3023	0.2885	0.2724
1.4000	1.4000	1.4000	1.4625	1.4700	1.4700
0.1325	0.1325	0.2450	0.1773	0.2150	0.2150
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0638	0.0638	0.0638	0.0638	0.0638	0.0638
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
0.3430	0.3750	0.3750	0.3750	0.3750	0.3750
0.0345	0.0345	0.0345	0.0320	0.0320	0.0320
10.0000	8.5000	8.5000	8.5000	8.5000	8.5000

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

Table 10

<u>Taxpayer</u>	<u>Fiscal Year June 30, 2018</u>			<u>Fiscal Year June 30, 2009</u>		
	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Florida Power & Light	1	\$ 212,286,156	0.82%	1	\$ 131,647,939	0.54%
Northrop Grumman Systems	2	112,404,915	0.43%			
CWI Sawgrass Hotel LLC	3	105,552,091	0.41%			
Ponte Vedra Corp	4	74,107,293	0.29%	2	93,725,187	0.38%
St Aug-St Johns Co Airport	5	45,877,557	0.18%			
Ring Power Corporation	6	45,320,221	0.18%	6	30,085,817	0.12%
BellSouth Telecommunications	7	42,849,642	0.17%	3	60,197,983	0.25%
Stonegate II LLC	8	38,552,200	0.15%			
Bluegreen Vacations Unlimited	9	35,264,979	0.14%	5	40,254,704	0.16%
Florida East Coast RY	10	34,412,846	0.13%			
RQB Resort LP				4	50,353,339	0.21%
Pulte Home Corp.				7	23,598,875	0.10%
Toll Jacksonville LTD Partnership				8	20,997,531	0.09%
World Golf Resort				9	20,426,893	0.08%
Ponce Associates LLC				10	20,423,642	0.08%
Total Principal Taxpayers		<u>746,627,900</u>	<u>2.89%</u>		<u>491,711,910</u>	<u>2.00%</u>
Total		<u>\$ 25,843,970,545</u>	<u>97.11%</u>		<u>\$ 24,548,768,849</u>	<u>98.00%</u>

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

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

Table 11

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Collections	Percent of Levy		Amount	Percent of Levy
2017-18	\$ 169,097,099	\$ 162,891,737	96.33%	\$ 340,274	\$ 163,232,011	96.53%
2016-17	164,420,683	158,554,391	96.43%	389,361	158,943,752	96.67%
2015-16	159,200,589	153,365,191	96.33%	422,136	153,787,327	96.60%
2014-15	147,666,178	142,283,108	96.35%	187,059	142,470,167	96.48%
2013-14	142,598,834	137,490,154	96.42%	490,277	137,980,431	96.76%
2012-13	140,685,992	135,707,925	96.46%	483,570	136,191,495	96.81%
2011-12	149,537,971	144,064,894	96.34%	1,200,179	145,265,073	97.14%
2010-11	158,544,361	152,664,070	96.29%	845,607	153,509,677	96.82%
2009-10	169,464,963	163,492,324	96.48%	3,804,450	167,296,774	98.72%
2008-09	183,624,791	179,042,454	97.50%	2,073,981	181,116,435	98.63%

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

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

<b>Fiscal Year</b>	<b>Governmental Activities <sup>(1)</sup></b>			
	<b>Sales Tax Revenue Bonds</b>	<b>General Obligation Bonds</b>	<b>State Board of Education Bonds</b>	<b>Certificates of Participation <sup>(2)</sup></b>
2017-18	\$ 42,197,404	\$ -	\$ 3,085,000	\$ 81,452,976
2016-17	46,709,176	-	4,891,000	96,300,635
2015-16	49,700,948	-	4,781,000	110,593,294
2014-15	N/A	-	5,487,000	125,205,953
2013-14	N/A	-	6,461,000	135,260,000
2012-13	N/A	-	7,035,000	147,790,000
2011-12	N/A	-	8,035,000	124,925,000
2010-11	N/A	-	8,325,000	135,270,000
2009-10	N/A	-	8,160,000	129,210,000
2008-09	N/A	3,830,000	8,155,000	138,795,000

Source:

- (1) District Records - Audited Notes to the Basic Financial Statements
- (2) Restatement of Certificate of Participation balances to include premiums and discounts
- (3) Total Primary Government Debt divided by Personal Income and Population from Statistical Table "Demographic and Economic Statistics"

Table 12

<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>(3)</sup></b>	<b>Per Capita <sup>(3)</sup></b>
\$ -	\$ 126,735,380	0.878%	\$ 539.10
-	147,900,811	1.080%	652.58
-	165,075,242	1.281%	757.08
-	130,692,953	1.075%	623.74
-	141,721,000	1.203%	700.75
66,952	154,891,952	1.419%	790.19
144,253	133,104,253	1.318%	695.94
218,365	143,813,365	1.541%	772.02
289,420	137,659,420	1.365%	757.54
357,543	151,137,543	1.571%	862.08

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

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Gross General Obligation Bonded Debt <sup>(3)</sup></b>	<b>Less Respective Debt Service Funds <sup>(4)</sup></b>
2017-18	235,087	\$ 25,843,970,545	\$ -	\$ -
2016-17	226,640	23,943,597,414	-	-
2015-16	218,043	22,025,538,098	-	-
2014-15	209,532	20,112,527,630	-	-
2013-14	202,241	18,902,284,525	-	590
2012-13	196,019	18,311,335,706	-	161
2011-12	191,258	18,741,442,710	-	1,540
2010-11	186,281	19,648,576,160	-	9,358
2009-10	181,720	21,723,492,191	-	80,220
2008-09	175,318	24,548,768,849	3,830,000	3,801,388

Source:

- (1) Population from Statistical Table "Demographic and Economic Statistics". Due to revision by the Bureau of Economic Analysis, Population has been restated for all prior years.
- (2) Assessed Value from Statistical Table "Assessed and Estimated Actual Value of Taxable Property"
- (3) Includes General Obligation Bonds Only from Statistical Table "Ratios of Outstanding Debt by Type"
- (4) Restricted for Debt Service - General Obligation Bonds Only from Statistical Table "Government Activities Tax Revenue by Source"

Table 13

<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>
\$ -	0.00%	\$0.00
-	0.00%	0.00
-	0.00%	0.00
-	0.00%	0.00
(590)	0.00%	(0.00)
(161)	0.00%	(0.00)
(1,540)	0.00%	(0.01)
(9,358)	0.00%	(0.05)
(80,220)	0.00%	(0.44)
28,612	0.00%	0.16

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**St. Johns County School District**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2018**  
**(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	\$ 24,953,000			100%	\$ 24,953,000
Sales Tax Revenue Bonds	109,145,000			100%	109,145,000
Transportation Improvement Revenue Bonds	46,080,000			100%	46,080,000
Other Debt	<u>28,737,833</u>			100%	<u>28,737,833</u>
Subtotal St. Johns County Board of County Commissioners	<u>208,915,833</u>				<u>208,915,833</u>
<b>City of St. Augustine Beach</b>					
Serial Bonds	<u>6,991,920</u>	9%	<u>605,296</u>	0%	<u>-</u>
Subtotal City of St. Augustine Beach	<u>6,991,920</u>		<u>605,296</u>		<u>-</u>
<b>City of St. Augustine</b>					
Revenue Bonds	22,594,470				
Other Debt	<u>90,619</u>				
Subtotal City of St. Augustine	<u>22,685,089</u>				
Subtotal Overlapping Debt	<u>238,592,842</u>				
<b>St. Johns County School District</b>					
Certificates of Participation	81,452,976	100%	81,452,976	100%	81,452,976
State School Bonds	3,085,000	100%	3,085,000	100%	3,085,000
Sales Tax Revenue Bonds	<u>42,197,404</u>	100%	<u>42,197,404</u>	100%	<u>42,197,404</u>
Subtotal Direct Debt	<u>126,735,380</u>		<u>126,735,380</u>		<u>126,735,380</u>
<b>Totals</b>	<u>\$ 365,328,222</u>		<u>\$ 127,340,676</u>		<u>\$ 335,651,213</u>

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

Source: Debt outstanding data obtained from each governmental unit's Comprehensive Annual Financial Report dated September 30, 2017.

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

	<u>Fiscal Year Ending</u>			
	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Assessed Value	<u>\$ 24,548,768,849</u>	<u>\$ 21,723,492,191</u>	<u>\$ 19,648,576,160</u>	<u>\$ 18,741,442,710</u>
Debt Limit on Assessed Value	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Voter Approved Debt Limit:				
Bonds Payable	\$ 3,830,000	\$ -	\$ -	\$ -
Less: Amount Available for Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Applicable to Debt Limit	<u>\$ 3,830,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Applicable Debt as a Percentage of Debt Limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

Source: St. Johns County Property Appraiser's Office

<b>Fiscal Year Ending</b>					
<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
<u>\$ 18,311,335,706</u>	<u>\$ 18,902,284,525</u>	<u>\$ 20,112,527,630</u>	<u>\$ 22,025,538,098</u>	<u>\$ 23,943,597,414</u>	<u>\$ 25,843,970,545</u>
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

Table 16

Fiscal Year	Sales Tax Revenue Bonds <sup>(1)</sup>			
	Sales Tax Revenue	Debt Service		Coverage <sup>(2)</sup>
		Principal	Interest	
2017-18	\$ 19,693,454	\$ 3,740,000	\$ 1,895,850	3
2016-17	18,703,292	2,220,000	2,173,785	4
2015-16	8,791,558	N/A	N/A	N/A
2014-15	N/A	N/A	N/A	N/A
2013-14	N/A	N/A	N/A	N/A
2012-13	N/A	N/A	N/A	N/A
2011-12	N/A	N/A	N/A	N/A
2010-11	N/A	N/A	N/A	N/A
2009-10	N/A	N/A	N/A	N/A
2008-09	N/A	N/A	N/A	N/A

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

(2) The additional bonds test requires 1.75 coverage

Source: District Records

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

Table 17

<b>Fiscal Year</b>	<b>Taxable Assessed Valuation <sup>(4)</sup></b>	<b>Principal Payments <sup>(2)</sup></b>	<b>Interest Payments <sup>(3)</sup></b>	<b>Total Annual Lease Payments</b>	<b>Millage Levy to Provide 1.00x Coverage <sup>(1)</sup></b>
2017-18	\$ 25,843,970,545	\$ 13,645,000	\$ 4,180,782	\$ 17,825,782	0.718 mills
2016-17	23,943,597,414	13,090,000	4,735,310	17,825,310	0.775 mills
2015-16	22,025,538,098	13,410,000	8,063,892	21,473,892	1.016 mills
2014-15	20,112,527,630	12,955,000	5,772,485	18,727,485	0.970 mills
2013-14	18,902,284,525	12,530,000	6,198,795	18,728,795	1.032 mills
2012-13	18,311,335,706	10,805,000	5,634,306	16,439,306	0.935 mills
2011-12	18,741,442,710	11,286,176	6,088,616	17,374,792	0.966 mills
2010-11	19,648,576,160	9,940,000	5,706,546	15,646,546	0.829 mills
2009-10	21,723,492,191	9,585,000	6,063,634	15,648,634	0.750 mills
2008-09	24,548,768,849	9,245,000	6,402,871	15,647,871	0.664 mills

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

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

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

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

Source: District Records

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

Table 18

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (amounts in thousands) <sup>(1)</sup></b>	<b>Per Capita Personal Income <sup>(1)</sup></b>	<b>Median Age <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(2)</sup></b>	<b>School Enrollment <sup>(3)</sup></b>	<b>Government-Wide Governmental Activities Expenses <sup>(4)</sup></b>	<b>Cost per Student <sup>(5)</sup></b>
2017-18	235,087	\$ 14,439,811	\$ 61,423	42.9	3.1%	39,585	\$ 386,878,217	\$ 9,773
2016-17	226,640	13,698,259	60,441	42.8	3.3%	38,034	361,548,555	9,506
2015-16	218,043	12,886,864	59,102	42.6	3.7%	36,240	336,376,522	9,282
2014-15	209,532	12,156,922	58,019	42.4	4.0%	34,840	332,402,452	9,541
2013-14	202,241	11,783,559	58,265	42.4	4.8%	33,371	318,006,474	9,529
2012-13	196,019	10,913,181	55,674	42.2	5.8%	32,357	297,384,159	9,191
2011-12	191,258	10,098,018	52,798	42.2	6.8%	31,297	298,626,939	9,542
2010-11	186,281	9,333,582	50,105	42.7	8.0%	30,353	302,875,017	9,979
2009-10	181,720	10,082,773	55,485	42.4	8.7%	29,549	284,768,022	9,637
2008-09	175,318	9,619,495	54,869	N/A	8.5%	28,825	274,081,285	9,508

Source:

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

Note:

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

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

Table 19

<u>Employer</u>	<u>Fiscal Year 2017-2018</u>			<u>Fiscal Year 2008-2009</u>		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
St. Johns County School District <sup>(1)</sup>	1	4,534	3.79%	1	3,357	3.60%
Flagler Hospital	2	1,900	1.59%	3	1,503	1.61%
St. Johns County	3	1,822	1.52%	2	2,015	2.16%
Northrup Grumman	4	1,100	0.92%	6	900	0.96%
PGA Tour/Tournament Players Club	5	800	0.67%	9	625	0.67%
Florida School for the Deaf & Blind	6	685	0.57%	7	767	0.82%
Carlisle Interconnect Technologies	7	650	0.54%			
Ponte Vedra Inn & Club	8	550	0.46%	5	950	1.02%
Flagler College	9	514	0.43%			
Sawgrass Marriott Golf Resort & Spa	10	450	0.38%	10	550	0.59%
Florida Army National Guard			0.00%	4	1,300	1.39%
Tree of Life			0.00%	8	636	0.68%
Total Principal Employers		13,005	10.88%		12,603	13.51%
<b>Total County Workforce</b>		119,554			93,313	

(1) Includes full and part-time employees

Source: St. Johns County Chamber of Commerce, District Records and Florida Agency for Workforce Innovation

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	2008-09	2009-10
<b>Elementary Schools</b>						
John A. Crookshank Elementary	1959	119,331	10	1,189	546	628
Cunningham Creek Elementary	1995	118,604	8	806	760	784
Durbin Creek Elementary	2003	120,806	11	858	885	941
W.D. Hartley Elementary	1980	119,106	0	729	643	644
Hickory Creek Elementary	2005	108,556	0	760	625	636
R.B. Hunt Elementary	1955	86,704	6	699	604	647
Julington Creek Elementary	1972	127,121	8	1,118	1,052	1,014
Ketterlinus Elementary	1924	73,961	1	485	484	462
Otis A. Mason Elementary	1992	79,896	0	669	521	530
Mill Creek Elementary	1991	132,085	0	1,065	903	1,033
Ocean Palms Elementary	1996	102,486	11	865	829	813
Osceola Elementary	1991	110,278	6	856	624	657
Palencia Elementary	2012	110,434	6	839	0	0
Picolata Crossing Elementary	2017	83,803	0	986	0	0
PV/PV Rawlings Elementary (1)	1958	158,511	3	1,387	1,088	1,140
South Woods Elementary	2005	104,147	8	814	599	570
Timberlin Creek Elementary	2005	129,551	15	1,030	797	820
Wards Creek Elementary	2007	125,267	12	984	688	715
The Webster School	1959	123,880	1	995	551	542
Total Elementary				17,134	12,199	12,576
<b>Kindergarten - Grade 8 Schools</b>						
Liberty Pines Academy	2008	181,872	26	1,609	892	1,067
Patriot Oaks Academy	2014	173,414	21	1,551	0	0
Valley Ridge Academy	2014	174,743	21	1,575	0	0
Total Kindergarten - Grade 8				4,735	892	1,067
<b>Middle Schools</b>						
Fruit Cove Middle	2001	143,551	10	1,278	1,269	1,258
Gamble Rogers Middle	1994	127,078	0	904	941	921
Alice B. Landrum Middle	1991	149,856	11	1,161	1,129	1,146
R.J. Murray Middle	1953	126,022	0	983	698	639
Pacetti Bay Middle	2007	185,743	26	1,578	674	751
Sebastian Middle	1991	128,256	0	815	647	620
Switzerland Point Middle	1991	143,385	8	1,041	1,058	979
Total Middle				7,760	6,415	6,314

Table 20

Full-Time Equivalent Enrollment Data							
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
653	686	660	676	747	733	787	782
789	761	761	813	895	935	934	1,009
1,043	1,092	887	932	522	571	673	755
661	622	654	689	713	681	664	664
619	592	793	824	591	621	657	770
656	693	694	694	662	652	608	622
975	974	1,062	1,066	1,016	977	981	1,000
460	476	441	468	441	434	466	468
543	584	591	573	596	584	614	590
1,038	1,054	787	913	1,015	1,092	1,132	779
774	765	817	897	707	830	963	1,175
665	711	668	643	614	616	668	688
0	0	536	601	681	703	797	842
0	0	0	0	0	0	0	593
1,152	1,212	1,251	1,311	1,032	1,023	1,036	1,027
557	570	568	583	576	579	599	611
877	916	924	925	918	914	923	935
740	756	800	816	896	890	866	782
561	577	512	525	572	561	491	441
12,763	13,041	13,406	13,949	13,194	13,394	13,859	14,533
1,152	1,243	1,326	1,367	1,375	1,413	1,482	1,553
0	0	0	0	1,045	1,342	1,505	1,594
0	0	0	0	1,084	1,443	1,578	1,622
1,152	1,243	1,326	1,367	3,504	4,197	4,565	4,769
1,358	1,449	1,392	1,323	1,232	1,159	1,182	1,183
870	876	847	835	813	830	875	914
1,168	1,225	1,252	1,293	1,141	1,087	1,152	1,267
670	693	752	765	739	704	740	832
857	956	1,011	1,044	1,084	1,223	1,370	1,470
631	669	645	626	622	620	677	676
969	960	1,168	1,256	1,265	1,211	1,277	1,348
6,523	6,828	7,067	7,142	6,896	6,834	7,273	7,690

(Continued)

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

	Placed in Service	Square Footage	Portables	Capacity	2008-09	2009-10
<b>High Schools</b>						
Bartram Trail High (2)	2000	296,846	8	2,112	1,769	1,506
Creekside High	2008	241,783	22	2,130	1,005	1,404
Pedro Menendez High	2000	216,172	2	1,488	1,538	1,385
Allen D. Nease High	1980	285,112	29	2,801	1,578	1,441
Ponte Vedra High	2008	257,011	4	1,655	922	1,269
St. Augustine High	1959	220,598	1	1,805	1,464	1,520
St. Johns Technical High (3)	1971	51,726	8	344	241	215
Total High				12,335	8,516	8,740
<b>Charter Schools</b>						
The ABLE School (4)	N/A	N/A	N/A	N/A	126	136
St. Augustine Public Montessori	N/A	N/A	N/A	N/A	0	0
St. Johns Community Campus (ARC)	N/A	N/A	N/A	N/A	0	0
St. Paul School of Excellence (4)	N/A	N/A	N/A	N/A	0	0
Therapeutic Learning Center (ARC)	N/A	N/A	N/A	N/A	11	23
Total Charter				0	137	159
<b>Specialty Schools</b>						
First Coast Technical College (5)	1971	224,653	0	1,404	146	139
Hastings Youth Academy	N/A	N/A	N/A	N/A	226	218
St. Johns County Detention Center	N/A	N/A	N/A	N/A	53	0
St. Johns Juvenile Residential	N/A	N/A	N/A	N/A	30	51
St. Johns Youth Academy	N/A	N/A	N/A	N/A	0	47
St. Johns County Jail	N/A	N/A	N/A	N/A	2	0
Gaines Alternative	1924	40,735	6	356	29	34
Transitions (6)	N/A	N/A	N/A	N/A	24	28
K8 Virtual	N/A	N/A	N/A	N/A	8	14
St. Johns Virtual School	N/A	N/A	N/A	N/A	67	82
St. Johns Virtual Instruction	N/A	N/A	N/A	N/A	0	0
McKay Scholarship	N/A	N/A	N/A	N/A	81	80
ESE Contract Placements/Speech	N/A	N/A	N/A	N/A	N/A	N/A
Total Specialty				1,760	666	693
Total District				43,724	28,825	29,549

(1) Ponte Vedra-Palm Valley Elementary School was constructed and placed in service in 1958. Subsequently a new school, Marjorie K. Rawlings Elementary School was constructed and placed in service in 1992. These two schools were merged into one facility as of July 2008.

(2) The 9th grade center at Bartram was added in 2007, figures are included.

(3) St. Johns Technical High School is housed at First Coast Technical College.

(4) The charter school ceased operations at the end of the 2015-16 school year.

(5) Prior to July 1, 2016, First Coast Technical College was a conversion Charter School residing in a District facility.

(6) Transitions program and Gaines Alternative School are located at the Evelyn B. Hamlin Center

Source: District Records

Table 20

Full-Time Equivalent Enrollment Data							
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1,547	1,606	1,650	1,718	1,874	1,971	2,156	2,312
1,496	1,632	1,756	1,828	1,876	1,909	1,949	2,018
1,319	1,363	1,313	1,285	1,286	1,321	1,310	1,288
1,510	1,580	1,655	1,707	1,778	1,947	2,157	2,281
1,439	1,483	1,487	1,513	1,526	1,532	1,614	1,653
1,574	1,635	1,657	1,600	1,632	1,606	1,678	1,665
201	143	141	157	212	257	279	276
9,086	9,442	9,659	9,808	10,184	10,542	11,143	11,493
156	132	125	102	85	55	N/A	N/A
0	0	35	47	59	92	99	118
13	12	10	16	22	31	31	34
0	0	44	60	60	56	N/A	N/A
14	16	18	15	13	18	15	11
183	160	232	240	239	252	145	163
38	54	59	15	25	32	14	24
213	124	117	152	142	136	145	63
0	0	0	0	0	0	0	0
62	65	64	59	86	96	91	91
52	45	47	44	6	0	0	0
0	0	1	1	1	2	1	1
41	48	52	45	38	27	40	35
17	19	19	28	30	31	38	59
29	34	26	56	4	3	3	2
101	75	109	236	206	404	399	285
0	0	0	0	44	37	39	112
93	119	173	229	241	253	272	260
N/A	N/A	N/A	N/A	N/A	N/A	7	5
646	583	667	865	823	1,020	1,049	937
30,353	31,297	32,357	33,371	34,840	36,240	38,034	39,585

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

Table 21

<b>Fiscal Year</b>	<b>Instructional <sup>(1)</sup></b>	<b>Administrative <sup>(2)</sup></b>	<b>Support Services <sup>(3)</sup></b>	<b>Total</b>	<b>Ratio of Students to Instructional Personnel</b>	<b>Ratio of Instructional Personnel to School Administrators</b>
2017-18	2,513	181	1,840	4,534	11.47	13.88
2016-17	2,513	181	1,840	4,534	11.76	13.88
2015-16	2,428	186	1,774	4,388	12.50	13.05
2014-15	2,428	186	1,774	4,388	12.89	13.05
2013-14	2,194	158	1,694	4,046	14.75	13.89
2012-13	2,051	154	1,533	3,738	16.27	13.32
2011-12	1,991	143	1,464	3,598	17.50	13.92
2010-11	1,987	137	1,491	3,615	18.24	14.50
2009-10	1,856	134	1,459	3,449	20.49	13.85
2008-09	1,797	131	1,494	3,422	22.03	13.72

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

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

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

Source: District Records

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

Table 22

<u>Fiscal Year</u>	<u>Minimum Salary <sup>(1)</sup></u>	<u>Maximum Salary <sup>(1)</sup></u>	<u>St. Johns Average Salary <sup>(2)</sup></u>
2017-18	\$38,000	\$66,150	\$45,607
2016-17	38,000	66,150	46,707
2015-16	38,000	66,150	47,130
2014-15	38,000	66,150	47,266
2013-14	38,000	63,250	47,100
2012-13	38,000	63,250	46,127
2011-12	38,000	63,250	46,052
2010-11	38,000	63,250	46,673
2009-10	38,000	63,250	46,370
2008-09	38,000	63,250	47,102
2007-08	38,000	63,250	47,413
2006-07	35,400	61,250	45,032

(1) District Records

(2) FDOE Bureau of Education Information & Accountability Services

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

	<b>Fiscal Year</b>			
	<b>June 30, 2009</b>	<b>June 30, 2010</b>	<b>June 30, 2011</b>	<b>June 30, 2012</b>
Days Meals were Served	214	218	210	217
Average Number of Free and Reduced Meals Served Daily	4,725	5,405	5,925	6,044
Number of Free and Reduced Meals Served	1,011,145	1,178,358	1,244,220	1,311,554
Average Daily Subsidy Received	\$ 13,202	\$ 15,781	\$ 17,175	\$ 18,239
Total Subsidy Received	\$ 2,825,245	\$ 3,440,319	\$ 3,606,762	\$ 3,957,842
Average Number of Meals Served Daily	8,367	8,896	9,650	9,844
Number of Meals Served	1,790,478	1,939,365	2,026,541	2,136,214
Percentage of Free and Reduced Meals Served to Total Meals Served	56%	61%	61%	61%
Average Daily Revenues	\$ 46,159	\$ 46,623	\$ 50,130	\$ 50,672
Total Revenues	\$ 9,877,961	\$ 10,163,846	\$ 10,527,291	\$ 10,995,823
Average Daily Costs	\$ 45,430	\$ 43,438	\$ 45,618	\$ 44,887
Total Expenditures	\$ 9,722,116	\$ 9,469,423	\$ 9,579,791	\$ 9,740,566

Source: District Records

Table 23

<b>Fiscal Year</b>					
<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>
219	221	216	220	220	216
5,792	5,981	6,424	6,592	6,430	6,366
1,268,553	1,321,829	1,387,658	1,450,329	1,414,522	1,375,097
\$ 18,249	\$ 19,294	\$ 21,984	\$ 22,613	\$ 23,059	\$ 27,934
\$ 3,996,579	\$ 4,263,898	\$ 4,748,588	\$ 4,974,962	\$ 5,073,012	\$ 6,033,764
9,055	9,128	10,089	10,563	10,567	11,344
1,983,048	2,017,242	2,179,226	2,323,878	2,324,713	2,450,224
64%	66%	64%	62%	61%	56%
\$ 52,331	\$ 54,409	\$ 54,206	\$ 53,566	\$ 54,289	\$ 61,363
\$ 11,460,586	\$ 12,024,372	\$ 11,708,530	\$ 11,784,567	\$ 11,943,525	\$ 13,254,487
\$ 47,010	\$ 49,448	\$ 49,520	\$ 49,298	\$ 49,992	\$ 55,814
\$ 10,295,116	\$ 10,927,929	\$ 10,696,356	\$ 10,845,581	\$ 10,998,158	\$ 12,055,854

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THE OLDEST  
WOOD SCHOOL  
HOUSE IN THE USA  
ST AUGUSTINE  
FLORIDA



SINGLE AUDIT





## FEDERAL REPORTS AND SCHEDULES

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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 units, 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2018. Our report includes reference to other auditors who audited the financial statements of the discretely presented component units and fiduciary funds, 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 internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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 cursive script that reads "Cheryl Behrman LLP".

Orlando, Florida  
December 5, 2018

## **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's (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 District's major federal programs for the year ended June 30, 2018. 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 requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Basis for Qualified Opinion on the Student Financial Assistance Cluster***

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding CFDA 84.063 Student Financial Assistance Cluster, as described in finding numbers 2018-001, 2018-002 and 2018-004 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

### ***Qualified Opinion on the Student Financial Assistance Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended June 30, 2018.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***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 the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003 and 2018-004 to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Cheryl Behrman LLP*

Orlando, Florida  
December 5, 2018

**ST. JOHNS COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Expenditures
<b>Clustered</b>			
<b>Child Nutrition Cluster</b>			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	18002	\$ 869,985
National School Lunch Program	10.555	18001, 18003	5,014,528
Summer Food Service Program for Children	10.559	17006, 17007, 18006, 18007	<u>86,803</u>
<b>Total Child Nutrition Cluster</b>			<u>5,971,316</u>
<b>WIOA Cluster</b>			
United States Department of Labor:			
First Coast Workforce Development, Inc.:			
WIOA Youth Activities	17.259	FCWD 2017-01(O)	<u>606,671</u>
<b>Student Financial Assistance Cluster</b>			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>531,569</u>
<b>Special Education Cluster</b>			
United States Department of Education:			
Special Education - Grants to States:			
Florida Department of Education	84.027	263	6,337,471
Special Education - Preschool Grants:			
Florida Department of Education	84.173	267	<u>126,018</u>
<b>Total Special Education Cluster</b>			<u>6,463,489</u>
<b>Not Clustered</b>			
<b>United States Department of Defense:</b>			
Army Junior Reserve Officers Training Corps	12.UNK	N/A	68,439
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	72,643
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	<u>143,417</u>
<b>Total United States Department of Defense</b>			<u>284,499</u>
<b>United States Department of Education:</b>			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191,192,193	277,076
Title I Grants to Local Educational Agencies	84.010	212, 223	3,289,210
Career and Technical Education - Basic Grants to States	84.048	161	367,970
Education for Homeless Children and Youth	84.196	127	63,368
English Language Acquisition State Grants	84.365	102	73,393
Improving Teacher Quality State Grants	84.367	224	556,931
Student Support and Academic Enrichment	84.424	241	<u>65,903</u>
<b>Total United States Department of Education</b>			<u>4,693,851</u>
<b>United States Department of Health and Human Services:</b>			
Head Start	93.600	N/A	<u>1,031,069</u>
<b>Corporation for National and Community Service:</b>			
Retired and Senior Volunteer Program	94.002	N/A	<u>53,742</u>
<b>United States Department of Homeland Security:</b>			
Florida Department of Community Affairs:			
Federal Emergency Management Agency	97.036	N/A	<u>319,294</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 19,955,500</u>

The accompanying notes are an integral part of this schedule.

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****I. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the St. Johns County School Board under programs of the Federal government for the fiscal year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**III. INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

**IV. NONCASH ASSISTANCE: NATIONAL SCHOOL LUNCH PROGRAM**

Includes \$587,691 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

**V. FEDERAL PELL GRANT PROGRAM**

On December 13, 2017, the District was placed on HCM2, which provides that the District will only receive reimbursement of Pell funds for properly documented disbursements. As such, the expenditures reported occurred from July 1, 2017, through the date of the District's last drawdown of program funds on November 30, 2017.

**VI. HEAD START**

Expenditures include \$1,031,069 for grant number/program year 04CH4653-04-00.

**VII. FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)**

Following a Presidential declaration of a major disaster or emergency, FEMA (CFDA 97.06) awards grants to assist affected entities with the response to, and recovery from, such disasters. In fiscal year 2018, FEMA approved \$319,294 of eligible expenditures for Hurricane Matthew, an event that occurred in October 2016. Of this amount, \$290,070 was incurred during the fiscal year ending June 30, 2017.

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

FOR THE YEAR ENDED JUNE 30, 2018

**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?   x   yes            no

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

Type of auditor's report on compliance for major programs: Unmodified for all major programs, except for Special Tests and Provisions of the Student Financial Assistance Cluster (CFDA 84.063), which was qualified.

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

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

FOR THE YEAR ENDED JUNE 30, 2018

**Part I - Summary of Auditor's Results (continued)**

**Federal Awards Section (continued)**

Identification of major federal programs:

Name of Program or Cluster	CFDA Number
U.S. Department of Education	
Student Financial Assistance Cluster	84.063
Special Education Cluster	84.027/84.173
Title I Grants to Local Educational Agencies	84.010

Dollar threshold used to determine Type A programs:

Federal \$ 750,000

Auditee qualified as low-risk auditee for federal purposes?

           yes      x   no

**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*.

# ST. JOHNS COUNTY SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

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### Part III - Federal Award Findings and Questioned Costs (continued)

#### FINDING #2018-001

#### U.S. Department of Education - CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Program

#### Material Weakness and Material Noncompliance

#### Special Tests and Provisions (Verification)

*Criteria:* Federal Register Notice Volume 81, Number 63, provides the acceptable documentation an institution is required to obtain for students selected for verification by the Central Processor as indicated on the student's Institutional Student Information Report (ISIR).

*Condition:* The District did not obtain all required documentation to properly verify income, number of members of the household and number of members in the household attending college for certain students.

*Questioned Costs:* \$16,636

*Context:* During fiscal year 2018, the U.S. Department of Education (DOE) conducted a program review of the District's First Coast Technical College's (FCTC) expenditures under the Federal Pell Grant Program (Pell). As a result of the preliminary findings of the DOE's program review, FCTC's Pell program was placed on the Heightened Cash Monitoring Level 2 (HCM2) method of reimbursement effective December 13, 2017.

The population tested was for the period July 1, 2017 through November 30, 2017, the date of the District's last draw down in fiscal year 2018, which consisted of 231 disbursements totaling \$531,569. We examined District records supporting disbursements for 60 disbursements totaling \$131,059. Of those disbursements sampled, we examined 36 disbursements for students whose information was required to be verified. We found that income verification documentation was insufficient for 8 disbursements. Additionally, the District incorrectly used documentation from the prior award year to verify the number of members in the household and number of household members attending college for 1 disbursement. While this technique was allowed for income verification during the 16/17 award year, it was not allowed for other verification items, nor was it applicable in the 17/18 award year. These 9 specific disbursements make up the total questioned costs reported of \$16,636.

*Cause:* District personnel administering the Pell program used a verification checklist and supporting verification packet that did not require the financial aid administrators to obtain sufficient income verification documentation for students who did not file taxes or who reported no income on their ISIR. Additionally, District personnel administering the Pell program were new to their positions and were still being trained during the period under audit. Prior to receiving proper training, the financial aid administrators occasionally misapplied verification guidelines.

*Effect:* Without a complete verification checklist and verification packet, there is an increased risk that verification documentation will be incomplete. In addition, without sufficient and timely training for personnel administering the Pell program, there is an increased risk that verification guidelines will be misapplied.

*Recommendation:* We recommend the District utilize the sample verification forms provided in the Federal Student Aid Handbook to ensure all required verification documents are obtained. The District should update these forms each year as they are published by the DOE to ensure verification documents continue to comply with the most recent guidelines. In addition, we recommend the District ensure all personnel administering the Pell program receive proper training prior to performing significant functions to administer the Pell program.

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

FOR THE YEAR ENDED JUNE 30, 2018

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**Part III - Federal Award Findings and Questioned Costs (continued)**

**FINDING #2018-001 (continued)**

*Views of Responsible Officials:* The District updated its verification policy to require verification for all student selected by the Central Processing System, updated its verification packet based on the Federal Student Aid Handbook's suggested verification text, updated its verification checklist to ensure all packet items are received and reviewed, and ensured the financial aid administrator and financial aid specialists received training from various professional sources in the industry, all of which occurred as of April 12, 2018.

**FINDING #2018-002**

**U.S. Department of Education - CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Program**

**Significant Deficiency and Immaterial Noncompliance**

**Special Tests and Provisions (Return of Title IV Funds)**

*Criteria:* Title 34, Section 668.22, CFR, requires the institution to determine the amount of Title IV grant assistance a student earned as of the student's withdrawal date and, if funds are due to the student, disburse those funds no later than 45 days after the date the institution determines the student withdrew.

*Condition:* Certain post-withdrawal disbursements were not provided to students within the required time

*Questioned Costs:* None.

*Context:* During fiscal year 2018, the U.S. Department of Education (DOE) conducted a program review of the District's First Coast Technical College's (FCTC) expenditures under the Federal Pell Grant Program (Pell). As a result of the preliminary findings of the DOE's program review, FCTC's Pell program was placed on the Heightened Cash Monitoring Level 2 (HCM2) method of reimbursement effective December 13, 2017.

The population tested was for the period July 1, 2017 through November 30, 2017, the date of the District's last draw down in fiscal year 2018, which consisted of 231 disbursements totaling \$531,569. We examined District records supporting disbursements for 60 disbursements totaling \$131,059. Of those disbursements sampled, 7 disbursements were for post-withdrawal disbursements, 3 of which were provided to the students after the required 45 day time frame.

*Cause:* District personnel administering the Pell program were new to their positions and were still being trained during the period under audit. Prior to receiving proper training, the personnel responsible for administering the Pell program did not always make post-withdrawal disbursements in a timely fashion.

*Effect:* Post-withdrawal disbursements were not provided to students within the required time frame.

*Recommendation:* We recommend the District ensure all personnel administering the Pell program receive proper training prior to performing significant functions, including the processing of post-withdrawal disbursements, related to administration of the Pell program.

*Views of Responsible Officials:* The financial aid administrator and financial aid specialists have received proper training provided by various professional sources in the industry. In addition, enhanced policies and procedures were put in place to ensure Return of Title IV fund calculations and post-withdrawal disbursements are made timely and accurately, all of which occurred as of May 24, 2018.

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

*FOR THE YEAR ENDED JUNE 30, 2018*

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**Part III - Federal Award Findings and Questioned Costs (continued)**

**FINDING #2018-003**

**U.S. Department of Education - CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Program**

**Significant Deficiency and Immaterial Noncompliance**

**Reporting (Common Origination and Disbursement)**

*Criteria:* Title 2 CFR 690.82 requires institutions to submit accurate payment data for each student through the Common Origination and Disbursement (COD) system.

*Condition:* Verification and cost of attendance (COA) information was not accurately reported through the COD system for certain students.

*Questioned Costs:* None.

*Context:* During fiscal year 2018, the U.S. Department of Education (DOE) conducted a program review of the District's First Coast Technical College's (FCTC) expenditures under the Federal Pell Grant Program (Pell). As a result of the preliminary findings of the DOE's program review, FCTC's Pell program was placed on the Heightened Cash Monitoring Level 2 (HCM2) method of reimbursement effective December 13, 2017.

The population tested was for the period July 1, 2017 through November 30, 2017, the date of the District's last draw down in fiscal year 2018, which consisted of 231 disbursements totaling \$531,569. We examined District records supporting disbursements for 60 disbursements totaling \$131,059. Of the disbursements examined, we found that the District reports to COD included incorrect verification status' for 2 disbursements and incorrect COA for 18 disbursements.

*Cause:* District personnel administering the Pell program were new to their positions and were still being trained during the period under audit. Prior to receiving proper training, the personnel responsible for administering the Pell program did not always report the proper verification code or COA in COD.

*Effect:* The District was not submitting Pell payment data in accordance with procedures established on Title 2 CFR 690.82.

*Recommendation:* We recommend the District ensure all personnel administering the Pell program receive proper training prior to performing significant functions to administer the Pell program.

*Views of Responsible Officials:* The financial aid administrator and financial aid specialists have received proper training provided by various professional sources in the industry, which occurred as of January 8, 2018.

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

*FOR THE YEAR ENDED JUNE 30, 2018*

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**Part III - Federal Award Findings and Questioned Costs (continued)**

**FINDING #2018-004**

**U.S. Department of Education - CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Program**

**Significant Deficiency and Immaterial Noncompliance**

**Special Tests and Provisions (Enrollment Reporting)**

*Criteria:* Title 34, Section 685.309(b)(2), CFR, requires the District to submit enrollment reporting roster files in accordance with deadlines established by the U.S. Department of Education (DOE). Under the Pell grant program, schools must submit updates to student enrollment status changes through the National Student Loan Data System (NSLDS) website within 60 days of the change in status.

*Condition:* Notification of student status changes did not reach the NSLDS or did not reach the NSLDS within the required time frame for certain students sampled.

*Questioned Costs:* None.

*Context:* During fiscal year 2018, the DOE conducted a program review of the District's First Coast Technical College's (FCTC) expenditures under the Federal Pell Grant Program (Pell). As a result of the preliminary findings of the DOE's program review, FCTC's Pell program was placed on the Heightened Cash Monitoring Level 2 (HCM2) method of reimbursement effective December 13, 2017. The population tested was for the period July 1, 2017 through November 30, 2017, the date of the District's last draw down in fiscal year 2018.

From the population of 70 students receiving Pell who changed enrollment status between the beginning of the fiscal year through November 30, 2017, we examined records related to 10 students to determine whether the District accurately and timely reported enrollment changes through the NSLDS. We found that 2 students had not been reported as withdrawn to the NSLDS and 1 student was not reported timely to the NSLDS.

*Cause:* The District did not have adequate procedures in place to define the person responsible for reporting enrollment information to the NSLDS or to ensure enrollment data submitted to the NSLDS was complete and timely.

*Effect:* The NSLDS did not receive current enrollment information for some students and did not always receive enrollment information in a timely manner.

*Recommendation:* We recommend the District evaluate the policies and procedures in place for accurate and timely identification of changes in enrollment status to ensure that these status changes are communicated to the NSLDS. The District's policy should clearly define the party responsible for monitoring and reporting enrollment information to the NSLDS, as well as a party responsible for supervisory review.

*Views of Responsible Officials:* The District established and implemented an internal checklist that provides for the accurate and timely identification of changes in enrollment status and proper reporting to NSLDS. The internal checklist specifically identifies the personnel responsible for reporting enrollment and withdrawal information to the NSLDS and the individual responsible for review. These corrective actions occurred as of September 18, 2018.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
June 30, 2017 Federal Awards Finding No. 2017-001	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Verification	The District had not established and did not use written policies and procedures for verifying that student applications were properly supported by information obtained during the verification process. As a result, the District did not always perform the required verifications, resulting in \$18,421 questioned costs.	Corrected during fiscal year 2018. A new finding related to verification is presented in the current year as Finding 2018-001 (for the period July 1-November 30, 2017), for which corrective action has already been taken.	During fiscal year 2018, the District established and implemented written verification procedures that have been submitted to the federal government for review as part of the HCM2 required institutional information. The District also established and implemented a financial aid verification packet and verification checklist, which were further improved upon as of April 12, 2018, as noted in the corrective action plan. In addition, the District ensured that the financial aid administrator and specialists have received proper training regarding federal student aid regulations and requirements.
June 30, 2017 Federal Awards Finding No. 2017-002	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Disbursements	The District did not always calculate Program awards in accordance with federal regulations or disburse Program funds in accordance with the Federal Student Aid Handbook guidance, resulting in \$9,472 of questions costs.	Corrected	The District has created an internal process that provides confirmation through a final review that ensures calculations and disbursements of awards to students are made in accordance with federal regulations and the Federal Student Financial Aid Handbook. In addition, the District ensured that the financial aid administrator and financial aid specialists received proper training regarding federal student aid regulations and requirements.
June 30, 2017 Federal Awards Finding No. 2017-003	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Tests and Provisions - Return of Title IV Funds	The District did not always accurately calculate the return of Title IV funds and post-withdrawal disbursements of Program funds or make timely disbursements to students, resulting in \$3,004 of questioned costs.	Corrected during fiscal year 2018. Elements of this finding are repeated in the current year as Finding 2018-002 (for the period July 1-November 30, 2017), for which corrective action has already been taken.	The District has established and implemented written procedures for the return of Title IV funds to ensure the accurate and timely calculation of return of Title IV funds and post-withdrawal disbursements to students. These procedures have been submitted to the federal government for review as part of the HCM2 required institutional information. Established procedures also include independent verification to confirm the accuracy and timeliness of the Title IV funds return calculations and post-withdrawal disbursements to students. In addition, the District has also ensured that the financial aid administrator and specialists have received training regarding federal student aid regulations and requirements.

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
June 30, 2017 Federal Awards Finding No. 2017-004	Student Financial Assistance Cluster – Federal Pell Grant Program – Cash Management - Reconciliations	The District did not perform required reconciliations of the financial transactions in the District accounting records to the transactions in the federal grant management system and Common Origination and Disbursement (COD) System. In addition, District procedures did not describe who, how, and when such reconciliations were performed.	Corrected	Reconciliations between the District’s internal accounting records and the grants management system were being properly performed at the time of each drawdown, documentation of which is maintained by the bookkeeper. During fiscal year 2018, the financial aid administrator and financial aid specialists attended various trainings provided by industry specialists, which included instruction on the proper reporting of information in COD. On December 13, 2017, the District was placed on HCM2, which provides that the District will only receive reimbursement of Pell funds for properly documented disbursements. The District’s first file submission was on October 31, 2018, and is currently awaiting the ED’s review of that submission. As such, the District has not made any drawdowns of program funds since being placed on HCM2. Our current process under HCM2 includes a reconciliation of the HCM2 submission spreadsheet to the information reported in COD, which is documented on an internally developed checklist that specifically identifies the party responsible for the reconciliation. This COD reconciliation was performed for this initial submission. A reconciliation of the cash drawdown will resume once the first file submission is approved and reimbursement is received. The District will continue to adapt its procedures and checklists as deemed necessary throughout the HCM2 process and after the HCM2 method of reimbursement is no longer required.
June 30, 2017 Federal Awards Finding No. 2017-005	Student Financial Assistance Cluster – Federal Pell Grant Program – Special Test and Provisions - Enrollment Reporting - National Student Loan Data System	The District did not always accurately and timely report Program enrollment data.	Corrected during fiscal year 2019. This finding is repeated in the current year as Finding 2018-004, for which corrective action has already been taken.	In January 2018, due to the hard copy documentation required for submission of student data related to HCM2, the District began documenting withdrawal information reported to the National Student Loan Data System for Students (NSLDS). In addition, on September 18, 2018, the District established and implemented an internal checklist that provides for the accurate and timely identification of changes in enrollment status to ensure that these status changes are communicated to the NSLDS. This internal checklist specifically identifies the personnel responsible for reporting enrollment and withdrawal information to the NSLDS and the individual responsible for review.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FINANCIAL REPORTING

Audit Report No. and Financial Statement Finding No.	Program/Area	Brief Description	Status	Comments
June 30, 2017 Financial Reporting No. AM 2017-001	Aggregate Discretely Presented Component Units	District financial reporting procedures need improvement to ensure consistent, proper reporting of charter schools as discretely presented component units.	Corrected	The District's financial reporting procedures have been improved to ensure the consistent, proper reporting of charter schools as discretely presented component units. Specifically, both the District's annual financial report and the District's comprehensive annual financial report for the fiscal year ended June 30, 2017, include the reporting of charter schools as discretely presented component units.

# CORRECTIVE ACTION PLAN

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Federal Award Finding Number:	2018-001 U.S. Department of Education CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Grant Program Special Tests and Provisions (Verification)
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Planned Corrective Action: As of April 12, 2018, the District established and implemented the following corrective actions:

**Written Verification Procedures** Require verification to be performed for all students selected by the Central Processing System (CPS) to ensure accuracy of information reported on the Free Application for Federal Student Aid (FAFSA).

**Financial Aid Verification Packet** Require a complete financial aid verification packet based on the Federal Student Aid Handbook's suggested verification text. The Financial Aid Verification packet includes proper documentation for each of the following:

- income information for student tax filers
- income information for parent tax filers
- income information for individuals with unusual circumstances
- income information for non-IRS income tax returns
- income information for student non-tax filers
- income information for parent non-tax filers
- household member verification (number of household members and number in college for independent and dependent students)
- high school completion status
- identity and statement of educational purpose
- certifications and signatures

**Verification Checklist** A complete checklist form comparing the student's verification documents in the verification packet to the student's Institutional Student Information Report (ISIR). Appropriate changes are made to the student's ISIR based on this comparison.

**Training** Financial aid administrator and specialists have received proper training provided by the *Fundamentals of Federal Student Aid Administration*, and the *Florida Association of Student Financial Aid Administrators* Annual Conference sessions and/or Clock Hour Workshop courses in order to perform significant functions related to administering the Federal Pell Grant Program.

Anticipated Completion Date:

April 12, 2018

Responsible Contact Person:

Chris Force, Principal, First Coast Technical College and  
Dawn Posey, Director, Accounting and Payroll

Federal Award Finding Number:	2018-002 U.S. Department of Education CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Grant Program Special Tests and Provisions (Return of Title IV Funds)
Planned Corrective Action:	<p><b>Written Return of Title IV Funds Procedures</b> To provide for the accurate and timely calculation of the return of Title IV funds and post-withdrawal disbursements to students based on the last date of attendance have been established and implemented. Established procedures include independent verification to confirm the accuracy and timeliness of the Title IV funds return calculations and post-withdrawal disbursements to students.</p> <p><b>Training</b> Financial aid administrator and specialists have received proper training provided by the <i>Fundamentals of Federal Student Aid Administration</i> and the <i>Florida Association of Student Financial Aid Administrators</i> Annual Conference sessions and/or Clock Hour Workshop courses. Personnel responsible for administering the Pell program will ensure that post withdrawal disbursements are made in a timely fashion based on the student's last day of attendance. Future trainings are planned to ensure that the personnel responsible for administering Pell stay informed of the Federal Pell Grant Program regulations and requirements.</p>
Anticipated Completion Date:	May 24, 2018
Responsible Contact Person:	Chris Force, Principal, First Coast Technical College and Dawn Posey, Director, Accounting and Payroll
Federal Awards Finding Number:	2018-003 U.S. Department of Education CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Grant Program Reporting (Common Origination and Disbursement)
Planned Corrective Action:	In October 2017, the financial aid specialists received proper training provided by the <i>Fundamentals of Federal Student Aid Administration</i> to ensure that the appropriate verification code or cost of attendance (COA) is accurately reported through the Common Origination and Disbursement (COD) system.
Anticipated Completion Date:	January 8, 2018
Responsible Contact Person:	Chris Force, Principal, First Coast Technical College and Dawn Posey, Director, Accounting and Payroll
Federal Awards Finding Number:	2018-004 U.S. Department of Education CFDA 84.063 - Student Financial Assistance Cluster - Federal Pell Grant Program Special Tests and Provisions (Enrollment Reporting)
Planned Corrective Action:	In January 2018, due to the hard copy documentation required for submission of student data related to Heightened Cash Monitoring Level 2 (HCM2), the District began documenting withdrawal information reported to the National Student Loan Data System for Students (NSLDS). In addition, the District has established and implemented an internal checklist that provides for the accurate and timely identification of changes in enrollment status to ensure that these status changes are communicated to the NSLDS. This internal checklist specifically identifies the personnel responsible for reporting enrollment and withdrawal information to the NSLDS and the individual responsible for review.
Anticipated Completion Date:	September 18, 2018
Responsible Contact Person:	Chris Force, Principal, First Coast Technical College and Dawn Posey, Director, Accounting and Payroll

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# 2018

## Comprehensive Annual Financial Report

St. Johns County  
School District

*Picture St. Augustine*

Photographs courtesy of  
Georgia Nick

Georgia Nick Gallery  
St. Augustine, FL

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