

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

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The Superintendent’s Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2017, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on Thursday, September 7, 2017.

Signature of District School Superintendent

Signature Date

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Martin County has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis 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 individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

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

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to those of a private-sector business and consist of the following two statements:

- The *statement of net position* presents information on most of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2015-16 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The statement of activities presents functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include educational programs (basic, vocational, adult, and exceptional education), and school support functions such as transportation, facilities, and administration.

The government-wide financial statements include not only the District itself (known as the primary government), but also the Hope Center for Autism, Inc., charter school. Although a legally separate organization, the component unit is included in this report because it meets the criteria for inclusion provided by generally accepted accounting principles. Financial information for the component unit is reported separately from the financial information presented for the primary government. The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board 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.

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 are 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 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 two broad categories: governmental funds or fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District'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 the 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. 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, Special Revenue – Food Service, Special Revenue - Other Federal Programs, Debt Service – Other Debt Service Fund, and Capital Projects - Local Capital Improvement Tax Funds. Data from the other six governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The District adopts annual budgets for its General, Special Revenue – Food Service, and Special Revenue - Other Federal Programs Funds. Budgetary to actual comparisons have been provided for these funds to demonstrate budgetary compliance.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds 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 reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Funds – to account for resources of various scholarship trust funds.
- Agency Funds – to account for resources held for student activities and groups.

Notes to the Basic 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

Combining statements referred to earlier, present a more detailed view of nonmajor funds used in governmental funds. This section includes budget to actual schedules for nonmajor special revenue, debt service, and capital projects funds. Also included are statements for agency funds.

FINANCIAL HIGHLIGHTS

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

Government-wide Statements

- The District's assets and deferred outflows exceed its liabilities and deferred inflows at June 30, 2017, by \$237.3 million (*net position*).
- The District's total net position increased by \$9.4 million, which represents a 4.1 percent increase from the 2015-16 fiscal year. This change is primarily attributable to the increase in deferred outflows and decrease in deferred inflows in the cost-sharing multiple-employer defined pension plans.
- General revenues total \$191.1 million, or 92.3 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$16.0 million, or 5.3 percent of all revenues. The property taxes levied for operational and capital purposes increased over prior year is due to the increase in the taxable values for the County.
- Expenses total \$197.8 million; \$16.0 million of these expenses are offset by program specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$9.4 million.

Fund Statements

- At June 30, 2017, the District's governmental funds report combined ending fund balances of \$54.1 million, a decrease of \$2.3 million.
- At June 30, 2017, assigned and unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriations by the Board, totals \$13.7 million or 9.0 percent of total General Fund revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2017, compared to the net position as of June 30, 2016:

District School Board of Martin County, Florida			
Net Position			
	<u>Governmental Activities</u>		<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current and other assets	\$ 67,286,133	\$ 66,430,560	1.3%
Capital assets	377,638,450	364,076,275	3.7%
Total assets	<u>444,924,583</u>	<u>430,506,835</u>	3.3%
Net carrying amount of debt refunding	1,206,843	1,287,299	-6.2%
Pensions	37,286,063	15,251,696	144.5%
Total deferred outflows of resources	<u>38,492,906</u>	<u>16,538,995</u>	132.7%
Other liabilities	12,587,941	9,019,839	39.6%
Long-term liabilities	229,676,631	199,389,746	15.2%
Total liabilities	<u>242,264,572</u>	<u>208,409,585</u>	16.2%
Pensions	3,844,687	10,683,191	
Total deferred inflows of resources	<u>3,844,687</u>	<u>10,683,191</u>	
Net position:			
Net investment in capital assets	341,781,221	325,311,543	5.1%
Restricted	39,854,746	43,862,351	-9.1%
Unrestricted (deficit)	(144,327,737)	(141,220,840)	2.2%
Total net position	<u>\$ 237,308,230</u>	<u>\$ 227,953,054</u>	4.1%

The largest portion of the District's net position (\$341.8 million) reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures, and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the District's net position, \$39.9 million, represents resources that are subject to external restrictions on how they may be used. The District's unrestricted net position balance is negative because of the District's future liabilities for employee compensated absences, other postemployment benefits, and pension plan obligations; however, the District has sufficient current assets to meet its current obligations.

Restricted net position decreased \$4.0 million from June 30, 2016, to June 30, 2017. This net position represents restrictions from specific revenue sources and grants. The deficit

in unrestricted net position in the governmental type activities increased by \$3.1 million, primarily due to the increase of the OPEB obligations of the District.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2017, and June 30, 2016 are as follows:

District School Board of Martin County, Florida
Changes in Net Position

	Governmental Activities		Percent Change
	<u>2017</u>	<u>2016</u>	
Revenues			
Program revenues:			
Charges for services	\$ 6,432,587	\$ 6,297,264	2.1%
Operating grants and contributions	7,254,275	6,823,025	6.3%
Capital grants and contributions	2,351,112	2,104,279	11.7%
Total Program revenues	<u>16,037,974</u>	<u>15,224,568</u>	5.3%
General revenues:			
Property taxes, levied for operational purposes	109,593,774	108,645,648	0.9%
Property taxes, levied for capital purposes	30,549,792	29,116,037	4.9%
Grants and contributions not restricted to specific prog.	47,640,526	45,755,151	4.1%
Other	3,343,287	6,551,918	-49.0%
Total General revenues	<u>191,127,379</u>	<u>190,068,754</u>	0.6%
Total revenues	<u>207,165,353</u>	<u>205,293,322</u>	0.9%
Expenses			
Instruction	98,232,929	91,064,227	7.9%
Student support services	9,913,317	9,645,370	2.8%
Instructional media services	2,111,932	1,986,100	6.3%
Instructional and curriculum development services	3,546,755	3,420,636	3.7%
Instructional staff training services	4,139,857	3,191,486	29.7%
Instruction related technology	2,291,725	2,072,750	10.6%
School board	586,216	533,539	9.9%
General administration	957,873	813,862	17.7%
School administration	10,097,942	9,395,507	7.5%
Facilities services	23,601,930	22,250,987	6.1%
Fiscal services	916,254	810,950	13.0%
Food services	8,749,431	9,426,056	-7.2%
Central services	3,263,117	5,393,295	-39.5%
Student transportation services	6,895,393	6,254,283	10.3%
Operation of plant	13,971,480	13,951,820	0.1%
Maintenance of plant	4,102,677	3,981,788	3.0%
Administrative technology services	640,906	649,437	-1.3%
Community services	3,104,925	3,008,816	3.2%
Unallocated interest on long-term debt	685,518	1,767,031	-61.2%
Total expenses	<u>197,810,177</u>	<u>189,617,940</u>	4.3%
Change in net position	9,355,176	15,675,382	
Net position - beginning	227,953,054	212,277,672	
Net position - ending	<u>\$ 237,308,230</u>	<u>\$ 227,953,054</u>	4.1%

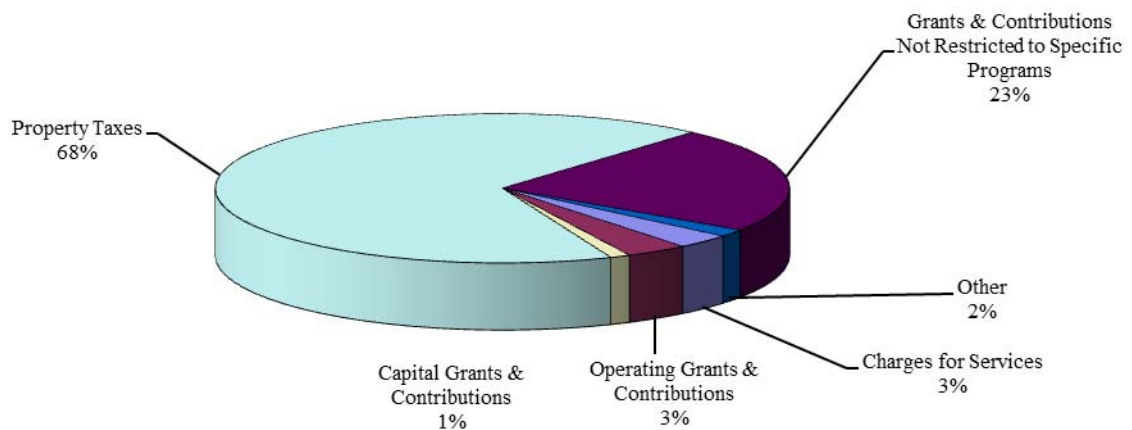
Major changes in revenues were caused by the following:

- Property taxes, levied for operational and capital purposes – Increased by 0.9 and 4.9 percent, respectively, due to an increase in the property values for the County.
- Grants and contributions not restricted to specific programs – Increased by 4.1 percent due to State grants, Florida Best & Brightest Teacher Scholarship Program and District Instructional Leadership & Faculty Development Program.
- Other – Decreased by 49 percent due to the Certificate of Participation refunding that occurred in 2015-16.

Major changes in expenses were caused by the following:

- Instruction – Increased by 7.9 percent or \$7.2 million due increase in instructional pay based on performance.
- Instructional staff training services – Increased by 29.7 percent due primarily to additional instructional coaches and staff for professional development.
- Central services – Decreased by 39.5 percent due to the change in payout for benefit eligible retirees over the age of 65 or Medicare eligible.

Revenues by Source - Governmental Activities



FUND FINANCIAL ANALYSIS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Major 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 when assessing the District's financing requirements. For example, *unassigned fund balance* may serve as a useful measure of the District's resources available to finance future contracts or services.

District School Board of Martin County, Florida Fund Balance

	2017	2016
Fund balance:		
Nonspendable	\$ 512,817	\$ 543,196
Restricted	39,854,746	43,862,351
Assigned	691,938	809,842
Unassigned	13,012,098	11,176,878
Total fund balance	<u>\$ 54,071,599</u>	<u>\$ 56,392,267</u>

As of the end of the 2016-17 fiscal year, the District's governmental funds reported combined ending fund balances of \$54.1 million, an decrease of \$2.3 million in comparison with the prior fiscal year.

Major Funds

The General, Special Revenue – Food Service, Special Revenue - Other Federal Programs, Debt Service – State Board of Education Bonds Fund, and Capital Projects - Local Capital Improvement Tax Funds were reported as major funds.

The General Fund is the chief operating fund of the District. The General Fund has an increase in fund balance of \$1.7 million, primarily due to an increase in local tax revenue collections based on the base student allocation and an increase in student count. The total fund balance is \$21.0 million, of which \$13 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 9 percent of total General Fund operating revenue, while total fund balance represents 13.9 percent of that same amount.

The Special Revenue – Food Services accounts for and report on activities of the food service program when serving breakfast and lunch at the schools. The financial position decreased by 10.1 percent or \$0.3 million due to the purchase of kitchen equipment.

The Special Revenue – Other Federal Programs Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$12.3 million each, a 6 percent increase from 2015-16 fiscal year, primarily due to increase program awards. Because revenues are recognized to the extent of allowable expenditures, this fund does not generally accumulate fund balance.

The Debt Service – State Board of Education Bonds Fund accounts for and report on other long term debt payments of principal, interest, and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District’s portion of the State-assessed motor vehicle license tax.

The Capital Projects – Local Capital Improvement Tax Fund has a decrease in fund balance of \$8.4 million to a total fund balance of \$20.5 million, which is restricted for acquisition, construction, and maintenance of capital assets. The decrease is primarily due to the increase in construction and maintenance/repairs of facilities.

Nonmajor Funds

The nonmajor governmental funds consist of special revenue, debt service, and capital projects funds. Fund balance of these funds increased by \$1.9 million or 26.6 percent from the previous fiscal year due primarily to the increase collection of impact fees. The total fund balance of \$9 million is restricted to be expended on specific programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2016-17 fiscal year, the District amended its General Fund budget several times. Budget revisions were due primarily to workforce reductions due to attrition, termination payouts, and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance and compliance with State-mandated class-size reduction. Final budgeted revenues and expenditures were in line with original budgeted amounts.

A final budget amendment was approved at year-end to amend the budget to actual revenues and expenditures. The Board is authorized by State statute to make budget amendments up to the date that the District's Annual Financial Report is approved. The District typically elects to amend its budget to actual at that time to ensure that all expenditures adjustments are covered by the budget amendments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, as of June 30, 2017, total \$377.6 million. Capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; and audio visual materials and software. The District experienced an increase in capital assets compared to the previous fiscal year of approximately 3.7 percent.

Major capital assets events during the 2016-2017 fiscal year include:

- Projects completed:
 - Indiantown Middle School – Administration and media center building
 - South Fork High School – Kitchen renovation

- Projects in final phase of completion, awaiting the completion of a punch list:
 - Martin County High School – Science and administration building

District School Board of Martin County, Florida
Capital Assets
(net of depreciation)

	<u>2017</u>	<u>2016</u>	Percent Change
Land	\$ 10,354,648	\$ 10,354,648	0.0%
Construction in progress	18,702,166	6,373,348	193.4%
Improvements other than buildings	10,853,476	11,017,781	-1.5%
Buildings and fixed equipment	327,253,241	327,303,918	0.0%
Furniture, fixtures, and equipment	4,554,202	4,550,652	0.1%
Motor vehicles	4,883,022	3,397,505	43.7%
Property under capital lease	369,639	490,247	-24.6%
Audio visual materials & software	668,056	588,176	13.6%
Total Capital Assets (Net of Depreciation)	<u>\$ 377,638,450</u>	<u>\$ 364,076,275</u>	3.7%

Construction in progress increased due to the increase in the number of ongoing construction projects of the District. Additional information on the District's capital assets can be found in Note VI of this report.

Long-Term Debt

At June 30, 2017, the District has total long-term debt outstanding of \$37.1 million, comprised of Certificates of Participation (COPS) Series 2014A, State Board of Education (SBE) Bonds, and capital leases.

District School Board of Martin County, Florida
Outstanding Debt

	<u>2017</u>	<u>2016</u>
COPS	\$ 30,618,017	\$ 32,063,218
State School (SBE) Bonds Payable	6,063,000	7,382,000
Obligations under Capital Lease	383,055	490,937
	<u>\$ 37,064,072</u>	<u>\$ 39,936,155</u>

The District's outstanding debt decreased \$2.9 million during the 2016-17 fiscal year. The decrease was primarily due to scheduled principal payments. Additional information on the District's debt may be found in Note VII of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the District's primary source of revenue. The required local effort (RLE) for the 2017-18 fiscal year is projected to be 4.304 mills (a decrease of .329 mills), the discretionary millage is projected to be .748 mills, and the capital outlay millage is projected to be 1.50 mills. General Fund revenues and other financing sources are projected to be at \$178.7 million, and expenditures are expected to be \$160.4 million.

Approximately 96 percent of total General Fund revenues are from the State of Florida and local taxes; therefore, economic condition at the national, state, and local levels will affect the general operating funds and activities of the District. Changes in levels of tourism, immigration into the State of Florida, and unemployment may affect the State revenue streams, which in turn, will affect District revenue streams.

- The unemployment rate for Martin County is currently 4.2 percent, which is a decrease from the rate of 4.9 percent a year ago.
- Student enrollment increased from 18,714 in September 2016 to an estimated 18,915 in September 2017.
- The County population decreased for the 2016-17 fiscal year from 150,870 to 146,318.

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Martin County School Board, Finance Department, 500 East Ocean Boulevard, Stuart, FL 34994. Additional financial information can be found on our Web site (www.martinschools.org).

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

	Account Number	Primary Government	Component Units
		Governmental Activities	HOPE CENTER FOR AUTISM
ASSETS			
Cash and Cash Equivalents	1110	61,398,902.00	617,815.00
Investments	1160	149,088.00	0.00
Taxes Receivable, Net	1120		0.00
Accounts Receivable, Net	1131	468,921.00	295.00
Interest Receivable on Investments	1170		0.00
Due From Other Agencies	1220	3,422,840.00	4,220.00
Due From Insurer	1180		0.00
Deposits Receivable	1210		4,500.00
Internal Balances			0.00
Cash with Fiscal/Service Agents	1114	1,333,566.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420		0.00
Inventory	1150	464,307.00	0.00
Prepaid Items	1230	48,509.00	1,488.00
Long-Term Investments	1460		0.00
Prepaid Insurance Costs	1430		0.00
Other Postemployment Benefits Asset	1410		0.00
Pension Asset	1415		0.00
<i>Capital Assets</i>			
Land	1310	10,354,648.00	0.00
Land Improvements - Nondepreciable	1315		0.00
Construction in Progress	1360	18,702,166.00	0.00
Nondepreciable Capital Assets		29,056,814.00	0.00
Improvements Other Than Buildings	1320	24,343,590.00	8,960.00
Less Accumulated Depreciation	1329	(13,490,114.00)	(1,395,000)
Buildings and Fixed Equipment	1330	460,545,945.00	33,351.00
Less Accumulated Depreciation	1339	(133,292,704.00)	(24,634,000)
Furniture, Fixtures and Equipment	1340	28,903,185.00	0.00
Less Accumulated Depreciation	1349	(24,348,983.00)	0.00
Motor Vehicles	1350	13,053,100.00	0.00
Less Accumulated Depreciation	1359	(8,170,078.00)	0.00
Property Under Capital Leases	1370	684,574.00	60,383.00
Less Accumulated Depreciation	1379	(314,935.00)	(31,303.00)
Audiovisual Materials	1381	5,461,120.00	0.00
Less Accumulated Depreciation	1388	(4,793,064.00)	0.00
Computer Software	1382		9,698.00
Less Accumulated Amortization	1389		(9,698.00)
Depreciable Capital Assets, Net		348,581,636.00	45,364.00
Total Capital Assets		377,638,450.00	45,364.00
Total Assets		444,924,583.00	673,682.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910		0.00
Net Carrying Amount of Debt Refunding	1920	1,206,843.00	0.00
Pension	1940	37,286,063.00	0.00
Other Postemployment Benefits	1950		0.00
Total Deferred Outflows of Resources		38,492,906.00	0.00
LIABILITIES			
Cash Overdraft	2125		0.00
Accrued Salaries and Benefits	2110	5,266,064.00	39,099.00
Payroll Deductions and Withholdings	2170		0.00
Accounts Payable	2120	6,188,819.00	1,098.00
Sales Tax Payable	2260		0.00
Current Notes Payable	2250		0.00
Accrued Interest Payable	2210	39,954.00	0.00
Deposits Payable	2220		0.00
Due to Other Agencies	2230		0.00
Due to Fiscal Agent	2240		0.00
Pension Liability	2115		0.00
Other Postemployment Benefits Liability	2116		0.00
Judgments Payable	2130		0.00
Construction Contracts Payable	2140		0.00
Construction Contracts Payable - Retained Percentage	2150	899,535.00	0.00
Estimated Unpaid Claims - Self-Insurance Program	2271		0.00
Estimated Liability for Claims Adjustment	2272		0.00
Estimated Liability for Arbitrage Rebate	2280		0.00
Unearned Revenues	2410	193,569.00	0.00
<i>Noncurrent Liabilities</i>			
<i>Portion Due Within One Year:</i>			
Notes Payable	2310		0.00
Obligations Under Capital Leases	2315	111,720.00	0.00
Bonds Payable	2320	1,032,000.00	0.00
Liability for Compensated Absences	2330	1,294,796.00	0.00
Lease-Purchase Agreements Payable	2340	1,495,201.00	0.00
Estimated Liability for Long-Term Claims	2350		0.00
Net Other Postemployment Benefits Obligation	2360		0.00
Net Pension Liability	2365	1,493,625.00	0.00
Estimated PECO Advance Payable	2370		0.00
Other Long-Term Liabilities	2380		0.00
Derivative Instrument	2390		0.00
Estimated Liability for Arbitrage Rebate	2280		0.00
Due Within One Year		5,427,342.00	0.00
<i>Portion Due After One Year:</i>			
Notes Payable	2310		0.00
Obligations Under Capital Leases	2315	271,335.00	0.00
Bonds Payable	2320	7,646,000.00	0.00
Liability for Compensated Absences	2330	11,294,632.00	0.00
Lease-Purchase Agreements Payable	2340	26,507,816.00	0.00
Estimated Liability for Long-Term Claims	2350		0.00
Net Other Postemployment Benefits Obligation	2360	84,028,180.00	0.00
Net Pension Liability	2365	94,501,326.00	0.00
Estimated PECO Advance Payable	2370		0.00
Other Long-Term Liabilities	2380		0.00
Derivative Instrument	2390		0.00
Estimated Liability for Arbitrage Rebate	2280		0.00
Due in More than One Year		224,249,289.00	0.00
Total Long-Term Liabilities		229,676,631.00	0.00
Total Liabilities		242,264,572.00	40,197.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610		0.00
Deficit Net Carrying Amount of Debt Refunding	2620		0.00
Deferred Revenue	2630		0.00
Pension	2640	3,844,687.00	0.00
Other Postemployment Benefits	2650		0.00
Total Deferred Inflows of Resources		3,844,687.00	0.00
NET POSITION			
Net Investment in Capital Assets	2770	341,781,221.00	45,364.00
<i>Restricted For:</i>			
Categorical Carryover Programs	2780	6,975,526.00	0.00
Food Service	2780	2,556,274.00	0.00
Debt Service	2780	816,107.00	0.00
Capital Projects	2780	29,444,542.00	89,053.00
Other Purposes	2780	62,297.00	0.00
Unrestricted	2790	(144,327,737.00)	499,068.00
Total Net Position		237,308,230.00	633,485.00

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

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-Type Activities	Total	
<i>Governmental Activities:</i>									
Instruction	5000	98,232,929.00	338,620.00			(97,894,309.00)		(97,894,309.00)	
Student Support Services	6100	9,913,317.00				(9,913,317.00)		(9,913,317.00)	
Instructional Media Services	6200	2,111,932.00				(2,111,932.00)		(2,111,932.00)	
Instruction and Curriculum Development Services	6300	3,546,755.00				(3,546,755.00)		(3,546,755.00)	
Instructional Staff Training Services	6400	4,139,857.00				(4,139,857.00)		(4,139,857.00)	
Instruction-Related Technology	6500	2,291,725.00				(2,291,725.00)		(2,291,725.00)	
Board	7100	586,216.00				(586,216.00)		(586,216.00)	
General Administration	7200	957,873.00				(957,873.00)		(957,873.00)	
School Administration	7300	10,097,942.00				(10,097,942.00)		(10,097,942.00)	
Facilities Acquisition and Construction	7400	23,601,930.00			276,132.00	(23,325,798.00)		(23,325,798.00)	
Fiscal Services	7500	916,254.00				(916,254.00)		(916,254.00)	
Food Services	7600	8,749,431.00	2,188,619.00	7,254,275.00		693,463.00		693,463.00	
Central Services	7700	3,263,117.00				(3,263,117.00)		(3,263,117.00)	
Student Transportation Services	7800	6,895,393.00	486,790.00			(6,408,603.00)		(6,408,603.00)	
Operation of Plant	7900	13,971,480.00				(13,971,480.00)		(13,971,480.00)	
Maintenance of Plant	8100	4,102,677.00			695,334.00	(3,407,343.00)		(3,407,343.00)	
Administrative Technology Services	8200	640,906.00				(640,906.00)		(640,906.00)	
Community Services	9100	3,104,925.00	3,418,558.00			313,633.00		313,633.00	
Interest on Long-Term Debt	9200	685,518.00			1,379,646.00	694,128.00		694,128.00	
Unallocated Depreciation/Amortization Expense						0.00		0.00	
Total Governmental Activities		197,810,177.00	6,432,587.00	7,254,275.00	2,351,112.00	(181,772,203.00)		(181,772,203.00)	
<i>Business-type Activities:</i>									
Self-Insurance Consortium							0.00	0.00	
Daycare Operations							0.00	0.00	
Other Business-Type Activity							0.00	0.00	
Total Business-Type Activities		0.00	0.00	0.00	0.00		0.00	0.00	
Total Primary Government		197,810,177.00	6,432,587.00	7,254,275.00	2,351,112.00	(181,772,203.00)	0.00	(181,772,203.00)	
<i>Component Units:</i>									
HOPE CENTER FOR AUTISM		1,204,365.00	16,637.00	0.00	11,791.00				(1,175,937.00)
Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Total Nonmajor Component Units		0.00	0.00	0.00	0.00				0.00
Total Component Units		1,204,365.00	16,637.00	0.00	11,791.00				(1,175,937.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
 Property Taxes, Levied for Debt Service
 Property Taxes, Levied for Capital Projects
 Local Sales Taxes
 Grants and Contributions Not Restricted to Specific Programs
 Investment Earnings
 Miscellaneous
 Loss Recovery
 Extraordinary Items
 Transfers
Total General Revenues, Special Items, Extraordinary Items and Transfers
Change in Net Position
 Net Position, July 1, 2016
 Adjustments to Net Position
 Net Position, June 30, 2017

109,593,774.00		109,593,774.00	0.00
		0.00	0.00
30,549,792.00		30,549,792.00	0.00
		0.00	0.00
		0.00	1,239,054.00
47,640,526.00		47,640,526.00	53.00
3,296,535.00		3,296,535.00	0.00
46,752.00		46,752.00	0.00
		0.00	0.00
		0.00	0.00
191,127,379.00	0.00	191,127,379.00	1,239,107.00
9,355,176.00	0.00	9,355,176.00	63,170.00
227,953,054.00		227,953,054.00	570,315.00
		0.00	0.00
237,308,230.00	0.00	237,308,230.00	633,485.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

	Account Number	General 100	Food Services 410	Other Federal Programs 420	SBE/COBI Bonds 210	Nonvoted Capital Improvement Fund 370	Other Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
ASSETS							
Cash and Cash Equivalents	1110	25,062,633.00	2,782,302.00	0.00	0.00	24,763,063.00	8,790,904.00
Investments	1160	0.00	0.00	0.00	149,088.00	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	146,189.00	45,376.00	0.00	0.00	4,682.00	272,674.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	0.00	42,501.00	2,947,656.00	0.00	417,978.00	14,705.00
Due From Budgetary Funds	1141	2,820,044.00	0.00	0.00	0.00	0.00	0.00
Due From Insurer	1180	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00	0.00	0.00
Due From Internal Funds	1142	0.00	0.00	0.00	0.00	0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	706,973.00	0.00	0.00
Inventory	1150	321,759.00	142,548.00	0.00	0.00	0.00	0.00
Prepaid Items	1230	48,509.00	0.00	0.00	0.00	0.00	0.00
Long-Term Investments	1460	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets		28,399,134.00	3,012,727.00	2,947,656.00	856,061.00	25,185,723.00	9,078,283.00
DEFERRED OUTFLOWS OF RESOURCES							
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00	0.00	0.00	0.00	0.00
Total Assets and Deferred Outflows of Resources		28,399,134.00	3,012,727.00	2,947,656.00	856,061.00	25,185,723.00	9,078,283.00
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Cash Overdraft	2125	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	5,111,538.00	40,959.00	113,567.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	2120	2,147,234.00	167,845.00	49,358.00	0.00	3,815,394.00	6,925.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00	0.00
Current Notes Payable	2250	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	39,954.00	0.00	0.00
Deposits Payable	2220	0.00	0.00	0.00	0.00	0.00	0.00
Due to Other Agencies	2230	0.00	0.00	0.00	0.00	0.00	0.00
Due to Budgetary Funds	2161	0.00	0.00	2,784,731.00	0.00	0.00	35,313.00
Due to Internal Funds	2162	2,063.00	0.00	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00	0.00	0.00
Pension Liability	2115	0.00	0.00	0.00	0.00	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00	0.00	0.00	0.00	0.00
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00	0.00	0.00	899,535.00	0.00
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00	0.00	0.00
Unearned Revenue	2410	88,468.00	105,101.00	0.00	0.00	0.00	0.00
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities		7,349,303.00	313,905.00	2,947,656.00	39,954.00	4,714,929.00	42,238.00
DEFERRED INFLOWS OF RESOURCES							
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Revenues	2630	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00	0.00	0.00	0.00	0.00
FUND BALANCES							
<i>Nonspendable:</i>							
Inventory	2711	321,760.00	0.00	0.00	0.00	0.00	0.00
Prepaid Amounts	2712	48,509.00	0.00	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00	0.00	0.00	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00	0.00	0.00	0.00	0.00
Total Nonspendable Fund Balances	2710	370,269.00	0.00	0.00	0.00	0.00	0.00
<i>Restricted for:</i>							
Economic Stabilization	2721	0.00	0.00	0.00	0.00	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00	0.00	0.00	0.00	0.00
State Required Carryover Programs	2723	6,975,527.00	0.00	0.00	0.00	0.00	0.00
Local Sales Tax and Other Tax Levy	2724	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	2725	0.00	0.00	0.00	816,107.00	0.00	0.00
Capital Projects	2726	0.00	0.00	0.00	0.00	20,470,794.00	8,973,748.00
Restricted for	2729	0.00	2,698,822.00	0.00	0.00	0.00	62,297.00
Restricted for	2729	0.00	0.00	0.00	0.00	0.00	0.00
Total Restricted Fund Balances	2720	6,975,527.00	2,698,822.00	0.00	816,107.00	20,470,794.00	9,036,045.00
<i>Committed to:</i>							
Economic Stabilization	2731	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00	0.00	0.00
Committed for	2739	0.00	0.00	0.00	0.00	0.00	0.00
Total Committed Fund Balances	2730	0.00	0.00	0.00	0.00	0.00	0.00
<i>Assigned to:</i>							
Special Revenue	2741	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	2742	0.00	0.00	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Fund	2744	0.00	0.00	0.00	0.00	0.00	0.00
Assigned for	2749	691,938.00	0.00	0.00	0.00	0.00	0.00
Assigned for	2749	0.00	0.00	0.00	0.00	0.00	0.00
Total Assigned Fund Balances	2740	691,938.00	0.00	0.00	0.00	0.00	0.00
Total Unassigned Fund Balances	2750	13,012,097.00	0.00	0.00	0.00	0.00	0.00
Total Fund Balances	2700	21,049,831.00	2,698,822.00	0.00	816,107.00	20,470,794.00	9,036,045.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances		28,399,134.00	3,012,727.00	2,947,656.00	856,061.00	25,185,723.00	9,078,283.00

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

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

	Account Number	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Cash Equivalents	1110	61,398,902.00
Investments	1160	149,088.00
Taxes Receivable, Net	1120	0.00
Accounts Receivable, Net	1131	468,921.00
Interest Receivable on Investments	1170	0.00
Due From Other Agencies	1220	3,422,840.00
Due From Budgetary Funds	1141	2,820,044.00
Due From Insurer	1180	0.00
Deposits Receivable	1210	0.00
Due From Internal Funds	1142	0.00
Cash with Fiscal/Service Agents	1114	706,973.00
Inventory	1150	464,307.00
Prepaid Items	1230	48,509.00
Long-Term Investments	1460	0.00
Total Assets		69,479,584.00
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00
Total Deferred Outflows of Resources		0.00
Total Assets and Deferred Outflows of Resources		69,479,584.00
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Cash Overdraft	2125	0.00
Accrued Salaries and Benefits	2110	5,266,064.00
Payroll Deductions and Withholdings	2170	0.00
Accounts Payable	2120	6,186,756.00
Sales Tax Payable	2260	0.00
Current Notes Payable	2250	0.00
Accrued Interest Payable	2210	39,954.00
Deposits Payable	2220	0.00
Due to Other Agencies	2230	0.00
Due to Budgetary Funds	2161	2,820,044.00
Due to Internal Funds	2162	2,063.00
Due to Fiscal Agent	2240	0.00
Pension Liability	2115	0.00
Other Postemployment Benefits Liability	2116	0.00
Judgments Payable	2130	0.00
Construction Contracts Payable	2140	0.00
Construction Contracts Payable - Retained Percentage	2150	899,535.00
Matured Bonds Payable	2180	0.00
Matured Interest Payable	2190	0.00
Unearned Revenue	2410	193,569.00
Unavailable Revenue	2410	0.00
Total Liabilities		15,407,985.00
DEFERRED INFLOWS OF RESOURCES		
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00
Deferred Revenues	2630	0.00
Total Deferred Inflows of Resources		0.00
FUND BALANCES		
<i>Nonspendable:</i>		
Inventory	2711	321,760.00
Prepaid Amounts	2712	48,509.00
Permanent Fund Principal	2713	0.00
Other Not in Spendable Form	2719	0.00
Total Nonspendable Fund Balances	2710	370,269.00
<i>Restricted for:</i>		
Economic Stabilization	2721	0.00
Federal Required Carryover Programs	2722	0.00
State Required Carryover Programs	2723	6,975,527.00
Local Sales Tax and Other Tax Levy	2724	0.00
Debt Service	2725	816,107.00
Capital Projects	2726	29,444,542.00
Restricted for _____	2729	2,761,119.00
Restricted for _____	2729	0.00
Total Restricted Fund Balances	2720	39,997,295.00
<i>Committed to:</i>		
Economic Stabilization	2731	0.00
Contractual Agreements	2732	0.00
Committed for _____	2739	0.00
Committed for _____	2739	0.00
Total Committed Fund Balances	2730	0.00
<i>Assigned to:</i>		
Special Revenue	2741	0.00
Debt Service	2742	0.00
Capital Projects	2743	0.00
Permanent Fund	2744	0.00
Assigned for _____	2749	691,938.00
Assigned for _____	2749	0.00
Total Assigned Fund Balances	2740	691,938.00
Total Unassigned Fund Balances	2750	13,012,097.00
Total Fund Balances	2700	54,071,599.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances		69,479,584.00

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

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

Total fund balances - governmental funds \$ 54,071,599

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 governmental funds.

Capital assets not being depreciated	\$ 29,056,814	
Capital assets being depreciated	<u>348,581,636</u>	377,638,450

The District's portion of the equity held in the risk management consortium is not reported as an asset of the governmental funds.		626,593
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The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds.		1,206,843
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflow of pension expense	\$ 29,685,415	
Deferred outflow of employer contribution	<u>7,600,648</u>	37,286,063

Deferred inflows of resources related to pensions		(3,844,687)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Certificates of participation payable	\$ (30,618,017)	
Bonds payable	(6,063,000)	
Obligations under capital lease	(383,055)	
Compensated absences payable	(12,589,428)	
Other postemployment benefits obligation	(84,028,180)	
Net pension liability	<u>(95,994,951)</u>	(229,676,631)

Total net position - governmental activities \$ 237,308,230

The accompanying notes are an integral part of the basic financial statements.

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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	General 100	Food Services 410	Other Federal Programs 420	SBE/COBI Bonds 210	Nonvoted Capital Improvement Fund 370
REVENUES						
Federal Direct	3100	360,250.78	0.00	2,090,031.50	0.00	0.00
Federal Through State and Local	3200	696,200.21	7,163,416.99	10,195,954.09	0.00	0.00
State Sources	3300	34,281,008.58	90,858.00	0.00	1,328,440.38	0.00
<i>Local Sources:</i>						
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	109,593,774.39	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00	0.00	0.00	30,549,791.98
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	0.00	0.00
Charges for Service - Food Service	345X	0.00	2,188,618.93	0.00	0.00	0.00
Impact Fees	3496	0.00	0.00	0.00	0.00	0.00
Other Local Revenue		6,695,209.29	15,386.96	0.00	0.00	211,620.55
Total Local Sources	3400	116,288,983.68	2,204,005.89	0.00	0.00	30,761,412.53
Total Revenues		151,626,443.25	9,458,280.88	12,285,985.59	1,328,440.38	30,761,412.53
EXPENDITURES						
<i>Current:</i>						
Instruction	5000	90,425,771.10	0.00	4,207,947.86	0.00	0.00
Student Support Services	6100	6,300,262.73	0.00	3,254,359.54	0.00	0.00
Instructional Media Services	6200	2,031,316.96	0.00	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	1,794,261.60	0.00	1,615,596.37	0.00	0.00
Instructional Staff Training Services	6400	1,787,818.61	0.00	2,223,753.44	0.00	0.00
Instruction-Related Technology	6500	2,216,721.60	0.00	0.00	0.00	0.00
Board	7100	569,728.79	0.00	0.00	0.00	0.00
General Administration	7200	921,581.70	0.00	579,472.22	0.00	0.00
School Administration	7300	9,682,962.03	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7410	769,301.93	0.00	0.00	0.00	7,992,535.78
Fiscal Services	7500	882,104.54	0.00	0.00	0.00	0.00
Food Services	7600	0.00	8,882,624.00	640.00	0.00	0.00
Central Services	7700	4,148,310.10	0.00	0.00	0.00	0.00
Student Transportation Services	7800	6,603,541.49	0.00	78,274.72	0.00	0.00
Operation of Plant	7900	13,651,279.59	0.00	52,839.37	0.00	0.00
Maintenance of Plant	8100	3,957,439.91	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	610,367.22	0.00	0.00	0.00	0.00
Community Services	9100	3,017,773.89	0.00	1,600.17	0.00	0.00
<i>Debt Service: (Function 9200)</i>						
Redemption of Principal	710	0.00	0.00	0.00	1,007,000.00	126,297.44
Interest	720	0.00	0.00	0.00	344,983.75	15,814.12
Dues and Fees	730	0.00	0.00	0.00	13,272.07	0.00
Miscellaneous	790	0.00	0.00	0.00	1,972,951.93	0.00
<i>Capital Outlay:</i>						
Facilities Acquisition and Construction	7420	53,346.00	754,336.40	60,737.58	0.00	21,083,199.56
Other Capital Outlay	9300	55,185.04	112,391.00	210,764.32	0.00	5,755,733.78
Total Expenditures		149,479,074.83	9,749,351.40	12,285,985.59	3,338,207.75	34,973,580.68
Excess (Deficiency) of Revenues Over (Under) Expenditures		2,147,368.42	(291,070.52)	0.00	(2,009,767.37)	(4,212,168.15)
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	3710	0.00	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00	0.00	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00	0.00	0.00	0.00
Loans	3720	0.00	0.00	0.00	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00	0.00	0.00	0.00
Loss Recoveries	3740	0.00	0.00	0.00	0.00	46,751.65
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00	0.00	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00	0.00	2,303,000.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	349,824.87	0.00
Discount on Refunding Bonds	892	0.00	0.00	0.00	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00	0.00
Transfers In	3600	1,754,368.74	18,598.17	0.00	0.00	0.00
Transfers Out	9700	(18,598.17)	0.00	0.00	0.00	(4,310,323.60)
Total Other Financing Sources (Uses)		1,735,770.57	18,598.17	0.00	2,652,824.87	(4,263,571.95)
SPECIAL ITEMS						
		0.00	0.00	0.00	0.00	0.00
EXTRAORDINARY ITEMS						
		0.00	0.00	0.00	0.00	0.00
Net Change in Fund Balances		3,883,138.99	(272,472.35)	0.00	643,057.50	(8,475,740.10)
Fund Balances, July 1, 2016	2800	17,166,692.01	2,971,294.35	0.00	173,049.50	28,946,534.10
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2017	2700	21,049,831.00	2,698,822.00	0.00	816,107.00	20,470,794.00

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

	Account Number	Other Governmental Funds	Total Governmental Funds
REVENUES			
Federal Direct	3100	0.00	2,450,282.28
Federal Through State and Local	3200	0.00	18,055,571.29
State Sources	3300	1,039,752.66	36,740,059.62
<i>Local Sources:</i>			
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	109,593,774.39
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	30,549,791.98
Local Sales Taxes	3418, 3419	0.00	0.00
Charges for Service - Food Service	345X	0.00	2,188,618.93
Impact Fees	3496	1,558,169.39	1,558,169.39
Other Local Revenue		1,126.39	6,923,343.19
Total Local Sources	3400	1,559,295.78	150,813,697.88
Total Revenues		2,599,048.44	208,059,611.07
EXPENDITURES			
<i>Current:</i>			
Instruction	5000	0.00	94,633,718.96
Student Support Services	6100	0.00	9,554,622.27
Instructional Media Services	6200	0.00	2,031,316.96
Instruction and Curriculum Development Services	6300	0.00	3,409,857.97
Instructional Staff Training Services	6400	0.00	4,011,572.05
Instruction-Related Technology	6500	0.00	2,216,721.60
Board	7100	0.00	569,728.79
General Administration	7200	0.00	1,501,053.92
School Administration	7300	0.00	9,682,962.03
Facilities Acquisition and Construction	7410	568,848.00	9,330,685.71
Fiscal Services	7500	0.00	882,104.54
Food Services	7600	0.00	8,883,264.00
Central Services	7700	0.00	4,148,310.10
Student Transportation Services	7800	0.00	6,681,816.21
Operation of Plant	7900	0.00	13,704,118.96
Maintenance of Plant	8100	0.00	3,957,439.91
Administrative Technology Services	8200	0.00	610,367.22
Community Services	9100	0.00	3,019,374.06
<i>Debt Service: (Function 9200)</i>			
Redemption of Principal	710	1,255,000.00	2,388,297.44
Interest	720	1,297,631.25	1,658,429.12
Dues and Fees	730	5,689.40	18,961.47
Miscellaneous	790	0.00	1,972,951.93
<i>Capital Outlay:</i>			
Facilities Acquisition and Construction	7420	126,486.00	22,078,105.54
Other Capital Outlay	9300	0.00	6,134,074.14
Total Expenditures		3,253,654.65	213,079,854.90
Excess (Deficiency) of Revenues Over (Under) Expenditures		(654,606.21)	(5,020,243.83)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	3710	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00
Loans	3720	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00
Loss Recoveries	3740	0.00	46,751.65
Proceeds of Forward Supply Contract	3760	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	2,303,000.00
Premium on Refunding Bonds	3792	0.00	349,824.87
Discount on Refunding Bonds	892	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00
Transfers In	3600	2,555,954.86	4,328,921.77
Transfers Out	9700	0.00	(4,328,921.77)
Total Other Financing Sources (Uses)		2,555,954.86	2,699,576.52
SPECIAL ITEMS			
		0.00	0.00
EXTRAORDINARY ITEMS			
		0.00	0.00
Net Change in Fund Balances		1,901,348.65	(2,320,667.31)
Fund Balances, July 1, 2016	2800	7,134,696.35	56,392,266.31
Adjustments to Fund Balances	2891	0.00	0.00
Fund Balances, June 30, 2017	2700	9,036,045.00	54,071,599.00

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

Net change in fund balances - total governmental funds \$ (2,320,667)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense.

Capital outlay	\$ 28,212,180	
Less, depreciation expense	<u>(14,164,772)</u>	14,047,408

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets were recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (485,233)

The District's portion of equity held in the risk management consortium is recognized in the government-wide statement of activities, but not in the governmental funds. This is the decrease in the District's equity in the consortium. (391,861)

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 leave used. This is the net amount of vacation and sick leave earned in excess of the amount paid in the current period. (91,774)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-terms liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Premiums and refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. The difference is the amount by which repayments exceeded proceeds in the current period.

Bond Refunding	\$ (2,303,000)	
Refunded COPs redeemed	1,445,201	
Capital lease repayments	107,882	
Bonds repayment	<u>3,622,000</u>	2,872,083

Refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred amortized over the life of the debt in the governmental-wide statements. This is the decrease in the net carrying amount of debt refunding for the current period. (80,456)

Expenses for other postemployment benefits in the statement of activities that do not require the use of current financial resources, are not reported in the governmental funds.

Current year expense	\$ (3,846,419)	
Current year contribution	<u>2,288,964</u>	(1,557,455)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 7,600,648	
Pension expense	<u>(10,237,517)</u>	<u>(2,636,869)</u>

Change in net position of governmental activities \$ 9,355,176

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Account Number	Total Private-Purpose Trust Funds 85X	Total Pension Trust Funds 87X	Total Agency Funds 89X
ASSETS				
Cash and Cash Equivalents	1110	248,933.00	8,535,538.00	1,950,407.00
Investments	1160	0.00	0.00	0.00
Accounts Receivable, Net	1131	0.00	0.00	1,551.00
Pension Contributions Receivable	1132		0.00	
Interest Receivable on Investments	1170	0.00	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00	0.00
Due From Other Agencies	1220	0.00	0.00	0.00
Inventory	1150			43,628.00
Total Assets		248,933.00	8,535,538.00	1,995,586.00
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	
Pension	1940		0.00	
Other Postemployment Benefits	1950	0.00	0.00	
Total Deferred Outflows of Resources		0.00	0.00	
LIABILITIES				
Cash Overdraft	2125	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00
Accounts Payable	2120	0.00	0.00	77,550.00
Internal Accounts Payable	2290	0.00	0.00	1,918,036.00
Due to Other Agencies	2230	0.00	0.00	
Due to Budgetary Funds	2161	0.00	0.00	0.00
Total Liabilities		0.00	0.00	1,995,586.00
DEFERRED INFLOWS OF RESOURCES				
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	
Pension	2640		0.00	
Other Postemployment Benefits	2650	0.00	0.00	
Total Deferred Inflows of Resources		0.00	0.00	
NET POSITION				
Held in Trust for Pension Benefits	2785	0.00	8,535,538.00	
Held in Trust for Other Purposes	2785	248,933.00	0.00	
Total Net Position		248,933.00	8,535,538.00	

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Total Private-Purpose Trust Funds 85X	Total Pension Trust Funds 87X
ADDITIONS			
<i>Contributions:</i>			
Employer		0.00	700,000.00
Plan Members		0.00	0.00
Gifts, Grants and Bequests	3440	43,979.00	0.00
<i>Investment Income:</i>			
Interest on Investments	3431	0.00	165,983.00
Gain on Sale of Investments	3432	0.00	127,375.00
Net Increase (Decrease) in the Fair Value of Investments	3433	0.00	496,052.00
Total Investment Income		0.00	789,410.00
Less Investment Expense		0.00	0.00
Net Investment Income		0.00	789,410.00
Total Additions		43,979.00	1,489,410.00
DEDUCTIONS			
Salaries	100	0.00	0.00
Employee Benefits	200	0.00	647,633.00
Purchased Services	300	0.00	5,000.00
Other	700	1,500.00	26,626.00
Refunds of Contributions		0.00	0.00
Administrative Expenses		0.00	0.00
Total Deductions		1,500.00	679,259.00
Change In Net Position		42,479.00	810,151.00
Net Position Held In Trust, July 1, 2016	2885	206,454.00	7,725,387.00
Adjustments to Net Position	2896	0.00	0.00
Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2017	2785	248,933.00	8,535,538.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF NET POSITION
MAJOR AND NONMAJOR COMPONENT UNITS
June 30, 2017**

	Account Number	HOPE CENTER FOR AUTISM	Total Component Units
ASSETS			
Cash and Cash Equivalents	1110	617,815.00	617,815.00
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1131	295.00	295.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Other Agencies	1220	4,220.00	4,220.00
Due From Insurer	1180	0.00	0.00
Deposits Receivable	1210	4,500.00	4,500.00
Internal Balances		0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420	0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	1,488.00	1,488.00
Long-Term Investments	1460	0.00	0.00
Prepaid Insurance Costs	1430	0.00	0.00
Other Postemployment Benefits Asset	1410	0.00	0.00
Pension Asset	1415	0.00	0.00
<i>Capital Assets:</i>			
Land	1310	0.00	0.00
Land Improvements - Nondepreciable	1315	0.00	0.00
Construction in Progress	1360	0.00	0.00
Nondepreciable Capital Assets		0.00	0.00
Improvements Other Than Buildings	1320	8,960.00	8,960.00
Less Accumulated Depreciation	1329	(1,393.00)	(1,393.00)
Buildings and Fixed Equipment	1330	33,351.00	33,351.00
Less Accumulated Depreciation	1339	(24,634.00)	(24,634.00)
Furniture, Fixtures and Equipment	1340	0.00	0.00
Less Accumulated Depreciation	1349	0.00	0.00
Motor Vehicles	1350	0.00	0.00
Less Accumulated Depreciation	1359	0.00	0.00
Property Under Capital Leases	1370	60,383.00	60,383.00
Less Accumulated Depreciation	1379	(31,303.00)	(31,303.00)
Audiovisual Materials	1381	0.00	0.00
Less Accumulated Depreciation	1388	0.00	0.00
Computer Software	1382	9,698.00	9,698.00
Less Accumulated Amortization	1389	(9,698.00)	(9,698.00)
Depreciable Capital Assets, Net		45,364.00	45,364.00
Total Capital Assets		45,364.00	45,364.00
Total Assets		673,682.00	673,682.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Net Carrying Amount of Debt Refunding	1920	0.00	0.00
Pension	1940	0.00	0.00
Other Postemployment Benefits	1950	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	39,099.00	39,099.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	1,098.00	1,098.00
Sales Tax Payable	2260	0.00	0.00
Current Notes Payable	2250	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00
Deposits Payable	2220	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00
Pension Liability	2115	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00
Estimated Unpaid Claims - Self-Insurance Program	2271	0.00	0.00
Estimated Liability for Claims Adjustment	2272	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Unearned Revenues	2410	0.00	0.00
<i>Noncurrent Liabilities</i>			
<i>Portion Due Within One Year:</i>			
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	0.00	0.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Net Other Postemployment Benefits Obligation	2360	0.00	0.00
Net Pension Liability	2365	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Other Long-Term Liabilities	2380	0.00	0.00
Derivative Instrument	2390	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due Within One Year		0.00	0.00
<i>Portion Due After One Year:</i>			
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	0.00	0.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Net Other Postemployment Benefits Obligation	2360	0.00	0.00
Net Pension Liability	2365	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Other Long-Term Liabilities	2380	0.00	0.00
Derivative Instrument	2390	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due in More than One Year		0.00	0.00
Total Long-Term Liabilities		0.00	0.00
Total Liabilities		40,197.00	40,197.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Deficit Net Carrying Amount of Debt Refunding	2620	0.00	0.00
Deferred Revenues	2630	0.00	0.00
Pension	2640	0.00	0.00
Other Postemployment Benefits	2650	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
NET POSITION			
Net Investment in Capital Assets	2770	45,364.00	45,364.00
<i>Restricted For:</i>			
Categorical Carryover Programs	2780	0.00	0.00
Food Service	2780	0.00	0.00
Debt Service	2780	0.00	0.00
Capital Projects	2780	89,053.00	89,053.00
Other Purposes	2780	0.00	0.00
Unrestricted	2790	499,068.00	499,068.00
Total Net Position		633,485.00	633,485.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF ACTIVITIES
MAJOR AND NONMAJOR COMPONENT UNITS
HOPE CENTER FOR AUTISM
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Revenue and Changes in Net Position Component Unit Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	788,161.00	16,637.00	0.00	0.00	(771,524.00)
Student Support Services	6100	0.00	0.00	0.00	0.00	0.00
Instructional Media Services	6200	0.00	0.00	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00	0.00
Instructional Staff Training Services	6400	6,925.00	0.00	0.00	0.00	(6,925.00)
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	6,756.00	0.00	0.00	0.00	(6,756.00)
General Administration	7200	0.00	0.00	0.00	0.00	0.00
School Administration	7300	281,352.00	0.00	0.00	0.00	(281,352.00)
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	11,791.00	11,791.00
Fiscal Services	7500	14,660.00	0.00	0.00	0.00	(14,660.00)
Food Services	7600	0.00	0.00	0.00	0.00	0.00
Central Services	7700	0.00	0.00	0.00	0.00	0.00
Student Transportation Services	7800	0.00	0.00	0.00	0.00	0.00
Operation of Plant	7900	95,928.00	0.00	0.00	0.00	(95,928.00)
Maintenance of Plant	8100	5,475.00	0.00	0.00	0.00	(5,475.00)
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	0.00	0.00	0.00	0.00	0.00
Interest on Long-Term Debt	9200	5,108.00	0.00	0.00	0.00	(5,108.00)
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		1,204,365.00	16,637.00	0.00	11,791.00	(1,175,937.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes	0.00
Property Taxes, Levied for Debt Service	0.00
Property Taxes, Levied for Capital Projects	0.00
Local Sales Taxes	0.00
Grants and Contributions Not Restricted to Specific Programs	1,239,054.00
Investment Earnings	53.00
Miscellaneous	0.00
Special Items	0.00
Extraordinary Items	0.00
Transfers	0.00

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016	570,315.00
Adjustments to Net Position	0.00
Net Position, June 30, 2017	633,485.00

0.00
0.00
0.00
0.00
1,239,054.00
53.00
0.00
0.00
0.00
0.00
1,239,107.00
63,170.00
570,315.00
0.00
633,485.00

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Martin 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 Martin County School District (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 elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Martin 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 School Board are such that the exclusion would cause the District's basic financial statements to be misleading. Based on these criteria, the following component units are included within the District's reporting entity:

Blended Component Unit

The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board 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 Unit

The Hope Center for Autism, Inc., is a separate not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The Hope Center for Autism, Inc., operates under a charter approved by its sponsor, the Martin County School Board and is considered to be a component unit because the District is financially accountable for the charter school as the District established the charter school by approval of the charter, which is tantamount to the initial appointment of the charter school, and there is the potential for the charter school to provide specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District. A copy of the separate financial statements for the charter school is available at the District's administrative office.

The District also considered the Clark Advanced Learning Center Charter School operated by Indian River State College for inclusion in its reporting entity; however, because the Clark Advanced Learning Center is an operating component unit of the College and is not a separate legal entity, it does not meet the criteria for inclusion as a District component unit. The charter school's financial statements were audited by an independent certified public accountant and are filed in the District's administrative office, 500 East Ocean Boulevard, Stuart, FL 34994.

B. Government-wide and Fund Financial Statements – Basis of Presentation

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

1. Government-wide Financial Statements

Government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information about the School District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements include separate columns for the primary government and its component units. *Governmental activities* are supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate *component units* for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's 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, if not specifically associated with a particular function, is reported as unallocated. *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. 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-supporting or draws from the general revenues of the District.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are when eliminations would distort the direct costs and program revenues reported for the various functions concerned.

2. Fund Financial Statements

The financial records of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. The fiduciary fund statements include financial information for the agency funds, the pension trust fund, and private purpose trust funds. The agency funds of the District primarily represent assets held by the District in a custodial capacity for other individuals.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2017

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Food Service Fund – to account for and report on activities of the food service program when serving breakfast and lunch at the schools.
- Special Revenue – Other Federal Programs Fund – to account for the financial resources generated for certain Federal grants.
- Debt Service – School Board of Education Bonds Fund – to account for and report on payment of principal, interest, and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.
- Capital Projects – Local Capital Improvement Tax Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, maintenance, repairs, and site improvement.

Additionally, the District reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the Early Retirement Plan (ERP).
- Private-Purpose Trust Funds – to account for resources of the following scholarship trust funds: M.H. Correll Research Trust Fund; T.L. Showalter Scholarship Trust Fund; J.M. Phillips, Jr., Memorial Trust Fund; Clara Neuman Scholarship Trust Fund; Dr. Tom Goodman Scholarship Trust Fund; Cecele S. Gryl Trust Fund; and Nonendowment Scholarship Trust Fund.
- Agency Funds – to account for resources of the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

Noncurrent Governmental Assets/Liabilities

Generally Accepted Accounting Principles (GAAP) require noncurrent governmental assets, such as land and buildings, noncurrent governmental liabilities such as bonds and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

C. Measurement Focus and Basis of Accounting

1. Government-wide Financial Statements

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GAAP. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an “other financing source”. Amounts paid to reduce the District’s long-term indebtedness are reported as a reduction of related liability, rather than as expenditures.

2. Governmental Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District’s policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

3. Fiduciary Fund Financial Statements

Fiduciary fund statements include trust funds and agency funds. All trust funds use the economic resources measurement focus and accrual basis of accounting. Agency funds are unlike all other types of funds and report only assets and liabilities. So, agency funds do not have a measurement focus, but do use an accrual basis of accounting to recognize receivables and payables.

4. Component Unit

The Hope Center for Autism, Inc. (charter school), shown as a discretely presented component unit, is accounted for as a governmental organization and follows the same accounting model as the District's governmental activities.

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

1. Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The District considers cash as those accounts used as demand deposit accounts and considers cash equivalents as those amounts on deposit in money market funds and amounts placed in the State Board of Administration's (SBA) Florida Local Government Surplus Funds Trust Fund ("Florida PRIME"), except that money market funds in the Pension Trust Fund are not classified as cash equivalents. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7 like external investment pool, as of June 30, 2017, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The Board has a formal investment policy. The purpose of this policy is to set forth the investment objectives and parameters for the management of the District's public funds. These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The District's investment policy limits investments to a maximum of 5 years or less.

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the District and shall be identified as "Pooled Funds" of the District with the exception of pension funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Funds held by State agencies (e.g., FDOE) are not subject to the provisions of this policy.

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. The second highest priority is liquidity of funds, and the third highest priority is investment income.

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service moneys and with SBA for participation in the Florida PRIME investment pool.

Section 218.45, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District has a formal investment policy that allows for the following investments: Florida PRIME, United States Government securities, United States Government agencies, Federal instrumentalities (United States Government sponsored agencies), interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, bankers' acceptances, state and/or local government taxable and/or tax-exempt debt, registered investment companies (money market mutual funds), intergovernmental investment pools, and corporate obligations in the FDIC's Temporary Liquidity Guarantee Program.

Investments made locally for the ERP and the Certificates of Participation, Series 2014A are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

2. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse inventories are stated at weighted average unit cost. Food service inventories are stated at the last invoice cost, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus 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 consumed on government-wide financial statements and as expenditures when purchased on fund financial statements. However, inventory and prepaid balances are offset on the balance sheet by nonspendable fund balance accounts to indicate that they do not constitute available expendable resources, even though they are components of current assets.

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 costs of prepaid items are recorded as expenditures when consumed.

3. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Buildings and fixed equipment totaling \$24,106,121 acquired or constructed prior to the 1979-80 fiscal year are stated at estimated historical cost using FDOE average square foot construction costs for the year of acquisition or construction.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

District School Board of Martin County, Florida
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June 30, 2017

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Building	10 - 40
Buildings and Fixed Equipment	50
Furniture, Fixtures, and Equipment	3 - 15
Motor Vehicles	5 - 10
Property Under Capital Lease	6
Audio Visual Materials and Computer Software	3 - 5

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position has 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/expenditure) until then. The District has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pensions reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District had one item that qualifies for reporting in this category. The deferred amount on pensions result from the difference in the expected and actual amounts of experience, earnings, and contributions. The deferred inflows of resources related to pensions are discussed in a subsequent note.

5. Compensated Absences

The District accrues accumulated unpaid vacation and sick leave when earned by the employee. The District's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service and governed by applicable labor contracts and sick leave with pay per each month of employment. Employees will be paid in one lump sum for accrued annual (vacation) leave as of last day of employment not to exceed the 60 day maximum allowable balance. A maximum of 500 hours of annual leave may be accrued by employees, except those with balances exceeding 500 as of June 30, 1988, which will be the balance accrued as of June 30, 1988. Compensated absences are reported in the governmental funds only if they have matured. The amount estimated to be paid in the following year is the current amount. The amount estimated to be paid in subsequent fiscal years is the noncurrent amount. The current and noncurrent amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

6. Other 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. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

7. Pensions

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

E. Revenue Sources

1. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the 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 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 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 revenues from State sources for the current year is presented in a subsequent note.

2. 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 Martin County Property Appraiser, and property taxes are collected by the Martin County Tax Collector.

The Board adopted the 2016 tax levy on September 6, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year 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 Martin County Tax Collector at fiscal year-end but not yet remitted to the District.

Millage and taxes levied for the current year are presented in Note III.

3. 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.

4. Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Martin County Commission on July 25, 1995, and amended on February 5, 2008. The educational impact fees are collected by the County for most new residential construction. The fees shall be used solely for the purpose of capital costs of educational facilities, including repayment of indebtedness for such facilities. The authorized uses include, but are not limited to, school planning and design, land acquisition, site improvements, buildings, and capital equipment with an expected useful life of 3 years or longer, but excludes maintenance and operations.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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:

1. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
2. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function level (e.g., instruction, student support services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
3. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
4. Appropriations for the District lapse at the close of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year’s budget.
5. Formal budgetary integration is used as a management control device for all funds of the District.

NOTE III - PROPERTY TAXES

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

<u>TAX ROLL</u>	<u>MILLAGES</u>	<u>TAXES LEVIED</u>
General Fund		
Nonvoted School Tax:		
Required Local Effort	4.633	\$ 94,234,875
Basic Discretionary Local Effort	0.748	15,214,265
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	1.500	30,509,889
Total	<u>6.881</u>	<u>\$ 139,959,029</u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2017

NOTE IV – INVESTMENTS

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

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration Debt Service Accounts ⁽²⁾	6 Months	856,061
PFM Funds Government Series Money Market Fund ⁽¹⁾	29 Day Average	332,344
Wells Fargo Advantage Government Money Market Fund ⁽¹⁾	37 Day Average	20,824,605
Florida Education Investment Trust Fund ⁽¹⁾	37 Day Average	35,196,097
Wells Fargo Heritage Money Market Fund ⁽¹⁾	19 Day Average	1,944,951
Mutual Funds - Equity ⁽²⁾	N/A	5,815,473
Mutual Funds - Fixed Income ⁽²⁾	N/A	2,679,006
Total Investments, Primary Government		<u>\$ 67,648,537</u>

Notes:

(1) These investments are classified as cash and cash equivalents on the basic financial statements.

(2) The quoted prices for identical assets in the active market was used to determine the fair value (Level 1 inputs).

A reconciliation of cash and investments as shown on the Statement of Net Position and fiduciary funds for the primary government follows:

		<u>Statement of Net Position</u>
Fair Value of Investments		\$ 67,648,537
Cash in Bank		4,634,331
Total		<u>\$ 72,282,868</u>
Cash and Cash Equivalents - Statement of Net Position	\$ 61,398,902	
Cash and Cash Equivalents - Fiduciary Funds	<u>2,199,340</u>	
Total Cash and Cash Equivalents		63,598,242
Investments - Statement of Net Position	149,088	
Investments - Pension Trust Fund	<u>8,535,538</u>	
Total Investments		8,684,626
Total		<u>\$ 72,282,868</u>

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 provides that investments of current operating funds shall have maturities of no longer than twelve (12) months. Investments of reserves, project funds, debt proceeds and other non-operating funds (“core fund”) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes “weighted average maturity” as a measurement of interest rate risk and as of June 30, 2017, the investment portfolio had a weighted average maturity of .10 years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, provides the authority to invest in the SBA Local Government Surplus Funds, Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, and limits investments in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes, and direct obligations of the United States Treasury.

The District invested available certificate of participation funds in AAAM-rated money market funds.

The District's investment policy permits for investments in the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

- The Florida Local Government Surplus Funds Trust Fund ("Florida PRIME") shall be rated "AAAM" or "AAAM-G" or better by Standards & Poor's or the equivalent by another rating agency.
- Commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's Investors Service and "A-1" by Standard & Poor's (prime commercial paper).
- Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's and "A-1" Standard & Poor's.
- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-1" by Moody's and "SP-1" by Standard & Poor's for short-term debt.
- Registered investment companies (money market mutual funds) shall be rated "AAAM" by Standard & Poor's or the equivalent by another rating agency.
- Intergovernmental investment pools shall be rated "AAAM" by Standard & Poor's or the equivalent rating agency.

The District's Early Retirement Trust Fund investment policy authorizes the following investments: Domestic and international equities, investment grade fixed income securities, and a not to exceed 30 percent of the overall portfolio in other assets, such as hedge funds, private equity, real estate and commodities, when deemed appropriate. Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

The District's investments in 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 SBA for managing credit risk for this account.

As of June 30, 2017, the District's money market funds were individually rated AAAM by Standard & Poor's. The Florida Education Investment Fund was rated AAAM by Standard & Poor's and fixed income and equity mutual funds are not rated.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State as defined in 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investments in obligations of the United States Government agencies and instrumentalities and corporate debt securities are held by the safekeeping agent, in the name of the District. As of June 30, 2016, the District's investment portfolios were held with a third-party custodian as required by the District's investment policy.

The District's Early Retirement Trust Fund investment policy and Certificates of Participation, Series 2014A, trust agreement, require securities in those funds to be held by a safekeeping agent in the name of the District.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy has established asset allocation and issuer limits on the following investments which are designed to reduce concentration of credit risk of the District's investment portfolio. A maximum of 25 percent of available funds, may be invested in the Florida Local Government Surplus Funds Trust Fund ("Florida PRIME"), 100 percent of available funds may be invested in United States Government Securities, 50 percent of available funds may be invested in United States Government agencies with a 25 percent limit on individual issuers, 75 percent of available funds may be invested in Federal instrumentalities with a 30 percent limit on individual issuers, 25 percent of available funds may be invested in interest bearing time deposit or savings accounts with a 15 percent limit on individual issuers, 50 percent of available funds may be invested in repurchase agreements with a 25 percent limit on individual issuers, 35 percent of available funds may be invested in commercial paper with a 10 percent limit on individual issuers, 20 percent of available funds may be invested in state and/or local government taxable and/or tax-exempt debt, 75 percent of available funds may be invested in registered investment companies (money market mutual funds) with a 25 percent limit of individual issuers, 25 percent of available funds may be invested in intergovernmental investment pools, 50 percent of available funds may be invested in corporate obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program with a 25 percent limit on individual issuers.

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The District's Early Retirement Plan (Plan) is governed by a separate investment policy that limits investment in equities to 85 percent of the total portfolio and limits the investment in any single issuer to 5 percent of the total portfolio. No investment by any one issuer represents 5 percent or more of the Plan's assets.

NOTE V – DUE FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2017, the District has a total of \$3,422,840 due from other agencies as follows:

- Special Revenue – Food Service - \$42,501
\$42,501 is due from the State and local agencies for various programs
- Special Revenue – Other Federal Programs - \$2,947,656
\$2,947,656 is due from the Federal government for various grants and programs
- Capital Project – Local Capital Improvement Tax Fund - \$417,978
\$417,978 is due from Federal Emergency Management Agency
- Nonmajor Governmental Funds - \$14,750
\$14,750 due from the State for capital outlay debt servicing

NOTE VI - CAPITAL ASSETS

Changes in capital assets are presented in the table below:

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Government Activities	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
<u>Capital Assets Not being Depreciated:</u>				
Land	\$ 10,354,648	\$ -	\$ -	\$ 10,354,648
Construction in Progress	6,373,348	16,246,110	3,917,292	18,702,166
Sub total	16,727,996	16,246,110	3,917,292	29,056,814
<u>Capital Assets being Depreciated:</u>				
Improvements Other than Buildings	23,725,410	618,180	-	24,343,590
Buildings and Fixed Equipment	454,382,920	9,131,108	2,968,083	460,545,945
Furniture, Fixtures, and Equipment	27,700,336	3,052,554	1,849,705	28,903,185
Motor Vehicles	11,394,201	2,773,595	1,114,696	13,053,100
Property Under Capital Lease	684,574	-	-	684,574
Audio Visual Materials and Software	5,161,050	307,925	7,855	5,461,120
Sub total	523,048,491	15,883,362	5,940,339	532,991,514
<u>Less Accumulated Depreciation for:</u>				
Improvements Other than Buildings	12,707,629	782,485	-	13,490,114
Buildings and Fixed Equipment	127,079,002	9,003,700	2,789,998	133,292,704
Furniture, Fixtures, and Equipment	23,149,684	2,814,445	1,615,146	24,348,983
Motor Vehicles	7,996,696	1,215,489	1,042,107	8,170,078
Property Under Capital Lease	194,327	120,608	-	314,935
Audio Visual Materials and Software	4,572,874	228,045	7,855	4,793,064
Total Accumulated Depreciation	175,700,212	14,164,772	5,455,106	184,409,878
Depreciated Capital Assets - Net	347,348,279	1,718,590	485,233	348,581,636
Governmental Activities Capital Assets, Net	\$ 364,076,275	\$ 17,964,700	\$ 4,402,525	\$ 377,638,450

The class and amount of property under capital lease is presented on Note VIIA.

Depreciation expense was charged to functions/programs of the District as follows:

Instruction	\$ 149,216
Instructional Media Services	252
Instruction and Curriculum Development Services	1,514
Facilities Services	13,926,272
Food Services	70,850
Student Transportation	14,805
Maintenance of Plant	1,863
Total Depreciation Expense	\$ 14,164,772

NOTE VII – LONG-TERM OBLIGATIONS

A. OBLIGATIONS UNDER CAPITAL LEASE

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The class and amount of property being acquired under capital lease are as follows:

	Asset Balance
Copy Machines	<u>\$684,574</u>

Future minimum capital lease payments and the present value of the minimum lease payment as of June 30 are as follows:

Capital Lease			
Fiscal Year	Total	Principal	Interest
2018	\$ 123,346	\$ 111,720	\$ 11,626
2019	123,345	115,692	7,653
2020	80,691	76,462	4,229
2021	80,690	79,181	1,509
Total	<u>\$ 408,072</u>	<u>\$ 383,055</u>	<u>\$ 25,017</u>

The stated interest rates are 3.5 percent.

B. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement, which was characterized as a lease-purchase agreement, with the Leasing Corporation whereby the District secured financing. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The property covered by the ground lease is, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the site included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to 30 years from the date of inception of the arrangement. The initial terms of the lease agreement for the Series 2005A is 20 years commencing on December 2005. The initial term of the Series 2014A, Refunding is 18 years.

The District property included in the ground lease under this arrangement is the Dr. David L. Anderson Middle School.

The lease payments are payable by the District, semiannually, on July 1 and January 1 at interest rates ranging from 3.0 to 5.0 percent.

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:

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Certificates of Participation

Fiscal Year	Principal	Interest	Total
2018	\$ 1,305,000	\$ 1,239,905	\$ 2,544,905
2019	1,375,000	1,172,905	2,547,905
2020	1,440,000	1,102,530	2,542,530
2021	1,510,000	1,028,781	2,538,781
2022	1,590,000	951,281	2,541,281
2023-2027	9,205,000	3,471,535	12,676,535
2028-2032	11,340,000	1,312,116	12,652,116
Total minimum lease payments	27,765,000	10,279,053	38,044,053
Plus: unamortized premium	2,853,017	-	2,853,017
Total Certificates of participation	\$ 30,618,017	\$ 10,279,053	\$ 40,897,070

C. BONDS PAYABLE

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

Bond Type	Interest Rate	Annual Maturity to	Amount Outstanding
State School Bonds:			
Series 2008A	4.25% - 5.00%	2028	30,000
Series 2009A	5.00%	2019	55,000
Series 2010A	4.00% - 5.00%	2022	710,000
Series 2011A	3.00% - 5.00%	2023	1,050,000
Series 2014A	3.00% - 5.00%	2024	1,357,000
Series 2014B	2.00% - 5.00%	2020	558,000
Series 2017A	3.00% - 5.00%	2028	2,303,000
Total Bonds Payable			\$ 6,063,000

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

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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, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

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

Fiscal Year	Bonds Payable		
	Principal	Interest	Total
2018	1,032,000	294,085	1,326,085
2019	705,000	238,620	943,620
2020	735,000	204,670	939,670
2021	748,000	169,570	917,570
2022	812,000	132,170	944,170
2023-2027	1,947,000	228,150	2,175,150
2028	84,000	2,520	86,520
Total	\$ 6,063,000	\$ 1,269,785	\$ 7,332,785

D. CHANGES IN LONG-TERM LIABILITIES

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

GOVERNMENTAL ACTIVITIES	Balance	Additions	Deletions	Balance	Due in
	7/1/2016			6/30/2017	One Year
Certificates of Participation	\$ 29,020,000	\$ -	\$ 1,255,000	\$ 27,765,000	\$ 1,305,000
Unamortized Premiums	3,043,218	-	190,201	2,853,017	190,201
Total Certificates of Participation Payable	32,063,218	-	1,445,201	30,618,017	1,495,201
Obligations Under Capital Lease	490,937	-	107,882	383,055	111,720
Bonds Payable	7,382,000	2,303,000	3,622,000	6,063,000	1,032,000
Compensated Absences Payable	12,497,655	1,386,569	1,294,796	12,589,428	1,294,796
Other Postemployment Benefits Obligation	82,470,725	3,846,419	2,288,964	84,028,180	-
Net Pension Liability	64,485,211	51,189,228	19,679,488	95,994,951	1,493,625
Total Governmental Activities	\$ 199,389,746	\$ 58,725,216	\$ 28,438,331	\$ 229,676,631	\$ 5,427,342

For the governmental activities, compensated absences, and pensions are liquidated with resources of the General Fund, and other postemployment benefits are generally liquidated with resources of the General Fund and special revenue funds.

NOTE VIII - INTERFUND TRANSFERS AND ACTIVITIES

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	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 1,754,369	\$ 18,598
Special Revenue:		
Food Service	18,598	-
Capital Projects:		
Local Capital Improvement Tax	-	4,310,324
Debt Service: Other Fund	2,555,955	-
Total	\$ 4,328,922	\$ 4,328,922

The purpose of the transfers from the Local Capital Improvement Tax Fund to the General Fund was for property insurance premium payments and annual maintenance costs. Transfers out from the Local Capital Improvement Tax Fund to the Debt Service – Other Fund were made in order to make the required interest and principal payment for the Certificates of Participation, Series 2005A and 2014A. The purpose of the transfer out from General Fund to the Food Service Fund was to provide School Recognition bonuses to food service workers.

NOTE IX – EMPLOYEE BENEFITS

A. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN

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 HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$11.4 million for the fiscal year ended June 30, 2017.

FRS Pension Plan

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

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

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

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

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

The following chart shows the percentage value for each year of service credit earned:

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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class members initially enrolled before July 1, 2011	
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
Regular Class members initially enrolled on or after July 1, 2011	
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
Elected County Officers	3.00
Senior Management Service Class	2.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer ⁽¹⁾</u>
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.77
DROP – Applicable to Members from all of the Above Classes	-	12.99
FRS, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 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 \$5,914,467 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$57,839,693 for its

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proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.229067379 percent, which was a decrease of 0.000094 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$8,427,436 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,428,652	\$ 538,527
Change of assumptions	3,499,128	-
Net difference between projected and actual earnings on FRS pension plan investments	14,950,856	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	26,653	1,948,465
District FRS contributions subsequent to the measurement date	5,914,467	-
Total	<u>\$ 28,819,756</u>	<u>\$ 2,486,992</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$5,914,467, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 3,844,460
2019	3,844,459
2020	3,844,459
2021	3,844,459
2022	3,844,459
Thereafter	1,196,001
Total	<u>\$ 20,418,297</u>

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed income	18%	4.7%	4.6%	4.6%
Global equity	53%	8.1%	6.8%	17.2%
Real estate (property)	10%	6.4%	5.8%	12.0%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	11.4%
Total	<u>100%</u>			
Assumed inflation - Mean		2.6%		1.9%

Note:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.60 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.

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 7.60 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 (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability	\$ 106,486,791	\$ 57,839,693	\$ 17,347,409

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$1.0 million for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2017.

HIS Pension Plan

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

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

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

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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 \$1,686,181 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$37,321,360 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 one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, and update procedures were used to determine liabilities as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.320228973 percent, which was an increase of 0.00635 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the HIS Plan pension expense of \$2,942,105.

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	\$ -	\$ 85,004
Change of assumptions	5,856,670	-
Net difference between projected and actual earnings on HIS pension plan investments	18,870	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	-	1,145,307
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	513,496	-
District HIS contributions subsequent to the measurement date	1,686,181	-
Total	<u>\$ 8,075,217</u>	<u>\$ 1,230,311</u>

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The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,686,181, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	\$ 236,260
2018	236,260
2019	236,260
2020	232,736
2021	231,046
Thereafter	(23,772)
Total	\$ 1,148,790

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

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

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

While an experience study had not been completed for the plan, the Florida Retirement System Actuarial Assumptions Conference reviewed the actuarial assumptions for the plan.

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

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

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 42,816,079	\$ 37,321,360	\$ 32,761,043

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$0.2 million for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2017.

B. 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. Services 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 Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and forfeited benefits of plan members.

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Allocations to the investment member’s accounts during the 2016-17 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance.

For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District’s Investment Plan pension expense totaled \$1.6 million for the fiscal year ended June 30, 2016.

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$0.2 million for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2017.

C. EARLY RETIREMENT PLAN

Plan Description. As authorized by Section 1012.685, Florida Statutes, the District implemented an Early Retirement Plan (ERP) effective July 1, 1986. The ERP is a single-employer defined benefit pension plan. The Board administers ERP assets in a Pension Trust Fund and is responsible for their investment. The Board acts as the administrative agent for the ERP. The ERP does not issue a stand-

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alone financial report and is not included in the report of a public employee retirement system or another entity.

Benefits Provided.

The ERP provides District employees, who elected to retire under the early retirement provisions of the FRS, described in Note IX A, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement proceeds the normal retirement. The amount of the monthly benefits will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement and will increase annually at the rate of 3 percent.

Employees Covered by Benefit Terms.

As of June 30, 2017, employee membership data related to the Plan were as follows:

Summary of Population Statistics

Inactive ERP Members or Beneficiaries Currently Receiving Benefits	75
Inactive ERP Members Entitled to But Not Yet Received Benefits	-
Active ERP Members	-
	-
Total ERP Members	75

The ERP is closed to new entrants.

Contributions.

The ERP was established by the Board on July 1, 1986, and may be amended by Board action. Pursuant to the ERP agreement, no contributions shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 20 years based on an actuarial study. Subsequent changes in the level of the liability due to plan amendments or changes in actuarial assumptions are to be amortized on a straight-line basis over a period of 20 years.

Contributions to the ERP in the 2015-16 fiscal year totaled \$1,200,000, all of which were paid by the Board, and were in excess of the actuarially determined contribution requirements based on an actuarial evaluation performed at July 1, 2014.

All of the assets in the District’s Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose.

Costs of administering the ERP are financed through the ERP’s resources (employer contributions and investment earnings).

Investments.

Investment Policy

The ERP’s investment policy is established and may be amended by the Board. The policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from drastically shifting asset class allocations over short time spans. The ERP’s investment policy was amended on July 14, 2015, and is discussed in Note IV.

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Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability.

The District’s net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the ERP at June 30, 2017, were as follows:

Total Pension Liability	\$	8,559,285
Plan Fiduciary Net Position		<u>(7,725,387)</u>
Net Pension Liability	\$	<u>833,898</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		90.26%

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurements:

Investment Rate of Return	5.5%
Projected Salary Increases	Not Applicable
Inflation Rate	2.5%
Postemployment Benefit Increases	3.0%

Mortality rates were based on RP-2000 Healthy Annuitant Mortality Tables with generational mortality projections from year 2000 using SOA projection scale BB. 100% White Collar Annuitant rates are used for female members, a blend of 50% White Collar rates with 50% Blue Collar rates are used for male participants.

The Total Pension Liability used in calculating the Net Pension Liability presented above is based on the actuarial valuation performed as of July 1, 2015. Actuarial update procedures were used to roll forward the Total Pension Liability to June 30, 2015, ERP’s fiscal year end.

The long-term expected rate of return on the ERP investments was determined using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.

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The long-term real expected rate of return of the ERP is 5.5 percent. The geometric real rates of return for each major asset class included in the ERP target allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity Investments	65%
Fixed Income Securities	35%
Total	<u>100%</u>

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	5.20%
International Equity	5.20%
Emerging Markets Equity	5.20%
Core Fixed Income	3.00%
Investment Grade Corporate	3.75%
High Yield	4.25%
Bank Loans	2.71%
Emerging Markets Debt	4.75%

Discount Rate.

The single discount rate of 5.5 percent was used to measure the total pension liability. This single discount rate was based solely on the long-term expected rate of return on pension plan investments of 5.5 percent, without any requirement to incorporate municipal bond yields. The District complies with the State Statutes by making contributions to the trust in the amounts at least equal to the Actuarially Determined Contribution. Based on the current contribution policy, the ERP is expected to be fully funded by 2029 and, consequently, the pension plan's fiduciary net position together with the future contributions are expected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 8,784,471	\$ 7,116,671	\$ 1,667,800
Changes for the year:			
Interest	465,541	-	465,541
Differences between expected and actual experience	(50,552)	-	(50,552)
Assumption changes	-	-	-
Contributions - employer	-	1,200,000	(1,200,000)
Net investment income	-	64,392	(64,392)
Benefit payments, including refunds of employee contributions	(640,176)	(640,176)	-
Administrative expense	-	(15,500)	15,500
Net changes	<u>(225,187)</u>	<u>608,716</u>	<u>(833,903)</u>
Balances at June 30, 2017	<u>\$ 8,559,284</u>	<u>\$ 7,725,387</u>	<u>\$ 833,897</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

The following presents the net pension liability of the Plan calculated using the discount rate of 5.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.5 percent) or 1 percentage point higher (6.5 percent) than the current rate:

	1% Decrease (4.5%)	Current Discount Rate (5.5 %)	1% Increase (6.5%)
Net Pension Liability	\$ 1,668,593	\$ 833,898	\$ 117,783

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

For the year ended June 30, 2017, the District recognized pension expense of \$67,976. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to the ERP from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 391,090	\$ 127,384
Total	\$ 391,090	\$ 127,384

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERP will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 43,873
2019	43,871
2020	107,564
2021	68,398
Total	\$ 263,706

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, the District must offer similar health care benefits for retired employees as it does 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 for health, dental, vision, and life insurance benefits. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. All of the District's employees may become eligible for those benefits if they reach normal retirement age (as defined by the pension or investment option) and have at least 6 years of service with the District and are activating their pension upon separation from service. Also, in accordance with union contracts and District policy, the District pays 25 percent of this benefit for employees with 15 years of service, 50 percent with 20 years of service, 75 percent for employees with 25 years of service, and 100 percent for employees with 30 years of service for those employees that retire and are under the age of 65 and not eligible for Medicare. For retirees over the age 65 or Medicare eligible, with fifteen or more years of

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service with the District that were hired on or before June 30, 2011 and either 1. Receive medical insurance benefit through the District as of December 31, 2015 or 2. The employee retires on or after December 31, 2015 will receive a District Health Insurance Subsidy in the amount of \$5 per month for each year of service for a maximum of thirty years. All service must be within the District. Retirees are required 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 another entity.

Funding Policy. The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 947 retirees received postemployment benefits. The District provided required contributions of \$2,288,964 toward the annual OPEB cost, comprised of premium payments made on behalf of retirees net of retiree contributions totaling \$1,483,999, which represents 1.6 percent of covered payroll.

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

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liability over a period not to exceed 30 years.

The following table shows the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation for postemployment benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for one year)	\$ 1,598,458
Amortization of Unfunded Actuarial Accrued Liability	<u>2,895,731</u>
Annual Required Contribution	4,494,189
Interest on Net OPEB Obligation	3,100,899
Adjustment to Annual Required Contribution	<u>(3,748,669)</u>
Annual OPEB Cost (Expense)	3,846,419
Contribution Toward the OPEB Cost	<u>(2,288,964)</u>
Increase in Net OPEB Obligation	1,557,455
Net OPEB Obligation, Beginning of Year	<u>82,470,725</u>
Net OPEB Obligation, End of Year	<u><u>\$ 84,028,180</u></u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014-15	\$ 14,441,051	24.73%	\$ 81,242,887
2015-16	3,675,741	66.60%	82,470,725
2016-17	3,846,419	59.51%	84,028,180

Funded Status and Funding Progress. As of January 1, 2016, the most recent valuation, the actuarial accrued liability for benefits was \$59,172,619, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$59,172,619 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$93,528,931, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 63.27 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to the basic financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The District’s OPEB actuarial valuation as of January 1, 2016, used the individual entry age normal cost method with an increasing normal cost pattern consistent with the salary increase assumptions used in the FRS pension plan valuation to estimate the unfunded actuarial liability as of June 30, 2016, and to estimate the 2015-16 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.76 percent rate of return on invested assets, which is the District’s expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.76 percent per year, an annual healthcare cost trend rate of -1.10 percent initially for the 2015-16 fiscal year, 6.5 percent for costs and premiums for the year beginning July 1, 2016 and decreasing by 0.03 percent per year, to an ultimate rate of 4.54 percent in 2021, and a general price inflation rate of 2.5 percent per year. The unfunded actuarial accrued liability

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is being amortized as a level percentage of projected payroll on a closed basis over a 30-year period. The remaining amortization period at June 30, 2017, was 21 years.

NOTE X – OTHER INFORMATION

A. SCHEDULE OF STATE REVENUE SOURCES

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

<u>Source</u>	<u>Amount</u>
Categorical Program (Class Size Reduction)	\$ 21,087,829
Florida Education Finance Program	9,704,266
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,655,778
Workforce Development Program	1,255,757
Voluntary Prekindergarten	707,627
Gross Receipts Tax (Public Education Capital Outlay)	695,334
Florida Best & Brightest Scholarship Program	433,554
School Recognition	413,113
Discretionary Lottery	323,489
Miscellaneous	463,313
Total	<u>\$ 36,740,060</u>

Accounting policies relating to certain State revenue sources are described in Note I E.1.

B. 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; third party injuries and/or property damage and natural disasters. The District is a member of the South Central Educational Risk Management Program (SCERMP), a consortium under which eight district school boards have established a public entity risk sharing-pool for Property, General Liability, Automobile Liability, Workers' Compensation, Government Crime and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums), and purchased insurance coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents/finance directors or an authorized representative of all participating districts. Ascension, Inc. serves as the third-party administrator, insurance broker, and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except named wind and

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flood), respectively. The named wind/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$25,000,000 per occurrence. The deductible for all other wind events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000 time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2016-17 fiscal year was \$125 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2016-17 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insured retention. Employers' liability is included subject to a maximum of \$2,000,000 per occurrence.

The District is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, as it is now written, as it may be amended by the Legislature at future dates, which effectively limits the amount of liability of governmental entities for tort claims to \$200,000 per claim and \$300,000 per occurrence.

As a result of recording a liability for specific reserves for claims incurred, but not reported, the property and casualty group has ending retained earnings of \$3,701,083. The District's portion of the retained earnings is calculated at 16.93 percent of the total or \$626,593.

During the 2016-17 fiscal year, the Board provided health and prescription insurance through purchased commercial insurance. Dental and vision coverage were also provided through purchased commercial insurance under a separate agreement.

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

C. SIGNIFICANT COMMITMENTS

Encumbrances

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

The following is a schedule of encumbrances at June 30, 2017:

Major Funds						
General	Special Revenue - Food Service	Special Revenue - Other Federal Programs	Debt Service - School Board of Education Bond Fund	Capital Projects - Local Capital Improvement Tax	Nonmajor Governmental Funds	Total Governmental Funds
\$ 691,938	\$ 147,671	\$ 269,579	\$ -	\$ 8,791,734	\$ -	\$ 9,900,922

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Construction Contracts

Encumbrances include the following major construction contract commitments remaining at fiscal year-end:

Project		Contract Amount	Completed to Date	Balance Committed
Martin County High School	Architect	1,077,096	1,011,144	65,952
Administration and Science Labs Building	Contractor	17,528,900	11,567,091	5,961,809
Stuart Middle School	Architect	982,382	-	982,382
Administration/Media/Food Svc Buildings	Contractor	1,320,071	-	1,320,071
Instructional Center	Architect	722,597		722,597
New District Building	Contractor			-
		<u>\$ 20,908,449</u>	<u>\$ 12,578,235</u>	<u>\$ 8,330,214</u>

D. FUND BALANCE REPORTING

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, establishes hierarchy for fund balance classifications and the constraints imposed on the uses of the resources. The District reports its governmental fund balances in the following categories, as applicable:

Nonspendable

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. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories, and prepaid amounts as nonspendable.

Restricted

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 other than General Fund as restricted, as well as unspent State categorical and earmarked educational funding reported in the General Fund, that are legally or otherwise restricted.

Committed

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e. the Board). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed balance as of June 30, 2017.

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Assigned

The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The District does not have a policy regarding the assignment of fund balance. The Board authorizes the Superintendent and the Director of Finance to assign fund balance by approval of the annual financial report.

Unassigned

The portion of fund balance that is residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

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

	Major Funds						Total Governmental Funds
	General	Special Revenue - Food Service	Special Revenue - Other Federal Programs	Debt Service - Other Debt Service	Capital Projects - Local Capital Improvement Tax	Nonmajor Governmental Funds	
Fund Balances							
Nonspendable:							
Inventories	\$ 321,760	\$ 142,548	\$ -	\$ -	\$ -	\$ -	\$ 464,308
Prepaid Items	48,509	-	-	-	-	-	48,509
Spendable:							
Restricted:							
State Req. Carryover	6,975,526	-	-	-	-	-	6,975,526
Food Service	-	2,556,274	-	-	-	-	2,556,274
Debt Service	-	-	-	-	816,107	-	816,107
Capital Projects	-	-	-	20,470,794	8,973,748	-	29,444,542
Tourism Awareness Trust	-	-	-	-	62,297	-	62,297
Assigned for purchase obligations	691,938	-	-	-	-	-	691,938
Unassigned	13,012,098	-	-	-	-	-	13,012,098
Total Fund Balances	<u>\$ 21,049,831</u>	<u>\$ 2,698,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,470,794</u>	<u>\$ 9,852,152</u>	<u>\$ 54,071,599</u>

Minimum Fund Balance Policy

On March 24, 2015, the District revised School Board Policy 6210, which provides that the Board shall strive to maintain a fund balance in its operating funds equal to five (5) percent of the annual resources that are not classified as restricted, committed, or non-spendable.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Funding Progress
Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) -		Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
		Entry Age Normal Cost (B)	Unfunded AAL (UAAL) (B-A)			
January 1, 2012	\$ -	\$ 177,191,403	\$ 177,191,403	0%	\$ 87,746,600	201.94%
January 1, 2014	-	182,051,596	182,051,596	0%	88,607,685	205.46%
January 1, 2016	-	59,172,619	59,172,619	0%	93,528,931	63.27%

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

CHANGES IN COSTS AND LIABILITIES

Unfunded Accrued Liability and the Annual OPEB Cost decreased dramatically since the prior valuation due to plan changes adopted during the current fiscal year. Effective January 1, 2016, premium subsidies for retirees eligible for Medicare benefits changed from a percent of premium to a fixed dollar stipend limited to \$150 per month. This change in benefits is the primary driver behind the decrease in the valuation results. Below are a few other factors contributing to the changes:

- *Initial Cost of Coverage:* The total cost of coverage decreased from \$748 per employee per month (as expected for year beginning July 1, 2013) to \$691 per employee per month for year beginning July 1, 2015. This is lower than the \$808 per employee per month previously projected for this year. This change had a decreasing effect on the costs and liabilities.
- *Short-Term Medical Trend Assumption:* It was assumed previously that premiums and costs would increase at a rate of 7.50 percent for the 2016-2017 plan year. Trend rates were revised for costs and premiums applicable to the year beginning July 1, 2016, to decrease by 1.1 percent to reflect average gross premiums established for that year. This change had a decreasing effect on the costs and liabilities.
- *Long-Term Medical Trend Assumption:* The long-term trend rate for costs of benefits and premiums charges to retirees has been revised to be based on the forecasting model built and published (December 2007, as updated November 2015) in *Modeling Long-Term Health Care Cost Trends* sponsored by the Society of Actuaries and authored by Prof. Thomas E. Getzen. Under this model, assumed trend rates decline over a 23-year period from 6.5 percent assumed for the year 2017 to the ultimate level of 4.24 percent. This had a decreasing effect on the costs and liabilities.
- *Demographic Assumptions:* Certain demographic assumptions, including retirement, disability, salary, and mortality rates, have been revised to match changes adopted by Florida Retirement System. These assumptions have been developed in a 2014 experience study and as such are appropriate for this valuation. These changes had an increasing effect on the costs and liabilities.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Changes in Net Pension and Related Ratios
Early Retirement Plan
Last 4 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total pension liability				
Interest	\$ 465,541	\$ 474,351	\$ 519,582	\$ 469,842
Difference between expected and actual experience	(50,552)	-	26,355	-
Changes of assumptions	-	-	2,206,198	-
Benefit payments, including refunds of member contributions	<u>(640,176)</u>	<u>(628,886)</u>	<u>(615,802)</u>	<u>(605,842)</u>
Net change in total pension liability	<u>(225,187)</u>	<u>(154,535)</u>	<u>2,136,333</u>	<u>(136,000)</u>
Total pension liability - beginning	<u>8,784,471</u>	<u>8,939,006</u>	<u>6,802,673</u>	<u>6,938,673</u>
Total pension liability - ending (a)	<u>\$ 8,559,284</u>	<u>\$ 8,784,471</u>	<u>\$ 8,939,006</u>	<u>\$ 6,802,673</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,200,000	\$ 1,200,000	\$ 400,000	\$ -
Net investment income	64,392	170,867	776,328	947,273
Benefit payments, including refunds of member contributions	(640,176)	(628,886)	(615,802)	(605,842)
Administrative expense	<u>(15,500)</u>	<u>(13,750)</u>	<u>(6,750)</u>	<u>(72,104)</u>
Net change in plan fiduciary net position	<u>608,716</u>	<u>728,231</u>	<u>553,776</u>	<u>269,327</u>
Plan fiduciary net position - beginning	<u>7,116,671</u>	<u>6,388,440</u>	<u>5,834,664</u>	<u>5,565,337</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,725,387</u>	<u>\$ 7,116,671</u>	<u>\$ 6,388,440</u>	<u>\$ 5,834,664</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 833,897</u>	<u>\$ 1,667,800</u>	<u>\$ 2,550,566</u>	<u>\$ 968,009</u>
Plan fiduciary net position as a percentage of the total pension liability	90.26%	81.01%	71.47%	85.77%
Covered-employee payroll*	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

*There are no active participants in the Plan

Note: Amounts listed for the 2016 and 2015 years have been updated based on the most recent actuarial information for reporting year ending June 30, 2017.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Employer Contributions
Early Retirement Plan
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 207,988	\$ 252,718	\$ 637,322	\$ 393,798	\$ 169,813
Contributions in relation to the actuarially determined contribution ⁽¹⁾	<u>700,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>400,000</u>	<u>-</u>
Contribution deficiency (excess)	<u><u>\$ (492,012)</u></u>	<u><u>\$ (947,282)</u></u>	<u><u>\$ (562,678)</u></u>	<u><u>\$ (6,202)</u></u>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of Contributions:

Valuation Date: July 1, 2016

Note: Actuarially determined contribution rates are calculated as of July 1, which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Remaining Amortization Period	Amortized over an open 5-year period
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Not applicable; there are no active participants
Investment Rate of Return	5.5% per year compounded annually, net investment expenses
Retirement Age	Not applicable; there are no active participants
Mortality	RP2000 Mortality Tables – Sex Distinct, 100% White Collar Annuitant rates are used for female participants; a blend of 50% White Collar Annuitant rates with 50% Blue Collar Annuitant rates are used for male participants. Mortality improvements for all members are generationally projected using Scale BB.

2012	2011	2010	2009	2008
\$ 157,234	\$ 35,505	\$ 75,652	\$ -	\$ -
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Other Information:

- (1) For years ended 6/30/2013, 6/30/2012, 6/30/2011, and 6/30/2010, contribution requirements have been met by application of the credit balance. Contribution requirements decreased in the early 2000's. Following that decline, the District contributed more than was required for years ending 2003 and 2004, which resulted in establishing a credit balance. No contributions were required for years 2006 through 2009 and the credit balance accumulated interest during that period. Contribution requirements returned after the economic downturn of 2008 and the District started applying the credit balance to satisfy the funding contributions beginning with the fiscal year ending June 30, 2010. The credit balance was fully exhausted during the year ending June 30, 2013.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Investment Returns
Early Retirement Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.3%	1.0%	3.0%	14.6%

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of the District’s Proportionate Share of
Net Pension Liability
Florida Retirement System Pension Plan⁽¹⁾

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's portion of the FRS net pension liability	0.229067379%	0.238509596%	0.246269244%	0.245973665%
District's proportionate share of the FRS net pension liability	\$ 57,839,693	\$ 30,806,713	\$ 15,026,044	\$ 42,343,015
District's covered-employee payroll ⁽²⁾	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	58.51%	32.35%	15.59%	43.70%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	88.54%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of District Contributions
Florida Retirement System Pension Plan⁽¹⁾

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 5,914,467	\$ 5,586,173	\$ 5,815,067	\$ 5,394,342
FRS contributions in relation to the contractually required contribution	<u>(5,914,467)</u>	<u>(5,586,173)</u>	<u>(5,815,067)</u>	<u>(5,394,342)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll ⁽²⁾	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
FRS contributions as a percentage of covered-employee payroll	5.82%	5.65%	6.11%	5.60%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of the District’s Proportionate Share of
Net Pension Liability
Health Insurance Subsidy Pension Plan⁽¹⁾

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District’s portion of the HIS net pension liability	0.320228973%	0.313878780%	0.324298459%	0.333494683%
District’s proportionate share of the HIS net pension liability	\$ 37,321,360	\$ 32,010,698	\$ 30,322,698	\$ 29,035,097
District’s covered-employee payroll ⁽²⁾	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District’s proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	37.75%	33.61%	31.47%	29.97%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	1.78%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of District Contributions
Health Insurance Subsidy Pension Plan⁽¹⁾

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 1,686,181	\$ 1,641,378	\$ 1,199,840	\$ 1,110,937
HIS contributions in relation to the contractually required contribution	<u>(1,686,181)</u>	<u>(1,641,378)</u>	<u>(1,199,840)</u>	<u>(1,110,937)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll ⁽²⁾	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
HIS contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.26%	1.15%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in FRS Defined Benefit Plan and Defined Contribution Plan.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	431,958.00	360,250.78	360,250.78	0.00
Federal Through State and Local	3200	588,000.00	696,200.21	696,200.21	0.00
State Sources	3300	37,096,395.00	34,281,008.58	34,281,008.58	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	109,549,138.00	109,593,774.39	109,593,774.39	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue		6,141,354.00	6,695,209.29	6,695,209.29	0.00
Total Local Sources	3400	115,690,492.00	116,288,983.68	116,288,983.68	0.00
Total Revenues		153,806,845.00	151,626,443.25	151,626,443.25	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	97,427,563.00	90,425,771.10	90,425,771.10	0.00
Student Support Services	6100	6,273,563.00	6,300,262.73	6,300,262.73	0.00
Instructional Media Services	6200	2,111,905.00	2,031,316.96	2,031,316.96	0.00
Instruction and Curriculum Development Services	6300	2,036,996.00	1,794,261.60	1,794,261.60	0.00
Instructional Staff Training Services	6400	1,779,196.00	1,787,818.61	1,787,818.61	0.00
Instruction-Related Technology	6500	2,520,219.00	2,216,721.60	2,216,721.60	0.00
Board	7100	661,367.00	569,728.79	569,728.79	0.00
General Administration	7200	834,151.00	921,581.70	921,581.70	0.00
School Administration	7300	9,940,086.00	9,682,962.03	9,682,962.03	0.00
Facilities Acquisition and Construction	7410	803,446.00	769,301.93	769,301.93	0.00
Fiscal Services	7500	874,010.00	882,104.54	882,104.54	0.00
Food Services	7600		0.00	0.00	0.00
Central Services	7700	4,810,195.00	4,148,310.10	4,148,310.10	0.00
Student Transportation Services	7800	6,296,701.00	6,603,541.49	6,603,541.49	0.00
Operation of Plant	7900	15,037,991.00	13,651,279.59	13,651,279.59	0.00
Maintenance of Plant	8100	4,000,262.00	3,957,439.91	3,957,439.91	0.00
Administrative Technology Services	8200	662,388.00	610,367.22	610,367.22	0.00
Community Services	9100	2,965,646.00	3,017,773.89	3,017,773.89	0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Due and Fees	730			0.00	0.00
Miscellaneous	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		53,346.00	53,346.00	0.00
Other Capital Outlay	9300		55,185.04	55,185.04	0.00
Total Expenditures		159,035,685.00	149,479,074.83	149,479,074.83	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(5,228,840.00)	2,147,368.42	2,147,368.42	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740			0.00	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600	4,975,779.00	1,754,368.74	1,754,368.74	0.00
Transfers Out	9700	(34,400.00)	(18,598.17)	(18,598.17)	0.00
Total Other Financing Sources (Uses)		4,941,379.00	1,735,770.57	1,735,770.57	0.00
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
				0.00	0.00
Net Change in Fund Balances		(287,461.00)	3,883,138.99	3,883,138.99	0.00
Fund Balances, July 1, 2016	2800	17,166,691.45	17,166,692.01	17,166,692.01	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	16,879,230.45	21,049,831.00	21,049,831.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUNDS - FOOD SERVICES
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	0.00	0.00	0.00	0.00
Federal Through State and Local	3200	6,274,588.00	7,163,416.99	7,163,416.99	0.00
State Sources	3300	87,500.00	90,858.00	90,858.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X	2,031,918.00	2,188,618.93	2,188,618.93	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue			15,386.96	15,386.96	0.00
Total Local Sources	3400	2,031,918.00	2,204,005.89	2,204,005.89	0.00
Total Revenues		8,394,006.00	9,458,280.88	9,458,280.88	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000			0.00	0.00
Student Support Services	6100			0.00	0.00
Instructional Media Services	6200			0.00	0.00
Instruction and Curriculum Development Services	6300			0.00	0.00
Instructional Staff Training Services	6400			0.00	0.00
Instruction-Related Technology	6500			0.00	0.00
Board	7100			0.00	0.00
General Administration	7200			0.00	0.00
School Administration	7300			0.00	0.00
Facilities Acquisition and Construction	7410			0.00	0.00
Fiscal Services	7500			0.00	0.00
Food Services	7600	9,535,986.00	8,882,624.00	8,882,624.00	0.00
Central Services	7700			0.00	0.00
Student Transportation Services	7800			0.00	0.00
Operation of Plant	7900			0.00	0.00
Maintenance of Plant	8100			0.00	0.00
Administrative Technology Services	8200			0.00	0.00
Community Services	9100			0.00	0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Dues and Fees	730			0.00	0.00
Miscellaneous	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		754,336.40	754,336.40	0.00
Other Capital Outlay	9300		112,391.00	112,391.00	0.00
Total Expenditures		9,535,986.00	9,749,351.40	9,749,351.40	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,141,980.00)	(291,070.52)	(291,070.52)	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740			0.00	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600	34,400.00	18,598.17	18,598.17	0.00
Transfers Out	9700			0.00	0.00
Total Other Financing Sources (Uses)		34,400.00	18,598.17	18,598.17	0.00
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
				0.00	0.00
Net Change in Fund Balances		(1,107,580.00)	(272,472.35)	(272,472.35)	0.00
Fund Balances, July 1, 2016	2800	2,971,294.35	2,971,294.35	2,971,294.35	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	1,863,714.35	2,698,822.00	2,698,822.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	0.00	2,090,031.50	2,090,031.50	0.00
Federal Through State and Local	3200	11,561,834.00	10,195,954.09	10,195,954.09	0.00
State Sources	3300			0.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue				0.00	0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		11,561,834.00	12,285,985.59	12,285,985.59	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	3,623,861.00	4,207,947.86	4,207,947.86	0.00
Student Support Services	6100	3,673,602.00	3,254,359.54	3,254,359.54	0.00
Instructional Media Services	6200			0.00	0.00
Instruction and Curriculum Development Services	6300	1,589,334.00	1,615,596.37	1,615,596.37	0.00
Instructional Staff Training Services	6400	2,168,491.00	2,223,753.44	2,223,753.44	0.00
Instruction-Related Technology	6500			0.00	0.00
Board	7100			0.00	0.00
General Administration	7200	471,051.00	579,472.22	579,472.22	0.00
School Administration	7300			0.00	0.00
Facilities Acquisition and Construction	7410	2,000.00	0.00	0.00	0.00
Fiscal Services	7500			0.00	0.00
Food Services	7600	0.00	640.00	640.00	0.00
Central Services	7700			0.00	0.00
Student Transportation Services	7800	31,495.00	78,274.72	78,274.72	0.00
Operation of Plant	7900	2,000.00	52,839.37	52,839.37	0.00
Maintenance of Plant	8100			0.00	0.00
Administrative Technology Services	8200			0.00	0.00
Community Services	9100	0.00	1,600.17	1,600.17	0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Dues and Fees	730			0.00	0.00
Miscellaneous	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		60,737.58	60,737.58	0.00
Other Capital Outlay	9300		210,764.32	210,764.32	0.00
Total Expenditures		11,561,834.00	12,285,985.59	12,285,985.59	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740			0.00	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600			0.00	0.00
Transfers Out	9700			0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
				0.00	0.00
Net Change in Fund Balances		0.00	0.00	0.00	0.00
Fund Balances, July 1, 2016	2800	0.00	0.00	0.00	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	0.00	0.00	0.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Account Number	Special Revenue Funds	
		Miscellaneous Special Revenue 490	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Cash Equivalents	1110	62,297.00	62,297.00
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1131	0.00	0.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Other Agencies	1220	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Due From Insurer	1180	0.00	0.00
Deposits Receivable	1210	0.00	0.00
Due From Internal Funds	1142	0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	0.00	0.00
Long-Term Investments	1460	0.00	0.00
Total Assets		62,297.00	62,297.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
Total Assets and Deferred Outflows of Resources		62,297.00	62,297.00
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	0.00	0.00
Sales Tax Payable	2260	0.00	0.00
Current Notes Payable	2250	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00
Deposits Payable	2220	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Due to Budgetary Funds	2161	0.00	0.00
Due to Internal Funds	2162	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00
Pension Liability	2115	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00
Matured Bonds Payable	2180	0.00	0.00
Matured Interest Payable	2190	0.00	0.00
Unearned Revenues	2410	0.00	0.00
Unavailable Revenues	2410	0.00	0.00
Total Liabilities		0.00	0.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Deferred Revenues	2630	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
FUND BALANCES			
<i>Nonspendable:</i>			
Inventory	2711	0.00	0.00
Prepaid Amounts	2712	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00
<i>Total Nonspendable Fund Balances</i>	2710	0.00	0.00
<i>Restricted for:</i>			
Economic Stabilization	2721	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00
State Required Carryover Programs	2723	0.00	0.00
Local Sales Tax and Other Tax Levy	2724	0.00	0.00
Debt Service	2725	0.00	0.00
Capital Projects	2726	0.00	0.00
Restricted for _____	2729	62,297.00	62,297.00
Restricted for _____	2729	0.00	0.00
<i>Total Restricted Fund Balances</i>	2720	62,297.00	62,297.00
<i>Committed to:</i>			
Economic Stabilization	2731	0.00	0.00
Contractual Agreements	2732	0.00	0.00
Committed for _____	2739	0.00	0.00
Committed for _____	2739	0.00	0.00
<i>Total Committed Fund Balances</i>	2730	0.00	0.00
<i>Assigned to:</i>			
Special Revenue	2741	0.00	0.00
Debt Service	2742	0.00	0.00
Capital Projects	2743	0.00	0.00
Permanent Fund	2744	0.00	0.00
Assigned for _____	2749	0.00	0.00
Assigned for _____	2749	0.00	0.00
<i>Total Assigned Fund Balances</i>	2740	0.00	0.00
<i>Total Unassigned Fund Balances</i>	2750	0.00	0.00
Total Fund Balances	2700	62,297.00	62,297.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances		62,297.00	62,297.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Account Number	Debt Service Funds	
		Other Debt Service 290	Total Nonmajor Debt Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Cash Equivalents	1110	0.00	0.00
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1131	0.00	0.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Other Agencies	1220	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Due From Insurer	1180	0.00	0.00
Deposits Receivable	1210	0.00	0.00
Due From Internal Funds	1142	0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	0.00	0.00
Long-Term Investments	1460	0.00	0.00
Total Assets		0.00	0.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
Total Assets and Deferred Outflows of Resources		0.00	0.00
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	0.00	0.00
Sales Tax Payable	2260	0.00	0.00
Current Notes Payable	2250	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00
Deposits Payable	2220	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Due to Budgetary Funds	2161	0.00	0.00
Due to Internal Funds	2162	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00
Pension Liability	2115	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00
Matured Bonds Payable	2180	0.00	0.00
Matured Interest Payable	2190	0.00	0.00
Unearned Revenues	2410	0.00	0.00
Unavailable Revenues	2410	0.00	0.00
Total Liabilities		0.00	0.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Deferred Revenues	2630	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
FUND BALANCES			
<i>Nonspendable:</i>			
Inventory	2711	0.00	0.00
Prepaid Amounts	2712	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00
<i>Total Nonspendable Fund Balances</i>	2710	0.00	0.00
<i>Restricted for:</i>			
Economic Stabilization	2721	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00
State Required Carryover Programs	2723	0.00	0.00
Local Sales Tax and Other Tax Levy	2724	0.00	0.00
Debt Service	2725	0.00	0.00
Capital Projects	2726	0.00	0.00
Restricted for _____	2729	0.00	0.00
Restricted for _____	2729	0.00	0.00
<i>Total Restricted Fund Balances</i>	2720	0.00	0.00
<i>Committed to:</i>			
Economic Stabilization	2731	0.00	0.00
Contractual Agreements	2732	0.00	0.00
Committed for _____	2739	0.00	0.00
Committed for _____	2739	0.00	0.00
<i>Total Committed Fund Balances</i>	2730	0.00	0.00
<i>Assigned to:</i>			
Special Revenue	2741	0.00	0.00
Debt Service	2742	0.00	0.00
Capital Projects	2743	0.00	0.00
Permanent Fund	2744	0.00	0.00
Assigned for _____	2749	0.00	0.00
Assigned for _____	2749	0.00	0.00
<i>Total Assigned Fund Balances</i>	2740	0.00	0.00
<i>Total Unassigned Fund Balances</i>	2750	0.00	0.00
Total Fund Balances	2700	0.00	0.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances		0.00	0.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Account Number	Capital Projects Funds			Total Nonmajor Capital Projects Funds
		Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service 360	Other Capital Projects 390	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and Cash Equivalents	1110	0.00	1,159,694.00	7,568,913.00	8,728,607.00
Investments	1160	0.00	0.00	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	42,238.00	0.00	230,436.00	272,674.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	0.00	14,705.00	0.00	14,705.00
Due From Budgetary Funds	1141	0.00	0.00	0.00	0.00
Due From Insurer	1180	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00
Due From Internal Funds	1142	0.00	0.00	0.00	0.00
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00
Inventory	1150	0.00	0.00	0.00	0.00
Prepaid Items	1230	0.00	0.00	0.00	0.00
Long-Term Investments	1460	0.00	0.00	0.00	0.00
Total Assets		42,238.00	1,174,399.00	7,799,349.00	9,015,986.00
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00	0.00	0.00
Total Assets and Deferred Outflows of Resources		42,238.00	1,174,399.00	7,799,349.00	9,015,986.00
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Cash Overdraft	2125	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	0.00
Accounts Payable	2120	6,925.00	0.00	0.00	6,925.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00
Current Notes Payable	2250	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00
Deposits Payable	2220	0.00	0.00	0.00	0.00
Due to Other Agencies	2230	0.00	0.00	0.00	0.00
Due to Budgetary Funds	2161	35,313.00	0.00	0.00	35,313.00
Due to Internal Funds	2162	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00
Pension Liability	2115	0.00	0.00	0.00	0.00
Other Postemployment Benefits Liability	2116	0.00	0.00	0.00	0.00
Judgments Payable	2130	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00	0.00	0.00
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00
Unearned Revenues	2410	0.00	0.00	0.00	0.00
Unavailable Revenues	2410	0.00	0.00	0.00	0.00
Total Liabilities		42,238.00	0.00	0.00	42,238.00
DEFERRED INFLOWS OF RESOURCES					
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00
Deferred Revenues	2630	0.00	0.00	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00	0.00	0.00
FUND BALANCES					
<i>Nonspendable:</i>					
Inventory	2711	0.00	0.00	0.00	0.00
Prepaid Amounts	2712	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00	0.00	0.00
Other Not in Spendable Form	2719	0.00	0.00	0.00	0.00
Total Nonspendable Fund Balances	2710	0.00	0.00	0.00	0.00
<i>Restricted for:</i>					
Economic Stabilization	2721	0.00	0.00	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00	0.00	0.00
State Required Carryover Programs	2723	0.00	0.00	0.00	0.00
Local Sales Tax and Other Tax Levy	2724	0.00	0.00	0.00	0.00
Debt Service	2725	0.00	0.00	0.00	0.00
Capital Projects	2726	0.00	1,174,399.00	7,799,349.00	8,973,748.00
Restricted for _____	2729	0.00	0.00	0.00	0.00
Restricted for _____	2729	0.00	0.00	0.00	0.00
Total Restricted Fund Balances	2720	0.00	1,174,399.00	7,799,349.00	8,973,748.00
<i>Committed to:</i>					
Economic Stabilization	2731	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00
Committed for _____	2739	0.00	0.00	0.00	0.00
Committed for _____	2739	0.00	0.00	0.00	0.00
Total Committed Fund Balances	2730	0.00	0.00	0.00	0.00
<i>Assigned to:</i>					
Special Revenue	2741	0.00	0.00	0.00	0.00
Debt Service	2742	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00
Permanent Fund	2744	0.00	0.00	0.00	0.00
Assigned for _____	2749	0.00	0.00	0.00	0.00
Assigned for _____	2749	0.00	0.00	0.00	0.00
Total Assigned Fund Balances	2740	0.00	0.00	0.00	0.00
Total Unassigned Fund Balances	2750	0.00	0.00	0.00	0.00
Total Fund Balances	2700	0.00	1,174,399.00	7,799,349.00	8,973,748.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances		42,238.00	1,174,399.00	7,799,349.00	9,015,986.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Special Revenue Funds	
		Miscellaneous Special Revenue 490	Total Nonmajor Special Revenue Funds
REVENUES			
Federal Direct	3100	0.00	0.00
Federal Through State and Local	3200	0.00	0.00
State Sources	3300	0.00	0.00
<i>Local Sources:</i>			
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00
Local Sales Taxes	3418, 3419	0.00	0.00
Charges for Service - Food Service	345X	0.00	0.00
Impact Fees	3496	0.00	0.00
Other Local Revenue		0.00	0.00
Total Local Sources	3400	0.00	0.00
Total Revenues		0.00	0.00
EXPENDITURES			
<i>Current:</i>			
Instruction	5000	0.00	0.00
Student Support Services	6100	0.00	0.00
Instructional Media Services	6200	0.00	0.00
Instruction and Curriculum Development Services	6300	0.00	0.00
Instructional Staff Training Services	6400	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00
Board	7100	0.00	0.00
General Administration	7200	0.00	0.00
School Administration	7300	0.00	0.00
Facilities Acquisition and Construction	7410	0.00	0.00
Fiscal Services	7500	0.00	0.00
Food Services	7600	0.00	0.00
Central Services	7700	0.00	0.00
Student Transportation Services	7800	0.00	0.00
Operation of Plant	7900	0.00	0.00
Maintenance of Plant	8100	0.00	0.00
Administrative Technology Services	8200	0.00	0.00
Community Services	9100	0.00	0.00
<i>Debt Service: (Function 9200)</i>			
Redemption of Principal	710	0.00	0.00
Interest	720	0.00	0.00
Dues and Fees	730	0.00	0.00
Miscellaneous	790	0.00	0.00
<i>Capital Outlay:</i>			
Facilities Acquisition and Construction	7420	0.00	0.00
Other Capital Outlay	9300	0.00	0.00
Total Expenditures		0.00	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	0.00
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	3710	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00
Loans	3720	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00
Loss Recoveries	3740	0.00	0.00
Proceeds of Forward Supply Contract	3760	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00
Discount on Refunding Bonds	892	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00
Transfers In	3600	0.00	0.00
Transfers Out	9700	0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00
SPECIAL ITEMS		0.00	0.00
EXTRAORDINARY ITEMS		0.00	0.00
Net Change in Fund Balances		0.00	0.00
Fund Balances, July 1, 2016	2800	62,297.00	62,297.00
Adjustments to Fund Balances	2891	0.00	0.00
Fund Balances, June 30, 2017	2700	62,297.00	62,297.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Debt Service Funds	
		Other Debt Service 290	Total Nonmajor Debt Service Funds
REVENUES			
Federal Direct	3100	0.00	0.00
Federal Through State and Local	3200	0.00	0.00
State Sources	3300	0.00	0.00
<i>Local Sources:</i>			
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00
Local Sales Taxes	3418, 3419	0.00	0.00
Charges for Service - Food Service	345X	0.00	0.00
Impact Fees	3496	0.00	0.00
Other Local Revenue		1,126.39	1,126.39
Total Local Sources	3400	1,126.39	1,126.39
Total Revenues		1,126.39	1,126.39
EXPENDITURES			
<i>Current:</i>			
Instruction	5000	0.00	0.00
Student Support Services	6100	0.00	0.00
Instructional Media Services	6200	0.00	0.00
Instruction and Curriculum Development Services	6300	0.00	0.00
Instructional Staff Training Services	6400	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00
Board	7100	0.00	0.00
General Administration	7200	0.00	0.00
School Administration	7300	0.00	0.00
Facilities Acquisition and Construction	7410	0.00	0.00
Fiscal Services	7500	0.00	0.00
Food Services	7600	0.00	0.00
Central Services	7700	0.00	0.00
Student Transportation Services	7800	0.00	0.00
Operation of Plant	7900	0.00	0.00
Maintenance of Plant	8100	0.00	0.00
Administrative Technology Services	8200	0.00	0.00
Community Services	9100	0.00	0.00
<i>Debt Service: (Function 9200)</i>			
Redemption of Principal	710	1,255,000.00	1,255,000.00
Interest	720	1,297,631.25	1,297,631.25
Dues and Fees	730	4,450.00	4,450.00
Miscellaneous	790	0.00	0.00
<i>Capital Outlay:</i>			
Facilities Acquisition and Construction	7420	0.00	0.00
Other Capital Outlay	9300	0.00	0.00
Total Expenditures		2,557,081.25	2,557,081.25
Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,555,954.86)	(2,555,954.86)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	3710	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00
Loans	3720	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00
Loss Recoveries	3740	0.00	0.00
Proceeds of Forward Supply Contract	3760	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00
Discount on Refunding Bonds	892	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00
Transfers In	3600	2,555,954.86	2,555,954.86
Transfers Out	9700	0.00	0.00
Total Other Financing Sources (Uses)		2,555,954.86	2,555,954.86
SPECIAL ITEMS		0.00	0.00
EXTRAORDINARY ITEMS		0.00	0.00
Net Change in Fund Balances		0.00	0.00
Fund Balances, July 1, 2016	2800	0.00	0.00
Adjustments to Fund Balances	2891	0.00	0.00
Fund Balances, June 30, 2017	2700	0.00	0.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Capital Projects Funds			
		Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service 360	Other Capital Projects 390	Total Nonmajor Capital Projects Funds
REVENUES					
Federal Direct	3100	0.00	0.00	0.00	0.00
Federal Through State and Local	3200	0.00	0.00	0.00	0.00
State Sources	3300	695,334.00	302,908.02	41,510.64	1,039,752.66
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00	0.00	0.00
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	0.00
Charges for Service - Food Service	345X	0.00	0.00	0.00	0.00
Impact Fees	3496	0.00	0.00	1,558,169.39	1,558,169.39
Other Local Revenue		0.00	0.00	0.00	0.00
Total Local Sources	3400	0.00	0.00	1,558,169.39	1,558,169.39
Total Revenues		695,334.00	302,908.02	1,599,680.03	2,597,922.05
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	0.00	0.00	0.00	0.00
Student Support Services	6100	0.00	0.00	0.00	0.00
Instructional Media Services	6200	0.00	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00
General Administration	7200	0.00	0.00	0.00	0.00
School Administration	7300	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7410	568,848.00	0.00	0.00	568,848.00
Fiscal Services	7500	0.00	0.00	0.00	0.00
Food Services	7600	0.00	0.00	0.00	0.00
Central Services	7700	0.00	0.00	0.00	0.00
Student Transportation Services	7800	0.00	0.00	0.00	0.00
Operation of Plant	7900	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00
Community Services	9100	0.00	0.00	0.00	0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710	0.00	0.00	0.00	0.00
Interest	720	0.00	0.00	0.00	0.00
Dues and Fees	730	0.00	1,239.40	0.00	1,239.40
Miscellaneous	790	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420	126,486.00	0.00	0.00	126,486.00
Other Capital Outlay	9300	0.00	0.00	0.00	0.00
Total Expenditures		695,334.00	1,239.40	0.00	696,573.40
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	301,668.62	1,599,680.03	1,901,348.65
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00
Discount on Sale of Bonds	891	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00	0.00	0.00
Loans	3720	0.00	0.00	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00	0.00	0.00
Loss Recoveries	3740	0.00	0.00	0.00	0.00
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00	0.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	0.00
Discount on Refunding Bonds	892	0.00	0.00	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00
Transfers In	3600	0.00	0.00	0.00	0.00
Transfers Out	9700	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					
		0.00	0.00	0.00	0.00
EXTRAORDINARY ITEMS					
		0.00	0.00	0.00	0.00
Net Change in Fund Balances		0.00	301,668.62	1,599,680.03	1,901,348.65
Fund Balances, July 1, 2016	2800	0.00	872,730.38	6,199,668.97	7,072,399.35
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2017	2700	0.00	1,174,399.00	7,799,349.00	8,973,748.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017**

	Account Number	Total Nonmajor Governmental Funds
REVENUES		
Federal Direct	3100	0.00
Federal Through State and Local	3200	0.00
State Sources	3300	1,039,752.66
<i>Local Sources:</i>		
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00
Local Sales Taxes	3418, 3419	0.00
Charges for Service - Food Service	345X	0.00
Impact Fees	3496	1,558,169.39
Other Local Revenue		1,126.39
Total Local Sources	3400	1,559,295.78
Total Revenues		2,599,048.44
EXPENDITURES		
<i>Current:</i>		
Instruction	5000	0.00
Student Support Services	6100	0.00
Instructional Media Services	6200	0.00
Instruction and Curriculum Development Services	6300	0.00
Instructional Staff Training Services	6400	0.00
Instruction-Related Technology	6500	0.00
Board	7100	0.00
General Administration	7200	0.00
School Administration	7300	0.00
Facilities Acquisition and Construction	7410	568,848.00
Fiscal Services	7500	0.00
Food Services	7600	0.00
Central Services	7700	0.00
Student Transportation Services	7800	0.00
Operation of Plant	7900	0.00
Maintenance of Plant	8100	0.00
Administrative Technology Services	8200	0.00
Community Services	9100	0.00
<i>Debt Service: (Function 9200)</i>		
Redemption of Principal	710	1,255,000.00
Interest	720	1,297,631.25
Dues and Fees	730	5,689.40
Miscellaneous	790	0.00
<i>Capital Outlay:</i>		
Facilities Acquisition and Construction	7420	126,486.00
Other Capital Outlay	9300	0.00
Total Expenditures		3,253,654.65
Excess (Deficiency) of Revenues Over (Under) Expenditures		(654,606.21)
OTHER FINANCING SOURCES (USES)		
Issuance of Bonds	3710	0.00
Premium on Sale of Bonds	3791	0.00
Discount on Sale of Bonds	891	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00
Premium on Lease-Purchase Agreements	3793	0.00
Discount on Lease-Purchase Agreements	893	0.00
Loans	3720	0.00
Sale of Capital Assets	3730	0.00
Loss Recoveries	3740	0.00
Proceeds of Forward Supply Contract	3760	0.00
Proceeds from Special Facility Construction Account	3770	0.00
Face Value of Refunding Bonds	3715	0.00
Premium on Refunding Bonds	3792	0.00
Discount on Refunding Bonds	892	0.00
Refunding Lease-Purchase Agreements	3755	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00
Transfers In	3600	2,555,954.86
Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		2,555,954.86
SPECIAL ITEMS		0.00
EXTRAORDINARY ITEMS		0.00
Net Change in Fund Balances		1,901,348.65
Fund Balances, July 1, 2016	2800	7,134,696.35
Adjustments to Fund Balances	2891	0.00
Fund Balances, June 30, 2017	2700	9,036,045.00

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - MISCELLANEOUS
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300				0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue					0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		0.00	0.00	0.00	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	10,000.00	0.00	0.00	0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410				0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710				0.00
Interest	720				0.00
Dues and Fees	730				0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		10,000.00	0.00	0.00	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(10,000.00)	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
Net Change in Fund Balances		(10,000.00)	0.00	0.00	0.00
Fund Balances, July 1, 2016	2800	62,297.25	62,297.25	62,297.25	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	52,297.25	62,297.25	62,297.25	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND - STATE BOARD OF EDUCATION BONDS FUND
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300	1,351,984.00	1,328,440.38	1,328,440.38	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue					0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		1,351,984.00	1,328,440.38	1,328,440.38	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410				0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710	1,007,000.00	1,007,000.00	1,007,000.00	0.00
Interest	720	344,984.00	344,983.75	344,983.75	0.00
Dues and Fees	730		13,272.07	13,272.07	0.00
Miscellaneous	790		1,972,951.93	1,972,951.93	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		1,351,984.00	3,338,207.75	3,338,207.75	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	(2,009,767.37)	(2,009,767.37)	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Face Value of Refunding Bonds	3715		2,303,000.00	2,303,000.00	0.00
Premium on Refunding Bonds	3792		349,824.87	349,824.87	0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	2,652,824.87	2,652,824.87	0.00
SPECIAL ITEMS					
EXTRAORDINARY ITEMS					
					0.00
Net Change in Fund Balances		0.00	643,057.50	643,057.50	0.00
Fund Balances, July 1, 2016	2800	173,049.92	173,049.92	173,049.92	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	173,049.92	816,107.42	816,107.42	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND - OTHER FUND
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300				0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue			1,126.39	1,126.39	0.00
Total Local Sources	3400	0.00	1,126.39	1,126.39	0.00
Total Revenues		0.00	1,126.39	1,126.39	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410				0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710	1,255,000.00	1,255,000.00	1,255,000.00	0.00
Interest	720	1,297,630.00	1,297,631.25	1,297,631.25	0.00
Dues and Fees	730		4,450.00	4,450.00	0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		2,552,630.00	2,557,081.25	2,557,081.25	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,552,630.00)	(2,555,954.86)	(2,555,954.86)	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600	2,552,630.00	2,555,954.86	2,555,954.86	0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		2,552,630.00	2,555,954.86	2,555,954.86	0.00
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		0.00	0.00	0.00	0.00
Fund Balances, July 1, 2016	2800	0.00	0.00		0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	0.00	0.00	0.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300	671,048.00	695,334.00	695,334.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue					0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		671,048.00	695,334.00	695,334.00	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410	671,048.00	568,848.00	568,848.00	0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710				0.00
Interest	720				0.00
Dues and Fees	730				0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		126,486.00	126,486.00	0.00
Other Capital Outlay	9300				0.00
Total Expenditures		671,048.00	695,334.00	695,334.00	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Proceeds from Special Facility Construction Account	3770				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		0.00	0.00	0.00	0.00
Fund Balances, July 1, 2016	2800	0.00	0.00	0.00	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	0.00	0.00	0.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY & DEBT SERVICE
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300	284,169.00	302,908.02	302,908.02	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue					0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		284,169.00	302,908.02	302,908.02	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410				0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710				0.00
Interest	720				0.00
Dues and Fees	730		1,239.40	1,239.40	0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		0.00	1,239.40	1,239.40	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		284,169.00	301,668.62	301,668.62	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Proceeds from Special Facility Construction Account	3770				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		284,169.00	301,668.62	301,668.62	0.00
Fund Balances, July 1, 2016	2800	872,730.49	872,730.49	872,730.49	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	1,156,899.49	1,174,399.11	1,174,399.11	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - NONVOTED CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300				0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	30,509,888.00	30,549,791.98	30,549,791.98	0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496				0.00
Other Local Revenue			211,620.55	211,620.55	0.00
Total Local Sources	3400	30,509,888.00	30,761,412.53	30,761,412.53	0.00
Total Revenues		30,509,888.00	30,761,412.53	30,761,412.53	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410	34,370,000.00	7,992,535.78	7,992,535.78	0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710		126,297.44	126,297.44	0.00
Interest	720		15,814.12	15,814.12	0.00
Dues and Fees	730				0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		21,083,199.56	21,083,199.56	0.00
Other Capital Outlay	9300		5,755,733.78	5,755,733.78	0.00
Total Expenditures		34,370,000.00	34,973,580.68	34,973,580.68	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(3,860,112.00)	(4,212,168.15)	(4,212,168.15)	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740		46,751.65	46,751.65	0.00
Proceeds of Forward Supply Contract	3760				0.00
Proceeds from Special Facility Construction Account	3770				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700		(4,310,323.60)	(4,310,323.60)	0.00
Total Other Financing Sources (Uses)		0.00	(4,263,571.95)	(4,263,571.95)	0.00
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		(3,860,112.00)	(8,475,740.10)	(8,475,740.10)	0.00
Fund Balances, July 1, 2016	2800	28,946,533.95	28,946,534.10	28,946,534.10	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	25,086,421.95	20,470,794.00	20,470,794.00	0.00

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
For the Fiscal Year Ended June 30, 2017

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100				0.00
Federal Through State and Local	3200				0.00
State Sources	3300	40,000.00	41,510.64	41,510.64	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423				0.00
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423				0.00
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496	1,750,000.00	1,558,169.39	1,558,169.39	0.00
Other Local Revenue					0.00
Total Local Sources	3400	1,750,000.00	1,558,169.39	1,558,169.39	0.00
Total Revenues		1,790,000.00	1,599,680.03	1,599,680.03	0.00
EXPENDITURES					
<i>Current:</i>					
Instruction	5000				0.00
Student Support Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300				0.00
Instructional Staff Training Services	6400				0.00
Instruction-Related Technology	6500				0.00
Board	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acquisition and Construction	7410				0.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100				0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710				0.00
Interest	720				0.00
Dues and Fees	730				0.00
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		0.00	0.00	0.00	0.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,790,000.00	1,599,680.03	1,599,680.03	0.00
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	3710				0.00
Premium on Sale of Bonds	3791				0.00
Discount on Sale of Bonds	891				0.00
Proceeds of Lease-Purchase Agreements	3750				0.00
Premium on Lease-Purchase Agreements	3793				0.00
Discount on Lease-Purchase Agreements	893				0.00
Loans	3720				0.00
Sale of Capital Assets	3730				0.00
Loss Recoveries	3740				0.00
Proceeds of Forward Supply Contract	3760				0.00
Proceeds from Special Facility Construction Account	3770				0.00
Face Value of Refunding Bonds	3715				0.00
Premium on Refunding Bonds	3792				0.00
Discount on Refunding Bonds	892				0.00
Refunding Lease-Purchase Agreements	3755				0.00
Premium on Refunding Lease-Purchase Agreements	3794				0.00
Discount on Refunding Lease-Purchase Agreements	894				0.00
Payments to Refunding Escrow Agent (Function 9299)	760				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		1,790,000.00	1,599,680.03	1,599,680.03	0.00
Fund Balances, July 1, 2016	2800	6,199,668.97	6,199,668.97	6,199,668.97	0.00
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	7,989,668.97	7,799,349.00	7,799,349.00	0.00

**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2017**

	Account Number	Private-Purpose Trust Fund Name 85X	Total Private-Purpose Trust Funds
ASSETS			
Cash and Cash Equivalents	1110	248,933.00	248,933.00
Investments	1160	0.00	0.00
Accounts Receivable, Net	1131	0.00	0.00
Pension Contributions Receivable	1132		
Interest Receivable on Investments	1170	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Due From Other Agencies	1220	0.00	0.00
Inventory	1150		
Total Assets		248,933.00	248,933.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Pension	1940		
Other Postemployment Benefits	1950	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	0.00	0.00
Internal Accounts Payable	2290	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Due to Budgetary Funds	2161	0.00	0.00
Total Liabilities		0.00	0.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Pension	2640		
Other Postemployment Benefits	2650	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
NET POSITION			
Held in Trust for Pension Benefits	2785	0.00	0.00
Held in Trust for Other Purposes	2785	248,933.00	248,933.00
Total Net Position		248,933.00	248,933.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2017**

	Account Number	Private-Purpose Trust Fund Name 85X	Total Private-Purpose Trust Funds
ADDITIONS			
<i>Contributions:</i>			
Employer		0.00	0.00
Plan Members		0.00	0.00
Gifts, Grants and Bequests	3440	43,979.00	43,979.00
<i>Investment Income:</i>			
Interest on Investments	3431	0.00	0.00
Gain on Sale of Investments	3432	0.00	0.00
Net Increase (Decrease) in the Fair Value of Investments	3433	0.00	0.00
Total Investment Income		0.00	0.00
Less Investment Expense		0.00	0.00
Net Investment Income		0.00	0.00
Total Additions		43,979.00	43,979.00
DEDUCTIONS			
Salaries	100	0.00	0.00
Employee Benefits	200	0.00	0.00
Purchased Services	300	0.00	0.00
Other	700	1,500.00	1,500.00
Refunds of Contributions		0.00	0.00
Administrative Expenses		0.00	0.00
Total Deductions		1,500.00	1,500.00
Change In Net Position		42,479.00	42,479.00
Net Position Held In Trust, July 1, 2016	2885	206,454.00	206,454.00
Adjustments to Net Position	2896	0.00	0.00
Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2017	2785	248,933.00	248,933.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
June 30, 2017**

	Account Number	Pension Trust Fund Name 87X	Total Pension Trust Funds
ASSETS			
Cash and Cash Equivalents	1110	8,535,538.00	8,535,538.00
Investments	1160	0.00	0.00
Accounts Receivable, Net	1131	0.00	0.00
Pension Contributions Receivable	1132	0.00	0.00
Interest Receivable on Investments	1170	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Due From Other Agencies	1220	0.00	0.00
Inventory	1150		
Total Assets		8,535,538.00	8,535,538.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
Pension	1940	0.00	0.00
Other Postemployment Benefits	1950	0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	0.00	0.00
Internal Accounts Payable	2290	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Due to Budgetary Funds	2161	0.00	0.00
Total Liabilities		0.00	0.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
Pension	2640	0.00	0.00
Other Postemployment Benefits	2650	0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00
NET POSITION			
Held in Trust for Pension Benefits	2785	8,535,538.00	8,535,538.00
Held in Trust for Other Purposes	2785	0.00	0.00
Total Net Position		8,535,538.00	8,535,538.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 2017**

	Account Number	Pension Trust Fund Name 87X	Total Pension Trust Funds
ADDITIONS			
<i>Contributions:</i>			
Employer		700,000.00	700,000.00
Plan Members		0.00	0.00
Gifts, Grants and Bequests	3440	0.00	0.00
<i>Investment Income:</i>			
Interest on Investments	3431	165,983.00	165,983.00
Gain on Sale of Investments	3432	127,375.00	127,375.00
Net Increase (Decrease) in the Fair Value of Investments	3433	496,052.00	496,052.00
Total Investment Income		789,410.00	789,410.00
Less Investment Expense		0.00	0.00
Net Investment Income		789,410.00	789,410.00
Total Additions		1,489,410.00	1,489,410.00
DEDUCTIONS			
Salaries	100	0.00	0.00
Employee Benefits	200	647,633.00	647,633.00
Purchased Services	300	5,000.00	5,000.00
Other	700	26,626.00	26,626.00
Refunds of Contributions		0.00	0.00
Administrative Expenses		0.00	0.00
Total Deductions		679,259.00	679,259.00
Change In Net Position		810,151.00	810,151.00
Net Position Held In Trust, July 1, 2016	2885	7,725,387.00	7,725,387.00
Adjustments to Net Position	2896	0.00	0.00
Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2017	2785	8,535,538.00	8,535,538.00

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2017**

	Account Number	School Internal Funds 891	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	1110	1,950,407.00	1,950,407.00
Investments	1160	0.00	0.00
Accounts Receivable, Net	1131	1,551.00	1,551.00
Pension Contributions Receivable	1132		
Interest Receivable on Investments	1170	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00
Due From Other Agencies	1220	0.00	0.00
Inventory	1150	43,628.00	43,628.00
Total Assets		1,995,586.00	1,995,586.00
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910		
Pension	1940		
Other Postemployment Benefits	1950		
Total Deferred Outflows of Resources			
LIABILITIES			
Cash Overdraft	2125	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	77,550.00	77,550.00
Internal Accounts Payable	2290	1,918,036.00	1,918,036.00
Due to Other Agencies	2230		
Due to Budgetary Funds	2161	0.00	0.00
Total Liabilities		1,995,586.00	1,995,586.00
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610		
Pension	2640		
Other Postemployment Benefits	2650		
Total Deferred Inflows of Resources			

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS 891
June 30, 2017**

	Account Number	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
ASSETS					
Cash and Cash Equivalents	1110	1,887,632.00	4,621,703.00	4,558,928.00	1,950,407.00
Investments	1160	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	685.00	1,551.00	685.00	1,551.00
Pension Contributions Receivable	1132				
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00
Due From Budgetary Funds	1141	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	0.00	0.00	0.00	0.00
Inventory	1150	10,565.00	71,974.00	38,911.00	43,628.00
Total Assets		1,898,882.00	4,695,228.00	4,598,524.00	1,995,586.00
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated Decrease in Fair Value of Hedging Derivatives	1910				
Pension	1940				
Other Postemployment Benefits	1950				
Total Deferred Outflows of Resources					
LIABILITIES					
Cash Overdraft	2125	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	0.00
Accounts Payable	2120	58,790.00	77,550.00	58,790.00	77,550.00
Internal Accounts Payable	2290	1,840,092.00	4,617,678.00	4,539,734.00	1,918,036.00
Due to Other Agencies	2230				
Due to Budgetary Funds	2161	0.00	0.00	0.00	0.00
Total Liabilities		1,898,882.00	4,695,228.00	4,598,524.00	1,995,586.00
DEFERRED INFLOWS OF RESOURCES					
Accumulated Increase in Fair Value of Hedging Derivatives	2610				
Pension	2640				
Other Postemployment Benefits	2650				
Total Deferred Inflows of Resources					

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