

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

Return completed form to: Florida Department of Education Office of Funding and Financial Reporting 325 West Gaines Street, Room 814 Tallahassee, Florida 32399-0400
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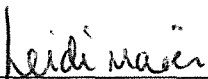
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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2017, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on September 5th, 2017.



Signature of District School Superintendent

September 5, 2017

Signature Date

**FLORIDA DEPARTMENT OF EDUCATION
REPORT OF FINANCIAL DATA TO THE
COMMISSIONER OF EDUCATION (ESE 348)
DISTRICT SCHOOL BOARD OF MARION COUNTY
For the Fiscal Year Ended June 30, 2017**

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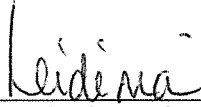
The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2017, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on September 5th, 2017

FLORIDA DEPARTMENT OF EDUCATION
REPORT OF FINANCIAL DATA TO THE
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Signature of District School Superintendent

September 5, 2017

Signature Date

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Marion County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2017. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

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

- Total Net Position is \$309,368,781, which represents a .32 percent decrease from the 2015-16 fiscal year. The primary reason for the decrease is attributable to the change in pension liabilities, deferred inflow, and deferred outflow. The District participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. Information related to these programs is provided by the Florida Department of Management Services.
- General revenues total \$382,064,035, or 90.64 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$39,591,045 or 9.39 percent of all revenues.
- Expenses total \$422,651,167; only \$39,591,045 of these expenses were offset by program revenues, with the remainder paid from general revenues. Total expenses exceed total revenues by \$996,087.
- The total combined assigned and unassigned fund balance of the General Fund, representing the net fund balance that is spendable and not restricted, totals \$27,836,815 at June 30, 2017, or 8.39 percent of total General Fund revenues. The unassigned fund balance totals \$15,956,637 which represents 4.81 percent of total General Fund revenues.
- The District's capital assets (net of depreciation) decreased by \$6,943,693 as depreciation expense exceeded capital asset additions in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to financial statements

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that

are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, its liabilities, its deferred inflows and its deferred outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

Governmental activities—This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

Component units—The District presents five separate legal entities in this report including the Marion Charter School, Inc.; the McIntosh Area School, Incorporated; the Francis Marion Military Academy, Inc.; Francis Marion Charter School, Inc., d/b/a Ocali Middle School and the Public Education Foundation of Marion County, Inc. Although these entities do not meet the specific financial accountability criteria, they are included in this report as component units based on the nature and significance of their relationship with the District to prevent the District's financial statements from being misleading. Financial information for these component units are reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize the current financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The current 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.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Food Service Fund, Special Revenue – Other Federal Programs, and Capital Projects – Other Capital Projects Fund. Data from the other five governmental funds are considered nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and are presented as supplementary information.

Proprietary Fund—Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains an internal service fund to report activities that provide services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for the cost of the District's self-insurance program. Since these services predominantly benefit governmental functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same types of information as the government-wide financial statements, only in more detail. The internal service fund is presented in a single column in the proprietary fund financial statements.

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 and the Silver River Museum. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses Agency Funds to account for resources held for student activities and groups and a Private-Purpose Trust Fund to account for private funds held for the Silver River Museum.

Notes to Financial Statements

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

Required Supplementary Information

The District adopts an annual budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Fund to demonstrate compliance with the budget. Additional required supplementary information is presented relating to the funding progress for other postemployment benefits, and net pension liabilities and contributions.

Notes to Required Supplementary Information

The notes provide additional information that is essential for a full understanding of the data provided in the required supplementary information.

Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Position, End of Year	
	Governmental Activities	
	6-30-17	6-30-16
Current Assets	\$ 102,263,128	\$ 97,108,775
Capital Assets, Net of Depreciation	523,974,332	530,918,025
Total Assets	626,237,460	628,026,800
Deferred Outflow of Resources	86,562,969	36,428,479
Current Liabilities	14,050,449	13,455,048
Noncurrent Liabilities	384,310,420	320,446,254
Total Liabilities	398,360,869	333,901,302
Deferred Inflow of Resources	5,070,779	20,189,109
Net Position:		
Net Investment in Capital Assets	432,468,193	427,231,115
Restricted	44,736,361	40,327,553
Unrestricted (Deficit)	(167,835,773)	(157,193,800)
Total Net Position	\$ 309,368,781	\$ 310,364,868

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

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

The 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:

- The decrease in capital assets is due primarily to depreciation expense exceeding capital outlay in the current year.
- The increase in deferred outflows, decrease in deferred inflows, and increase in pension liabilities is the result of the Florida Retirement System pension activities.

Governmental activities decreased the District's net position by \$996,087 during the 2016-17 fiscal year, detailed as follows:

	Operating Results for the Fiscal Year Ended	
	Governmental Activities	
	6-30-17	6-30-16
Program Revenues:		
Charges for Services	\$ 10,557,710	\$ 10,000,822
Operating Grants and Contributions	25,843,265	25,323,451
Capital Grants and Contributions	3,190,070	2,663,268
General Revenues:		
Property Taxes Levied for Operational Purposes	107,214,742	106,567,311
Property Taxes Levied for Capital Projects	25,125,064	23,979,076
Grants and Contributions Not Restricted to Specific Programs	243,054,631	239,340,767
Unrestricted Investment Earnings	678,134	403,219
Miscellaneous	5,991,464	6,686,989
Total Revenues	421,655,080	414,964,903
Functions/Program Expenses:		
Instruction	240,075,171	222,627,469
Student Personnel Services	28,752,566	26,921,635
Instructional Media Services	5,185,911	4,950,532
Instruction and Curriculum Development	5,917,941	5,614,974
Instructional Staff Training Services	9,123,123	9,031,233
Instruction Related Technology	2,742,411	2,669,682
Board of Education	683,340	693,523
General Administration	3,331,174	2,847,397
School Administration	20,596,270	18,132,770
Facility Services	1,042,233	1,602,807
Fiscal Services	2,997,915	2,752,023
Food Services	28,409,895	27,389,859
Central Services	4,504,303	4,001,832
Student Transportation Services	22,290,992	20,774,720
Operation of Plant	23,452,974	23,055,085
Maintenance of Plant	9,877,570	9,133,471
Administrative Technology Services	5,480,488	5,049,539
Community Services	4,665,598	4,629,729
Unallocated Interest on Long-Term Debt	3,415,033	3,989,079
Loss on Disposal of Capital Assets	106,259	387,768
Total Functions/Program Expenses	422,651,167	396,255,127
Increase (Decrease) in Net Position	(996,087)	18,709,776
Net Position - Beginning	310,364,868	291,655,092
Net Position - Ending	<u><u>\$ 309,368,781</u></u>	<u><u>\$ 310,364,868</u></u>

Key elements of the change in net position are as follows:

- On November 2, 2014, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by recession level funding and operating expenses associated with reading, physical education, art, music, library/media, vocational programs, meeting class size requirements and retaining teachers and paraprofessionals. The millage generates approximately \$16 million per year.
- Overall Instructional related expenses including media services increased significantly due to the additional one mill levied for educational enhancement discussed above.
- Other increases in expenses resulted from the recording of net pension liability expenses which increased expenditures by approximately \$9.3 million.

Major Governmental Funds

General Fund: This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance is \$15,956,637 while the total fund balance is \$42,150,366. The total fund balance increased by \$3,795,611 during the 2016-17 fiscal year. The increase in fund balance is primarily due to an increase in State FEFP revenue along with the levy of the additional one mill property tax for educational enhancement. The fund balance remains above the level set by Board policy which is 3 percent of General Fund revenues.

Special Revenue – Food Service Fund: This fund which accounts for all food service activities, had revenues and expenditures of \$28,290,739 and \$27,880,980, respectively, and ended the fiscal year with a fund balance of \$11,144,998. It should be noted that \$1,046,420 of inventories represents the nonspendable fund balance, while the remaining \$10,098,577 fund balance is restricted for food service operations.

Special Revenue – Other Federal Programs: This fund had revenues and expenditures of \$32,779,550.

Capital Projects - Other Capital Projects Fund: This fund has a total fund balance of \$10,362,199. The fund is comprised of impact fees, sales tax, and certificates of participation proceeds received in previous fiscal years that must be used for purposes of constructing new schools and renovating existing schools.

Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled \$3,527,773 at June 30, 2017, a decrease of \$336,724 from the previous fiscal year. Total operating expenses were \$4,871,944 comprised of salaries, employee benefits, purchased services, and insurance claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2016-17 fiscal year, the District amended its General Fund budget several times due primarily to changes in estimated local and Federal through State funding levels and made corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

The District made several management decisions to curtail spending, which resulted in actual expenditures being approximately \$16.3 million less than original budget amounts.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$523,974,332 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset events during the current fiscal year included the following:

- Several HVAC and re-roofing projects were completed during the year.
- Disposal of portable buildings, equipment, and vehicles totaled approximately \$2.7 million.
- Depreciation expense totaled \$18,904,815.

Additional information on the District's capital assets can be found in Note III.D. to the financial statements.

Long-Term Debt

At June 30, 2017, the District has \$93,882,967 total capital asset-related debt outstanding. This amount is comprised of \$82,905,000 of certificates of participation payable, \$4,116,000 of bonds payable, \$2,984,000 note payable, and \$3,877,967 of unamortized premiums.

Other items classified as long-term liabilities, in the government-wide financial statements, include the compensated absences liability totaling \$32,614,717, other postemployment benefits payable in the amount of \$35,405,889, net pension obligations totaling \$212,662,639 and estimated insurance claims payable totaling \$9,744,208.

Additional information on the District's long-term liabilities can be found in Note II.I. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

As a part of the State-wide educational funding formula, the District is given operational revenues through State appropriations. The District then aligns expenses to fall within those parameters.

Capital revenues are levied up to capacity based on the needs identified in the District Facilities Work Program to adequately house growth in the student population.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Marion County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, School District of Marion County, Florida, 512 SE 3rd Street, Ocala, FL 34471.

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

	Account Number	Primary Government	Component Units
		Governmental Activities	Total Nonmajor Component Units
ASSETS			
Cash and Cash Equivalents	1110	25,337,400.00	960,897.00
Investments	1160	68,389,238.00	611,814.00
Accounts Receivable, Net	1131	313,135.00	109,641.00
Due From Other Agencies	1220	3,143,408.00	0.00
Deposits Receivable	1210	140,000.00	15,904.00
Internal Balances			2,163,111.00
Inventory	1150	2,827,600.00	613,168.00
Prepaid Items	1230	2,018,102.00	73,051.00
Prepaid Insurance Costs	1430	94,245.00	0.00
<i>Capital Assets</i>			
Land	1310		182,214.00
Land Improvements - Nondepreciable	1315	14,013,836.00	146,965.00
Construction in Progress	1360	3,235,811.00	35,654.00
Nondepreciable Capital Assets		17,249,647.00	364,833.00
Improvements Other Than Buildings	1320	8,285,688.00	114,809.00
Less Accumulated Depreciation	1329	(4,629,030.00)	(39,405.00)
Buildings and Fixed Equipment	1330	694,882,332.00	997,486.00
Less Accumulated Depreciation	1339	(214,847,696.00)	(375,002.00)
Furniture, Fixtures and Equipment	1340	41,920,552.00	221,048.00
Less Accumulated Depreciation	1349	(28,234,650.00)	(169,432.00)
Motor Vehicles	1350	36,413,792.00	0.00
Less Accumulated Depreciation	1359	(27,066,303.00)	0.00
Property Under Capital Leases	1370		209,694.00
Less Accumulated Depreciation	1379		(41,922.00)
Audiovisual Materials	1381	3,062,246.00	0.00
Less Accumulated Depreciation	1388	(3,062,246.00)	0.00
Computer Software	1382		3,822.00
Less Accumulated Amortization	1389		(1,168.00)
Depreciable Capital Assets, Net		506,724,685.00	919,930.00
Total Capital Assets		523,974,332.00	1,284,763.00
Total Assets		626,237,460.00	5,832,349.00
DEFERRED OUTFLOWS OF RESOURCES			
Net Carrying Amount of Debt Refunding	1920	2,307,057.00	0.00
Pension	1940	84,255,912.00	347,859.00
Other Postemployment Benefits	1950		0.00
Total Deferred Outflows of Resources		86,562,969.00	347,859.00
LIABILITIES			
Cash Overdraft	2125	828,230.00	0.00
Accrued Salaries and Benefits	2110	5,818,149.00	27,281.00
Payroll Deductions and Withholdings	2170	1,220,430.00	0.00
Accounts Payable	2120	3,344,543.00	92,543.00
Accrued Interest Payable	2210	307,823.00	0.00
Deposits Payable	2220	1,525.00	0.00
Due to Other Agencies	2230	126,013.00	0.00
Construction Contracts Payable	2140	1,674,669.00	0.00
Construction Contracts Payable - Retained Percentage	2150	151,431.00	0.00
Unearned Revenues	2410	577,636.00	0.00
<i>Noncurrent Liabilities</i>			
Portion Due Within One Year:			
Notes Payable	2310	979,000.00	0.00
Bonds Payable	2320	482,000.00	0.00
Liability for Compensated Absences	2330	3,347,202.00	0.00
Lease-Purchase Agreements Payable	2340	11,070,000.00	0.00
Estimated Liability for Long-Term Claims	2350	2,835,290.00	0.00
Net Pension Liability	2365	13,201,646.00	0.00
Other Long-Term Liabilities	2380		88,287.00
Due Within One Year		31,915,138.00	88,287.00
Portion Due After One Year:			
Notes Payable	2310	2,005,000.00	0.00
Bonds Payable	2320	3,634,000.00	0.00
Liability for Compensated Absences	2330	29,267,515.00	0.00
Lease-Purchase Agreements Payable	2340	71,835,000.00	0.00
Estimated Liability for Long-Term Claims	2350	6,908,918.00	0.00
Net Other Postemployment Benefits Obligation	2360	35,405,889.00	0.00
Net Pension Liability	2365	199,460,993.00	780,838.00
Other Long-Term Liabilities	2380		63,279.00
Estimated Liability for Arbitrage Rebate	2280	3,877,967.00	0.00
Due in More than One Year		352,395,282.00	844,117.00
Total Long-Term Liabilities		384,310,420.00	932,404.00
Total Liabilities		398,360,869.00	1,052,228.00
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	2630		21,431.00
Pension	2640	5,070,779.00	0.00
Other Postemployment Benefits	2650		0.00
Total Deferred Inflows of Resources		5,070,779.00	21,431.00
NET POSITION			
Net Investment in Capital Assets	2770	432,468,193.00	1,123,168.00
<i>Restricted For:</i>			
Categorical Carryover Programs	2780	6,201,166.00	0.00
Food Service	2780	11,144,998.00	0.00
Debt Service	2780	243,089.00	0.00
Capital Projects	2780	21,332,474.00	0.00
Other Purposes	2780	5,814,634.00	3,069,501.00
Unrestricted	2790	(167,835,773.00)	913,880.00
Total Net Position		309,368,781.00	5,106,549.00

The notes to financial statements are an integral part of this statement. 9
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DISTRICT SCHOOL BOARD OF MARION 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	Governmental Activities	Primary Government Business-Type Activities	Total	
<i>Governmental Activities:</i>									
Instruction	5000	240,075,171.00	7,955,731.00			(232,119,440.00)		(232,119,440.00)	
Student Support Services	6100	28,752,566.00				(28,752,566.00)		(28,752,566.00)	
Instructional Media Services	6200	5,185,911.00				(5,185,911.00)		(5,185,911.00)	
Instruction and Curriculum Development Services	6300	5,917,941.00				(5,917,941.00)		(5,917,941.00)	
Instructional Staff Training Services	6400	9,123,123.00				(9,123,123.00)		(9,123,123.00)	
Instruction-Related Technology	6500	2,742,411.00				(2,742,411.00)		(2,742,411.00)	
Board	7100	683,340.00				(683,340.00)		(683,340.00)	
General Administration	7200	3,331,174.00				(3,331,174.00)		(3,331,174.00)	
School Administration	7300	20,596,270.00				(20,596,270.00)		(20,596,270.00)	
Facilities Acquisition and Construction	7400	1,042,233.00			1,365,151.00	322,918.00		322,918.00	
Fiscal Services	7500	2,997,915.00				(2,997,915.00)		(2,997,915.00)	
Food Services	7600	28,409,895.00	2,406,387.00	25,843,265.00		(160,243.00)		(160,243.00)	
Central Services	7700	4,504,303.00				(4,504,303.00)		(4,504,303.00)	
Student Transportation Services	7800	22,290,992.00	195,592.00			(22,095,400.00)		(22,095,400.00)	
Operation of Plant	7900	23,452,974.00				(23,452,974.00)		(23,452,974.00)	
Maintenance of Plant	8100	9,877,570.00			1,378,965.00	(8,498,605.00)		(8,498,605.00)	
Administrative Technology Services	8200	5,480,488.00				(5,480,488.00)		(5,480,488.00)	
Community Services	9100	4,665,598.00				(4,665,598.00)		(4,665,598.00)	
Interest on Long-Term Debt	9200	3,415,033.00			445,954.00	(2,969,079.00)		(2,969,079.00)	
Loss on Disposals of Assets		106,259.00				(106,259.00)		(106,259.00)	
Total Governmental Activities		422,651,167.00	10,557,710.00	25,843,265.00	3,190,070.00	(383,060,122.00)		(383,060,122.00)	
Total Primary Government		422,651,167.00	10,557,710.00	25,843,265.00	3,190,070.00	(383,060,122.00)	0.00	(383,060,122.00)	
<i>Component Units:</i>									
Total Nonmajor Component Units		6,090,687.00	106,557.00	1,968,855.00	188,057.00				(3,827,218.00)
Total Component Units		6,090,687.00	106,557.00	1,968,855.00	188,057.00				(3,827,218.00)

General Revenues:

Taxes:

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

107,214,742.00		107,214,742.00	0.00
		0.00	0.00
25,125,064.00		25,125,064.00	0.00
		0.00	0.00
243,054,631.00		243,054,631.00	3,652,245.00
678,134.00		678,134.00	60,553.00
5,991,464.00		5,991,464.00	0.00
		0.00	0.00
		0.00	0.00
		0.00	0.00
382,064,035.00	0.00	382,064,035.00	3,712,798.00
(996,087.00)	0.00	(996,087.00)	(114,420.00)
310,364,868.00		310,364,868.00	5,220,969.00
		0.00	0.00
309,368,781.00	0.00	309,368,781.00	5,106,549.00

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

	Account Number	General 100	Food Services 410	Other Federal Programs 420	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
ASSETS							
Cash and Cash Equivalents	1110	9,341,598.86	3,606,218.50	362,198.48	1,372,433.62	7,425,651.12	22,108,100.58
Investments	1160	39,542,353.65	6,772,352.43	0.00	9,272,434.60	4,490,237.77	60,077,378.45
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1131	158,592.30	26,300.43	12,541.52	0.00	0.00	197,434.25
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	604,535.25	222,838.01	1,176,389.44	0.00	1,139,644.99	3,143,407.69
Due From Budgetary Funds	1141	17,169.00	0.00	0.00	0.00	0.00	17,169.00
Inventory	1150	1,781,179.20	1,046,420.44	0.00	0.00	0.00	2,827,599.64
Prepaid Items	1230	516,572.19	0.00	0.00	0.00	0.00	516,572.19
Long-Term Investments	1460	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets		51,962,000.45	11,674,129.81	1,551,129.44	10,644,868.22	13,055,533.88	88,887,661.80
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		51,962,000.45	11,674,129.81	1,551,129.44	10,644,868.22	13,055,533.88	88,887,661.80
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Cash Overdraft	2125	0.00	0.00	828,229.71	0.00	0.00	828,229.71
Accrued Salaries and Benefits	2110	5,327,907.00	216,809.37	270,117.45	0.00	0.00	5,814,833.82
Payroll Deductions and Withholdings	2170	1,126,634.73	43,322.57	49,198.76	0.00	0.00	1,219,156.06
Accounts Payable	2120	3,042,147.16	248,727.15	28,238.56	3,948.59	0.00	3,323,061.46
Deposits Payable	2220	1,525.00	0.00	0.00	0.00	0.00	1,525.00
Due to Other Agencies	2230	95,238.64	14,545.19	15,890.91	0.00	0.00	125,674.74
Due to Budgetary Funds	2161	0.00	0.00	0.00	0.00	17,169.00	17,169.00
Construction Contracts Payable	2140	0.00	0.00	0.00	254,246.87	1,420,421.75	1,674,668.62
Construction Contracts Payable - Retained Percentage	2150	0.00	5,728.01	0.00	24,473.68	121,229.72	151,431.41
Unearned Revenue	2410	218,181.53	0.00	359,454.05	0.00	0.00	577,635.58
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities		9,811,634.06	529,132.29	1,551,129.44	282,669.14	1,558,820.47	13,733,385.40
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							
Nonspendable:							
Inventory	2711	1,781,179.20	1,046,420.44	0.00	0.00	0.00	2,827,599.64
Prepaid Amounts	2712	516,572.19	0.00	0.00	0.00	0.00	516,572.19
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	2,297,751.39	1,046,420.44	0.00	0.00	0.00	3,344,171.83
Restricted for:							
State Required Carryover Programs	2723	6,201,166.53	0.00	0.00	0.00	0.00	6,201,166.53
Local Sales Tax and Other Tax Levy	2724	5,814,633.53	0.00	0.00	0.00	0.00	5,814,633.53
Debt Service	2725	0.00	0.00	0.00	0.00	550,912.11	550,912.11
Capital Projects	2726	0.00	0.00	0.00	10,362,199.08	10,945,801.30	21,308,000.38
Restricted for	2729	0.00	10,098,577.08	0.00	0.00	0.00	10,098,577.08
Restricted for	2729	0.00	0.00	0.00	0.00	0.00	0.00
Total Restricted Fund Balances	2720	12,015,800.06	10,098,577.08	0.00	10,362,199.08	11,496,713.41	43,973,289.63
Assigned to:							
Assigned for	2749	9,405,532.27	0.00	0.00	0.00	0.00	9,405,532.27
Assigned for	2749	2,474,645.20	0.00	0.00	0.00	0.00	2,474,645.20
Total Assigned Fund Balances	2740	11,880,177.47	0.00	0.00	0.00	0.00	11,880,177.47
Total Unassigned Fund Balances	2750	15,956,637.47	0.00	0.00	0.00	0.00	15,956,637.47
Total Fund Balances	2700	42,150,366.39	11,144,997.52	0.00	10,362,199.08	11,496,713.41	75,154,276.40
Total Liabilities, Deferred Inflows of Resources and Fund Balances		51,962,000.45	11,674,129.81	1,551,129.44	10,644,868.22	13,055,533.88	88,887,661.80

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARION 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	\$ 75,154,276.00
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	523,974,332.00
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The deferred outflows of resources and deferred inflows of resources related to pensions and debt refundings are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows related to Debt Refundings	2,307,057.00	
Deferred Outflows related to Pensions	84,255,912.00	
Deferred Inflows related to Pensions	<u>(5,070,779.00)</u>	81,492,190.00

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Bonds Payable	4,116,000.00	
Certificates of Participation	82,905,000.00	
Note Payable	2,984,000.00	
Unamortized Premiums	3,877,967.00	
Unamortized Prepaid Insurance - Debt Related	(94,245.00)	
Compensated Absences Payable	32,614,717.00	
Net Pension Liability	212,662,639.00	
Other Postemployment Benefits Payable	<u>35,405,889.00</u>	(374,471,967.00)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,527,773.00
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Accrued Interest	<u>(307,823.00)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 309,368,781.00</u></u>
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The notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF MARION 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	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
REVENUES							
Federal Direct	3100	489,274.79	0.00	1,206,664.33	0.00	0.00	1,695,939.12
Federal Through State and Local	3200	2,690,418.22	25,389,111.35	31,337,715.34	0.00	0.00	59,417,244.91
State Sources	3300	206,872,138.21	433,644.00	55,410.67	0.00	3,398,902.53	210,760,095.41
<i>Local Sources:</i>							
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	107,214,741.85	0.00	0.00	0.00	0.00	107,214,741.85
Property Taxes Levied, Tax Redemptions and Excess Fees for Debt Service	3412, 3421, 3423	0.00	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	25,125,063.91	25,125,063.91
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	0.00	0.00	0.00
Charges for Service - Food Service	345X	0.00	2,406,386.92	0.00	0.00	0.00	2,406,386.92
Impact Fees	3496	0.00	0.00	0.00	14,417.00	0.00	14,417.00
Other Local Revenue		14,480,082.58	61,596.25	179,759.83	73,035.66	112,621.08	14,907,095.40
Total Local Sources	3400	121,694,824.43	2,467,983.17	179,759.83	87,452.66	25,237,684.99	149,667,705.08
Total Revenues		331,746,655.65	28,290,738.52	32,779,550.17	87,452.66	28,636,587.52	421,540,984.52
EXPENDITURES							
<i>Current:</i>							
Instruction	5000	202,489,224.12	0.00	16,412,680.20	0.00	0.00	218,901,904.32
Student Support Services	6100	22,950,245.08	0.00	5,033,421.54	0.00	0.00	27,983,666.62
Instructional Media Services	6200	4,938,517.60	0.00	0.00	0.00	0.00	4,938,517.60
Instruction and Curriculum Development Services	6300	3,489,987.19	0.00	2,204,722.57	0.00	0.00	5,694,709.76
Instructional Staff Training Services	6400	3,365,055.69	0.00	5,529,741.85	0.00	0.00	8,894,797.54
Instruction-Related Technology	6500	2,394,923.22	0.00	214,458.54	0.00	0.00	2,609,381.76
Board	7100	680,801.61	0.00	0.00	0.00	0.00	680,801.61
General Administration	7200	1,654,794.72	0.00	1,566,520.81	0.00	0.00	3,221,315.53
School Administration	7300	19,373,799.35	0.00	0.00	0.00	0.00	19,373,799.35
Facilities Acquisition and Construction	7410	780,133.68	0.00	650.00	0.00	0.00	780,783.68
Fiscal Services	7500	2,886,882.02	0.00	0.00	0.00	0.00	2,886,882.02
Food Services	7600	0.00	27,304,383.25	0.00	0.00	0.00	27,304,383.25
Central Services	7700	4,266,226.41	0.00	0.00	0.00	0.00	4,266,226.41
Student Transportation Services	7800	20,036,558.43	0.00	239,213.85	0.00	0.00	20,275,772.28
Operation of Plant	7900	22,915,329.82	0.00	0.00	0.00	0.00	22,915,329.82
Maintenance of Plant	8100	9,394,716.70	0.00	0.00	0.00	0.00	9,394,716.70
Administrative Technology Services	8200	4,854,618.00	0.00	0.00	0.00	0.00	4,854,618.00
Community Services	9100	3,423,702.37	0.00	1,224,565.30	0.00	0.00	4,648,267.67
<i>Debt Service: (Function 9200)</i>							
Redemption of Principal	710	0.00	0.00	0.00	0.00	12,228,000.00	12,228,000.00
Interest	720	0.00	0.00	0.00	0.00	3,544,309.52	3,544,309.52
Dues and Fees	730	0.00	0.00	0.00	0.00	19,270.92	19,270.92
Miscellaneous	790	0.00	0.00	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>							
Facilities Acquisition and Construction	7420	1,729,992.59	189,301.75	0.00	554,128.91	6,355,529.75	8,828,953.00
Other Capital Outlay	9300	2,204,878.03	387,294.98	353,575.51	0.00	0.00	2,945,748.52
Total Expenditures		333,830,386.63	27,880,979.98	32,779,550.17	554,128.91	22,147,110.19	417,192,155.88
Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,083,730.98)	409,758.54	0.00	(466,676.25)	6,489,477.33	4,348,828.64
OTHER FINANCING SOURCES (USES)							
Loans	3720	0.00	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	0.00
Loss Recoveries	3740	49,419.33	877.45	0.00	0.00	0.00	50,296.78
Proceeds of Forward Supply Contract	3760	0.00	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	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00	0.00	0.00
Transfers In	3600	5,851,517.00	21,594.26	0.00	0.00	15,115,170.32	20,988,281.58
Transfers Out	9700	(21,594.26)	0.00	0.00	(377,605.07)	(20,589,082.25)	(20,988,281.58)
Total Other Financing Sources (Uses)		5,879,342.07	22,471.71	0.00	(377,605.07)	(5,473,911.93)	50,296.78
SPECIAL ITEMS							
		0.00	0.00	0.00	0.00	0.00	0.00
EXTRAORDINARY ITEMS							
		0.00	0.00	0.00	0.00	0.00	0.00
Net Change in Fund Balances		3,795,611.09	432,230.25	0.00	(844,281.32)	1,015,565.40	4,399,125.42
Fund Balances, July 1, 2016	2800	38,354,755.30	10,712,767.27	0.00	11,206,480.40	10,481,148.01	70,755,150.98
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2017	2700	42,150,366.39	11,144,997.52	0.00	10,362,199.08	11,496,713.41	75,154,276.40

The notes to financial statements are an integral part of this statement.
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**DISTRICT SCHOOL BOARD OF MARION 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 - Governmental Funds \$ 4,399,125.00

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of capital asset activity in the current period:

Capital Asset Additions	\$ 12,067,381.00	
Depreciation Expense	(18,904,815.00)	
Loss on Disposal of Capital Assets	<u>(106,259.00)</u>	(6,943,693.00)

Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt payments during the year. 12,228,000.00

Debt Premiums on bond issues are amortized over the life of the debt in the statement of activities but are reported as revenues in the fund statements. This is the amount of current amortization. 412,610.00

Deferred amount on Refunding is amortized over the life of the debt in the statement of activities, but is reported as an expense in the fund statements. This is the amount of the current amortization. (300,314.00)

Prepaid insurance is amortized over the life of the debt in the statement of activities but is reported as revenues in the fund statements. This is the amount of current amortization. (8,568.00)

The net increase in the net pension liability is reported in the change in net assets, but not in the change in fund balance. (9,299,306.00)

The net decrease in accrued interest on long-term debt is reported in the change in net assets, but not in the change in fund balance. 44,819.00

The net increase in compensated absences is reported in the change of net assets, but not in the change in fund balance. (140,016.00)

Unfunded other postemployment benefits payable are not reported in the governmental funds but are recorded as an expense in the government-wide statements. This is the change in the obligation for the current fiscal year. (1,052,021.00)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. (336,723.00)

Change in Net Position of Governmental Activities \$ (996,087.00)

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
ASSETS		
Cash and Cash Equivalents	1110	3,229,298.73
Investments	1160	8,311,860.47
Accounts Receivable, Net	1131	115,700.68
Interest Receivable on Investments	1170	0.00
Due From Other Agencies	1220	0.00
Due From Insurer	1180	0.00
Due From Budgetary Funds	1141	0.00
Deposits Receivable	1210	140,000.00
Cash with Fiscal/Service Agents	1114	0.00
Section 1011.13, F.S., Loan Proceeds	1420	0.00
Inventory	1150	0.00
Prepaid Items	1230	1,501,530.00
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	0.00
Land Improvements - Nondepreciable	1315	0.00
Computer Software	1382	0.00
Accumulated Amortization	1389	0.00
Depreciable Capital Assets, Net		0.00
Total Capital Assets		0.00
Total Assets		13,298,389.88
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00
Net Carrying Amount of Debt Refunding	1920	0.00
Pension	1940	0.00
Other Postemployment Benefits	1950	0.00
Total Deferred Outflows of Resources		0.00
LIABILITIES		
Cash Overdraft	2125	0.00
Accrued Salaries and Benefits	2110	3,314.70
Payroll Deductions and Withholdings	2170	1,274.35
Accounts Payable	2120	21,481.53
Sales Tax Payable	2260	0.00
Accrued Interest Payable	2210	0.00
Deposits Payable	2220	0.00
Due to Other Agencies	2230	338.47
<i>Noncurrent Liabilities</i>		
<i>Portion Due Within One Year:</i>		
Obligations Under Capital Leases	2315	0.00
Liability for Compensated Absences	2330	0.00
Estimated Liability for Long-Term Claims	2350	2,835,290.00
Net Other Postemployment Benefits Obligation	2360	0.00
Net Pension Liability	2365	0.00
Other Long-Term Liabilities	2380	0.00
Due Within One Year		2,835,290.00
<i>Portion Due After One Year:</i>		
Obligations Under Capital Leases	2315	0.00
Liability for Compensated Absences	2330	0.00
Estimated Liability for Long-Term Claims	2350	6,908,918.00
Net Other Postemployment Benefits Obligation	2360	0.00
Net Pension Liability	2365	0.00
Other Long-Term Liabilities	2380	0.00
Due in More Than One Year		6,908,918.00
Total Long-Term Liabilities		9,744,208.00
Total Liabilities		9,770,617.05
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 Revenues	2630	0.00
Pension	2640	0.00
Other Postemployment Benefits	2650	0.00
Total Deferred Inflows of Resources		0.00
NET POSITION		
Net Investment in Capital Assets	2770	0.00
Restricted for	2780	0.00
Unrestricted	2790	3,527,772.83
Total Net Position		3,527,772.83

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Account Number	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for Services	3481	4,471,423.00
Charges for Sales	3482	0.00
Premium Revenue	3484	0.00
Other Operating Revenues	3489	0.00
Total Operating Revenues		4,471,423.00
OPERATING EXPENSES		
Salaries	100	111,113.60
Employee Benefits	200	28,651.80
Purchased Services	300	1,918,138.50
Energy Services	400	0.00
Materials and Supplies	500	0.00
Capital Outlay	600	0.00
Other	700	2,814,040.24
Depreciation and Amortization Expense	780	0.00
Total Operating Expenses		4,871,944.14
Operating Income (Loss)		(400,521.14)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	3430	63,797.83
Gifts, Grants and Bequests	3440	0.00
Other Miscellaneous Local Sources	3495	0.00
Loss Recoveries	3740	0.00
Gain on Disposition of Assets	3780	0.00
Interest	720	0.00
Miscellaneous	790	0.00
Loss on Disposition of Assets	810	0.00
Total Nonoperating Revenues (Expenses)		63,797.83
Income (Loss) Before Operating Transfers		(336,723.31)
Transfers In	3600	0.00
Transfers Out	9700	0.00
SPECIAL ITEMS		0.00
EXTRAORDINARY ITEMS		0.00
Change In Net Position		(336,723.31)
Net Position, July 1, 2016	2880	3,864,496.14
Adjustments to Net Position	2896	0.00
Net Position, June 30, 2017	2780	3,527,772.83

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	0.00
Receipts from interfund services provided	4,471,423.00
Payments to suppliers	(1,949,341.29)
Payments to employees	(139,584.60)
Payments for interfund services used	0.00
Other receipts (payments)	(3,958,971.18)
Net cash provided (used) by operating activities	(1,576,474.07)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Subsidies from operating grants	0.00
Transfers from other funds	0.00
Transfers to other funds	0.00
Net cash provided (used) by noncapital financing activities	0.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	0.00
Capital contributions	0.00
Proceeds from disposition of capital assets	0.00
Acquisition and construction of capital assets	0.00
Principal paid on capital debt	0.00
Interest paid on capital debt	0.00
Net cash provided (used) by capital and related financing activities	0.00
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	0.00
Interest and dividends received	63,797.83
Purchase of investments	440,035.82
Net cash provided (used) by investing activities	503,833.65
Net increase (decrease) in cash and cash equivalents	(1,072,640.42)
Cash and cash equivalents - July 1, 2016	4,301,939.15
Cash and cash equivalents - June 30, 2017	3,229,298.73
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(400,521.14)
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>	
Depreciation/Amortization expense	0.00
Commodities used from USDA program	0.00
<i>Change in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	(110,941.94)
(Increase) decrease in interest receivable	0.00
(Increase) decrease in due from insurer	0.00
(Increase) decrease in deposits receivable	0.00
(Increase) decrease in due from other funds	0.00
(Increase) decrease in due from other agencies	0.00
(Increase) decrease in inventory	0.00
(Increase) decrease in prepaid items	(1,494,288.00)
(Increase) decrease in pension	0.00
Increase (decrease) in salaries and benefits payable	142.95
Increase (decrease) in payroll tax liabilities	0.00
Increase (decrease) in accounts payable	(31,202.79)
Increase (decrease) in cash overdraft	0.00
Increase (decrease) in judgments payable	0.00
Increase (decrease) in sales tax payable	0.00
Increase (decrease) in accrued interest payable	0.00
Increase (decrease) in deposits payable	0.00
Increase (decrease) in due to other funds	0.00
Increase (decrease) in due to other agencies	37.85
Increase (decrease) in unearned revenues	0.00
Increase (decrease) in pension	0.00
Increase (decrease) in other postemployment benefits	0.00
Increase (decrease) in estimated unpaid claims - Self-Insurance Prog.	460,299.00
Increase (decrease) in estimated liability for claims adjustment	0.00
Total adjustments	(1,175,952.93)
Net cash provided (used) by operating activities	(1,576,474.07)
Noncash investing, capital and financing activities:	
Borrowing under capital lease	0.00
Contributions of capital assets	0.00
Purchase of equipment on account	0.00
Capital asset trade-ins	0.00
Net Increase/(Decrease) in the fair value of investments	0.00
Commodities received through USDA program	0.00

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	Account Number	Total Private-Purpose Trust Funds 85X	Total Agency Funds 89X
ASSETS			
Cash and Cash Equivalents	1110	0.00	2,136,744.92
Investments	1160	481,622.03	1,984,199.11
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		0.00
Total Assets		481,622.03	4,120,944.03
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	
Pension	1940		
Other Postemployment Benefits	1950	0.00	
Total Deferred Outflows of Resources		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	4,120,944.03
Due to Other Agencies	2230	0.00	
Due to Budgetary Funds	2161	0.00	0.00
Total Liabilities		0.00	4,120,944.03
DEFERRED INFLOWS OF RESOURCES			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	
Pension	2640		
Other Postemployment Benefits	2650	0.00	
Total Deferred Inflows of Resources		0.00	
NET POSITION			
Held in Trust for Pension Benefits	2785	0.00	
Held in Trust for Other Purposes	2785	481,622.03	
Total Net Position		481,622.03	

The notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF MARION 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
ADDITIONS		
<i>Contributions:</i>		
Employer		0.00
Plan Members		0.00
Gifts, Grants and Bequests	3440	0.00
<i>Investment Income:</i>		
Interest on Investments	3431	4,555.46
Gain on Sale of Investments	3432	0.00
Net Increase (Decrease) in the Fair Value of Investments	3433	26,539.89
Total Investment Income		31,095.35
Less Investment Expense		0.00
Net Investment Income		31,095.35
Total Additions		31,095.35
DEDUCTIONS		
Salaries	100	0.00
Employee Benefits	200	0.00
Purchased Services	300	0.00
Other	700	11,964.00
Refunds of Contributions		0.00
Administrative Expenses		0.00
Total Deductions		11,964.00
Change In Net Position		19,131.35
Net Position Held In Trust, July 1, 2016	2885	462,490.68
Adjustments to Net Position	2896	0.00
Net Position Held in Trust for Pension Benefits and Other Purposes, June 30, 2017	2785	481,622.03

The notes to financial statements are an integral part of this statement.
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MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Marion 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 Marion 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, and is governed by State laws 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 Marion County.

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

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

Blended Component Unit. Blended component units, are in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Marion County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note II.I.1. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units.

The Public Education Foundation of Marion County, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Marion Charter School, Inc., the McIntosh Area School, Incorporated, the Francis Marion Charter School, Inc. d/b/a Ocali Middle School, and the Francis Marion Military Academy, Inc., are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by its sponsor, the Marion County District School Board. Although the charter schools do not meet the specific financial accountability criteria, based on the nature and significance of the relationship with the District, they are included as component units to prevent the District's financial statements from being misleading.

The financial data reported on the accompanying statements was derived from the Foundation's and four charter schools' audited financial statements for the fiscal year ended June 30, 2017. These audited reports are filed in the District's administrative offices.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. Likewise, the primary government is reported separately from certain 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 is charged to the functional category that initially purchased the related asset.

C. Basis of Presentation: Government-wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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 Federal grants and related program charges for the Food and Nutrition Services program.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on certificates of participation.
- Capital Projects – Other Capital Projects Fund – to account for financial resources primarily generated in prior years from issuances of certificates of participation and collection of impact fees and a voter approved capital outlay sales surtax, to be used for educational capital outlay needs.

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

- Internal Service Fund – to account for the District's individual self-insurance programs.
- Private-Purpose Trust Fund – to account for resources provided for the benefit of the Silver River Museum.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

E. Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

The private-purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Post Employment Benefits Liability, Net Pension Liability and the Incurred But Not Reported Liability along with depreciable useful lives of capital assets.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

1. Cash and Cash Equivalents

The District's cash is considered to be cash on hand and in demand deposits.

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

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

2. Investments

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, amounts placed with the SBA in Florida PRIME created by Sections 218.405, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME meet all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Like money market funds, a participant's account balance is a share of the investment pool, not the underlying securities, and reported at amortized cost is considered the fair value of the participant's investment.

The District's investment policy established permitted investments, asset allocation limits and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. Earnings are allocated monthly to each fund based on end of month balances.

The District's investments made locally consist of investments in direct obligations of the United States Treasury, Federal instrumentalities, corporate bonds, municipal obligations, and registered investment companies (money market funds), which are reported at fair value.

Authorized investments for endowments include equities, hedged funds, and real estate. The District has a formal investment policy that allows for the following investments for governmental funds:

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement (Moody or Standard and Poor's)	Maximum Maturity
U. S. Government Securities	100%	100%	N/A	3 years
U. S. Government Agencies	50%	25%	N/A	3 years
Federal Instrumentalities	80%	50%	--	3 years
Certificates of Deposit	25%	15%	--	1 years
Florida PRIME	25%	N/A	AAAm or AAM-G	5 years
Repurchase Agreements	50%	25%	--	90 days
Commercial Paper	35%	10%	Prime-1 or A-1	180 days
Corporate Notes	15%	5%	Aa or AA	3 years
Bankers' Acceptances	35%	10%	P-1 or A-1	180 days
State and/or local Governmental Debt	20%	--	Aa or AA for long-term debt or MIG-1 or SP-1 for short-term debt	3 years
Registered Investment Companies (money market funds)	75%	25%	AAAm or AAM-G	N/A
Mortgage-backed securities	20%	20%	AAA	5 years
Bond Funds	25%	10%	AAA	1.73 years
Intergovernmental Investment Pools	25%	--	AAAm or AAM-G	--

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

3. Inventories and Prepaid Items

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

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

4. 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 \$1,000 or more except computer software which are those costing \$5,000 or more. 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. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	7 - 20 years
Buildings and Fixed Equipment	25 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	7 - 12 years
Audio Visual Materials and Computer Software	3 - 5 years

Current year information relative to changes in capital assets is described in Note II.D.

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources expense until then. The District has two items that qualify for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position and the deferred amount on pension liabilities for FRS and HIS. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred amount on pension results from the recognition for the District's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to the pension plan.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises from the FRS and HIS pensions, that qualifies for

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Long-Term Liabilities

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

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

Changes in long-term liabilities for the current year are reported in Note II.I.

7. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

8. Pensions

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

The District's retirement plans and related amounts are described in Note II.E.

9. Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
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proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance as of June 30, 2017.

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

The District has adopted Board Policy 7.10 which provides that, if feasible, 3 percent of the recurring General Fund revenues be set aside as contingency reserves to cover unforeseen events including, but not limited to, revenue shortfalls and student enrollment under projections. Accordingly, the Board approved assigned amounts within the General Fund

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for an anticipated budget shortfall in the 2016-17 fiscal year along with unexpended insurance proshare funds.

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) 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 Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions 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 Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

On November 2, 2014, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by the recession level funding and operating expenses associated with reading, physical education, art, music, library/media, vocational programs, meeting class

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size requirements and retaining teachers and paraprofessionals. Unexpended funds are shown as restricted fund balance in the General Fund.

A schedule of revenue from State sources for the current year is presented in Note II.K.1.

3. District Property Taxes

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

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

The Board adopted the 2015 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 Marion County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes budgeted for the current year are presented in Note II.K.2.

4. Federal Revenue Sources

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

5. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for workers' compensation, automobile liability, general liability, and property insurance

**MARION COUNTY DISTRICT SCHOOL BOARD
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premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

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

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B. Investments

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

Security Type	Duration Year	Credit Rating (1)	Fair Value	Fair Value Measurement (3)
<u>Primary Government</u>				
State Board of Administration (SBA):				
Florida PRIME	0.11	AAAm	\$ 2,302,674	n/a
Debt Service Accounts	0.50	AAAm	41,348	n/a
U.S. Treasury Notes	2.05	AA+	13,501,540	2
Federal Home Loan Bank (FHLB)	1.41	AA+	4,723,237	2
Federal National Mortgage Association (FNMA)	1.83	AA+	2,269,151	2
Federal Home Loan Mortgage (FHLMC)	1.66	AA+	1,552,085	2
Money Market Funds	n/a	AAAm	41,750,702	n/a
Corporate Bonds	0.97	AA- - AA+	2,000,693	2
Municipal Obligations	1.11	A+	247,808	3
Total Investments, Primary Government			<u>68,389,238</u>	
<u>Fiduciary Funds</u>				
Money Market Funds	n/a	AAAm	58,793	1
Common Stock	n/a	n/a	216,089	1
Other Equities	n/a	n/a	70,450	1
Fixed Income Securities - Short Term Bond Market		AAA to Below B	136,290	1
Total Investments, Fiduciary Funds			<u>481,622</u>	
<u>Component Units</u>				
Public Education Foundation of Marion County, Inc. (2)			<u>611,814</u>	
Total Investments, Component Units			<u>611,814</u>	
Total Investments			<u><u>\$ 69,482,674</u></u>	
Presented as Investments in the Financial Statements:				
Governmental Funds			\$ 60,077,378	
Proprietary Fund			8,311,860	
Fiduciary Funds			481,622	
Component Units			<u>611,814</u>	
Total Investments			<u><u>\$ 69,482,674</u></u>	

Notes: (1) Credit ratings provided by Standard and Poor's.

(2) Information regarding the maturities, risks, and ratings associated with investments in money market funds, bonds, and various equities made by a brokerage firm on behalf of the Public Education Foundation of Marion County, Inc., was not disclosed in the annual post audit of the Foundation filed in the District's administrative offices.

(3) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.

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NOTES TO FINANCIAL STATEMENTS (Continued)
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➤ **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes duration as a measurement of interest rate risk and as of June 30, 2017, the investment portfolio had a weighted average duration of 1.80 years.

Florida PRIME had weighted average days to maturity (WAM) of 39 days at June 30, 2017. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

➤ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Board policy provides that temporarily idle funds be invested as prescribed by Section 218.415(17), Florida Statutes, and SBE rules. The District's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account.

➤ **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 the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415(18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2017, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy. The endowment funds of the Silver River Museum Private-Purpose Trust Fund are held by a bank and trust company.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

➤ **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 which are designed to reduce concentration of credit risk of the District's investment portfolio.

More than 5 percent of the primary government's investments are in Federal Home Loan Bank Notes. These investments are 7 percent of total investments, and 74 percent, 12 percent, 12 percent, and 10 percent of investments in the General Fund, Capital Projects – Other Capital Projects Fund, Special Revenue – Food Service Fund, and Internal Service Fund, respectively.

➤ **Endowment Investments**

To achieve the greatest likelihood of meeting endowment investment objectives, the investment assets shall be diversified in accordance with the following asset allocation weightings: domestic equity (20%-40%); international equity (0%-30%); real estate (0%-10%); inflation hedged (10%-80%); and fixed income (10%-80%).

➤ **Foreign Currency Risk**

The District's investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

C. Receivables

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible accounts receivable is accrued. Accounts receivables are actual cash receipts received within 60 days of June 30, 2017, and were susceptible to accrual. Below is a schedule of due from other agencies at June 30, 2017:

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Funds/Source	Amount
Major Governmental Funds:	
General:	
United States Department of Defense:	
Air Force ROTC	\$ 10,888
Army ROTC	12,214
State of Florida:	
Medicaid Outreach	71,004
Marion County Tax Collector:	
Unremitted Property Taxes	116,311
Other Agencies:	
Miscellaneous	394,118
Special Revenue - Food Service:	
Florida Department of Agriculture and Consumer Services:	
Food Service Program	222,838
Special Revenue - Other Federal Programs:	
Florida Department of Education:	
Federal Grant Reimbursements	1,030,300
Other Agencies:	
Grant Reimbursements	146,089
Nonmajor Governmental Funds:	
Capital Projects - Public Education Capital Outlay:	
Florida Department of Education:	
Public Education Capital Outlay	1,078,965
Other Agencies:	
Miscellaneous	17,169
Capital Projects - Capital Outlay and Debt Service:	
Florida Department of Education:	
Capital Outlay and Debt Service	14,503
Capital Projects - Nonvoted Capital Improvement Fund	
Marion County Tax Collector:	
Unremitted Property Taxes	29,008
Total Due From Other Agencies	\$ 3,143,407

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 14,013,836	\$ -	\$ -	\$ 14,013,836
Construction in Progress	3,267,672	5,331,141	5,363,002	3,235,811
Total Capital Assets Not Being Depreciated	17,281,508	5,331,141	5,363,002	17,249,647
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	6,136,746	2,148,942	-	8,285,688
Buildings and Fixed Equipment	691,747,836	3,214,060	79,564	694,882,332
Furniture, Fixtures, and Equipment	38,803,192	4,614,230	1,496,870	41,920,552
Motor Vehicles	35,431,122	2,122,010	1,139,340	36,413,792
Audio Visual Materials and Computer Software	3,062,246	-	-	3,062,246
Total Capital Assets Being Depreciated	775,181,142	12,099,242	2,715,774	784,564,610
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	4,524,242	104,788	-	4,629,030
Buildings and Fixed Equipment	200,322,518	14,588,368	63,190	214,847,696
Furniture, Fixtures, and Equipment	26,953,287	2,688,348	1,406,985	28,234,650
Motor Vehicles	26,688,157	1,517,486	1,139,340	27,066,303
Audio Visual Materials and Computer Software	3,056,421	5,825	-	3,062,246
Total Accumulated Depreciation	261,544,625	18,904,815	2,609,515	277,839,925
Total Capital Assets Being Depreciated, Net	513,636,517	(6,805,573)	106,259	506,724,685
Governmental Activities Capital Assets, Net	\$ 530,918,025	\$ (1,474,432)	\$ 5,469,261	\$ 523,974,332

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$15,447,347
Student Personnel Services	3,822
Instructional Media Services	40,196
Instruction and Curriculum Development	13,215
Instructional Staff Training Services	6,378
Instruction Related Technology	28,908
General Administration	3,456
School Administration	17,525
Facility Services	552,614
Fiscal Services	5,877
Food Services	720,541
Central Services	33,386
Student Transportation Services	1,467,665
Operation of Plant	74,642
Maintenance of Plant	70,257
Administrative Technology Services	418,986
Total Depreciation Expense - Governmental Activities	<u>\$18,904,815</u>

E. Retirement Plans – Defined Benefit Pension

The District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

General Information about the Florida Retirement System (FRS)

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered Florida Retirement System (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 Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a cost-sharing, multiple-employer public-employee retirement system with two defined benefit plans and other nonintegrated programs administered by the Department of

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Management Services, Division of Retirement. 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, Division of Retirement. The FRS Investment Plan is administered by the Florida State Board Administration (SBA), and is reported in an SBA annual financial statement and in the State of Florida Comprehensive Annual Financial Report.

Florida Retirement System (FRS) Defined Benefit Pension Plan

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

Regular Class. Members of the FRS who do not qualify for membership in other classes. Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans 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 FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. 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 FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. 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

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retirement multiplied by 3 percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	7.52
Florida Retirement System, Elected County Officers	3.00	42.47
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.99
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26 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.

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

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 \$128,130,941 for its proportionate share of the 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 projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportionate share was 0.50744693 percent, which was a decrease of 0.0145404680 percent from its proportionate share measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,705,109. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,810,690	\$ 1,192,986
Change of assumptions	7,751,538	-
Net difference between projected and actual earnings on FRS pension plan investments	33,120,286	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	3,064,715
District FRS contributions subsequent to the measurement date	13,201,646	
Total	<u>\$ 63,884,160</u>	<u>\$ 4,257,701</u>

The deferred outflows of resources related to pensions totaling \$13,201,646 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the 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	Amorization
2017	\$ 6,110,901
2018	6,110,901
2019	19,023,244
2020	13,022,822
2021	1,647,204
Thereafter	509,741
Total	<u>\$ 46,424,813</u>

Actuarial Assumptions. The total pension liability in the June 30, 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	7.65 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As a result of the 2016 actuarial experience study, the inflation rate assumption remained the same at 2.60%, the real payroll growth assumption as decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption remained the same at 3.25%. The long-term expected rate of return decreased from 7.65% to 7.60%.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.10%	1.70%
Fixed Income	18.00%	4.80%	4.70%	4.70%
Global Equity	53.00%	8.50%	7.20%	17.70%
Real Estate (Property)	10.00%	6.80%	6.20%	12.00%
Private Equity	6.00%	11.90%	8.20%	30.00%
Strategic Investments	12.00%	6.70%	6.10%	11.40%
Total	100.00%			
Assumed inflation - Mean		2.60%		1.90%

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 projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension 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 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

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
District's proportionate share of the net pension liability	<u>\$ 235,897,737</u>	<u>\$ 128,130,941</u>	<u>\$ 38,429,315</u>

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JUNE 30, 2017

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State District System Optional Retirement Program are not eligible to receive benefits from the HIS plan.

Benefits Provided. 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 Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS defined-benefit pension plan totaled \$3,716,021 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 \$84,531,698 for its proportionate share of the 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 projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportionate share was 0.725308478 percent, which was a decrease of 0.00035119416 from its proportionate share measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$3,594,196. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 13,265,173	\$ -
Net difference between projected and actual earnings on HIS pension plan investments	42,741	192,532
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	3,247,513	620,547
District contributions subsequent to the measurement date	3,816,327	-
Total	<u>\$ 20,371,754</u>	<u>\$ 813,079</u>

The deferred outflows of resources totaling \$3,816,327 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the 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:

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<u>Fiscal Year Ending June 30</u>	<u>Amorization</u>
2017	\$ 2,737,207
2018	2,737,207
2019	2,729,068
2020	2,725,162
2021	2,528,289
Thereafter	2,285,415
Total	<u>\$ 15,742,348</u>

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

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.

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	\$ 96,977,063	\$ 84,531,698	\$ 74,202,725

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

**MARION COUNTY DISTRICT SCHOOL BOARD
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JUNE 30, 2017**

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

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

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	7.52
FRS, Elected County Officers	42.47

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 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.

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

The District's Investment Plan pension expense totaled \$971,494 for the fiscal year ended June 30, 2017.

F. Other Postemployment Benefit Obligations

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

Funding Policy. The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2015-16 fiscal year, 476 retirees received other postemployment benefits. The District provided required contributions of \$1,467,464 toward the annual OPEB cost, net of retiree contributions totaling \$1,546,160, which represents 1.62 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 cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

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NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

Description	Amount
Normal Cost (service cost for one year)	\$ 1,511,820
Amortization of Unfunded Actuarial Accrued Liability	<u>1,354,029</u>
Annual Required Contribution	2,865,849
Interest on Net OPEB Obligation	1,374,155
Adjustment to Annual Required Contribution	<u>(1,641,823)</u>
Annual OPEB Cost (Expense)	2,598,181
Contribution Toward the OPEB Cost	<u>(1,546,160)</u>
Increase in Net OPEB Obligation	1,052,021
Net OPEB Obligation, Beginning of Year	<u>34,353,868</u>
Net OPEB Obligation, End of Year	<u><u>\$ 35,405,889</u></u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014-15	\$ 3,625,833	44.81%	\$ 33,333,360
2015-16	2,487,972	58.98%	34,353,868
2016-17	2,598,181	59.51%	35,405,889

Funded Status and Funding Progress. As of January 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$26,842,327, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$26,842,327 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$190,963,029, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.06 percent.

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

The District's OPEB actuarial valuation as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2017, and the entry age normal cost actuarial method to estimate the District's 2015-16 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, and an annual healthcare cost trend rate of 6.5 percent initially beginning January 1, 2016, reduced annually to an ultimate rate of 4.34 percent after seven years. The investment rate of return and payroll growth rate include a general price inflation of 3 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over a 30-year period. The remaining amortization period at June 30, 2017, was 24 years.

G. Net Position - Net Investment in Capital Assets

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2017, is shown in the table below:

<u>Description</u>	<u>Amount</u>
Total Capital Assets, Net of Accumulated Depreciation	\$ 523,974,332
Less related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 82,905,000
Bonds Payable	4,116,000
Note Payable	2,984,000
Unamortized Debt Premiums	3,877,967
Deferred Amount on Refunding	(2,307,057)
Retainage	24,474
Prepaid Insurance on Refunding Debt	(94,245)
Total Related Debt, Net of Unspent Proceeds	(91,506,139)
Net Investment in Capital Assets	<u>\$ 432,468,193</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017**

H. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, property damage, and boiler and machinery coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. Self-insured per occurrence retentions were \$500,000 for workers' compensation, \$300,000 for automobile and general liability, and \$100,000 or 2 percent named windstorm, for property. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

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

A liability in the amount of \$9,744,208 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2017.

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

	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2015-16	\$ 9,751,847	\$ 1,726,508	\$ (2,194,446)	\$ 9,283,909
2016-17	9,283,909	2,784,405	(2,324,106)	9,744,208

Health and hospitalization coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

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

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I. Long-Term Liabilities

1. Certificates of Participation

Certificates of participation at June 30, 2017, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2009A	\$ 2,190,000	4.75	2018	\$ 21,420,000
Series 2012	14,315,000	2.55	2023	23,005,000
Series 2014	28,270,000	2.77	2025	37,380,000
Series 2015	5,270,000	2.36	2023	6,975,000
Series 2015B	32,860,000	3.13	2027	32,860,000
Total Certificates of Participation	<u>\$ 82,905,000</u>			<u>\$ 121,640,000</u>

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Marion County School Board Leasing Corporation (Leasing Corporation), whereby the District secured the financing of various educational facilities. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation. All the certificates issued and outstanding are subject to a master ground and facilities lease-purchase agreement between the District and the Leasing Corporation, which ends on the date that all certificates are paid in full. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purpose from current funds or other funds legally available. The District is not legally required to annually appropriate funds to make the lease payments.

As a condition of the financing arrangements, the District has given a ground lease on District property acquired with proceeds from the certificates to the Leasing Corporation. The properties covered by the ground lease are, 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 sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

The District properties included in the various ground leases under these arrangements include:

Certificates	Description of Properties
Series 2007B	South Ocala Elementary School, Howard Middle School, Lake Weir High School
Series 2009A	Dunnellon Elementary School, Belleview Middle School, West Port High School, and Saddlewood Elementary School, Refunding 1998A and 1998B
Series 2012	Forest High School Replacement Facility, Partial Refunding 2003
Series 2014	Hammett Bowen, Jr., Elementary School; North Marion Middle School Cafeteria; Vanguard High School Classroom Additions and Cafeteria/Multi-Purpose Building, Refunding 2005B
Series 2015	Sadlewood Elementary School, Refunding 2005
Series 2015B	South Ocala Elementary School, Howard Middle School, Lake Weir High School Partial Refunding 2007B

The lease payments are payable by the District semiannually on June 1 and December 1 for the Certificates of Participation.

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, 2017:

Fiscal Year Ending June 30	Total	Principal	Interest
2018	\$ 13,997,052	\$ 11,070,000	\$ 2,927,052
2019	11,718,593	9,175,000	2,543,593
2020	11,721,857	9,485,000	2,236,857
2021	11,728,626	9,810,000	1,918,626
2022	11,728,394	10,140,000	1,588,394
2023-2027	36,418,672	33,225,000	3,193,672
Total Minimum Lease Payments	<u>\$ 97,313,195</u>	<u>\$ 82,905,000</u>	<u>\$ 14,408,195</u>

2. Bonds Payable

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

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2009A, Refunding	\$ 125,000	2.00 - 5.00	2019	\$ 520,000
Series 2010A, Refunding	85,000	3.00 - 5.00	2021	180,000
Series 2011A, Refunding	720,000	3.00 - 5.00	2023	2,840,000
Series 2014A, Refunding	746,000	3.00 - 5.00	2025	895,000
Series 2014B, Refunding	139,000	2.00 - 5.00	2020	396,000
District Revenue Bonds:				
Series 2013, Refunding	2,301,000	3.66 - 3.66	2031	2,725,500
Total Bonds Payable	<u>\$ 4,116,000</u>			<u>\$ 7,556,500</u>

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

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➤ **State School Bonds**

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

➤ **District Revenue Bonds**

These bonds are authorized by Chapters 80-550 and 89-513, Laws of Florida, which provide that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Marion County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds were distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$2,987,998 of pari-mutuel tax proceeds in connection with the District Revenue Bonds of 2013, described above. During the 2016-17 fiscal year, the District recognized pari-mutuel tax proceeds totaling \$223,250 and expended \$223,250 (100 percent) of these revenues for debt service directly collateralized by these revenues. The pledged pari-mutuel tax proceeds are committed until final maturity of the debt on December 1, 2032. Approximately 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2018	\$ 447,330	\$ 365,000	\$ 82,330
2019	349,080	285,000	64,080
2020	285,030	235,000	50,030
2021	278,700	240,000	38,700
2022	256,700	230,000	26,700
2023-2027	489,750	460,000	29,750
Total State School Bonds	<u>2,106,590</u>	<u>1,815,000</u>	<u>291,590</u>
District Revenue Bonds:			
2018	199,076	117,000	82,076
2019	198,720	121,000	77,720
2020	198,218	125,000	73,218
2021	202,479	134,000	68,479
2022	200,519	137,000	63,519
2023-2027	993,937	756,000	237,937
2028-2032	995,050	911,000	84,050
Total District Revenue Bonds	<u>2,987,998</u>	<u>2,301,000</u>	<u>686,998</u>
Total	<u>\$ 5,094,588</u>	<u>\$ 4,116,000</u>	<u>\$ 978,588</u>

3. Note Payable

The note payable at June 30, 2017, is as follows:

<u></u>	<u>Outstanding</u>	<u>Rates (Percent)</u>	<u>Maturity To</u>	<u>Amount</u>
Bus Purchase	\$ 2,984,000	1.54	2020	\$ 4,946,000

The note was issued to purchase 43 buses in the 2015-16 fiscal year.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

4. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Debt Related to Capital Assets:					
Certificates of Participation Payable	\$ 93,700,000	\$ -	\$ 10,795,000	\$ 82,905,000	\$ 11,070,000
Bonds Payable	4,584,000	-	468,000	4,116,000	482,000
Notes Payable	3,949,000	-	965,000	2,984,000	979,000
Premiums	4,290,577	-	412,610	3,877,967	-
Total Capital Asset Related Debt	106,523,577	-	12,640,610	93,882,967	12,531,000
Compensated Absences Payable	32,474,701	3,406,434	3,266,418	32,614,717	3,347,202
Other Postemployment Benefits Payable	34,353,868	2,598,181	1,546,160	35,405,889	-
Estimated Insurance Claims Payable	9,283,909	2,784,405	2,324,106	9,744,208	2,835,290
Net Pension Liability:					
Florida Retirement System	67,421,772	73,159,630	12,450,461	128,130,941	13,201,646
Health Insurance Subsidy	70,388,427	17,859,292	3,716,021	84,531,698	-
Total Governmental Activities	\$ 320,446,254	\$ 99,807,942	\$ 35,943,776	\$ 384,310,420	\$ 31,915,138

For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the Internal Service Fund, as discussed in Note II.H.

5. Deferred Outflow / Inflow of Resources

The components of deferred inflow and outflow are:

Description	Beginning Balance	Change	Ending Balance
GOVERNMENTAL ACTIVITIES			
Non-pension Related Deferred Outflows:			
Deferred Amount on Refunding	\$ 2,607,371	\$ (300,314)	\$ 2,307,057
Pension Related Deferred Outflows:			
Florida Retirement System	\$ 24,043,213	\$ 39,840,947	\$ 63,884,160
Health Insurance Subsidy	9,777,895	10,593,857	20,371,752
	\$ 33,821,108	\$ 50,434,804	\$ 84,255,912
Pension Related Deferred Inflows:			
Florida Retirement System	\$ 19,420,813	\$ (15,163,112)	\$ 4,257,701
Health Insurance Subsidy	768,296	44,782	813,078
	\$ 20,189,109	\$ (15,118,330)	\$ 5,070,779

J. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in the **Fund Balance Policies** note disclosure, fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

- **Restricted Fund Balance.** Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.
- **Unassigned Fund Balance.** The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

K. Revenues

1. Schedule of State Revenue Sources

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

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 155,030,605
Categorical Educational Program - Class Size Reduction	44,082,668
Workforce Development Program	3,901,140
Voluntary Prekindergarten Program	1,495,870
Public Education Capital Outlay	1,378,965
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,136,373
District Discretionary Lottery Funds	674,431
Food Service Supplement	383,644
School Recognition	267,750
State License Tax	235,857
Charter School Capital Outlay	188,057
Workforce Education Performance Incentive	137,103
Miscellaneous	1,847,632
Total	<u><u>\$ 210,760,095</u></u>

Accounting policies relating to certain State revenue sources are described in Note I.H.2.

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017**

2. Property Taxes

The following is a summary of millages and taxes budgeted from the 2016 tax roll for the 2016-17 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

	<u>Millages</u>	<u>Taxes Budgeted</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.628	\$ 73,750,753
Required Local Effort - Prior Period Adjustment	0.026	414,330
Basic Discretionary Local Effort	0.748	11,919,957
Voted School Tax:		
Operating	1.000	15,935,772
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.500	23,903,658
Total	<u>7.902</u>	<u>\$ 125,924,471</u>

L. Donor-Restricted Endowments

The Silver River Museum Endowment was created to provide long-term funding for the continuation and enhancement of educational programs offered through the museum. The initial investment of \$410,000 must be invested for perpetuity and cannot be spent under any circumstances. Investments have appreciated to \$481,622 with \$71,622 available for expenditure. The Silver River Museum has sole access to the interest from the endowment.

M. Interfund Receivables, Payables, and Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 5,851,517	\$ 21,594
Special Revenue:		
Food Service	21,594	-
Capital Projects:		
Other Capital Projects	-	377,605
Nonmajor Governmental	15,115,170	20,589,082
Total	<u>\$ 20,988,281</u>	<u>\$ 20,988,281</u>

Transfers from the Capital Projects Funds are for payments of principal and interest on certificates of participation and bonds, and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

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

Funds	Interfund	
	Due From	Due To
Major:		
General	\$ 17,169	\$ -
Nonmajor Governmental:	-	17,169
Total	<u>\$ 17,169</u>	<u>\$ 17,169</u>

The interfund receivables and payables are temporary in nature.

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated claims payable for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on insured risks. It is the opinion of management, in consultation with legal counsel that the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

DISTRICT SCHOOL BOARD OF MARION 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	478,135.00	478,135.00	489,274.79	11,139.79
Federal Through State and Local	3200	2,700,100.00	2,970,686.00	2,690,418.22	(280,267.78)
State Sources	3300	207,820,610.00	206,594,840.00	206,872,138.21	277,298.21
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	106,771,680.00	106,648,124.00	107,214,741.85	566,617.85
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		11,497,503.00	14,646,492.00	14,480,082.58	(166,409.42)
Total Local Sources	3400	118,269,183.00	121,294,616.00	121,694,824.43	400,208.43
Total Revenues		329,268,028.00	331,338,277.00	331,746,655.65	408,378.65
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	205,891,807.62	213,063,883.62	202,489,224.12	10,574,659.50
Student Support Services	6100	23,681,661.00	23,387,210.00	22,950,245.08	436,964.92
Instructional Media Services	6200	5,249,520.97	5,260,510.97	4,938,517.60	321,993.37
Instruction and Curriculum Development Services	6300	4,340,305.01	4,233,941.01	3,489,987.19	743,953.82
Instructional Staff Training Services	6400	4,466,306.57	3,814,062.57	3,365,055.69	449,006.88
Instruction-Related Technology	6500	2,725,349.21	2,658,882.21	2,394,923.22	263,958.99
Board	7100	790,844.00	865,818.00	680,801.61	185,016.39
General Administration	7200	1,538,656.01	1,725,807.01	1,654,794.72	71,012.29
School Administration	7300	19,358,040.01	19,529,323.01	19,373,799.35	155,523.66
Facilities Acquisition and Construction	7410	1,348,441.11	1,313,533.11	780,133.68	533,399.43
Fiscal Services	7500	3,117,722.00	3,141,341.00	2,886,882.02	254,458.98
Food Services	7600			0.00	0.00
Central Services	7700	4,509,667.72	4,511,110.72	4,266,226.41	244,884.31
Student Transportation Services	7800	20,535,649.25	21,518,294.25	20,036,558.43	1,481,735.82
Operation of Plant	7900	26,090,836.77	24,419,271.77	22,915,329.82	1,503,941.95
Maintenance of Plant	8100	9,646,849.32	9,847,578.32	9,394,716.70	452,861.62
Administrative Technology Services	8200	9,375,490.81	5,878,611.81	4,854,618.00	1,023,993.81
Community Services	9100	3,606,980.00	3,546,714.00	3,423,702.37	123,011.63
<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	1,729,992.59	1,729,992.59	1,729,992.59	0.00
Other Capital Outlay	9300	2,204,878.03	2,204,878.03	2,204,878.03	0.00
Total Expenditures		350,208,998.00	352,650,764.00	333,830,386.63	18,820,377.37
Excess (Deficiency) of Revenues Over (Under) Expenditures		(20,940,970.00)	(21,312,487.00)	(2,083,730.98)	19,228,756.02
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	48,269.00	49,419.33	1,150.33
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	5,875,586.00	5,851,517.00	5,851,517.00	0.00
Transfers Out	9700	(20,000.00)	(22,000.00)	(21,594.26)	405.74
Total Other Financing Sources (Uses)		5,855,586.00	5,877,786.00	5,879,342.07	1,556.07
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		(15,085,384.00)	(15,434,701.00)	3,795,611.09	19,230,312.09
Fund Balances, July 1, 2016	2800	38,354,755.30	38,354,755.30	38,354,755.30	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	23,269,371.30	22,920,054.30	42,150,366.39	19,230,312.09

DISTRICT SCHOOL BOARD OF MARION 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
Federal Through State and Local	3200	24,716,517.00	25,611,960.00	25,389,111.35	(222,848.65)
State Sources	3300	381,074.00	433,688.00	433,644.00	(44.00)
Local Sources:					
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	2,710,951.00	2,406,483.00	2,406,386.92	(96.08)
Impact Fees	3496			0.00	0.00
Other Local Revenue		76,162.00	75,748.00	61,596.25	(14,151.75)
Total Local Sources	3400	2,787,113.00	2,482,231.00	2,467,983.17	(14,247.83)
Total Revenues		27,884,704.00	28,527,879.00	28,290,738.52	(237,140.48)
EXPENDITURES					
Current:					
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	28,982,630.07	29,621,431.27	27,304,383.25	2,317,048.02
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
Debt Service: (Function 9200)					
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
Capital Outlay:					
Facilities Acquisition and Construction	7420	189,301.75	189,301.75	189,301.75	0.00
Other Capital Outlay	9300	387,294.98	387,294.98	387,294.98	0.00
Total Expenditures		29,559,226.80	30,198,028.00	27,880,979.98	2,317,048.02
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,674,522.80)	(1,670,149.00)	409,758.54	2,079,907.54
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	878.00	877.45	(0.55)
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	20,000.00	21,595.00	21,594.26	(0.74)
Transfers Out	9700			0.00	0.00
Total Other Financing Sources (Uses)		20,000.00	22,473.00	22,471.71	(1.29)
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		(1,654,522.80)	(1,647,676.00)	432,230.25	2,079,906.25
Fund Balances, July 1, 2016	2800	10,712,767.27	10,712,767.27	10,712,767.27	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2017	2700	9,058,244.47	9,065,091.27	11,144,997.52	2,079,906.25

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 42,926,498	\$ 42,926,498	0.00%	\$ 165,366,095	25.96%
1/1/2014	-	38,101,622	38,101,622	0.00%	181,922,011	20.94%
1/1/2016	-	26,842,327	26,842,327	0.00%	190,963,029	14.06%

**Marion County District School Board
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years***

Florida Retirement System:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Marion County School Board's proportion of the net pension liability (asset)	0.507447693%	0.521988161%	0.524521642%
Marion County School Board's proportionate share of the net pension liability (asset)	\$ 128,130,941	\$ 67,421,772	\$ 32,003,534
Marion County School Board's covered-employee payroll	\$ 229,899,245	\$ 223,856,707	\$ 179,127,589
Marion County School Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.73%	30.12%	17.87%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

Health Insurance Subsidy Program:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Marion County School Board's proportion of the net pension liability (asset)	0.007253085%	0.690189062%	0.683926637%
Marion County School Board's proportionate share of the net pension liability (asset)	\$ 84,531,698	\$ 70,388,427	\$ 63,948,809
Marion County School Board's covered-employee payroll	\$ 229,899,245	\$ 223,856,707	\$ 208,929,545
Marion County School Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.77%	31.44%	30.61%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015. As a result, this information is only available as of June 30, 2014.

**Marion County District School Board
Required Supplementary Information
Schedule of Contributions
Last 10 Fiscal Years***

Florida Retirement System:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,201,646	\$ 12,450,461	\$ 11,489,250
Contributions in relation to the contractually required contribution	<u>\$ (13,201,646)</u>	<u>\$ (12,450,461)</u>	<u>\$ (11,489,250)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered-employee payroll	\$ 229,899,245	\$ 223,856,707	\$ 208,929,545
Contributions as a percentage of covered-employee payroll	5.74%	5.56%	5.50%

Health Insurance Subsidy Program

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,816,327	\$ 3,716,021	\$ 2,342,903
Contributions in relation to the contractually required contribution	<u>\$ (3,816,327)</u>	<u>\$ (3,716,021)</u>	<u>\$ (2,342,903)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered-employee payroll	\$ 229,899,245	\$ 223,856,707	\$ 208,929,545
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.12%

* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ending June 30, 2015. As a result, this information is only available as of June 30, 2014.

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Budgetary Compliance and Accountability

The Board follows procedures established by Florida Statutes and State Board of Education (SBE) rules in establishing budget balances for governmental funds as described below.

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

Schedule of Funding Progress For Other Postemployment Benefits

Compared to the previous valuation, the Unfunded Actuarial Accrued Liability decreased significantly due to plan changes since the previous valuation was performed. Some of the more significant factors contributing to this decrease included

- *Initial Cost of Coverage:* The total cost of coverage increased from \$464 per employee per month to \$523 per employee per month. This change had an effect of slowing down increases in the cost and liability.
- *Population Changes:* The number of retirees currently receiving post-employment health benefits decreased from 553 in the previous valuation to 476 this year. At the same time, the number of active employees eligible for future post-employment benefits increased from 4,950 to 5,407.
- *Retiree Medical Coverage Assumptions:* Medicare Advantage options introduced by the District five years ago seem to be gaining popularity as more retirees eligible for Medicare elect this option. As a result, the lapsing coverage was revised from 85% to 90%.
- *Retiree Medicare Enrollment:* Based on data obtained in the actuarial study the assumption regarding percentage of claims paid by the Medicare was changed to 50%. This change had a significant decreasing effect on the cost and liability.
- *Long Term Medical Trend Assumption:* Beginning with the 2016 valuation, long term health trend assumptions are developed using a forecasted model sponsored by the Society of Actuaries. Under this model, assumed trend rates for costs decline over a 24-year period from 6.5% assumed for the year beginning January 1, 2017, to the ultimate level of 4.24%.

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2015:

- FRS: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.
- HIS: The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

DISTRICT SCHOOL BOARD OF MARION COUNTY
KNTRY FORM
GOVERNMENTAL BALANCE SHEETS
June 30, 2017

Major Fund M	Major Fund M	Major Fund M	Nonmajor Fund N	Nonmajor Fund N	Nonmajor Fund N	Nonmajor Fund N	Nonmajor Fund N	Major Fund M
M	M	N	N	N	N	N	N	M

	Account Number	General 100	Special Revenue Funds Food Services 410	Other Federal Programs 420	Debt Service Funds SIBU/CODI - Bonds 210	Other Debt Service 290	Public Education Capital Outlay (PECO) 340	Capital Projects Funds Capital Outlay and Debt Service 360	Nonvested Capital Improvement Fund 370	Other Capital Projects 390	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES												
Cash and Cash Equivalents	1110	9,341,528.86	3,495,218.50	362,128.48		509,213.86	53,087.59	2,798,283.76	4,065,065.91	1,372,433.62	7,421,651.12	22,108,100.38
Investments	1160	39,542,353.65	6,737,352.43		41,348.22	330.03		287.46	4,448,722.06	9,272,434.60	4,490,217.77	60,077,378.43
Taxes Receivable, Net	1120										0.00	0.00
Accounts Receivable, Net	1121	158,592.30	36,389.43	17,541.53							0.00	197,434.23
Interest Receivable on Investments	1170										0.00	0.00
Due From Other Agencies	1220	604,535.25	222,838.03	1,175,389.44			1,056,134.00	14,302.80	29,008.19		1,139,644.99	3,143,407.69
Due From Budgetary Funds	1341	17,169.00									0.00	17,169.00
Inventory	1350	1,781,170.20	1,046,420.44								0.00	2,827,590.64
Prepaid Items	1320	516,572.19									0.00	516,572.19
Long-Term Investments	1460										0.00	0.00
Total Assets		51,062,000.45	11,674,129.81	1,551,129.44	41,348.22	509,563.89	1,149,221.59	2,813,074.02	8,542,326.16	10,644,868.22	13,055,533.88	88,887,661.80
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets and Deferred Outflows of Resources		51,062,000.45	11,674,129.81	1,551,129.44	41,348.22	509,563.89	1,149,221.59	2,813,074.02	8,542,326.16	10,644,868.22	13,055,533.88	88,887,661.80
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES												
Cash Overdraft	2125			828,229.71							0.00	828,229.71
Accrued Salaries and Benefits	2110	5,327,907.00	216,809.37	270,117.45							0.00	5,814,833.82
Payroll Deductions and Withholdings	2170	1,126,614.73	43,322.37	49,198.76							0.00	1,219,135.86
Accounts Payable	2120	3,042,147.16	745,727.13	28,238.36						3,948.59	0.00	3,323,061.46
Due to Other Agencies	2230	1,525.00									0.00	1,525.00
Due to Budgetary Funds	2161			15,890.91							0.00	15,890.91
Construction Contracts Payable	2140										0.00	0.00
Construction Contracts Payable - Retained Percentages	2150		5,728.01					1,200,426.10	219,093.36	334,246.87	1,420,426.10	1,074,668.42
Matured Bonds Payable	2180							102,402.59	18,827.13	24,473.68	121,322.72	151,411.41
Matured Interest Payable	2190										0.00	0.00
Unearned Revenues	2410	218,181.53		359,454.05							0.00	577,635.58
Unavailable Revenues	2410										0.00	0.00
Total Liabilities		9,811,634.06	529,132.29	1,551,129.44	0.00	0.00	17,169.00	1,302,828.78	238,822.49	282,669.14	1,538,870.47	13,733,383.40
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FUND BALANCES												
Nonspendable:												
Inventory	2711	1,781,170.20	1,046,420.44								0.00	2,827,590.64
Prepaid Amounts	2712	516,572.19									0.00	516,572.19
Permanent Fund Principal	2713										0.00	0.00
Other Not in Spendable Form	2719										0.00	0.00
Total Nonspendable Fund Balances	2710	2,297,751.39	1,046,420.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,344,171.83
Restricted for:												
State Required Classroom Programs	2723	6,201,166.53									0.00	6,201,166.53
Local Sales Tax and Other Tax Levy	2724	5,814,633.52									0.00	5,814,633.52
Debt Service	2725				41,348.22	509,563.89					550,912.11	550,912.11
Capital Projects	2726						1,132,032.59	1,510,245.24	8,303,503.47	10,362,199.08	10,045,801.30	21,308,000.38
Restricted for Food Service	2729		10,098,577.08								0.00	10,098,577.08
Restricted for	2730										0.00	0.00
Total Restricted Fund Balances	2720	12,015,800.05	10,098,577.08	0.00	41,348.22	509,563.89	1,132,032.59	1,510,245.24	8,303,503.47	10,362,199.08	11,496,713.41	43,073,249.63
Assigned to:												
Assigned for Budget Shortfall 17118	2749	9,405,532.27									0.00	9,405,532.27
Assigned for Other Programs	2749	2,474,643.20									0.00	2,474,643.20
Total Assigned Fund Balances	2740	11,880,175.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,880,175.47
Total Unassigned Fund Balances	2750	15,056,637.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,056,637.47
Total Fund Balances	2700	42,150,366.39	11,144,997.52	0.00	41,348.22	509,563.89	1,132,032.59	1,510,245.24	8,303,503.47	10,362,199.08	11,496,713.41	75,154,276.40
Total Liabilities, Deferred Inflows of Resources and Fund Balances		51,062,000.45	11,674,129.81	1,551,129.44	41,348.22	509,563.89	1,149,221.59	2,813,074.02	8,542,326.16	10,644,868.22	13,055,533.88	88,887,661.80

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DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND 420
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	1,250,000.00	1,250,000.00	1,206,664.33	(43,335.67)
Federal Through State and Local	3200	34,967,854.00	37,514,444.00	31,337,715.34	(6,176,728.66)
State Sources	3300	28,988.00	75,459.00	55,410.67	(20,048.33)
<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		184,746.00	287,904.70	179,759.83	(108,144.87)
Total Local Sources	3400	184,746.00	287,904.70	179,759.83	(108,144.87)
Total Revenues		36,431,588.00	39,127,807.70	32,779,550.17	(6,348,257.53)
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	17,670,431.52	19,215,426.52	16,412,680.20	2,802,746.32
Student Support Services	6100	5,678,782.00	5,890,983.70	5,033,421.54	857,562.16
Instructional Media Services	6200				0.00
Instruction and Curriculum Development Services	6300	2,290,044.97	2,421,568.97	2,204,722.57	216,846.40
Instructional Staff Training Services	6400	7,020,587.00	7,170,906.00	5,529,741.85	1,641,164.15
Instruction-Related Technology	6500	230,128.00	248,989.00	214,458.54	34,530.46
Board	7100				0.00
General Administration	7200	1,771,466.00	1,889,387.00	1,566,520.81	322,866.19
School Administration	7300				0.00
Facilities Acquisition and Construction	7410	3,352.00	3,352.00	650.00	2,702.00
Fiscal Services	7500				0.00
Food Services	7600				0.00
Central Services	7700				0.00
Student Transportation Services	7800	163,221.00	647,398.00	239,213.85	408,184.15
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Administrative Technology Services	8200				0.00
Community Services	9100	1,250,000.00	1,286,221.00	1,224,565.30	61,655.70
<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	0.00	0.00	0.00
Other Capital Outlay	9300	353,575.51	353,575.51	353,575.51	0.00
Total Expenditures		36,431,588.00	39,127,807.70	32,779,550.17	6,348,257.53
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
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
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 MARION COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND 200
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	677,580.00	669,205.00	669,203.97	(1.03)
<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		900.00	1,509.00	1,501.05	(7.95)
Total Local Sources	3400	900.00	1,509.00	1,501.05	(7.95)
Total Revenues		678,480.00	670,714.00	670,705.02	(8.98)
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	12,228,000.00	12,228,000.00	12,228,000.00	0.00
Interest	720	3,167,763.00	3,544,312.00	3,544,309.52	2.48
Dues and Fees	730	18,600.00	18,051.00	18,048.52	2.48
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenditures		15,414,363.00	15,790,363.00	15,790,358.04	4.96
Excess (Deficiency) of Revenues Over (Under) Expenditures		(14,735,883.00)	(15,119,649.00)	(15,119,653.02)	(4.02)
OTHER FINANCING SOURCES (USES)					
<i>Issuance of Bonds</i>	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	15,141,147.00	15,115,174.00	15,115,170.32	(3.68)
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		15,141,147.00	15,115,174.00	15,115,170.32	(3.68)
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		405,264.00	(4,475.00)	(4,482.70)	(7.70)
Fund Balances, July 1, 2016	2800	567,977.81	564,254.81	555,394.81	(8,860.00)
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	973,241.81	559,779.81	550,912.11	(8,867.70)

DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND 300
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	2,689,519.00	2,729,700.00	2,729,698.56	(1.44)
<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	24,899,644.00	25,125,065.00	25,125,063.91	(1.09)
Local Sales Taxes	3418, 3419				0.00
Charges for Service - Food Service	345X				0.00
Impact Fees	3496	0.00	14,417.00	14,417.00	0.00
Other Local Revenue		0.00	184,174.00	184,155.69	(18.31)
Total Local Sources	3400	24,899,644.00	25,323,656.00	25,323,636.60	(19.40)
Total Revenues		27,589,163.00	28,053,356.00	28,053,335.16	(20.84)
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	13,967,907.64	13,522,314.64	216,811.30	13,305,503.34
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	1,223.00	1,222.40	0.60
Miscellaneous	790				0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420	4,661,316.80	4,661,316.80	4,661,316.80	0.00
Other Capital Outlay	9300	2,031,530.56	2,031,530.56	2,031,530.56	0.00
Total Expenditures		20,660,755.00	20,216,385.00	6,910,881.06	13,305,503.94
Excess (Deficiency) of Revenues Over (Under) Expenditures		6,928,408.00	7,836,971.00	21,142,454.10	13,305,483.10
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	(21,016,733.00)	(20,966,691.00)	(20,966,687.32)	3.68
Total Other Financing Sources (Uses)		(21,016,733.00)	(20,966,691.00)	(20,966,687.32)	3.68
SPECIAL ITEMS					0.00
EXTRAORDINARY ITEMS					0.00
Net Change in Fund Balances		(14,088,325.00)	(13,129,720.00)	175,766.78	13,305,486.78
Fund Balances, July 1, 2016	2800	12,331,633.13	13,697,752.13	21,132,233.60	7,434,481.47
Adjustments to Fund Balances	2891				0.00
Fund Balances, June 30, 2017	2700	(1,756,691.87)	568,032.13	21,308,000.38	20,739,968.25

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
June 30, 2017

	Account Number	Public Education Foundation	Marion Charter School	McIntosh Charter School	Francis Marion Military Academy	Francis Marion Charter School	Total Nonmajor Component Units
ASSETS							
Cash and Cash Equivalents	1110	225,089.00	626,929.00	63,988.00	38,236.00	6,655.00	960,897.00
Investments	1160	611,814.00	0.00	0.00	0.00	0.00	611,814.00
Taxes Receivable, net	1120	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, net	1131	73,592.00	6,614.00	10,845.00	4,829.00	13,761.00	109,641.00
Interest Receivable on Investments	1170	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	0.00	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	1,600.00	0.00	0.00	14,304.00	15,904.00
Assets Held for Others		2,163,111.00	0.00	0.00	0.00	0.00	2,163,111.00
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00	0.00	0.00
Section 1011.13, F.S., Loan Proceeds	1420	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	1150	613,168.00	0.00	0.00	0.00	0.00	613,168.00
Prepaid Items	1230	34,560.00	1,138.00	3,936.00	33,417.00	0.00	73,051.00
Long-Term Investments	1460	0.00	0.00	0.00	0.00	0.00	0.00
<i>Capital Assets:</i>							
Land	1310	0.00	101,354.00	80,860.00	0.00	0.00	182,214.00
Land Improvements - Nondepreciable	1315	0.00	146,965.00	0.00	0.00	0.00	146,965.00
Construction in Progress	1360	0.00	0.00	35,654.00	0.00	0.00	35,654.00
Nondepreciable Capital Assets		0.00	248,319.00	116,514.00	0.00	0.00	364,833.00
Improvements Other Than Buildings	1320	0.00	17,496.00	45,698.00	23,207.00	28,408.00	114,809.00
Less Accumulated Depreciation	1329	0.00	(11,809.00)	(20,103.00)	(5,387.00)	(2,106.00)	(39,405.00)
Buildings and Fixed Equipment	1330	0.00	725,207.00	272,279.00	0.00	0.00	997,486.00
Less Accumulated Depreciation	1339	0.00	(320,844.00)	(54,158.00)	0.00	0.00	(375,002.00)
Furniture, Fixtures and Equipment	1340	22,902.00	63,814.00	96,145.00	25,412.00	12,775.00	221,048.00
Less Accumulated Depreciation	1349	0.00	(59,616.00)	(75,585.00)	(22,520.00)	(11,711.00)	(169,432.00)
Motor Vehicles	1350	0.00	0.00	0.00	0.00	0.00	0.00
Less Accumulated Depreciation	1359	0.00	0.00	0.00	0.00	0.00	0.00
Property Under Capital Leases	1370	0.00	0.00	76,125.00	133,569.00	0.00	209,694.00
Less Accumulated Depreciation	1379	0.00	0.00	(15,224.00)	(26,698.00)	0.00	(41,922.00)
Audiovisual Materials	1381	0.00	0.00	0.00	0.00	0.00	0.00
Less Accumulated Depreciation	1388	0.00	0.00	0.00	0.00	0.00	0.00
Computer Software	1382	0.00	0.00	0.00	0.00	3,822.00	3,822.00
Less Accumulated Amortization	1389	0.00	0.00	0.00	0.00	(1,168.00)	(1,168.00)
Depreciable Capital Assets, Net		22,902.00	414,248.00	325,177.00	127,583.00	30,020.00	919,930.00
Total Capital Assets		22,902.00	662,567.00	441,691.00	127,583.00	30,020.00	1,284,763.00
Total Assets		3,744,236.00	1,298,848.00	520,460.00	204,065.00	64,740.00	5,832,349.00
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
Net Carrying Amount of Debt Refunding	1920	0.00	0.00	0.00	0.00	0.00	0.00
Pension	1940	0.00	347,859.00	0.00	0.00	0.00	347,859.00
Other Postemployment Benefits	1950	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Outflows of Resources		0.00	347,859.00	0.00	0.00	0.00	347,859.00
LIABILITIES							
Cash Overdraft	2125	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	0.00	0.00	27,281.00	0.00	0.00	27,281.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	2120	75,792.00	3,395.00	1,480.00	9,542.00	2,334.00	92,543.00
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
<i>Noncurrent Liabilities:</i>							
<i>Portion Due Within One Year:</i>							
Notes Payable	2310	0.00	0.00	0.00	0.00	0.00	0.00
Other Long-Term Liabilities	2380	0.00	59,854.00	17,206.00	11,227.00	0.00	88,287.00
Derivative Instrument	2390	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00	0.00	0.00	0.00	0.00
Due Within One Year		0.00	59,854.00	17,206.00	11,227.00	0.00	88,287.00
<i>Portion Due After One Year:</i>							
Notes Payable	2310	0.00	0.00	0.00	0.00	0.00	0.00
Net Pension Liability	2365	0.00	780,838.00	0.00	0.00	0.00	780,838.00
Estimated PECO Advance Payable	2370	0.00	0.00	0.00	0.00	0.00	0.00
Other Long-Term Liabilities	2380	0.00	46,793.00	1,487.00	14,999.00	0.00	63,279.00
Derivative Instrument	2390	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00	0.00	0.00	0.00	0.00
Due in More than One Year		0.00	827,631.00	1,487.00	14,999.00	0.00	844,117.00
Total Long-Term Liabilities		0.00	887,485.00	18,693.00	26,226.00	0.00	932,404.00
Total Liabilities		75,792.00	890,880.00	47,454.00	35,768.00	2,334.00	1,052,228.00
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
Deficit Net Carrying Amount of Debt Refunding	2620	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Revenue	2630	0.00	21,431.00	0.00	0.00	0.00	21,431.00
Pension	2640	0.00	0.00	0.00	0.00	0.00	0.00
Other Postemployment Benefits	2650	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Inflows of Resources		0.00	21,431.00	0.00	0.00	0.00	21,431.00
NET POSITION							
Net Investment in Capital Assets	2770	0.00	555,920.00	422,998.00	114,230.00	30,020.00	1,123,168.00
<i>Restricted For:</i>							
Categorical Carryover Programs	2780	0.00	0.00	0.00	0.00	0.00	0.00
Food Service	2780	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	2780	0.00	0.00	0.00	0.00	0.00	0.00
Capital Projects	2780	0.00	0.00	0.00	0.00	0.00	0.00
Other Purposes	2780	3,069,501.00	0.00	0.00	0.00	0.00	3,069,501.00
Unrestricted	2790	598,943.00	178,476.00	50,008.00	54,067.00	32,386.00	913,880.00
Total Net Position		3,668,444.00	734,396.00	473,006.00	168,297.00	62,406.00	5,106,549.00

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

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
NONMAJOR COMPONENT UNITS
TOTAL NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	2,169,189.00	38,937.00	33,376.00	0.00	(2,096,876.00)
Student Support Services	6100	99,083.00	0.00	0.00	0.00	(99,083.00)
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	1,878,400.00	0.00	0.00	94,863.00	(1,783,537.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	28,628.00	0.00	0.00	86,281.00	57,653.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	1,897,450.00	67,620.00	1,935,479.00	0.00	105,649.00
Interest on Long-Term Debt	9200	17,937.00	0.00	0.00	6,913.00	(11,024.00)
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		6,090,687.00	106,557.00	1,968,855.00	188,057.00	(3,827,218.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

	0.00
	0.00
	0.00
	0.00
	3,652,245.00
	60,553.00
	0.00
	0.00
	0.00
	0.00
	3,712,798.00
	(114,420.00)
	5,220,969.00
	0.00
	5,106,549.00

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

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
Public Education Foundation
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	357,552.00	0.00	0.00	0.00	(357,552.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	0.00	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	1,823,166.00	0.00	1,935,479.00	0.00	112,313.00
Interest on Long-Term Debt	9200	7,408.00	0.00	0.00	0.00	(7,408.00)
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		2,188,126.00	0.00	1,935,479.00	0.00	(252,647.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

0.00
0.00
0.00
0.00
0.00
60,553.00
0.00
0.00
0.00
0.00
60,553.00
(192,094.00)
3,860,538.00
0.00
3,668,444.00

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

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DISTRICT SCHOOL BOARD OF MARION COUNTY
 COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
 NONMAJOR COMPONENT UNITS
 Marion Charter School
 For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	1,017,279.00	14,219.00	0.00	0.00	(1,003,060.00)
Student Support Services	6100	98,583.00	0.00	0.00	0.00	(98,583.00)
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	385,500.00	0.00	0.00	68,816.00	(316,684.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	0.00	0.00	0.00	0.00	0.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	20,467.00	58,042.00	0.00	0.00	37,575.00
Interest on Long-Term Debt	9200	6,913.00	0.00	0.00	6,913.00	0.00
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		1,528,742.00	72,261.00	0.00	75,729.00	(1,380,752.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
 Property Taxes, Levied for Debt Service
 Property Taxes, Levied for Capital Projects
 Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

0.00
0.00
0.00
0.00
1,453,343.00
0.00
0.00
0.00
0.00
0.00
1,453,343.00
72,591.00
661,805.00
0.00
734,396.00

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

ESE 145

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
NONMAJOR COMPONENT UNITS
McIntosh Charter School
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	363,777.00	9,156.00	0.00	0.00	(354,621.00)
Student Support Services	6100	500.00	0.00	0.00	0.00	(500.00)
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	200,115.00	0.00	0.00	26,047.00	(174,068.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	2,100.00	0.00	0.00	0.00	(2,100.00)
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	20,280.00	9,578.00	0.00	0.00	(10,702.00)
Interest on Long-Term Debt	9200	1,823.00	0.00	0.00	0.00	(1,823.00)
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		588,595.00	18,734.00	0.00	26,047.00	(543,814.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

0.00
0.00
0.00
0.00
499,230.00
0.00
0.00
0.00
0.00
0.00
0.00
499,230.00
(44,584.00)
517,590.00
0.00
473,006.00

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

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
NONMAJOR COMPONENT UNITS
Francis Marion Military Academy
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	483,029.00	15,562.00	33,376.00	0.00	(434,091.00)
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	499,011.00	0.00	0.00	0.00	(499,011.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	25,639.00	0.00	0.00	47,391.00	21,752.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	12,311.00	0.00	0.00	0.00	(12,311.00)
Interest on Long-Term Debt	9200	1,793.00	0.00	0.00	0.00	(1,793.00)
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		1,021,783.00	15,562.00	33,376.00	47,391.00	(925,454.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

0.00
0.00
0.00
0.00
1,005,586.00
0.00
0.00
0.00
0.00
0.00
1,005,586.00
80,132.00
88,165.00
0.00
168,297.00

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

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
NONMAJOR COMPONENT UNITS
Francis Marion Charter School
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Component Unit Activities:</i>						
Instruction	5000	305,104.00	0.00	0.00	0.00	(305,104.00)
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	0.00	0.00	0.00	0.00	0.00
Instruction-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	0.00	0.00	0.00	0.00	0.00
General Administration	7200	436,222.00	0.00	0.00	0.00	(436,222.00)
School Administration	7300	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	889.00	0.00	0.00	38,890.00	38,001.00
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	21,226.00	0.00	0.00	0.00	(21,226.00)
Interest on Long-Term Debt	9200	0.00	0.00	0.00	0.00	0.00
Unallocated Depreciation/Amortization Expense		0.00				0.00
Total Component Unit Activities		763,441.00	0.00	0.00	38,890.00	(724,551.00)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items and Transfers

Change in Net Position

Net Position, July 1, 2016

Adjustments to Net Position

Net Position, June 30, 2017

	0.00
	0.00
	0.00
	0.00
	694,086.00
	0.00
	0.00
	0.00
	0.00
	0.00
	694,086.00
	(30,465.00)
	92,871.00
	0.00
	62,406.00

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

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2017

Exhibit K-1
FDOE Page 1
Fund 100

REVENUES	Account Number	
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	
Reserve Officers Training Corps (ROTC)	3191	489,274.79
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	489,274.79
<i>Federal Through State and Local:</i>		
Medicaid	3202	2,537,381.00
National Forest Funds	3255	141,451.22
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	11,586.00
Total Federal Through State and Local	3200	2,690,418.22
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	155,030,602.00
Workforce Development	3315	3,901,140.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	137,103.00
Adults with Disabilities	3318	
CO&DS Withheld for Administrative Expenditure	3323	24,094.50
Diagnostic and Learning Resources Centers	3335	
Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.)	3341	
State Forest Funds	3342	
State License Tax	3343	235,856.83
District Discretionary Lottery Funds	3344	674,431.00
<i>Categorical Programs:</i>		
Class Size Reduction Operating Funds	3355	44,082,668.00
Florida School Recognition Funds	3361	267,750.00
Voluntary Prekindergarten Program	3371	1,495,870.02
Preschool Projects	3372	
<i>Other State:</i>		
Reading Programs	3373	
Full-Service Schools Program	3378	
State Through Local	3380	
Other Miscellaneous State Revenues	3399	1,022,622.86
Total State	3300	206,872,138.21
<i>Local:</i>		
District School Taxes	3411	106,391,683.34
Tax Redemptions	3421	823,058.51
Payment in Lieu of Taxes	3422	
Excess Fees	3423	
Tuition	3424	25,077.00
Rent	3425	106,105.26
Interest on Investments	3431	448,583.57
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	(50,464.32)
Gifts, Grants and Bequests	3440	33,652.27
<i>Student Fees:</i>		
Adult General Education Course Fees	3461	51,538.32
Postsec Career Cert-Appl Tech Diploma Course Fees	3462	1,065,704.46
Continuing Workforce Education Course Fees	3463	208,691.77
Capital Improvement Fees	3464	58,453.10
Postsecondary Lab Fees	3465	1,049,733.97
Lifelong Learning Fees	3466	1,492,113.50
GED® Testing Fees	3467	
Financial Aid Fees	3468	118,622.51
Other Student Fees	3469	44,855.00
<i>Other Fees:</i>		
Preschool Program Fees	3471	
Prekindergarten Early Intervention Fees	3472	
School-Age Child Care Fees	3473	3,861,518.46
Other Schools, Courses and Classes Fees	3479	4,500.00
<i>Miscellaneous Local:</i>		
Bus Fees	3491	89,982.39
Transportation Services Rendered for School Activities	3492	105,609.45
Sale of Junk	3493	48,913.47
Receipt of Federal Indirect Cost Rate	3494	1,567,679.94
Other Miscellaneous Local Sources	3495	3,367,451.88
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	39,941.76
Collections for Lost, Damaged and Sold Textbooks	3498	21,273.10
Receipt of Food Service Indirect Costs	3499	720,545.72
Total Local	3400	121,694,824.43
Total Revenues	3000	331,746,655.65

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2017

Exhibit K-1
FD00 Page 2
Fund 100

EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Instruction	5000	134,844,386.69	37,844,939.73	17,348,209.55	9,613.63	4,312,765.34	5,405,672.47	2,723,636.71	202,489,224.12
Student Support Services	6100	16,179,262.96	4,710,452.14	1,916,426.31	1,456.42	96,617.20	44,114.10	1,915.95	22,950,245.08
Instructional Media Services	6200	3,524,266.63	1,110,077.59	68,405.83	1,162.59	22,772.69	211,506.55	325.72	4,938,517.60
Instruction and Curriculum Development Services	6300	2,276,417.85	561,963.06	188,681.06	2,656.31	22,592.31	27,079.81	410,596.79	3,489,987.19
Instructional Staff Training Services	6400	2,076,313.71	552,772.83	259,696.16		60,641.56	2,042.55	413,588.88	3,365,055.69
Instruction-Related Technology	6500	1,303,169.51	411,879.39	537,987.08	4,401.33	10,379.86	127,106.05		2,394,923.22
Board	7100	371,821.04	152,937.78	130,586.70		4,299.58	463.77	20,692.74	680,801.61
General Administration	7200	1,134,798.67	248,712.21	212,279.49		8,749.69	15,513.81	34,740.85	1,654,794.72
School Administration	7300	14,821,236.40	3,926,299.06	469,511.87		50,344.18	87,149.03	19,258.81	19,373,799.35
Facilities Acquisition and Construction	7410	483,287.20	138,365.70	26,432.34	2,033.11	7,603.08	119,780.00	2,632.25	780,133.68
Fiscal Services	7500	1,779,742.02	585,800.02	488,989.41	165.20	13,356.63	5,633.80	13,194.94	2,886,882.02
Food Services	7600								0.00
Central Services	7700	2,841,474.54	803,492.90	385,386.22	18,859.36	96,449.44	76,066.43	44,497.52	4,266,226.41
Student Transportation Services	7800	11,489,889.40	4,197,220.57	1,360,818.19	1,866,520.26	984,971.27	123,512.19	13,626.55	20,036,558.43
Operation of Plant	7900	6,885,874.30	2,456,244.16	5,015,391.64	7,383,337.45	944,362.61	71,105.67	159,013.99	22,915,329.82
Maintenance of Plant	8100	5,094,832.63	1,570,222.72	1,328,963.76	100,222.64	1,205,658.20	83,349.15	11,467.60	9,394,716.70
Administrative Technology Services	8200	1,636,503.77	414,132.04	2,375,542.89	2,307.32	14,341.05	410,490.93	1,300.00	4,854,618.00
Community Services	9100	2,622,535.97	651,946.87	86,476.63		51,351.92	11,364.98	26.00	3,423,702.37
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420						1,729,992.59		1,729,992.59
Other Capital Outlay	9300						2,204,878.03		2,204,878.03
<i>Debt Services: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		209,365,813.29	60,337,458.77	32,199,785.13	9,392,735.62	7,907,256.61	10,756,821.91	1,870,515.30	333,830,386.63
Excess (Deficiency) of Revenues Over Expenditures									(2,083,730.98)

DISTRICT SCHOOL BOARD OF MARION COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
 For the Fiscal Year Ended June 30, 2017

Exhibit K-1
 FDOE Page 3
 Fund 100

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number	
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	49,419.33
<i>Transfers In:</i>		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	5,851,517.00
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	5,851,517.00
<i>Transfers Out: (Function 9700)</i>		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(21,594.26)
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(21,594.26)
Total Other Financing Sources (Uses)		5,879,342.07
Net Change In Fund Balance		3,795,611.09
Fund Balance, July 1, 2016	2800	38,354,755.30
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	2,297,751.39
Restricted Fund Balance	2720	12,015,800.06
Committed Fund Balance	2730	
Assigned Fund Balance	2740	11,880,177.47
Unassigned Fund Balance	2750	15,956,637.47
Total Fund Balances, June 30, 2017	2700	42,150,366.39

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

For the Fiscal Year Ended June 30, 2017

Exhibit K-2
FDOE Page 4
Fund 410

REVENUES	Account Number	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	15,723,248.36
School Breakfast Reimbursement	3262	6,129,980.79
Afterschool Snack Reimbursement	3263	999,390.52
Child Care Food Program	3264	135,412.32
USDA-Donated Commodities	3265	1,699,556.02
Cash in Lieu of Donated Foods	3266	15,105.96
Summer Food Service Program	3267	364,312.97
Fresh Fruit and Vegetable Program	3268	322,104.41
Other Food Services	3269	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	25,389,111.35
<i>State:</i>		
School Breakfast Supplement	3337	185,358.00
School Lunch Supplement	3338	198,286.00
State Through Local	3380	
Other Miscellaneous State Revenues	3399	50,000.00
Total State	3300	433,644.00
<i>Local:</i>		
Interest on Investments	3431	55,236.12
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	(14,149.44)
Gifts, Grants and Bequests	3440	
Student Lunches	3451	1,894,730.58
Student Breakfasts	3452	
Adult Breakfasts/Lunches	3453	272,092.88
Student and Adult à la Carte Fees	3454	187,164.97
Student Snacks	3455	
Other Food Sales	3456	52,398.49
Other Miscellaneous Local Sources	3495	18,346.61
Refunds of Prior Year's Expenditures	3497	2,162.96
Total Local	3400	2,467,983.17
Total Revenues	3000	28,290,738.52

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES (Continued)

For the Fiscal Year Ended June 30, 2017

Exhibit K-2
FDOE Page 5
Fund 410

EXPENDITURES (Function 7600/9300)	Account Number	
Salaries	100	8,065,175.71
Employee Benefits	200	3,170,203.52
Purchased Services	300	587,296.15
Energy Services	400	425,594.82
Materials and Supplies	500	13,857,429.51
Capital Outlay	600	195,178.19
Other	700	1,003,505.35
Other Capital Outlay (Function 9300)	600	576,596.73
Total Expenditures		27,880,979.98
Excess (Deficiency) of Revenues Over Expenditures		409,758.54
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	877.45
<i>Transfers In:</i>		
From General Fund	3610	21,594.26
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	21,594.26
<i>Transfers Out: (Function 9700)</i>		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		22,471.71
Net Change in Fund Balance		432,230.25
Fund Balance, July 1, 2016	2800	10,712,767.27
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	1,046,420.44
Restricted Fund Balance	2720	10,098,577.08
Committed Fund Balance	2730	
Assigned Fund Balance	2740	
Unassigned Fund Balance	2750	
Total Fund Balances, June 30, 2017	2700	11,144,997.52

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2017

Exhibit K-3
FDOE Page 6
Fund 420

REVENUES	Account Number	
<i>Federal Direct:</i>		
Head Start	3130	
Workforce Innovation and Opportunity Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	
Pell Grants	3192	
Miscellaneous Federal Direct	3199	1,206,664.33
Total Federal Direct	3100	1,206,664.33
<i>Federal Through State and Local:</i>		
Career and Technical Education	3201	661,782.88
Medicaid	3202	
Individuals with Disabilities Education Act (IDEA)	3230	10,813,743.33
<i>Workforce Innovation and Opportunity Act:</i>		
Adult General Education	3221	444,228.67
English Literacy and Civics Education	3222	37,839.57
Adult Migrant Education	3223	
Other WIOA Programs	3224	
<i>ESSA - Elementary and Secondary Education Act:</i>		
Elementary and Secondary Education Act - Title I	3240	15,783,048.57
Teacher and Principal Training and Recruiting - Title II, Part A	3225	1,633,113.76
Math and Science Partnerships - Title II, Part B	3226	28,542.32
Language Instruction - Title III	3241	314,897.55
Twenty-First Century Schools - Title IV	3242	1,144,228.15
Federal Through Local	3280	159,385.79
Emergency Immigrant Education Program	3293	
Miscellaneous Federal Through State	3299	316,904.75
Total Federal Through State and Local	3200	31,337,715.34
<i>State:</i>		
State Through Local	3380	
Other Miscellaneous State Revenues	3399	55,410.67
Total State	3300	55,410.67
<i>Local:</i>		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	26,442.74
Adult General Education Course Fees	3461	10,481.68
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	142,835.41
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	179,759.83
Total Revenues	3000	32,779,550.17

DISTRICT SCHOOL BOARD OF MARION COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2017

Exhibit K-3
FD06 Page 7
Fund 420

EXPENDITURES	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other	Totals
Current:									
Instruction	5000	9,167,540.91	3,616,141.96	1,941,786.50	127.85	958,207.68	613,264.73	115,610.57	16,412,680.20
Student Support Services	6100	3,564,501.52	1,048,152.53	196,624.40	1,094.35	150,418.60	67,139.16	5,490.98	5,033,421.54
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300	1,502,441.55	406,242.17	126,864.45		86,944.79	18,829.05	63,400.56	2,204,722.57
Instructional Staff Training Services	6400	3,580,357.67	985,708.99	517,968.00		98,034.15	25,661.01	322,012.03	5,529,741.85
Instruction-Related Technology	6500			214,458.54					214,458.54
Board	7100								0.00
General Administration	7200							1,566,520.81	1,566,520.81
School Administration	7300								0.00
Facilities Acquisition and Construction	7410						650.00		650.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Student Transportation Services	7800	84,013.21	16,087.13		(39,113.51)				339,213.85
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100	14,606.25	2,379.28	165.44		750.00		1,206,664.33	1,224,565.30
Capital Outlay:									
Facilities Acquisition and Construction	7420						0.00		0.00
Other Capital Outlay	9300						353,575.51		353,575.51
Total Expenditures		17,913,461.11	6,074,712.06	2,997,867.33	140,335.71	1,294,355.22	1,079,119.46	3,279,699.28	32,779,550.17
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number								
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
Transfers In:									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600		0.00						
Transfers Out: (Function 9700)									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700		0.00						
Total Other Financing Sources (Uses)			0.00						
Net Change in Fund Balance			0.00						
Fund Balance, July 1, 2016	2800								
Adjustments to Fund Balance	2891								
Ending Fund Balance:									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balances, June 30, 2017	2700		0.00						

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

Exhibit K-6
FDOE Page 11
Funds 200

REVENUES	Account Number	SBE/COBI Bonds 210	Other Debt Service 290	Totals
<i>Federal:</i>				
Miscellaneous Federal Direct	3199			0.00
Miscellaneous Federal Through State	3299			0.00
<i>State:</i>				
CO&DS Withheld for SBE/COBI Bonds	3322	445,832.31		445,832.31
SBE/COBI Bond Interest	3326	121.66		121.66
Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.)	3341		223,250.00	223,250.00
Other Miscellaneous State Revenues	3399			0.00
Total State Sources	3300	445,953.97	223,250.00	669,203.97
<i>Local:</i>				
Excess Fees	3423			0.00
Interest on Investments	3431		1,501.05	1,501.05
Net Increase (Decrease) in Fair Value of Investments	3433			0.00
Impact Fees	3496			0.00
Refunds of Prior Year's Expenditures	3497			0.00
Total Local Sources	3400	0.00	1,501.05	1,501.05
Total Revenues	3000	445,953.97	224,751.05	670,705.02
EXPENDITURES				
<i>Debt Service (Function 9200)</i>				
Redemption of Principal	710	355,000.00	11,873,000.00	12,228,000.00
Interest	720	99,330.00	3,444,979.52	3,544,309.52
Dues and Fees	730	140.65	17,907.87	18,048.52
Miscellaneous	790			0.00
Total Expenditures		454,470.65	15,335,887.39	15,790,358.04
Excess (Deficiency) of Revenues Over Expenditures		(8,516.68)	(15,111,136.34)	(15,119,653.02)
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	SBE/COBI Bonds 210	Other Debt Service 290	Totals
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 (Function 9299)	892			0.00
Payments to Refunded Bonds Escrow Agent (Function 9299)	761			0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00
Discount on Refunding Lease-Purchase Agmnts (Function 9299)	894			0.00
Payments to Refunded Lease-Purchase Escrow Agent (Function 9299)	762			0.00
<i>Transfers In:</i>				
From General Fund	3610			0.00
From Capital Projects Funds	3630		15,115,170.32	15,115,170.32
From Special Revenue Funds	3640			0.00
Total Transfers In	3600	0.00	15,115,170.32	15,115,170.32
<i>Transfers Out: (Function 9700)</i>				
To General Fund	910			0.00
To Special Revenue Funds	940			0.00
Total Transfers Out	9700	0.00	0.00	0.00
Total Other Financing Sources (Uses)		0.00	15,115,170.32	15,115,170.32
Net Change in Fund Balances		(8,516.68)	4,033.98	(4,482.70)
Fund Balance, July 1, 2016	2800	49,864.90	505,529.91	555,394.81
Adjustments to Fund Balances	2891			0.00
<i>Ending Fund Balance:</i>				
Nonspendable Fund Balance	2710			0.00
Restricted Fund Balance	2720	41,348.22	509,563.89	550,912.11
Committed Fund Balance	2730			0.00
Assigned Fund Balance	2740			0.00
Unassigned Fund Balance	2750			0.00
Total Fund Balances, June 30, 2017	2700	41,348.22	509,563.89	550,912.11

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

Exhibit K-7
FDOE Page 12
Funds 300

REVENUES	Account Number	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service Program (CO&DS) 360	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Totals
<i>Federal:</i>						
Miscellaneous Federal Direct	3199					0.00
Miscellaneous Federal Through State	3299					0.00
<i>State:</i>						
CO&DS Distributed	3321		1,136,373.19			1,136,373.19
Interest on Undistributed CO&DS	3325		26,303.37			26,303.37
Sales Tax Distribution (s. 212.20(6)(d)6.a., F.S.)	3341					0.00
State Through Local	3380					0.00
Public Education Capital Outlay (PECO)	3391	1,378,965.00				1,378,965.00
Classrooms First Program	3392					0.00
SMART Schools Small County Assistance Program	3395					0.00
Class Size Reduction Capital Outlay	3396					0.00
Charter School Capital Outlay Funding	3397	188,057.00				188,057.00
Other Miscellaneous State Revenues	3399					0.00
Total State Sources	3300	1,567,022.00	1,162,676.56	0.00	0.00	2,729,698.56
<i>Local:</i>						
District Local Capital Improvement Tax	3413			24,928,022.41		24,928,022.41
County Local Sales Tax	3418					0.00
School District Local Sales Tax	3419					0.00
Tax Redemptions	3421			197,041.50		197,041.50
Payment in Lieu of Taxes	3422					0.00
Excess Fees	3423					0.00
Interest on Investments	3431	631.88	4,092.10	103,186.93	93,029.49	200,940.40
Gain on Sale of Investments	3432					0.00
Net Increase (Decrease) in Fair Value of Investments	3433			(7,317.32)	(19,993.83)	(27,311.15)
Gifts, Grants and Bequests	3440					0.00
Other Miscellaneous Local Sources	3495					0.00
Impact Fees	3496				14,417.00	14,417.00
Refunds of Prior Year's Expenditures	3497			10,526.44		10,526.44
Total Local Sources	3400	631.88	4,092.10	25,231,459.96	87,452.66	25,323,636.60
Total Revenues	3000	1,567,653.88	1,166,768.66	25,231,459.96	87,452.66	28,053,335.16
EXPENDITURES						
<i>Capital Outlay: (Function 7400)</i>						
Library Books	610					0.00
Audiovisual Materials	620					0.00
Buildings and Fixed Equipment	630			33,156.13	540,997.76	574,153.89
Furniture, Fixtures and Equipment	640	311.99		72,629.72		72,941.71
Motor Vehicles (Including Buses)	650			2,023,185.85	238.71	2,023,424.56
Land	660			17,025.00	12,892.44	29,917.44
Improvements Other Than Buildings	670	116,461.34		293,197.99		409,659.33
Remodeling and Renovations	680	1,268,416.46	1,420,303.91	1,110,841.36		3,799,561.73
Computer Software	690					0.00
<i>Debt Service: (Function 9200)</i>						
Redemption of Principal	710					0.00
Interest	720					0.00
Dues and Fees	730		1,222.40			1,222.40
Miscellaneous	790					0.00
Total Expenditures		1,385,189.79	1,421,526.31	3,550,036.05	554,128.91	6,910,881.06
Excess (Deficiency) of Revenues Over Expenditures		182,464.09	(254,757.65)	21,681,423.91	(466,676.25)	21,142,454.10

DISTRICT SCHOOL BOARD OF MARION COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
For the Fiscal Year Ended June 30, 2017

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service Program (CO&DS) 360	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Totals
Issuance of Bonds	3710					0.00
Premium on Sale of Bonds	3791					0.00
Discount on Sale of Bonds (Function 9299)	891					0.00
Proceeds of Lease-Purchase Agreements	3750					0.00
Premium on Lease-Purchase Agreements	3793					0.00
Discount on Lease-Purchase Agreements (Function 9299)	893					0.00
Loans	3720					0.00
Sale of Capital Assets	3730					0.00
Loss Recoveries	3740					0.00
Proceeds of Forward Supply Contract	3760					0.00
Proceeds from Special Facility Construction Account	3770					0.00
Transfers In:						
From General Fund	3610					0.00
From Debt Service Funds	3620					0.00
From Special Revenue Funds	3640					0.00
Interfund	3650					0.00
From Permanent Funds	3660					0.00
From Internal Service Funds	3670					0.00
From Enterprise Funds	3690					0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)						
To General Fund	910	(188,057.00)		(5,663,460.00)		(5,851,517.00)
To Debt Service Funds	920			(14,737,565.25)	(377,605.07)	(15,115,170.32)
To Special Revenue Funds	940					0.00
Interfund	950					0.00
To Permanent Funds	960					0.00
To Internal Service Funds	970					0.00
To Enterprise Funds	990					0.00
Total Transfers Out	9700	(188,057.00)	0.00	(20,401,025.25)	(377,605.07)	(20,966,687.32)
Total Other Financing Sources (Uses)		(188,057.00)	0.00	(20,401,025.25)	(377,605.07)	(20,966,687.32)
Net Change in Fund Balances		(5,592.91)	(254,757.65)	1,280,398.66	(844,281.32)	175,766.78
Fund Balance, July 1, 2016	2800	1,137,645.50	1,765,002.89	7,023,104.81	11,206,480.40	21,132,233.60
Adjustments to Fund Balances	2891					0.00
Ending Fund Balance:						
Nonspendable Fund Balance	2710					0.00
Restricted Fund Balance	2720	1,132,052.59	1,510,245.24	8,303,503.47	10,362,199.08	21,308,000.38
Committed Fund Balance	2730					0.00
Assigned Fund Balance	2740					0.00
Unassigned Fund Balance	2750					0.00
Total Fund Balances, June 30, 2017	2700	1,132,052.59	1,510,245.24	8,303,503.47	10,362,199.08	21,308,000.38

DISTRICT SCHOOL BOARD OF MARION COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE
 For the Fiscal Year Ended June 30, 2017

INCOME OR (LOSS)	Account Number	Self-Insurance 711	Totals
OPERATING REVENUES			
Charges for Services	3481	4,471,423.00	4,471,423.00
Charges for Sales	3482		0.00
Premium Revenue	3484		0.00
Other Operating Revenues	3489		0.00
Total Operating Revenues		4,471,423.00	4,471,423.00
OPERATING EXPENSES (Function 9900)			
Salaries	100	111,113.60	111,113.60
Employee Benefits	200	28,651.80	28,651.80
Purchased Services	300	1,918,138.50	1,918,138.50
Energy Services	400		0.00
Materials and Supplies	500		0.00
Capital Outlay	600		0.00
Other	700	2,814,040.24	2,814,040.24
Depreciation and Amortization Expense	780		0.00
Total Operating Expenses		4,871,944.14	4,871,944.14
Operating Income (Loss)		(400,521.14)	(400,521.14)
NONOPERATING REVENUES (EXPENSES)			
Interest on Investments	3431	93,552.52	93,552.52
Gain on Sale of Investments	3432		0.00
Net Increase (Decrease) in Fair Value of Investments	3433	(29,754.69)	(29,754.69)
Gain on Disposition of Assets	3780		0.00
Interest (Function 9900)	720		0.00
Miscellaneous (Function 9900)	790		0.00
Loss on Disposition of Assets (Function 9900)	810		0.00
Total Nonoperating Revenues (Expenses)		63,797.83	63,797.83
Income (Loss) Before Operating Transfers		(336,723.31)	(336,723.31)
TRANSFERS and CHANGES IN NET POSITION			
<i>Transfers In:</i>			
From General Fund	3610		0.00
Total Transfers In	3600	0.00	0.00
<i>Transfers Out: (Function 9700)</i>			
To General Fund	910		0.00
To Special Revenue Funds	940		0.00
Total Transfers Out	9700	0.00	0.00
Change in Net Position		(336,723.31)	(336,723.31)
Net Position, July 1, 2016	2880	3,864,496.14	3,864,496.14
Adjustments to Net Position	2896		0.00
Net Position, June 30, 2017	2780	3,527,772.83	3,527,772.83

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DISTRICT SCHOOL BOARD OF MARION COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 SCHOOL INTERNAL FUNDS
 June 30, 2017

Exhibit K-11
 FDOE Page 17
 Fund 891

ASSETS	Account Number	Beginning Balance July 1, 2016	Additions	Deductions	Ending Balance June 30, 2017
Cash	1110	2,119,773.38	13,273,406.23	13,256,434.69	2,136,744.92
Investments	1160	1,996,167.75	4,431.36	16,400.00	1,984,199.11
Accounts Receivable, Net	1131				0.00
Interest Receivable on Investments	1170				0.00
Due From Budgetary Funds	1141				0.00
Due From Other Agencies	1220				0.00
Inventory	1150				0.00
Total Assets		4,115,941.13	13,277,837.59	13,272,834.69	4,120,944.03
LIABILITIES					
Cash Overdraft	2125				0.00
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120				0.00
Internal Accounts Payable	2290	4,115,941.13	13,277,837.59	13,272,834.69	4,120,944.03
Due to Budgetary Funds	2161				0.00
Total Liabilities		4,115,941.13	13,277,837.59	13,272,834.69	4,120,944.03

DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF LONG-TERM LIABILITIES
June 30, 2017

Exhibit K-12
FDOE Page 18
Fund 601

	Account Number	Governmental Activities Total Balance (1) June 30, 2017	Business-Type Activities Total Balance (1) June 30, 2017	Total	Governmental Activities - Debt Principal Payments 2016-17	Governmental Activities - Principal Due Within One Year 2017-18	Governmental Activities - Debt Interest Payments 2016-17	Governmental Activities - Interest Due Within One Year 2017-18
Notes Payable	2310	2,984,000.00		2,984,000.00	965,000.00	979,000.00	62,407.74	47,156.98
Obligations Under Capital Leases	2315			0.00				
Bonds Payable								
SRF/COBI Bonds Payable	2321	1,815,000.00		1,815,000.00	355,000.00	365,000.00	99,330.00	82,330.00
District Bonds Payable	2322	2,301,000.00		2,301,000.00	113,000.00	117,000.00	86,284.50	82,075.50
Special Act Bonds Payable	2323			0.00				
Motor Vehicle License Revenue Bonds Payable	2324			0.00				
Sales Surtax Bonds Payable	2326			0.00				
Total Bonds Payable	2320	4,116,000.00	0.00	4,116,000.00	468,000.00	482,000.00	185,614.50	164,405.50
Liability for Compensated Absences	2330	32,614,717.00		32,614,717.00				
Lease-Purchase Agreements Payable								
Certificates of Participation (COPS) Payable	2341	82,905,000.00		82,905,000.00	10,795,000.00	11,070,000.00	3,297,738.26	2,927,052.26
Qualified Zone Academy Bonds (QZAB) Payable	2342			0.00				
Qualified School Construction Bonds (QSCB) Payable	2343			0.00				
Build America Bonds (BAB) Payable	2344			0.00				
Other Lease-Purchase Agreements Payable	2349			0.00				
Total Lease-Purchase Agreements Payable	2340	82,905,000.00	0.00	82,905,000.00	10,795,000.00	11,070,000.00	3,297,738.26	2,927,052.26
Estimated Liability for Long-Term Claims	2350	9,744,208.00		9,744,208.00				
Net Other Postemployment Benefits Obligation	2360	35,405,889.00		35,405,889.00				
Net Pension Liability	2365	212,662,639.00		212,662,639.00				
Estimated PFCO Advance Payable	2370			0.00				
Other Long-Term Liabilities	2380			0.00				
Derivative Instrument	2390			0.00				
Total Long-term Liabilities		380,432,453.00	0.00	380,432,453.00	12,228,000.00	12,531,000.00	3,545,760.50	3,138,614.74

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2017, including discounts and premiums.

DISTRICT SCHOOL BOARD OF MARION COUNTY
 SCHEDULE OF CATEGORICAL PROGRAMS
 REPORT OF EXPENDITURES AND AVAILABLE FUNDS
 For the Fiscal Year Ended June 30, 2017

Exhibit K-13
 FDOE Page 19

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2016	Returned To FDOE	Revenues [1] 2016-17	Expenditures 2016-17	Flexibility [2] 2016-17	Unexpended June 30, 2017
Class Size Reduction Operating Funds (3355)	94740	0.00		44,082,668.00	44,082,668.00		0.00
Excellent Teaching Program (3363)	90570	0.00		0.00	0.00		0.00
Florida Digital Classrooms (FEFP Earmark)	98250	0.00		1,167,536.00	1,167,536.00		0.00
Florida School Recognition Funds (3361)	92040	130,576.50		267,750.00	308,104.14		90,222.36
Instructional Materials (FEFP Earmark) [3]	90880	2,027,439.86		3,263,217.00	1,224,142.56		4,066,514.30
Library Media (FEFP Earmark) [3]	90881	40,857.12		183,985.00	164,311.16		60,530.96
Preschool Projects (3372)	97950	0.00		0.00	0.00		0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800	1,222,850.37		1,834,642.00	3,057,492.37		0.00
Safe Schools (FEFP Earmark) [5]	90803	0.00		863,350.00	863,350.00		0.00
Salary Bonus Outstanding Teachers in D and F Schools	94030	0.00			0.00		0.00
Student Transportation (FEFP Earmark)	90830	0.00		10,220,254.00	10,220,254.00		0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280	0.00		13,287,102.00	13,287,102.00		0.00
Teachers Classroom Supply Assistance (FEFP Earmark)	97580	0.00		689,587.00	689,587.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440	458,192.12		1,383,149.96	1,419,024.30		422,317.78
Voluntary Prekindergarten - Summer Program (3371)	96441	9,712.14		112,720.06	122,432.20		0.00

[1] Include both state and local revenue sources.

[2] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

[3] Report the Library Media portion of the Instructional Materials allocation on the line "Library Media."

[4] Expenditures for designated low-performing elementary schools should be included in expenditures.

[5] Combine all programs funded from the Safe Schools allocation on one line, "Safe Schools."

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DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FDOE Page 20

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
UTILITIES AND ENERGY SERVICES EXPENDITURES:						
Public Utility Services Other than Energy - All Functions	380	1,045,372.70	310,810.19			1,356,182.89
Public Utility Services Other than Energy - Functions 7900 & 8100	380	1,044,717.40	0.00			1,044,717.40
Natural Gas - All Functions	411	39,160.44	9,642.13			48,802.57
Natural Gas - Functions 7900 & 8100	411	39,160.44	0.00			39,160.44
Bottled Gas - All Functions	421	16,686.23	4,453.40	127.85		21,267.48
Bottled Gas - Functions 7900 & 8100	421	14,336.41	0.00	0.00		14,336.41
Electricity - All Functions	430	7,295,383.72	408,884.71			7,704,268.43
Electricity - Functions 7900 & 8100	430	7,295,383.72	0.00			7,295,383.72
Heating Oil - All Functions	440	42.07				42.07
Heating Oil - Functions 7900 & 8100	440	0.00				0.00
Gasoline - All Functions	450	209,437.78	2,614.58	37,998.30		250,050.66
Gasoline - Functions 7900 & 8100	450	133,690.72	0.00	0.00		133,690.72
Other Energy Services - All Functions	490					0.00
Other Energy Services - Functions 7900 & 8100	490					0.00
Subtotal - Functions 7900 & 8100		8,527,288.69	0.00	0.00	0.00	8,527,288.69
Total - All Functions		8,606,082.94	736,405.01	38,126.15	0.00	9,380,614.10
ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION: (Function 7800 only)						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422					0.00
Gasoline	450	36,021.01		36,903.95		72,924.96
Diesel Fuel	460	1,830,457.18		102,209.56		1,932,666.74
Oil and Grease	540	67,510.06				67,510.06
Total		1,933,988.25		139,113.51	0.00	2,073,101.76

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Capital Projects Funds 3XX	Total
EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:						
Buses	651				1,450,849.35	1,450,849.35

DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2017

Exhibit K-14
FDOE Page 21

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
SUBAWARDS FOR INDIRECT COST RATE:						
<i>Professional and Technical Services:</i>						
Subawards Under Subagreements - First \$25,000	311					0.00
Subawards Under Subagreements - In Excess of \$25,000	312					0.00
<i>Other Purchased Services:</i>						
Subawards Under Subagreements - First \$25,000	391					0.00
Subawards Under Subagreements - In Excess of \$25,000	392					0.00

	Subobject	Special Revenue Food Services 410
FOOD SERVICE SUPPLIES SUBOBJECT		
Supplies	510	1,019,446.04
Food	570	11,182,044.09
Donated Foods	580	1,536,546.78

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Teacher Salaries					
Basic Programs 101, 102 and 103 (Function 5100)	120	69,145,841.00	212,799.00		69,358,640.00
Basic Programs 101, 102 and 103 (Function 5100)	140				0.00
Basic Programs 101, 102 and 103 (Function 5100)	750				0.00
Total Basic Program Salaries		69,145,841.00	212,799.00	0.00	69,358,640.00
Other Programs 130 (ESOL) (Function 5100)	120	4,231,863.00	5,131.00		4,236,994.00
Other Programs 130 (ESOL) (Function 5100)	140				0.00
Other Programs 130 (ESOL) (Function 5100)	750				0.00
Total Other Program Salaries		4,231,863.00	5,131.00	0.00	4,236,994.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	120	33,632,574.00	46,371.00		33,678,945.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	140				0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	750				0.00
Total ESE Program Salaries		33,632,574.00	46,371.00	0.00	33,678,945.00
Career Program 300 (Function 5300)	120	2,910,175.00	0.00		2,910,175.00
Career Program 300 (Function 5300)	140				0.00
Career Program 300 (Function 5300)	750				0.00
Total Career Program Salaries		2,910,175.00	0.00	0.00	2,910,175.00
TOTAL		109,920,453.00	264,301.00	0.00	110,184,754.00

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue ARRA Race to the Top 434	Total
Textbooks (used for classroom instruction)					
Textbooks (Function 5000)	520	1,477,955.77	11,766.23		1,489,722.00

DISTRICT SCHOOL BOARD OF MARION COUNTY
 SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
 For the Fiscal Year Ended June 30, 2017

Exhibit K-14
 FDOR Page 22

CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND EXPENDITURES	Account Number	Safe Schools	Student Transportation	Supplemental Academic Instruction	Research-Based Reading Instruction	Instructional Materials	Instructional Materials / Library Media	Totals
<i>Instruction:</i>								
Basic	5100							0.00
Exceptional	5200							0.00
Career Education	5300							0.00
Adult General	5400							0.00
Prekindergarten	5500							0.00
Other Instruction	5900							0.00
Total Flexible Spending Instructional Expenditures	5000	0.00	0.00	0.00	0.00	0.00	0.00	0.00

DISTRIBUTIONS TO CHARTER SCHOOLS (Charter school information is used in federal reporting)	Fund Number	Direct Payment (Object 393)	Amount Withheld for Administration	Payments and Services on Behalf of Charter Schools	Total Amount
<i>Expenditures:</i>					
General Fund	100	3,768,322.94	182,633.00		3,950,955.94
Special Revenue Funds - Food Service	410			42,317.04	42,317.04
Special Revenue Funds - Other Federal Programs	420			153,396.84	153,396.84
Special Revenue Funds - ARRA Race to the Top	434				0.00
Capital Projects Funds	3XX	188,057.00			188,057.00
Total Charter School Distributions		3,956,379.94	182,633.00	195,713.88	4,334,726.82

LIFELONG LEARNING (If lifelong learning expenditures are used in federal reporting)	Account Number	Amount
<i>Expenditures:</i>		
General Fund	5900	1,068,710.19
Special Revenue Funds - Other Federal Programs	5900	
Special Revenue Funds - ARRA Race to the Top	5900	
Total	5900	1,068,710.19

MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting)	Unexpended June 30, 2016	Earnings 2016-17	Expenditures 2016-17	Unexpended June 30, 2017
Earnings, Expenditures and Carryforward Amounts:		2,537,381.00	2,537,381.00	
<i>Expenditure Program or Activity:</i>				
Exceptional Student Education			887,167.64	
School Nurses and Health Care Services			1,614,217.41	
Occupational Therapy, Physical Therapy and Other Therapy Services				
ESE Professional and Technical Services				
Gifted Student Education				
Staff Training and Curriculum Development				
Medicaid Administration and Billing Services			35,995.95	
Student Services				
Consultants				
Other				
Total Expenditures			2,537,381.00	

General Fund Balance Sheet Information (This information is used in state reporting)	Fund Number	Amount
<i>Balance Sheet Amount, June 30, 2017:</i>		
Total Assets and Deferred Outflows of Resources	100	\$1,962,000.45
Total Liabilities and Deferred Inflows of Resources	100	9,811,634.06

DISTRICT SCHOOL BOARD OF MARION COUNTY
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM
For the Fiscal Year Ended June 30, 2017

Exhibit K-15
FD0E Page 23
Supplemental Schedule - Fund 100

VOLUNTARY PREKINDERGARTEN PROGRAM [1] GENERAL FUND EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefit	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Prekindergarten	5500	1,132,322.23	341,872.61	16,584.55		12,515.09		3,937.67	1,507,232.14
Student Support Services	6100			850.00					850.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400		2,317.37	507.45		702.13		28,761.36	32,288.31
Instruction-Related Technology	6500	144.00	23.43						167.43
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	375.69	75.15		262.50				713.34
Operation of Plant	7900	177.60	27.68						205.28
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		1,133,019.51	344,316.24	17,942.00	262.50	13,217.22	0.00	32,699.03	1,541,456.50

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

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**MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass- Through Grantor Number	Amount of Expenditures (1)
United States Department of Agriculture			
Indirect:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	321	\$ 6,129,981
National School Lunch Program	10.555	300	15,723,248
National School Lunch Program	10.555 (2)	None	1,714,662
Total Child Nutrition Cluster			23,567,891
Florida Department of Education:			
Fresh Fruit and Vegetable Program	10.582	None	322,104
After School Snack Program	10.582	None	999,391
Summer Food Service Program	10.582	None	364,313
Child Care Food Program	10.558	None	135,412
Florida Department of Banking and Finance:			
Secure Payments for States and Counties Containing Federal Lands	10.665	None	141,451
Total United States Department of Agriculture			25,530,562
United States Department of Education			
Direct:			
Federal Pell Grant Program	84.063	N/A	1,198,981
Federal Supplemental Educational Opportunity Grant	84.007	N/A	19,269
Total Direct			1,218,250
Indirect:			
Florida Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	212, 223, 226	15,466,873
Special Education Cluster (3):			
Special Education - Grants to States	84.027	262, 263	10,583,957
Special Education - Preschool Grants	84.173	266, 267	229,786
Total Special Education Cluster			10,813,743
Education for Homeless Children and Youth	84.196	127	75,908
Adult Education - Basic Grants to States	84.002	191, 193	482,068
Migrant Education - State Grant Program	84.011	217	100,360
Title 1 Neglected and Delinquent	84.013	223	215,815
Career and Technical Education - Basic Grants to States	84.048	161	661,783
Twenty-First Century Community Learning Centers	84.287	244	1,144,228
English Language Acquisition Grants	84.365	102	314,898
Title 2 Math and Science	84.366	235	28,542
Improving Teacher Quality State Grants	84.367	224	1,633,114
School Leadership	84.363	964	102,223
Total Indirect			31,039,556
Total United States Department of Education			32,257,806

**DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Concluded)**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass- Through Grantor Number	Amount of Expenditures (1)
United States Department of Health and Human Services			
Indirect:			
University of South Florida:			
Temporary Assistance for Needy Families	93.558	None	138,774
Total United States Department of Health and Human Services			<u>138,774</u>
United States Department of Justice			
Indirect:			
University of South Carolina:			
National Institute of Justice Research, Evaluation, and Developme	16.560	None	159,386
Total United States Department of Health and Human Services			<u>159,386</u>
United States Department of Defense			
Direct:			
Air Force Junior Reserve Officer Training Corps	None	N/A	242,367
Army Junior Reserve Office Training Corps	None	N/A	183,244
Navy Junior Reserve Officer Training Corps	None	N/A	63,664
Total United States Department of Defense			<u>489,275</u>
Total Expenditures of Federal Awards			<u>\$ 58,575,803</u>

Notes to Schedule of Federal Financial Assistance:

- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2016-2017 fiscal year determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.
- (2) Noncash Assistance. Food Distribution represents the amount of donated food received during the 2016-17 fiscal year. Fair value is determined at the time of donation.
- (3) Subrecipients. The District provided Federal awards to subrecipients as follows:

Program Title	CFDA Number	Amount
Special Education - Grants to States	84.027	\$69,547
Special Education - Preschool Grants	84.173	8,742
<u>Total- Special Education Cluster:</u>		<u>\$78,289</u>

- (4) Indirect Cost Rate Election. The district received a negotiated indirect cost rate for federal awards; therefore, the district did not elect to charge the minimus rate 10% for determining indirect cost amount.