

THE DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY

PENSACOLA, FLORIDA

Superintendent
MALCOLM THOMAS



1

District
Jeff Bergosh



2

District
Gerald Boone



3

District
Linda Moultrie



4

District
Patty Hightower



5

District
Bill Slayton

Comprehensive Annual Financial Report



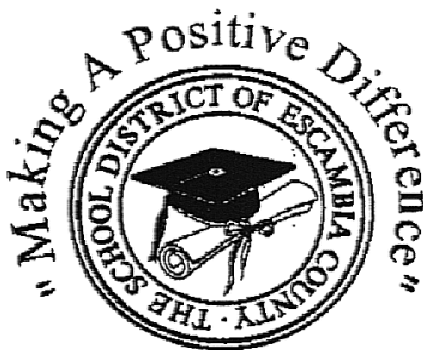
FISCAL YEAR
ENDED
JUNE 30, 2014

District School Board Of Escambia County

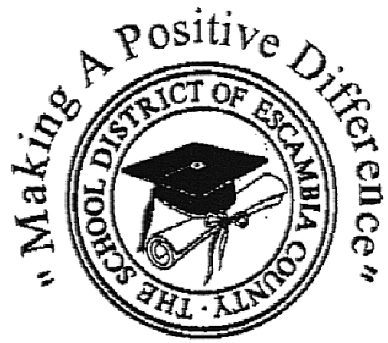
Pensacola, Florida

Comprehensive Annual Financial Report

For The
Fiscal Year
Ended June 30, 2014



Prepared By:
Finance Department



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

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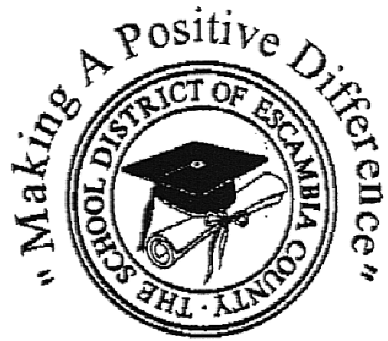
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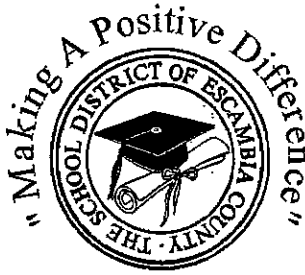
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INTRODUCTORY SECTION



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THE SCHOOL DISTRICT OF ESCAMBIA COUNTY

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PENSACOLA, FL 32505
PHONE 850/432-6121, FAX 850/469-6379
<http://www.escambia.k12.fl.us>
MALCOLM THOMAS, SUPERINTENDENT

December 17, 2014

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida

State law requires that all local governments publish after the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Escambia County, Florida (District) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by the State of Florida Office of the Auditor General. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. A separate report related to this single audit, including the schedule of expenditures of federal awards, findings, and independent

auditor's report on the system of internal control and on compliance with applicable requirements will be issued by the auditors to satisfy the requirements of OMB circular A-133 and the Single Audit Act of 1996.

This report includes all funds of the District, The Escambia County Public Schools Foundation for Excellence, Inc. (the Foundation), and charter schools, which comprise the reporting entity. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Escambia County. Charter schools are public schools operating under performance contracts with the District's governing board (Board). The Foundation and the applicable charter schools are included as discretely presented component units in the accompanying financial statements.

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

Profile of the District

The District and its Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The elected Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education (SBE) Rules, and Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by SBE Rule 6A-1.001, Florida Administrative Code.

The geographic boundaries of the District are those of Escambia County. During the 2013-14 fiscal year, the District operated 61 schools, special centers, and other programs, including 31 elementary schools, 9 middle schools, 7 high schools, 3 special centers, and 11 other programs. The District also has 8 charter schools that are component units of the District. The District also provides on-line learning opportunities through its virtual education offerings.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

During the 2013-14 fiscal year, the District provided general, special, vocational, and other education programs to 40,171 unweighted full-time equivalent students (UFTE), a decrease of 169 UFTE over the prior fiscal year. The decrease is due to a new method of calculating UFTE as enacted by the Florida Legislature and developed by the Florida Department of Education. The new methodology prorates all FTE earned per student and contains the FTE within a 1.0 UFTE cap. The proration mainly affects students who take virtual courses outside the regular school day or regular school term. In prior fiscal years, such extra virtual courses generated additional UFTE which was reflected in the prior fiscal year reported amounts. The District projects its 2014-15 student membership to generate 40,147 prorated UFTE.

For budgeting purposes, the Board follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types.

Economic Condition and Outlook

Escambia County, located in the northwestern part of the state, was established July 21, 1821 as a non-charter government when the Provisional Governor Andrew Jackson signed an ordinance making the County one of the first two counties in Florida, the other being St. John's County. There are two municipalities within the County, the City of Pensacola, which is the County seat, and the Town of Century.

Escambia County encompasses approximately 661 square miles, or 420,480 acres, with an additional 64,000 acres of water area and serves a population of approximately 306,000. The population has increased by approximately 2.5 percent over the last ten years. The statewide increase during that period has been close to 18 percent. The Escambia county unemployment rate has decreased from 6.7 percent a year ago to 6.4 percent in June 2014.

State sales tax revenues have somewhat stabilized from the economic downturn of the last several fiscal years which is also reflected in local receipts. In addition, school taxable property values in Escambia County indicate a slight growth trend.

Total per student education funding increased 6.8 percent in the 2013-14 fiscal year, largely due to a new state categorical allocation intended to improve the salaries of classroom teachers and other certified personnel by \$2,500 to \$3,500 depending on results of performance evaluations. This funding will increase again in the 2014-15 fiscal year by approximately 3.2 percent based on legislative action. Per student funding is generated through the Florida Education Finance Program (FEFP).

The District's General Fund balance increased in the 2013-14 fiscal year. The previous two fiscal years each closed with fund balance decreases. The District's General Fund financial condition ratio of 12.3 percent remains well above the 3.5 percent benchmark required by Board Policy.

Major Initiatives

Section 212.055(6), Florida Statutes authorizes local school boards to levy a one-half cent School Capital Outlay Sales Surtax (sales surtax) and the Escambia County School District is in the seventh year of a ten year referendum. One hundred percent of the District's sales tax funds are used for new construction, renovations, and certain retrofit projects for its school facilities.

In the November 2014 general election, the District won an early renewal of its sales tax referendum. An early renewal will allow the District to secure financing and begin implementation of an aggressive capital projects plan. The plan includes the construction of two new schools, the repurposing of other campuses and school facilities, and numerous remodel and renovation projects. All of these projects will address the District's shifting and growing population in addition to improving certain important but aging school facilities.

Accomplishments

The District has 191 teachers that have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information

regarding teaching styles, examples of work performed by students, and successfully pass an examination. In addition, 41 percent of the District's instructional personnel hold advanced academic degrees (Master's or higher).

Financial Information

Internal Controls Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level.

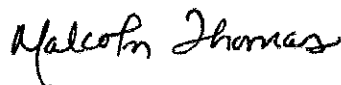
Budgetary information is integrated into the accounting system and to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent fiscal year's appropriations. In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Acknowledgments

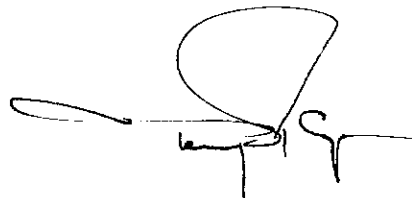
The preparation of this Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Malcolm Thomas
Superintendent of Schools



Terry St. Cyr, CPA
Assistant Superintendent -Finance and
Business Services



Debbie Fussell, CPA
Director of Accounting Operations

District School Board of Escambia County, Florida

School Board Members and Superintendent
(Elected for a four-year term)



District 1
Jeff Bergosh
8 years
November 2014



District 2
Gerald Boone
8 years
November 2014



District 3
Linda Moultrie
6 years
Chairman
November 2014



District 4
Patty Hightower
10 years
Vice Chairman
November 2016



District 5
Bill Slayton
6 years
November 2016



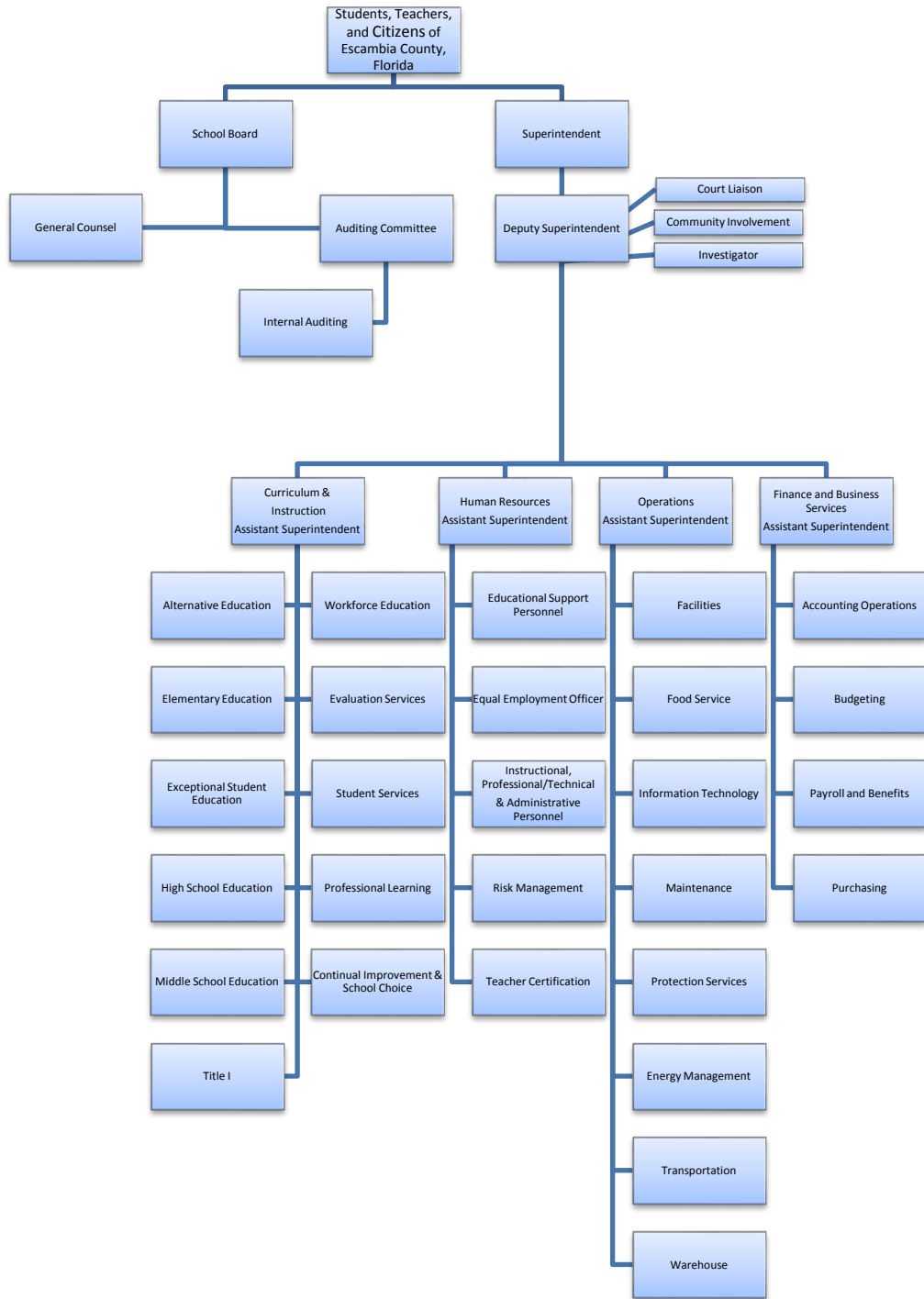
Malcolm Thomas
Superintendent
6 years
November 2016

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

Norm Ross	Deputy Superintendent
Shawn Dennis	Assistant Superintendent Operations
Steve Marcanio	Assistant Superintendent Curriculum and Instruction
Terry St. Cyr	Assistant Superintendent Finance and Business Services
Dr. Alan Scott	Assistant Superintendent Human Resources

District School Board of Escambia County, Florida Organizational Chart



Association of School Business Officials International



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

District School Board of Escambia County, Florida

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

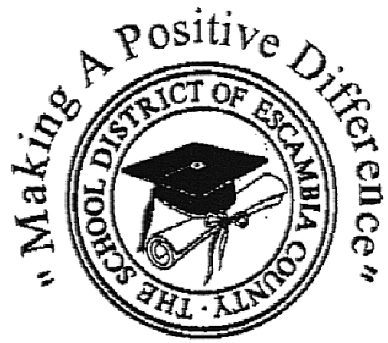
Presented to

**District School Board
of Escambia County, Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

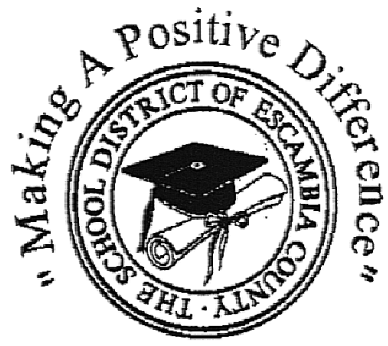
June 30, 2013

Executive Director/CEO

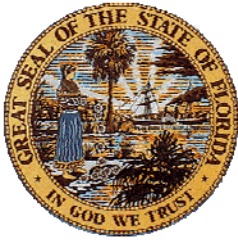


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FINANCIAL SECTION



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DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-412-2722
FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Escambia County District School Board, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the employee benefit trust fund, a blended component unit, which represents 26, 22, 61, and 57 percent of the assets, liabilities, revenues, and expenses, respectively, of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the employee benefit trust fund and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Escambia County District School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 2 to the financial statements, changes in reporting of component unit financial activities affected the comparability of amounts reported for the 2013-14 fiscal year with amounts reported for the 2012-13 fiscal year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS, SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN, and NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and

the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

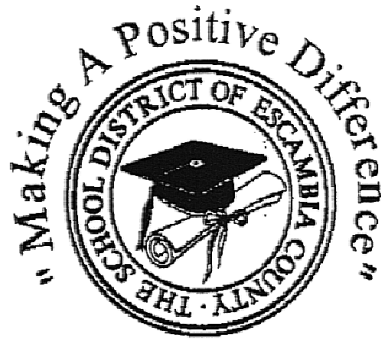
Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. That report will be included as part of our separately issued report titled Escambia County District School Board Federal Single Audit.

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
December 17, 2014



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Escambia County, Florida has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2014. 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 2013-14 fiscal year are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities at June 30, 2014, by \$388.2 million (net position).
- The District's total net position increased by \$16.1 million from the prior fiscal year (\$372.1 million).
- At June 30, 2014, the District's governmental funds reported combined fund balances of \$157.2 million, a decrease of \$1 million from the prior fiscal year (\$158.2 million).
- At June 30, 2014, the combined assigned and unassigned fund balance for the General Fund was \$34.8 million, or 12.3 percent (Financial Condition Ratio) of total General Fund revenues.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) was \$39 million, a decrease of \$4.8 million (11 percent) from the prior fiscal year (\$43.8 million) primarily due to payment of principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

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

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. 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 District's financial position, its assets, liabilities and deferred outflows/inflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, 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.

All of the District's activities and services are reported in the government-wide financial statements as governmental activities. The District's governmental activities include instruction, student support services, instructional support services, administrative support services, facility maintenance, transportation, and food services. Property taxes and State revenues finance most of these activities. Additionally, all capital and debt financing activities are reported as governmental activities.

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 aggregate financial information for the following nine separate legal entities in this report: Escambia Charter School, Inc., Beulah Academy of Science, Inc., Pensacola Beach Elementary School, Inc., Byrneville Elementary School, Inc., Jacqueline Harris Preparatory Academy, Newpoint Pensacola Academy Middle School, Newpoint Pensacola High School, Capstone Academy Pensacola, and the Escambia County Public Schools Foundation For Excellence, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by GASB Statement No. 61, as interpreted by the Florida Department of Education, which determined that it would be misleading to exclude the charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Escambia School District Employee Benefit Trust (Trust) was established to administer the District's employee life, health, and dental insurance programs. The Escambia County District School Board exercises significant oversight responsibility over the Trust, and all activities of the Trust are solely for the benefit of the District and its employees. Therefore, the financial activities of the Trust have been included (blended) 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 a financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the

governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the District's near-term financing arrangements.

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 – Other Federal Program Fund, Special Revenue – Federal Economic Stimulus Programs Fund, Capital Projects – Local Capital Improvement Fund, and the Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the General Fund, Special Revenue – Other Federal Program Fund, and Special Revenue – Federal Economic Stimulus Programs Fund to demonstrate compliance with the budget.

Proprietary Funds. Proprietary funds, including internal service funds, may be established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for risk management and employee benefits activities. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated 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. Fiduciary funds are not reflected in the government-wide financial 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 to account for the resources of the District's pre-tax flexible benefits plan.

Notes to Financial Statements

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

Other Information

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

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, 2014, compared to net position as of June 30, 2013:

	Net Position, End of Year	
	Governmental Activities	
	6-30-14	6-30-13
Current Assets	\$ 205,789,222	\$ 206,004,946
Capital Assets	308,948,717	295,951,062
Total Assets	514,737,939	501,956,008
Deferred Outflow of Resources	472,996	966,089
Total Assets and Deferred Outflow of Resources	\$ 515,210,935	\$ 502,922,097
Long-Term Liabilities	\$ 111,979,841	\$ 116,585,408
Other Liabilities	15,045,963	14,242,935
Total Liabilities	127,025,804	130,828,343
Net Position:		
Net Investment in Capital Assets	269,930,903	252,132,981
Restricted	121,223,565	119,870,743
Unrestricted (Deficit)	(2,969,337)	90,030
Total Net Position	388,185,131	372,093,754
Total Liabilities and Net Position	\$ 515,210,935	\$ 502,922,097

The largest portion of the District's net position, \$269.9 million, reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, computer software, and audio visual materials), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position, \$121.2 million, represents resources that are subject to external restrictions on how they may be used. Normally, the unrestricted net position is used to meet the District's ongoing obligations to students, employees, and creditors. Unrestricted net position totaled (\$3 million).

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2014, and June 30, 2013, are as follows:

Operating Results for the Year

	Governmental	
	Activities	
	6-30-14	6-30-13
Program Revenues:		
Charges for Services	\$ 5,668,386	\$ 5,758,322
Operating Grants and Contributions	15,890,352	16,029,099
Capital Grants and Contributions	2,632,234	2,583,367
General Revenues:		
Property Taxes, Levied for Operational Purposes	91,977,693	89,803,524
Property Taxes, Levied for Capital Projects	22,777,599	21,518,559
Local Sales Taxes	21,856,254	20,944,666
Grants and Contributions Not Restricted to Specific Programs	219,193,213	202,402,869
Unrestricted Investment Earnings	96,333	77,582
Miscellaneous	3,702,323	3,213,169
Total Revenues	383,794,387	362,331,157
Functions/Program Expenses:		
Instruction	200,433,368	202,319,715
Student Personnel Services	16,018,809	15,295,809
Instructional Media Services	4,224,367	4,170,561
Instruction and Curriculum Development Services	10,038,942	9,685,168
Instructional Staff Training Services	9,139,669	8,083,368
Instruction Related Technology	4,401,182	4,295,397
Board of Education	1,196,527	1,272,572
General Administration	2,413,878	1,581,664
School Administration	14,787,725	14,123,325
Facility Services	13,506,908	9,966,883
Fiscal Services	2,164,484	2,401,752
Food Services	20,988,484	21,199,498
Central Services	4,791,656	5,019,010
Student Transportation Services	18,220,613	19,359,259
Operation of Plant	27,217,458	27,069,683
Maintenance of Plant	10,943,295	11,641,163
Administrative Technology Services	3,948,080	3,911,729
Community Services	1,384,546	1,458,102
Unallocated Interest on Long-Term Debt	1,883,019	2,105,728
Total Functions/Program Expenses	367,703,010	364,960,386
Increase (Decrease) in Net Position	16,091,377	(2,629,229)
Beginning Net Position	372,093,754	374,722,983
Ending Net Position	\$ 388,185,131	\$ 372,093,754

Governmental Activities increased the District's net position by \$16.1 million. The key elements of the increase are as follows:

- Property taxes levied for operational and capital project purposes increased by \$3.4 million due to increases in property valuations and a 2014 court judgment against Pensacola Beach leaseholders in which property improvements became taxable as real property. Prior to this ruling, property improvements on Pensacola Beach were not taxed. However, as further discussed in Note 21 to the financial statements, litigation concerning whether leased land should be taxed is still pending.

- Grants and contributions not restricted to specific programs increased by \$16.8 million. The primary contributor to this increase was an increase in State funding for full-time equivalent (FTE) student enrollment which increased over the prior fiscal year by \$17 million.
- These revenue increases were offset by modest increases in expenditures, which increased by \$2.7 million from the previous fiscal year. The most significant increase in expenditures was for facility services, which increased by \$3.5 million, due mainly to expenditures associated with the rebuild of two schools during the 2013-14 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

General Fund. The General Fund is the District's chief operating fund. The assigned and unassigned fund balance at June 30, 2014, is \$34.8 million, while the total fund balance is \$53.5 million. The assigned and unassigned fund balances decreased by \$5.5 million, while the total fund balance increased by \$2.9 million during the fiscal year. Key factors for these changes are as follows:

- Increase in total fund balance - Property taxes collected increased by \$2.1 million. Much of the increase is attributed to the 2014 court judgment against Pensacola Beach leaseholders.
- Decrease in assigned and unassigned fund balances - The \$5.5 million decrease in assigned and unassigned fund balances was because the District anticipated reductions in categorical funds such as class size reduction, supplemental academic instruction, and reading allocations during the 2013-14 fiscal year and used moneys that it had assigned to pay for these required costs. These categorical funds actually were higher than anticipated. The District will utilize these categorical funds for their intended purposes during the 2014-15 fiscal year.

Special Revenue – Other Fund. The Special Revenue – Other Federal Programs Fund had revenues and expenditures of \$30.8 million each. The fund includes entitlement grants such as Title I and Special Education. Funds are typically recorded as revenue when expended.

Special Revenue – Federal Economic Stimulus Programs Fund. The Special Revenue – Federal Economic Stimulus Programs Fund accounts for American Recovery and Reinvestment Funds (ARRA). During the 2013-14 fiscal year, the District utilized the fourth year of its \$8.4 million portion of the U.S. Department of Education's Race-to-the-Top (RTTT) initiative. This four-year grant addresses comprehensive education reform. RTTT goals include (1) adopting standards and assessments for student success, (2) building data systems that measure student growth, (3) recruiting, and rewarding effective teachers and principals, and (4) turning around lowest achieving schools. The portion of the award expended during the 2013-14 fiscal year was \$2.8 million.

Capital Projects – Local Capital Improvement Fund. The Capital Projects – Local Capital Improvement Fund has a fund balance of \$19.4 million, of which \$3.7 million has been encumbered for specific projects. The fund balance increased \$3.6 million mainly due to a reduction in the level of transfers to the General

Fund to cover qualified maintenance expenditures. Capital outlay millage was set by the Board at 1.5 mills for the 2013-14 fiscal year and generated revenue in the amount of \$22.8 million.

Capital Projects – Other Fund. The Capital Projects – Other Fund has a fund balance of \$72.7 million, of which \$22 million has been encumbered for specific projects. The fund balance decreased from the prior year by \$6.6 million due in part to the reconstruction projects of a two existing schools. Each school is scheduled to be completed during the 2014-15 fiscal year.

The majority of the revenue in the Capital Projects – Other Fund consists of proceeds from the District's local option sales tax. This sales tax is specific to the Escambia County School District and is a ten-year, voter-approved referendum which began in 2008.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted revenues did not significantly differ from original budgeted revenues, and actual revenues are in line with final budgeted revenues.

Actual expenditures were \$39.8 million less than final budgeted expenditures. The instruction function accounted for \$21 million of this variance due mainly to the efficient staffing of instructional personnel necessary to meet class size reduction requirements.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$308.9 million (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; and audio visual materials and computer software. The District's investment in capital assets (net of accumulated depreciation) for the current fiscal year increased \$13 million, or 4.4 percent.

Major construction projects initiated, continued, or completed during the current fiscal year included the following:

- A.K. Suter Elementary School rebuild of entire facility.
- Ernest Ward Middle School rebuild of entire facility.
- Warrington Middle School Technology Suite renovations.
- Roofing projects at various District locations.
- Bellview Middle School cafeteria renovations.
- Spencer Bibbs Ancillary Complex renovations and repurpose of facility.
- Installation and renovation of mechanical and life safety systems.

Additional information on the District's capital assets can be found in Notes 6 and 14 to the financial statements.

Long-Term Debt

At June 30, 2014, the District has total long-term debt outstanding of \$39 million. The District had \$3.9 million outstanding of State School Bonds issued by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida. Certificates of Participation outstanding of \$35.1 million represent the remainder of long-term debt.

Additional information on the District's long-term debt can be found in Notes 8 through 11 to the financial statements.

ECONOMIC FACTORS AFFECTING 2014-15 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2014-15 fiscal year:

State Funding for Student Enrollment

The District receives State funds based on the number of full-time equivalent (FTE) students. These formula funds will increase approximately \$8.7 million (\$279 per unweighted FTE) over the 2013-14 fiscal year mainly due to a 3.2 percent increase in total formula funds appropriated by the State Legislature.

General Fund - Fund Balance

The District will budget approximately \$10.5 million of unrestricted fund balance to cover planned expenditures during the 2014-15 fiscal year. The District anticipates that a portion of the unrestricted fund balance will be replenished at year-end through unspent appropriations and actual revenue receipts in excess of budgeted amounts.

The District anticipates that the fund balance at June 30, 2015, will remain in excess of the Board minimum target of 3.5 percent (of anticipated General Fund revenues).

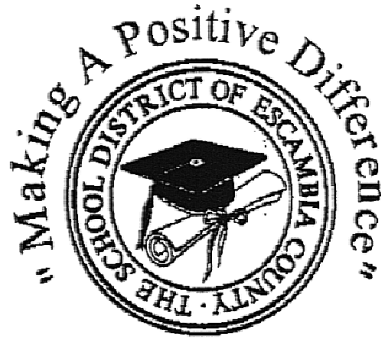
Expected Cost Increases

Major increases expected in operating expenditures include (1) higher salary and benefits costs of approximately \$8.3 million due to new bargaining unit agreements, (2) continuing increases in health insurance costs of approximately \$1.3 million to maintain funding for the health insurance trust fund, and (3) maintaining certain Race-To-The-Top software licensing agreements totaling approximately \$0.3 million after the grant program has expired.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent - Finance and Business Services, District School Board of Escambia County, 75 North Pace Boulevard, Pensacola, Florida, 32505.

BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 149,016,704	\$ 3,829,093
Investments	47,334,686	
Accounts Receivable	634,889	135,940
Deposits Receivable	2,000	1,751
Prepaid Items		144,299
Due from Other Agencies	5,870,103	20,247
Inventories	2,930,840	
Capital Assets:		
Nondepreciable Capital Assets	31,318,405	878,493
Depreciable Capital Assets, Net	277,630,312	4,823,785
Total Assets	514,737,939	9,833,608
DEFERRED OUTFLOW OF RESOURCES		
Accumulated Decrease in Fair Value of Hedging Derivative	472,996	
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 515,210,935	\$ 9,833,608
LIABILITIES		
Salaries and Benefits Payable	\$ 3,741,652	\$ 6,872
Payroll Deductions and Withholdings	39,620	
Accounts Payable	3,303,462	226,186
Construction Contracts Payable	3,687	
Construction Contracts Payable - Retainage	1,147,569	
Due to Other Agencies	20,680	
Deposits Payable	5,742	
Accrued Interest Payable	779,585	
Advanced Revenue	3,432,260	1,500
Loan Payable	2,571,706	
Note Payable		412,265
Long-Term Liabilities:		
Portion Due Within One Year	15,656,294	245,387
Portion Due After One Year	96,323,547	1,010,170
Total Liabilities	127,025,804	1,902,380
NET POSITION		
Net Investment in Capital Assets	269,930,903	4,570,823
Restricted for:		
State Required Carryover Programs	14,686,590	
Debt Service	4,640,107	140,000
Capital Projects	92,912,873	
Federal Required Carryover Programs	370	
Food Service	6,184,188	
Other Required Carryover Programs	2,799,437	532,653
Unrestricted	(2,969,337)	2,687,752
Total Net Position	388,185,131	7,931,228
TOTAL LIABILITIES AND NET POSITION	\$ 515,210,935	\$ 9,833,608

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental Activities:			
Instruction	\$ 200,433,368	\$ 1,154,747	\$
Student Personnel Services	16,018,809		
Instructional Media Services	4,224,367		
Instruction and Curriculum Development Services	10,038,942		
Instructional Staff Training Services	9,139,669		
Instruction Related Technology	4,401,182		
Board of Education	1,196,527		
General Administration	2,413,878		
School Administration	14,787,725		
Facility Services	13,506,908	40,716	
Fiscal Services	2,164,484		
Food Services	20,988,484	3,827,300	15,890,352
Central Services	4,791,656		
Student Transportation Services	18,220,613	252,548	
Operation of Plant	27,217,458		
Maintenance of Plant	10,943,295		
Administrative Technology Services	3,948,080		
Community Services	1,384,546	393,075	
Unallocated Interest on Long-Term Debt	1,883,019		
Total Governmental Activities	<u>\$ 367,703,010</u>	<u>\$ 5,668,386</u>	<u>\$ 15,890,352</u>
Component Units			
Foundation/Charter Schools	<u>\$ 9,599,587</u>	<u>\$ 365,313</u>	<u>\$ 663,882</u>

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position, July 1, 2013 (Restated, See Note 2)

Net Position, June 30, 2014

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

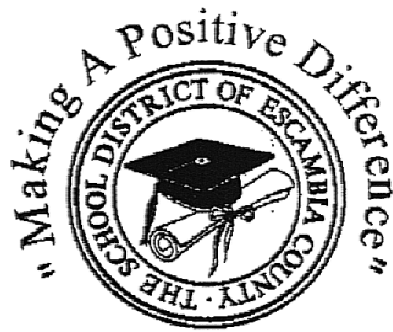
<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
\$	\$ (199,278,621)	\$
	(16,018,809)	
	(4,224,367)	
	(10,038,942)	
	(9,139,669)	
	(4,401,182)	
	(1,196,527)	
	(2,413,878)	
	(14,787,725)	
1,222,166	(12,244,026)	
	(2,164,484)	
	(1,270,832)	
	(4,791,656)	
	(17,968,065)	
	(27,217,458)	
	(10,943,295)	
	(3,948,080)	
	(991,471)	
1,410,068	(472,951)	
<u>\$ 2,632,234</u>	<u>(343,512,038)</u>	
<u>\$ 291,747</u>		<u>(8,278,645)</u>
	91,977,693	
	22,777,599	
	21,856,254	
	219,193,213	8,571,060
	96,333	11,938
	3,702,323	47,884
	<u>359,603,415</u>	<u>8,630,882</u>
	16,091,377	352,237
	<u>372,093,754</u>	<u>7,578,991</u>
	<u>\$ 388,185,131</u>	<u>\$ 7,931,228</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Economic Stimulus Programs Fund
ASSETS			
Cash and Cash Equivalents	\$ 37,446,904	\$ 269,137	\$ 163,567
Investments	15,269,717		
Accounts Receivable	536,462	76,173	
Deposits Receivable	2,000		
Due from Other Funds	6,879,038		
Due from Other Agencies	1,017,301	4,086,848	708,754
Inventories	1,215,625		
	<u>\$ 62,367,047</u>	<u>\$ 4,432,158</u>	<u>\$ 872,321</u>
TOTAL ASSETS	\$ 62,367,047	\$ 4,432,158	\$ 872,321
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and Benefits Payable	\$ 3,275,195	\$ 269,373	\$ 163,567
Payroll Deductions and Withholdings	27,554	10,719	43
Accounts Payable	1,864,315	635,754	176,790
Construction Contracts Payable			
Construction Contracts Payable - Retainage			
Due to Other Funds	1,149,737	3,515,942	531,921
Due to Other Agencies	19,408		
Deposits Payable			
Accrued Interest Payable			
Loan Payable	2,571,706		
	<u>8,907,915</u>	<u>4,431,788</u>	<u>872,321</u>
Total Liabilities	8,907,915	4,431,788	872,321
Fund Balances:			
Nonspendable:			
Inventories	1,215,625		
Restricted for:			
State Required Carryover Programs	14,686,590		
Debt Service			
Federal Required Carryover Programs		370	
Capital Projects			
Food Service			
Other Required Carryover Programs	2,799,437		
Assigned for:			
Contingencies	5,152,122		
Local Carryovers	15,091,288		
Unassigned	14,514,070		
	<u>53,459,132</u>	<u>370</u>	
Total Fund Balances	53,459,132	370	
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,367,047	\$ 4,432,158	\$ 872,321

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

<i>Capital Projects - Local Capital Improvement Fund</i>	<i>Capital Projects - Other Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
\$ 13,967,536	\$ 47,749,726	\$ 10,643,365	\$ 110,240,235
5,574,618	26,316,746	173,605	47,334,686
		2,198	614,833
			2,000
		13,353	6,892,391
		57,200	5,870,103
		1,715,215	2,930,840
<u>\$ 19,542,154</u>	<u>\$ 74,066,472</u>	<u>\$ 12,604,936</u>	<u>\$ 173,885,088</u>
\$	\$	\$	\$
		33,517	3,741,652
		1,304	39,620
138,721	253,162	80,122	3,148,864
	3,687		3,687
	1,147,569		1,147,569
		32,985	5,230,585
			19,408
		5,742	5,742
		779,585	779,585
			2,571,706
<u>138,721</u>	<u>1,404,418</u>	<u>933,255</u>	<u>16,688,418</u>
		1,715,215	2,930,840
			14,686,590
		4,640,107	4,640,107
			370
19,403,433	72,662,054	847,386	92,912,873
		4,468,973	4,468,973
			2,799,437
			5,152,122
			15,091,288
			14,514,070
<u>19,403,433</u>	<u>72,662,054</u>	<u>11,671,681</u>	<u>157,196,670</u>
<u>\$ 19,542,154</u>	<u>\$ 74,066,472</u>	<u>\$ 12,604,936</u>	<u>\$ 173,885,088</u>



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Total Fund Balances - Governmental Funds		\$ 157,196,670
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.		308,948,717
Deferred outflow of resources are reported as a result of change in fair value of hedging derivative instruments in the statement of net position.		472,996
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.		6,127,948
Long-term liabilities are not due and payable in the current fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of:		
Bonds Payable	\$ (3,954,275)	
Certificates of Participation Payable	(35,063,539)	
Compensated Absences Payable	(42,345,680)	
Other Postemployment Benefits Payable	(2,724,710)	
Derivative Instruments Liability	(472,996)	
		(84,561,200)
Total Net Position - Governmental Activities		<u>\$ 388,185,131</u>

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Economic Stimulus Programs Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 1,221,170	\$ 1,617,344	\$
Federal Through State and Local	2,813,229	29,170,415	2,846,953
State	181,548,319		
Local:			
Property Taxes	91,977,693		
Sales Taxes			
Charges for Food Service			
Miscellaneous	5,731,136		
Total Revenues	283,291,547	30,787,759	2,846,953
Expenditures			
Current - Education:			
Instruction	179,354,649	13,060,760	46,845
Student Personnel Services	13,750,907	2,235,686	
Instructional Media Services	4,164,185	46,154	
Instruction and Curriculum Development Services	4,449,518	5,328,073	150,016
Instructional Staff Training Services	2,845,422	4,879,026	1,409,639
Instruction Related Technology	1,911,230	1,722,160	401,747
Board of Education	1,194,064		
General Administration	704,451	1,548,490	156,218
School Administration	14,636,469	107,431	
Facility Services	485,956	5,001	
Fiscal Services	2,143,962		15,308
Food Services	129,499	955	
Central Services	4,773,006	56,180	130,190
Student Transportation Services	16,036,549	326,450	
Operation of Plant	27,092,082	31,112	
Maintenance of Plant	10,592,744		
Administrative Technology Services	3,077,550	70,579	411,744
Community Services	484,428	895,098	
Fixed Capital Outlay:			
Facilities Acquisition and Construction	178,996	1,211	
Other Capital Outlay	604,442	473,023	125,246
Debt Service:			
Principal			
Interest and Fiscal Charges			
Total Expenditures	288,610,109	30,787,389	2,846,953
Excess (Deficiency) of Revenues Over Expenditures	(5,318,562)	370	
Other Financing Sources (Uses)			
Transfers In	7,691,323		
Refunding Bonds Issued			
Premium on Refunding Bonds			
Proceeds from Sale of Capital Assets			
Insurance Loss Recoveries	500,000		
Payments to Refunded Bond Escrow Agent			
Transfers Out			
Total Other Financing Sources (Uses)	8,191,323		
Net Change in Fund Balances	2,872,761	370	
Fund Balances, July 1, 2013	50,586,371		
Fund Balances, June 30, 2014	\$ 53,459,132	\$ 370	\$ 0

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		15,587,668	2,838,514
	505,464	1,900,738	50,418,265
22,777,599			183,954,521
	21,856,254		114,755,292
		3,827,300	21,856,254
(1,923)	76,064	9,373	3,827,300
<u>22,775,676</u>	<u>22,437,782</u>	<u>21,325,079</u>	<u>383,464,796</u>
			192,462,254
			15,986,593
			4,210,339
			9,927,607
			9,134,087
			4,035,137
			1,194,064
			2,409,159
3,255,107	9,577,913	527	14,743,900
		20,499,174	13,324,504
			2,159,270
			20,629,628
			4,959,376
			16,362,999
			27,123,194
			10,592,744
			3,559,873
			1,379,526
3,694,461	20,072,907		23,947,575
		178,474	1,381,185
		4,697,828	4,697,828
		1,952,012	1,952,012
<u>6,949,568</u>	<u>29,650,820</u>	<u>27,328,015</u>	<u>386,172,854</u>
<u>15,826,108</u>	<u>(7,213,038)</u>	<u>(6,002,936)</u>	<u>(2,708,058)</u>
	359	5,000,000	12,691,682
		229,000	229,000
		36,560	36,560
	1,113,573		1,113,573
			500,000
		(186,007)	(186,007)
<u>(12,185,859)</u>	<u>(505,464)</u>		<u>(12,691,323)</u>
<u>(12,185,859)</u>	<u>608,468</u>	<u>5,079,553</u>	<u>1,693,485</u>
3,640,249	(6,604,570)	(923,383)	(1,014,573)
15,763,184	79,266,624	12,595,064	158,211,243
<u>\$ 19,403,433</u>	<u>\$ 72,662,054</u>	<u>\$ 11,671,681</u>	<u>\$ 157,196,670</u>

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014**

Net Change in Fund Balances - Governmental Funds \$ (1,014,573)

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 depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year.

Capital Outlay - Facilities Acquisition and Construction - Capitalized	\$ 23,947,575	
Capital Outlay - Other Capital Outlay - Capitalized	1,381,185	
Less, Depreciation Expense	<u>(11,504,255)</u>	13,824,505

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs from the change in fund balances by the cost of assets sold. (826,850)

Debt proceeds are reported as financial resources in governmental funds and thus contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Refunding Bond Proceeds	(229,000)	
Premium on Refunding Bonds	(36,560)	
Bond Repayments	1,455,000	
Certificates of Participation Repayments	<u>3,497,828</u>	4,687,268

Premiums associated with long-term debt issued in the current fiscal year are reported in the statement of activities, but are not a current financial resource and, therefore, are not reported in governmental funds. This is the decrease in deferred premiums during the current fiscal year.

Bonds Payable	62,571	
Certificates of Participation Payable	<u>50,429</u>	113,000

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the fiscal year, while in governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. (1,043,962)

The net change in the liability for postemployment benefits payable is reported in the government-wide statements, but not in the governmental fund statements. 637,184

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net loss of internal service funds is reported with governmental activities. (285,195)

Change in Net Position of Governmental Activities \$ 16,091,377

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,250,000	\$ 1,221,170	\$ 1,221,170	\$
Federal Through State and Local	1,467,859	2,813,229	2,813,229	
State	183,620,701	181,616,571	181,548,319	(68,252)
Local:				
Property Taxes	87,995,309	91,977,693	91,977,693	
Miscellaneous	4,107,102	5,900,249	5,731,136	(169,113)
Total Revenues	278,440,971	283,528,912	283,291,547	(237,365)
Expenditures				
Current - Education:				
Instruction	195,659,236	200,376,901	179,354,649	21,022,252
Student Personnel Services	13,840,499	15,544,298	13,750,907	1,793,391
Instructional Media Services	4,450,831	4,477,028	4,164,185	312,843
Instruction and Curriculum Development Services	4,556,254	4,825,353	4,449,518	375,835
Instructional Staff Training Services	2,295,091	2,928,503	2,845,422	83,081
Instruction Related Technology	1,724,786	1,861,593	1,911,230	(49,637)
Board of Education	1,678,927	1,710,927	1,194,064	516,863
General Administration	762,577	780,673	704,451	76,222
School Administration	14,304,635	15,726,893	14,636,469	1,090,424
Facility Services	1,418,107	1,954,386	485,956	1,468,430
Fiscal Services	2,929,852	2,916,012	2,143,962	772,050
Food Services	149,870	165,789	129,499	36,290
Central Services	5,648,458	6,545,173	4,773,006	1,772,167
Student Transportation Services	17,708,324	17,770,654	16,036,549	1,734,105
Operation of Plant	30,730,947	30,131,845	27,092,082	3,039,763
Maintenance of Plant	15,165,078	15,301,372	10,592,744	4,708,628
Administrative Technology Services	3,213,488	3,413,645	3,077,550	336,095
Community Services	747,422	810,425	484,428	325,997
Fixed Capital Outlay:				
Facilities Acquisition and Construction	225,027	284,078	178,996	105,082
Other Capital Outlay	930,785	918,718	604,442	314,276
Debt Service:				
Principal	10,000	10,000		10,000
Total Expenditures	318,150,194	328,454,266	288,610,109	39,844,157
Deficiency of Revenues Over Expenditures	(39,709,223)	(44,925,354)	(5,318,562)	39,606,792
Other Financing Sources				
Transfers In	10,678,082	7,691,323	7,691,323	
Insurance Loss Recoveries		500,000	500,000	
Total Other Financing Sources	10,678,082	8,191,323	8,191,323	
Net Change in Fund Balances	(29,031,141)	(36,734,031)	2,872,761	39,606,792
Fund Balances, July 1, 2013	50,586,371	50,586,371	50,586,371	
Fund Balances, June 30, 2014	\$ 21,555,230	\$ 13,852,340	\$ 53,459,132	\$ 39,606,792

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2014

	Other Federal Programs Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,969,095	\$ 1,895,535	\$ 1,617,344	\$ (278,191)
Federal Through State and Local	37,519,204	36,792,585	29,170,415	(7,622,170)
Total Revenues	39,488,299	38,688,120	30,787,759	(7,900,361)
Expenditures				
Current - Education:				
Instruction	19,561,820	16,545,941	13,060,760	3,485,181
Student Personnel Services	2,970,822	2,699,888	2,235,686	464,202
Instructional Media Services	16,721	47,847	46,154	1,693
Instruction and Curriculum Development Services	5,528,125	5,655,796	5,328,073	327,723
Instructional Staff Training Services	5,701,386	6,999,430	4,879,026	2,120,404
Instruction Related Technology	1,973,503	1,854,330	1,722,160	132,170
General Administration	1,205,129	1,659,020	1,548,490	110,530
School Administration	1,176	135,663	107,431	28,232
Facility Services	23,600	26,482	5,001	21,481
Fiscal Services	20,000			
Food Services		960	955	5
Central Services	117,925	62,989	56,180	6,809
Student Transportation Services	457,332	405,557	326,450	79,107
Operation of Plant	20,583	41,494	31,112	10,382
Maintenance of Plant	3,500			
Administrative Technology Services	85,094	71,675	70,579	1,096
Community Services	948,104	895,828	895,098	730
Fixed Capital Outlay:				
Facilities Acquisition and Construction	3,192	118,003	1,211	116,792
Other Capital Outlay	760,846	1,467,217	473,023	994,194
Total Expenditures	39,398,858	38,688,120	30,787,389	7,900,731
Excess of Revenues Over Expenditures	89,441		370	(370)
Net Change in Fund Balances	89,441		370	370
Fund Balances, July 1, 2013				
Fund Balances, June 30, 2014	\$ 89,441	\$ 0	\$ 370	\$ 370

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS
For the Fiscal Year Ended June 30, 2014

	Federal Economic Stimulus Programs Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 3,270,507	\$ 2,950,288	\$ 2,846,953	\$ (103,335)
Total Revenues	<u>3,270,507</u>	<u>2,950,288</u>	<u>2,846,953</u>	<u>(103,335)</u>
Expenditures				
Current - Education:				
Instruction	457,673	47,194	46,845	349
Instruction and Curriculum Development Services	124,273	151,270	150,016	1,254
Instructional Staff Training Services	1,541,350	1,509,896	1,409,639	100,257
Instruction Related Technology	445,793	402,146	401,747	399
General Administration	128,560	156,219	156,218	1
Fiscal Services	34,759	15,309	15,308	1
Central Services	131,967	130,407	130,190	217
Student Transportation Services		700		700
Administrative Technology Services	367,649	411,901	411,744	157
Fixed Capital Outlay:				
Other Capital Outlay	38,483	125,246	125,246	
Total Expenditures	<u>3,270,507</u>	<u>2,950,288</u>	<u>2,846,953</u>	<u>103,335</u>
Excess (Deficiency) of Revenues Over Expenditures				
Net Change in Fund Balances				
Fund Balances, July 1, 2013				
Fund Balances, June 30, 2014	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
June 30, 2014

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 38,776,469
Accounts Receivable	20,056
TOTAL ASSETS	38,796,525
LIABILITIES	
Current Liabilities:	
Accounts Payable	154,598
Due to Other Funds	1,661,806
Due to Other Agencies	1,272
Advanced Revenue	3,432,260
Estimated Insurance Claims Payable	6,652,575
Total Current Liabilities	11,902,511
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	20,766,066
TOTAL LIABILITIES	32,668,577
NET POSITION	
Restricted for Employee Benefits	6,127,948
TOTAL LIABILITIES AND NET POSITION	\$ 38,796,525

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Premium Revenues	\$ 44,989,598
Other	200,550
Total Operating Revenues	<u>45,190,148</u>
OPERATING EXPENSES	
Salaries	483,655
Employee Benefits	136,242
Purchased Services	5,336,794
Energy Services	15,264
Materials and Supplies	16,037
Capital Outlay	20,981
Insurance Claims	36,899,371
Other	2,586,613
Total Operating Expenses	<u>45,494,957</u>
Operating Loss	<u>(304,809)</u>
NONOPERATING REVENUES	
Interest	19,973
Total Nonoperating Revenues	<u>19,973</u>
Loss Before Transfers	(284,836)
Transfers Out	(359)
Change in Net Position	(285,195)
Total Net Position, July 1, 2013	6,413,143
Total Net Position, June 30, 2014	<u><u>\$ 6,127,948</u></u>

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 45,201,672
Cash Payments to Suppliers for Goods and Services	(7,830,393)
Cash Payments to Employees for Services	(619,897)
Cash Payments for Interfund Services	(2,873,311)
Cash Payments for Insurance Claims	(36,618,354)
	(2,740,283)
Net Cash Used by Operating Activities	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to Other Funds	(359)
	(359)
Net Cash Used by Noncapital Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	19,973
	19,973
Net Cash Provided by Investing Activities	
Net Decrease in Cash and Cash Equivalents	(2,720,669)
Beginning Cash and Cash Equivalents	41,497,138
	\$ 38,776,469
Reconciliation of Operating Income to Net Cash Used by Operating Activities:	
Operating Loss	\$ (304,809)
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	26,267
Decrease in Due From Other Funds	966
Increase in Accounts Payable	139,617
Decrease in Due to Other Funds	(2,874,489)
Increase in Due to Other Agencies	1,272
Decrease in Advanced Revenue	(10,124)
Increase in Estimated Insurance Claims Payable	281,017
	(2,435,474)
Total Adjustments	
Net Cash Used by Operating Activities	\$ (2,740,283)

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,361,122
LIABILITIES	
Payroll Deductions and Withholdings	\$ 587,660
Internal Accounts Payable	<u>2,773,462</u>
Total Liabilities	<u>\$ 3,361,122</u>

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

**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Escambia County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District School Board of Escambia County (District) is considered part of the Florida system of public education. 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 Escambia County.

Criteria for determining if other entities are potential component units which 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 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 Board's reporting entity:

- **Blended Component Unit.** The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District's employee life, health, and dental insurance programs. Assets necessary to fund the programs are transferred to the Trust; however, under the terms of the Trust Agreement, the Board retains control of the assets. Due to the substantive economic relationship between the District and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.
- **Discretely Presented Component Units.** The component units columns in the basic financial statements, include the financial data of the District's other component units, as follows:

The Escambia County Public Schools Foundation for Excellence, Inc. (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and, as such, the Foundation is approved by the Board. The Foundation was formed to provide charitable and educational aid to the District and to receive, hold, invest, and administer property and to make expenditures for the benefit of the District, which is able to impose its will on the Foundation.

Charter schools are separate not-for-profit corporations each with a separate board of directors organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. Charter schools operate under a charter of the sponsoring school district and are considered component units according to the interpretation of GASB Statement No. 61 by the Florida Department of Education which determined that Florida school districts are financially accountable for Florida charter schools. The District has entered into charters with the following charter schools that are considered part of the District's reporting entity:

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Escambia Charter School, Inc., was established to provide an alternate educational system for “at risk” students.

Capstone Academy Pensacola was established to provide exceptional student educational services to handicapped prekindergarten students.

Jaqueline Harris Preparatory Academy was established to provide alternate programs of education, training, and related services for elementary students who are considered “at risk” of academic failure. Jaqueline Harris Preparatory Academy, operated by New Road to Learning, Inc., is a separate not-for-profit entity.

Beulah Academy of Science, Inc., was established to provide an agriculture and science program for middle school students.

Byrnesville Elementary School, Inc., and Pensacola Beach Elementary School, Inc., were established to provide education, training, and related services to elementary school students.

Newpoint Pensacola Academy Middle School was established to provide education, training, and related services to middle school students.

Newpoint Pensacola High School was established to provide education, training, and related services to high school students.

Audits of the Foundation’s financial statements and the charter schools’ financial statements for the fiscal year ended June 30, 2014, are conducted by an independent certified public accountant and are filed in the District’s administrative office at 75 North Pace Boulevard, Pensacola, Florida.

➤ **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide Financial Statements - The Government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions in which the District gives or receives value without directly receiving or giving value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Statement of Net Position and the Statement of Activities present financial information about the District’s governmental activities. These statements include the financial activities of the government in its entirety, except for those that are fiduciary. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which are generally supported by fees charged. The District currently does not have any business-type activities.

The Statement of Net Position includes all assets, liabilities, and deferred outflows/inflows of the District. The Statement of Activities presents a comparison between the direct expenses and

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Depreciation expenses are allocated to functions based on actual and estimated usage of the assets in those functions.

Amounts reported as program revenues include: 1) charges for services provided to students for tuition, fees, rental, material, supplies, or other services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, 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.

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

Fund Financial Statements – The Governmental Fund Financial Statements are prepared utilizing the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. “Measurable” means the amount of transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues “susceptible to accrual” include ad valorem taxes, reimbursable-type grants, and interest on investments. The District considers revenues from property taxes as available if they are collected within sixty (60) days after fiscal year-end. Expenditures are recorded when the fund liability is incurred. However, exceptions include unmatured principal and interest on general long-term debt and accumulated sick and vacation pay, which are recorded when payment is due.

In applying the “susceptible to accrual” concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one type, moneys must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of the expenditure. In the other type, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the “susceptible to accrual” criteria are met. In all cases, moneys received before the revenue recognition criteria have been met, are reported as advanced revenue.

Agency (Fiduciary) funds are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus. Agency funds use the accrual basis of accounting to recognize receivables and payables.

The Proprietary Fund Financial Statements are prepared under the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for self-insurance (property, casualty, liability, and workers' compensation), employee benefits (health and prescription), and warehousing provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, energy services, materials and supplies, capital outlay, and insurance claims. All

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revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue - Other Federal Programs Fund – to account for certain Federal grant program resources.
- Special Revenue – Federal Economic Stimulus Programs Fund – to account for Federal funds received by the State as part of the Race-to-the-Top Federal stimulus programs.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.
- Capital Projects – Other Fund – to account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including new construction, renovation, and remodeling projects.

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Agency Funds – to account for resources of the District's pre-tax flexible benefits plan and the school internal funds, which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

Discretely Presented Component Units – 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.

Except for the Capstone Academy Pensacola, the charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities. The Capstone Academy Pensacola is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting.

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

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Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

➤ **Net Position / Fund Balance Flow Assumptions**

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

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

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 has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

➤ **Deposits and Investments**

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

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 statement of cash flows considers cash and cash equivalents as those amounts in demand deposit accounts and all highly liquid investments with an original maturity of three months or less.

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Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service moneys, amounts placed with SBA for participation in the Florida PRIME, and those made locally. Investments made locally consist of amounts placed in an intergovernmental investment pool made up of money market mutual funds and various short-term government bond funds. The intergovernmental investment pool is reported at fair value and is described in a subsequent note on investments.

The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2014, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost. Florida PRIME operates under investment guidelines established by Section 215.47, Florida Statutes.

➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Material stores, maintenance stores, custodial stores, transportation stores, and purchased food and lunchroom supply inventories are stated at cost on the first-in, first-out basis. Fuel inventories are stated at an average-cost basis. The United States Department of Agriculture surplus donated foods are stated at their fair value, as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs incurred during the 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	15 years
Buildings and Fixed Equipment	20 - 55 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	10 - 20 years
Audio Visual Materials and Computer Software	10 - 15 years

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

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➤ **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. Bond and Certificates of Participation (COP) premiums and discounts are amortized over the life of the debt using the effective interest method. Bonds and COP payable are reported net of the applicable premiums or discounts.

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

➤ **Compensated Absences**

The criteria for determining compensated absences (i.e., paid absences for employee vacation and sick leave benefit) liability are derived from Board policy, negotiated agreements, and State law. Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at fiscal year-end by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. Compensated absences include applicable salary related payments for Social Security, Medicare, and retirement contributions.

In the government-wide financial statements, compensated absences are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported for compensated absences in the governmental fund financial statements only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

Changes in compensated absences for the current fiscal year are reported in a subsequent note.

➤ **Deferred Outflows /Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the accumulated decrease in the fair value of hedging derivatives reported in the government-wide statement of net position. The District uses the hedging derivatives to protect against the potential of rising interest rates on its variable rate Series 2005 and 2006 COP. Gains and losses on these hedging derivatives are amortized over the life of the COP.

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from 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

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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 according to a calendar established by the Department. Such amendments may impact funding allocations for subsequent fiscal 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 fiscal year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education (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 fiscal 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 unspent balance of categorical and earmarked educational program resources.

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

➤ **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 Escambia County Property Appraiser, and property taxes are collected by the Escambia County Tax Collector.

The School Board adopted the 2013 tax levy on September 17, 2013. 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 Escambia County Tax Collector at fiscal year-end but not yet remitted to the District.

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

➤ **School Capital Outlay Surtax**

The citizens of Escambia County, on September 5, 2006, approved a 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. The surtax proceeds are to be used for fixed capital expenditures or fixed capital costs associated with the construction,

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reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and retrofitting and technology implementation and any land acquisition, land improvement, design, and engineering costs related thereto.

➤ **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.

2. CHANGE IN REPORTING ENTITY – COMPONENT UNITS

The District made the following changes concerning its component units:

- The District terminated the charter agreement with A. A. Dixon Charter School of Excellence, Inc., effective June 30, 2013. Accordingly, the A. A. Dixon Charter School of Excellence, Inc., was not included as one of its charter schools during the 2013-14 fiscal year.
- Effective with the 2013-14 fiscal year, the District included the financial activity of the Capstone Academy Pensacola as a charter school.
- In previous fiscal years, the financial results reported for the Pensacola Beach Elementary School, Inc., did not include financial results of its Foundation, a discretely presented component unit of the School. The financial results of the Foundation were included this fiscal year, which had the result of increasing the charter school's beginning net position.

As a result of these changes in reporting, the net position of the component units as a whole has been adjusted as follows:

Component Units' Net Position - June 30, 2013	\$ 6,593,243
Adjustments to Beginning Net Position:	
Addition of Capstone Academy Pensacola	169,515
Removal of A. A. Dixon Charter School of Excellence, Inc.	45,965
Inclusion of the Foundation of Pensacola Beach Elementary School, Inc.	<u>770,268</u>
Component Units' Net Position - July 1, 2013	<u><u>\$ 7,578,991</u></u>

3. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting no later than the due date for the annual financial report.

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- 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 fiscal year's appropriations.

4. INVESTMENTS

As of June 30, 2014, the District has the following investments and maturities:

Investment	Maturities	Fair Value
Bank of America Treasury Reserves (1)(2)	42 Day Average	\$ 779,628
State Board of Administration		
Florida PRIME (2)	40 Day Average	20,156,026
Debt Service Accounts	6 months	173,605
Florida Fixed Income Trust (FL FIT)		
Florida FIT 90	141 Day Average	39,136,483
Florida FIT 180	311 Day Average	5,486,229
Florida FIT 1 Year	361 Day Average	2,538,369
Total Investments, Primary Government		<u>\$ 68,270,340</u>

- Notes: (1) These investments are held under trust agreements in connection with the Certificates of Participation, Series 1996, 2002, 2004, 2005, and 2006 financing arrangements.
- (2) Investments reported as cash equivalents for financial statement reporting purposes.

Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to provide sufficient liquidity to pay obligations as they become due, the District's investment policy limits the length of investments as follows: (1) investments of current operating funds shall have maturities of no longer than two years, and (2) investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate for the need for the funds and in accordance with debt covenants, but in no event shall exceed five years.
- Florida PRIME had a weighted average in days to maturity (WAM) of 40 days at June 30, 2014. 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.
- Florida Fixed Income Trust (FL FIT) had the following WAM for each portfolio: FL FIT 90 – 141 days, FL FIT 180 – 311 days, FL FIT 1 Year – 361 days.

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➤ As of June 30, 2014, the District has the following interest rate risk by fund:

Investment by Fund	Fair Value	Investment Maturities	
		Six Months or Less	Greater than Six Months to Two Years
Major Governmental Funds:			
General	\$ 24,041,545	\$ 21,443,358	\$ 2,598,187
Capital Projects - Local Capital Improvement	8,965,579	8,017,041	948,538
Capital Projects - Other	34,309,984	29,832,112	4,477,872
Nonmajor Governmental	953,232	953,232	
Total Investments	<u>\$ 68,270,340</u>	<u>\$ 60,245,743</u>	<u>\$ 8,024,597</u>

Note: Investments that have original maturities of three months or less are considered cash equivalents for financial statement purposes.

Credit Risk

➤ Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits authorized investments to the SBA Local Government Surplus Funds Trust Fund Investment Pool, which is known as Florida PRIME; direct obligations of the United States Government Agencies; certain Federal Instrumentalities; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; repurchase agreements secured by the collateral composed of negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities that have a market value of 102 percent of the value of the repurchase agreement; commercial paper of the highest credit rating; certain Banker's Acceptances; certain highly rated state and local government taxable or tax-exempt debt; shares of open-end, no-load mutual funds registered under the Investment Company Act of 1940, provided that the portfolio invests primarily in short-term government bonds and money market funds operated in accordance with 17 CFR 270.2a-7, provided the funds are rated no lower than the credit rating applied to the United States government by Standard & Poor's, or the equivalent by another rating agency; and any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes, provided that the said funds contain no derivatives. Investment in any derivative products or the use of reverse repurchase agreements requires specific Board approval.

As of June 30, 2014, the District's investments are rated as follows:

- The District's investments in the Bank of America Treasury Reserves are rated AAAM by Standard and Poor's and Aaa-mf by Moody's Investors Service.
- The District's investment in the SBA Florida PRIME is rated AAAM by Standard and Poor's.
- The District's investments in FL FIT are unrated.

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- 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 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 investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investment policy requires that securities 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. As of June 30, 2014, all investments are held with an appropriate custodian or trustee or are held in accounts in the name of and belonging to the District.

All District investments are in compliance with District policy in relation to interest rate risk, credit risk, and custodial credit risk.

5. 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 receivables is accrued.

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6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 9,070,995	\$ 359,407	\$ 100	\$ 9,430,302
Construction in Progress	3,258,782	21,481,002	2,851,681	21,888,103
Total Capital Assets Not Being Depreciated	<u>12,329,777</u>	<u>21,840,409</u>	<u>2,851,781</u>	<u>31,318,405</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	16,277,214	1,524,235		17,801,449
Buildings and Fixed Equipment	385,841,999	1,362,230	1,131,455	386,072,774
Furniture, Fixtures, and Equipment	15,597,696	657,583	885,938	15,369,341
Motor Vehicles	38,976,490	2,764,489	136,355	41,604,624
Audio Visual Materials and Computer Software	9,894,179	31,595		9,925,774
Total Capital Assets Being Depreciated	<u>466,587,578</u>	<u>6,340,132</u>	<u>2,153,748</u>	<u>470,773,962</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	7,452,891	1,046,348		8,499,239
Buildings and Fixed Equipment	142,845,958	7,137,079	447,790	149,535,247
Furniture, Fixtures, and Equipment	10,554,512	858,953	776,246	10,637,219
Motor Vehicles	15,275,349	2,075,864	102,862	17,248,351
Audio Visual Materials and Computer Software	6,837,583	386,011		7,223,594
Total Accumulated Depreciation	<u>182,966,293</u>	<u>11,504,255</u>	<u>1,326,898</u>	<u>193,143,650</u>
Total Capital Assets Being Depreciated, Net	<u>283,621,285</u>	<u>(5,164,123)</u>	<u>826,850</u>	<u>277,630,312</u>
Governmental Activities Capital Assets, Net	<u>\$ 295,951,062</u>	<u>\$ 16,676,286</u>	<u>\$ 3,678,631</u>	<u>\$ 308,948,717</u>

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Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 7,698,842
Student Personnel Services	10,819
Instructional Media Services	7,320
Instruction and Curriculum Development Services	103,776
Instructional Staff Training Services	1,741
Instruction Related Technology	363,146
Board of Education	739
General Administration	3,778
School Administration	18,721
Facility Services	182,159
Fiscal Services	2,033
Food Services	358,632
Central Services	106,452
Student Transportation Services	1,837,555
Operation of Plant	80,986
Maintenance of Plant	339,852
Administrative Technology Services	383,045
Community Services	4,659
Total Depreciation Expense - Governmental Activities	<u>\$ 11,504,255</u>

7. SCHOOL DISTRICT LOAN PROGRAM

In accordance with the School District Loan Program authorized by Chapter 2006-25, Laws of Florida, the District applied for and received an interest-free loan from the Florida Department of Education totaling \$2,571,706, which is included as a liability of the General Fund. The loan enabled the District to meet operating expenses while awaiting resolution of litigation regarding school property taxes for Pensacola Beach property owners. Loan provisions require District personnel to notify the Florida Department of Education within 5 business days after the resolution of the litigation. Repayment of the loan must be made within 20 business days following the resolution of the litigation or the District may submit a repayment plan not to exceed two fiscal years.

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8. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements, characterized as lease purchase agreements, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. The following schedule describes the current status of the principal balances of these issues at June 30, 2014:

Issue	Original		Principal		Refunded By Series	Balance 6-30-14
	Amount		Paid	Refunded		
Series 1992	\$ 55,830,000		\$ 15,030,000	\$ 40,800,000	1996-1, 2002	\$
Series 1996-1	26,740,000		6,485,000	20,255,000	2005, 2006, 2011	
Series 1996-2	21,645,000			21,645,000	2004	
Series 2002	16,745,000		16,745,000			
Series 2004	22,725,000		820,000			21,905,000
Series 2005	10,000,000		417,414			9,582,586
Series 2006	10,000,000		6,736,173			3,263,827
Series 2011	1,124,561		1,124,561			
	<u>\$ 164,809,561</u>		<u>\$ 47,358,148</u>	<u>\$ 82,700,000</u>		<u>\$ 34,751,413</u>

As a condition of the financing arrangements, the District has given ground leases on District property to the Florida School Boards Association, Inc. The ground leases on the property associated with the Series 1992, 1996-1, 2002, 2005, 2006, and 2011 Certificates end on the earlier of (a) the date on which the Series 1996-1, 2005, 2006, and 2011 Certificates, and any Certificates of Participation refunding such Certificates, have been paid in full or provision for their payment has been made, or (b) June 30, 2028. The ground leases on the property associated with the Series 1996-2 and 2004 Certificates end on the earlier of (a) the date on which the series of Certificates has been paid in full, or (b) June 30, 2032. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the Certificates until the end of the ground leases. Although a part of the 1992 master lease, Edgewater Elementary School (Classroom Wing/Media Center) was released from the agreement by School Board action during the 2013-14 fiscal year.

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

Certificates of Participation Series 1992, 1996-1, 2002, 2005, 2006, and 2011:

- Hellen Caro Elementary School
- C.A. Weis Elementary School
- R.C. Lipscomb Elementary School
- Jim Allen Elementary School – Administrative Suite/Media Center
- Bellview Elementary School – Classroom Building
- Cordova Park Elementary School – Five Classroom Additions/Media Center

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- Escambia Westgate Center – Pre-Kindergarten Classroom Renovation
- Holm Elementary School – Classrooms/Media Center
- Myrtle Grove Elementary School – Classroom Addition
- Navy Point Elementary School – Classroom Addition/Administrative Suite
- Pine Meadow Elementary School – Media Center/Kindergarten Classrooms/Administrative Suite
- Pleasant Grove Elementary School – Dining/Classroom Addition/Administrative Suite
- Scenic Heights Elementary School – Pre-Kindergarten Classrooms/Media Center
- Sherwood Elementary School – Pre-Kindergarten Classrooms/Media Center
- Jim C. Bailey Middle School
- Northview High School
- West Florida School of Advanced Technology (the portion formerly known as Beggs Educational Center and used primarily for instructional purposes)
- Tate High School – Physical Education Facility

Certificates of Participation Series 1996-2 and 2004:

- N.B. Cook Elementary School
- Tate High School – Cafeteria/Media Center Addition and Renovation/ESE/ROTC Classroom Building
- Myrtle Grove Elementary School – Media Center/Classroom Building Renovation
- Navy Point Elementary School – ESE Classroom Building
- Ferry Pass Middle School – ESE Classroom Building
- Carver/Century K-8 Elementary School – Physical Education Building/Media Center/Classroom Additions

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**DISTRICT SCHOOL BOARD OF
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The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 3.75 to 5.0 percent. The following is a schedule by years of future minimum lease payments under the lease agreements, together with the present value of minimum lease payments as of June 30, 2014:

Fiscal Year Ending June 30	Total	Principal	Interest
2015	\$ 5,109,849	\$ 3,620,768	\$ 1,489,081
2016	5,208,957	3,870,613	1,338,344
2017	5,208,528	4,026,723	1,181,805
2018	5,196,991	4,178,309	1,018,682
2019	5,268,125	4,435,000	833,125
2020-2022	15,740,500	14,620,000	1,120,500
Total Minimum Lease Payments	41,732,950	34,751,413	6,981,537
Unamortized Premium	312,126	312,126	
Total Certificates of Participation	<u>\$ 42,045,076</u>	<u>\$ 35,063,539</u>	<u>\$ 6,981,537</u>

9. DERIVATIVE INSTRUMENTS LIABILITY

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2014, and the changes in fair value of such derivative instruments for the fiscal year then ended as reported in the basic financial statements, are as follows (debit (credit)):

Description	Change in Fair Value		Fair Value at June 30, 2014		
	Classification	Amount	Classification	Amount	Notional
GOVERNMENTAL ACTIVITIES					
Cash Flow Hedges:					
2005 Pay-fixed Interest Rate Swap	Deferred		Derivative		
	Outflow of Resources	\$ 275,525	Instrument Liability	\$ (362,062)	\$ 9,290,644
2006 Pay-fixed Interest Rate Swap	Deferred		Derivative		
	Outflow of Resources	217,568	Instrument Liability	(110,934)	3,263,827
Total		<u>\$ 493,093</u>		<u>\$ (472,996)</u>	<u>\$ 12,554,471</u>

Objectives of Hedging Derivative Instruments – In order to protect against the potential of rising interest rates, the District entered into pay-fixed, receivable-variable interest rate swap agreements with Bank of America (the counterparty), for both the \$10,000,000 Series 2005 and \$10,000,000 Series 2006 Certificates of Participation. Effectively, the swap agreements changed the District’s variable interest rate on the Series 2005 and 2006 Certificates of Participation to synthetically fixed interest rates of 3.896 percent and 4.106 percent, respectively.

Terms – The District entered into the first swap agreement at the same time it issued the variable rate Series 2005 Certificates of Participation (December 2005). The swap agreement’s original notional amount of \$10,000,000 matched the Series 2005 Certificates of Participation’s original principal amount of \$10,000,000. Beginning in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays

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the counterparty a fixed interest payment of 3.896 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the London Interbank Offered Rate (LIBOR) plus 0.65 percent. The District has the right to cancel the swap on six specific dates beginning May 1, 2015, and ending August 1, 2017. The Series 2005 Certificates of Participation and related cancelable swap agreement mature on February 1, 2018.

The District entered into the second swap agreement at the same time it issued the variable rate Series 2006 Certificates of Participation (May 2006). The swap agreement's original notional amount of \$10,000,000 matched the Series 2006 Certificates of Participation's original principal amount of \$10,000,000. Starting in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays the counterparty a fixed interest payment of 4.106 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the LIBOR plus 0.65 percent. The Series 2006 Certificates of Participation and related swap agreement mature on February 1, 2015.

Bank of America purchased the 2005 and 2006 Certificates of Participation from the District. Since Bank of America is both the purchaser of the Certificates of Participation and the counterparty to the swap agreements, in practice the District simply remits the fixed rate interest payment to the Trustee for the Certificates of Participation, who in turn remits that interest payment to Bank of America.

Fair Value – Because interest rates have declined since the inception of the swap agreements, the swap agreement related to the Series 2005 Certificates of Participation has a negative fair value of \$362,062 as of June 30, 2014, and the swap agreement related to the Series 2006 Certificates of Participation has a negative fair value of \$110,934 as of June 30, 2014. The counterparty, using a proprietary valuation model, estimated the fair value. The model calculates future cash flows by projecting forward interest rates, and then discounts those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model-based, mid-market levels when mid-market levels are not available. The fair values provided take certain factors into consideration, including liquidity of the swap market and the uniqueness of the deal structure, as documented in the swap agreements.

Swap Payments and Associated Debt – Using rates as of June 30, 2014, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same through the term of the Certificates of Participation, were as follows. As rates vary, interest payments on the variable-rate debt and net receipts/payments on the hedging derivative instruments will vary.

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**DISTRICT SCHOOL BOARD OF
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Fiscal Year Ending June 30	Series 2005 Principal	Interest (1)	Swaps, Net (2)	Total
2015	\$ 291,940	\$ 15,543	\$ 362,980	\$ 670,463
2016	3,800,613	15,069	351,922	4,167,604
2017	3,951,723	8,905	208,552	4,169,180
2018	1,538,309	2,495	58,270	1,599,074
Total	<u>\$ 9,582,585</u>	<u>\$ 42,012</u>	<u>\$ 981,724</u>	<u>\$ 10,606,321</u>

Notes: (1) Assumes a variable interest rate of 0.162079 percent.

(2) Assumes a fixed swap rate payment of 3.896 percent and a variable swap rate receipt of 0.162079 percent.

Fiscal Year Ending June 30	Series 2006 Principal	Interest (1)	Swaps, Net (2)	Total
2015	\$ 3,263,827	\$ 5,294	\$ 130,580	\$ 3,399,701

Notes: (1) Assumes a variable interest rate of 0.162079 percent.

(2) Assumes a fixed swap rate payment of 4.106 percent and a variable swap rate receipt of 0.162079 percent.

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2014, the District was not exposed to credit risk because the swap agreements have a negative fair value. However, should interest rates rise and the value of the swap agreements become positive, the District would be exposed to credit risk in the amount of the swap agreements' fair values. The counterparty was not rated at June 30, 2014.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the District's financial instruments or the District's cash flows. The District is exposed to interest rate risk on the swap agreements. On its pay-fixed, receivable-variable interest rate swaps, as LIBOR decreases, the District's net payment on the swaps increases.

Termination Risk – Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the District's asset and liability strategy or will present the District with potential significant unscheduled termination payments to the counterparty. The District or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the swap agreements. If either swap agreement is terminated, the applicable variable rate Certificates of Participation would no longer carry a synthetic interest rate. Also, if, at the time of termination, the swap agreement has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap agreement's fair value.

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**DISTRICT SCHOOL BOARD OF
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10. BONDS PAYABLE

Bonds payable at June 30, 2014 are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2005A	\$ 115,000	\$ 5,000	5.0	2015
Series 2005A (Refunding)	2,935,000	895,000	4.0-5.0	2017
Series 2005B (Refunding)	325,000	155,000	5.0	2018
Series 2008A	1,295,000	1,085,000	4.25-5.0	2028
Series 2010A	225,000	205,000	3.5-5.0	2030
Series 2011A (Refunding)	2,625,000	1,120,000	3.0-5.0	2023
Series 2014A (Refunding)	229,000	229,000	2.0-5.0	2025
Subtotal	7,749,000	3,694,000		
Unamortized Premiums, Net	382,400	260,275		
Total Bonds Payable	<u>\$ 8,131,400</u>	<u>\$ 3,954,275</u>		

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

State School Bonds

These bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The total revenues received in the current fiscal year were \$1,622,274, all of which related to debt service. Other financing sources received were through the refunding of certain callable portions of Series 2004A and Series 2005A bonds totaled \$229,000 for bond proceeds and \$36,560 for bond premium and were used to refund \$255,000 of the Series 2004A and Series 2005A bonds. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

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**DISTRICT SCHOOL BOARD OF
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Annual requirements to amortize all bonded debt outstanding as of June 30, 2014, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2015	\$ 1,324,138	\$ 1,148,000	\$ 176,138
2016	649,213	528,000	121,213
2017	403,173	308,000	95,173
2018	253,953	174,000	79,953
2019	217,253	146,000	71,253
2020-2024	1,086,799	847,000	239,799
2025-2029	595,264	528,000	67,264
2030	15,600	15,000	600
Subtotal	4,545,393	3,694,000	851,393
Unamortized Premiums, Net	260,275	260,275	
Total Bonds Payable	<u>\$ 4,805,668</u>	<u>\$ 3,954,275</u>	<u>\$ 851,393</u>

11. CHANGES IN LONG-TERM LIABILITIES

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

<u>Description</u>	<u>Balance</u> <u>7-1-13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-14</u>	<u>Due in</u> <u>One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 4,920,000	\$ 229,000	\$ 1,455,000	\$ 3,694,000	\$ 1,148,000
Unamortized Premiums, Net	286,286	36,560	62,571	260,275	
Total Bonds Payable	5,206,286	265,560	1,517,571	3,954,275	1,148,000
Certificates of Participation Payable	38,249,240		3,497,827	34,751,413	3,620,768
Unamortized Premium	362,555		50,429	312,126	
Total Certificates of Participation Payable	38,611,795		3,548,256	35,063,539	3,620,768
Estimated Insurance Claims Payable	27,137,624	36,899,371	36,618,354	27,418,641	6,652,575
Compensated Absences Payable	41,301,720	4,905,953	3,861,993	42,345,680	4,234,951
Derivative Instruments Liability	966,089		493,093	472,996	
Other Postemployment Benefits Payable	3,361,894	2,223,097	2,860,281	2,724,710	
Total Governmental Activities	<u>\$ 116,585,408</u>	<u>\$ 44,293,981</u>	<u>\$ 48,899,548</u>	<u>\$ 111,979,841</u>	<u>\$ 15,656,294</u>

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 resources of the internal service funds.

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**DISTRICT SCHOOL BOARD OF
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12. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 6,879,038	\$ 1,149,737
Special Revenue - Other Federal Programs		3,515,942
Special Revenue - Federal Economic Stimulus Programs		531,921
Nonmajor Governmental	13,353	32,985
Internal Service		1,661,806
Total	<u>\$ 6,892,391</u>	<u>\$ 6,892,391</u>

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months. The amounts above do not include the school activity funds.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 7,691,323	\$
Capital Projects - Local Capital Improvement		12,185,859
Capital Projects - Other	359	505,464
Nonmajor Governmental	5,000,000	
Internal Service		359
Total	<u>\$ 12,691,682</u>	<u>\$ 12,691,682</u>

Transfers to the General Fund were made to assist in financing maintenance operations, the lease of instructional equipment, and for the payment of property insurance premiums. Transfers from the Internal Service Fund to the Capital Projects – Other Fund were made for miscellaneous expenditures related to the purchase of a medical facility for the District’s employee and dependent wellness program. Transfers from the Capital Projects – Local Capital Improvement Fund were used to fund a portion of the District’s debt service requirement and to cover qualified General Fund expenditures related to certain maintenance projects.

13. FUND BALANCE REPORTING

The District does not have a fund balance policy regarding the commitment or assignment of fund balance. However, Section 1001.51, Florida Statutes, requires the Superintendent or designee to prepare the Annual Financial Report, including the Comprehensive Annual Financial Report, in accordance with generally accepted accounting principles, including the statements issued by the Governmental Accounting Standard Board (GASB). The Board approves the assigned fund balance.

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**DISTRICT SCHOOL BOARD OF
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The District reports its governmental fund balances in the following categories, as applicable:

- **Nonspendable.** The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories as nonspendable.
- **Restricted.** The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances, other than General Fund, as restricted, as well as unspent State categorical and earmarked educational funding reported in the General Fund, that are legally or otherwise restricted.
- **Committed.** The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). Generally, such formal action by the Board would be in the form of a resolution or Board policy. These amounts cannot be used for any other purpose, unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed fund balances at June 30, 2014.
- **Assigned.** The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for specific purposes, such as allocated school-based funds, specific reserves for projects and contingencies, and other designated uses. Constraints imposed for assigned fund balances do not satisfy the criteria to be classified as restricted or committed. This category also includes any remaining positive amounts, for governmental funds, other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are constrained to be used for specific purposes based on actions of the Superintendent and Assistant Superintendent for Finance and Business Services and not included in other categories. The District has determined the following amounts as assigned fund balances: outstanding encumbrances totaling \$4,039,804 and \$16,203,606 for project carryovers.
- **Unassigned.** 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.

General Fund Minimum Fund Balance Requirement. Section 1011.051, Florida Statutes, requires that the District maintain a fund balance in the General Fund that is sufficient to address normal contingencies, and the Superintendent shall provide written notification to the Board and the Commissioner of Education if, at any time, the fund balance in the General Fund not classified as restricted, committed, or nonspendable in the approved operating budget is projected to fall below 3 percent of projected General Fund revenues. If the fund balance in the General Fund not classified as restricted, committed, or nonspendable is projected to fall below 2 percent of projected General Fund revenues, the Commissioner must determine whether the District has a plan to avoid a financial emergency, as determined pursuant to Section 218.503, Florida Statutes, or to appoint a financial emergency board operating consistent with the requirements, powers, and duties specified in Section 218.503(3)(g), Florida Statutes. The District has adopted Board policy 5.01, which provides that it is the goal of the District to maintain an unrestricted fund balance (the sum of the assigned and unassigned fund balance) in the General Fund of at least 3.5 percent to comply with the intent of

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**DISTRICT SCHOOL BOARD OF
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Section 1011.051, Florida Statutes. As of June 30, 2014, the unassigned and assigned fund balance in the General Fund of \$34,757,480 was 12.3 percent of General Fund revenues.

14. SIGNIFICANT COMMITMENTS

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

Under GASB Statement No. 54, encumbrances are not a specific purpose and therefore should not be reported as a separate line on the balance sheet. Encumbering funds that are already restricted, committed, or assigned based on the source and strength of the constraints placed on them does not further limit the use of the amounts reported in these classifications.

The following is a schedule of encumbrances at June 30, 2014:

Major Funds					Nonmajor	Total
General	Special Revenue - Other	Special Revenue - FESP	Capital Projects - LCI	Capital Projects - Other	Governmental Funds	Governmental Funds
\$ 4,529,832	\$ 644,663	\$ 21,125	\$3,663,899	\$ 22,073,873	\$ 1,205,736	\$27,609,296

Note: FESP - Federal Economic Stimulus Programs
 LCI - Local Capital Improvement

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**DISTRICT SCHOOL BOARD OF
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Construction Contract Commitments. The following is a summary of major construction contract commitments remaining at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
Districtwide Projects:			
Roofing Projects	\$ 943,190	\$ 333,538	\$ 609,652
Mechanical and Life Safety Systems	1,139,960	685,979	453,981
School Specific Projects:			
Northview High School - New PE Facility	695,903	248,100	447,803
Bellview Middle School - Cafeteria Renovation	338,405		338,405
A.K. Suter Elementary School - Rebuild of Facility	21,155,618	11,579,356	9,576,262
Spencer Bibbs Ancillary Complex - General Renovation	1,403,483	634,475	769,008
Ernest Ward Middle School - Rebuild of Facility	18,639,224	9,621,951	9,017,273
Total	<u>\$ 44,315,783</u>	<u>\$ 23,103,399</u>	<u>\$ 21,212,384</u>

Total other construction contract commitments (individually below \$250,000) amounted to \$1,387,836 at June 30, 2014.

15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2013-14 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 130,085,150
Categorical Educational Program - Class Size Reduction	43,315,211
Workforce Development Program	4,895,677
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,622,274
Voluntary Pre-K Program	913,018
School Recognition	809,820
Charter School Capital Outlay	505,464
Racing Commission Funds	446,500
Discretionary Lottery Funds	387,403
Food Service Supplement	302,684
Adults with Disabilities	162,244
Workforce Education Performance Incentive	137,343
Miscellaneous	371,733
Total	<u>\$ 183,954,521</u>

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

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16. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2013 tax roll for the 2013-14 fiscal year:

	Millages	Taxes Levied
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	5.309	\$ 80,622,141
Discretionary Local Effort	0.748	11,359,081
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.500	22,778,906
Total	7.557	\$ 114,760,128

17. FLORIDA RETIREMENT SYSTEM

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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

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 Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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 this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected

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County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2013-14 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Elected County Officers	3.00	33.03
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.84
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.20 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Investment Plan.

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan for the fiscal years ended June 30, 2012, June 30, 2013, and June 30, 2014, totaled \$8,346,622, \$8,885,764, and \$13,516,461, respectively, which were equal to the required contributions for each fiscal year.

There were 687 District participants in the Investment Plan during the 2013-14 fiscal year. The District's contributions including employee contributions to the Investment Plan totaled \$2,204,870 which was equal to the required contribution for the 2013-14 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850)413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on 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, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

18. EARLY TERMINATION BENEFITS

Retirement Incentive. Board policy provides for the payment of retirement incentive bonuses to District personnel who retire by the end of the fiscal year in which they first become eligible under any retirement plan sponsored by a unit of Florida municipal, local, or State government and who have a minimum of 15 years of service with the District. The Retirement Incentive is equal to 25 percent of the qualified employee's gross annual salary. In addition to payments made for regular termination benefits, the District reported expenditures totaling \$297,652 during the 2013-14 fiscal year for Retirement Incentive pay.

19. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

Plan Description. The Postemployment Healthcare Benefits Plan (Plan) is a single-employer, defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's self-insured health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the 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 plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. The benefits provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity.

Funding Policy. Plan contribution requirements of the District are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. The calculations were based on July 1, 2013, data where there were 682 retirees and 117 eligible dependents receiving postemployment healthcare benefits. For the 2013-14 fiscal year, the District provided required contributions of \$2,860,281 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$4,242,456. Required contributions are based on projected pay-as-you-go financing.

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 following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB asset for Postemployment Healthcare Benefits:

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Description	Amount
Normal Cost (service cost for one year)	\$ 1,100,000
Amortization of Unfunded Actuarial Accrued Liability	1,031,736
Interest on Normal Cost and Amortization	85,269
Annual Required Contribution	2,217,005
Interest on Net OPEB Obligation	134,476
Amortization of Net OPEB Obligation	(128,384)
Annual OPEB Cost	2,223,097
Contribution Toward the OPEB Cost	(2,860,281)
Decrease in Net OPEB Obligation	(637,184)
Net OPEB Obligation, Beginning of Fiscal Year	3,361,894
Net OPEB Obligation, End of Fiscal Year	\$ 2,724,710

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) as of June 30, 2014, and the preceding two fiscal years, are as follows:

Fiscal Year	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2011-12	\$ 2,261,291	\$ 197,410	8.7%	\$ 1,167,881
2012-13	2,411,164	217,151	9.0%	3,361,894
2013-14	2,223,097	2,860,281	128.7%	2,724,710

Funded Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$27,000,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$27,000,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$209,931,489 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.9 percent.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The District's OPEB actuarial valuation as of July 1, 2013 used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2014, and to estimate the District's 2013-14 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 percent per year, general inflation is 2.5 percent, and an annual healthcare cost trend rate of 8 percent initially for the 2013-14 fiscal year, reduced to an ultimate rate of 5 percent for the fiscal year ending June 30, 2025. The unfunded actuarial accrued liability and gains/losses are being amortized as a level percentage of projected payroll on an open basis over 30 years.

20. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for property losses, except that commercial property insurance having a number of different deductibles, sublimits, and policy maximums has been purchased to limit the District's exposure to loss. The District provides a self-insurance program for workers' compensation, automobile liability, and general liability coverage. These activities are accounted for in a Risk Management Fund, a part of the internal service funds reported on the basic financial statements of the District. For automobile and general liability, the District generally relies upon the sovereign immunity limits of Section 768.28, Florida Statutes, which limits the District's liability to \$200,000 for each claimant and \$300,000 in any one occurrence. Workers' compensation claims, except for certain claims covered under stop-loss insurance policies purchased in prior fiscal years, are fully covered by the District.

The District also provides commercially purchased life insurance and self-insured dental, prescription drug, and health coverage to its employees, retirees, and their dependents. These activities are accounted for in the Escambia School District Employee Benefit Trust, which is reported in the internal service funds on the basic financial statements of the District. The District has entered into agreements with various insurance companies to provide specific excess coverage of health claims that exceed a stated amount per policy period. In addition, third-party administrators have been contracted to assist in the payment and/or processing of dental, prescription drugs, and health claims.

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

For all programs for which the District is self-insured, an undiscounted liability in the amount of \$27,418,641 (\$23,968,235 for workers' compensation, automobile and general liability claims, and \$3,450,406 for dental, prescription drug, and health insurance claims) was actuarially determined to cover estimated incurred, but not reported claims and insurance claims payable at June 30, 2014.

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

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012-13	\$ 28,337,836	\$ 34,218,861	\$ (35,419,073)	\$ 27,137,624
2013-14	27,137,624	36,899,371	(36,618,354)	27,418,641

21. OTHER LOSS CONTINGENCY

The Escambia County Property Appraiser was involved in ongoing litigation with the Pensacola Beach Leaseholders and Residents Association regarding the appraisals on and taxability of the values of leasehold improvements and land on Pensacola Beach. During the litigation, some leaseholders have chosen to pay the assessed taxes, while others have chosen not to pay the assessed taxes pending the outcome of the litigation.

The Florida Supreme Court ultimately ruled during the 2013-14 fiscal year that the leasehold improvements are taxable and the issue has therefore been resolved. However, the Property Appraiser is of the opinion that the land under lease is also addressed by the Court ruling but the leaseholders disagree. Consequently, taxation on the land is still unresolved. Depending upon the ultimate outcome of this litigation, the District may be entitled to its portion (estimated at \$2,091,075 at June 30, 2014) of the gross taxes uncollected from residential leaseholders, or the District may be required to return a portion of the gross taxes that were previously collected from the leaseholders. At June 30, 2014, the District has received \$30,623,368 in taxes collected from residential leaseholders.

22. LITIGATION

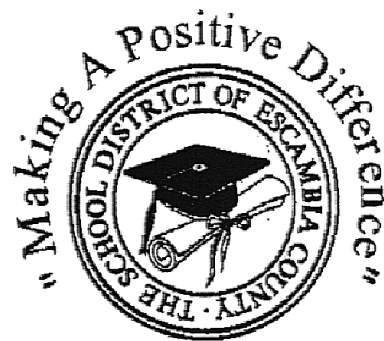
The District is involved in several pending and threatened legal actions. It is the opinion of District management, after giving consideration to the District's related insurance coverage, as well as statutory limitations on uninsured losses for governmental agencies, that the amount of loss from all such claims and actions would not materially affect the financial condition of the District.

23. SUBSEQUENT EVENTS

In November 2014, the District issued \$19,840,000 Refunding Certificates of Participation, Series 2014, which refinanced the Certificates of Participation, Series 2004. The refunding was based on a reduced interest rate opportunity.

In November 2014, the voters of Escambia County approved a ten year extension to the District's current one-half cent sales surtax for capital outlay. The extension will begin on January 1, 2018, and will end on December 31, 2027.

REQUIRED SUPPLEMENTARY INFORMATION



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION –
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFITS PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percent of Covered Payroll [(b-a)/c]
7/1/2009	\$ 0	\$ 32,163,000	\$ 32,163,000	0%	\$196,502,045	16.37%
7/1/2011	0	30,810,897	30,810,897	0%	196,715,625	15.66%
7/1/2013	0	27,000,000	27,000,000	0%	209,931,489	12.86%

Note (1): See notes to required supplementary information for actuarial methods used to calculate the actuarial accrued liability.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

1. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

The July 1, 2013, unfunded actuarial accrued liability of \$27,000,000 was significantly lower than the July 1, 2011, liability of \$30,810,897 due to:

- The District's OPEB actuarial valuation as of July 1, 2011, used the projected unit credit actuarial cost method to estimate the unfunded actuarial liability and the projected unit credit method to determine the annual required contribution. The District's OPEB actuarial valuation as of July 1, 2013, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to determine the annual required contribution.
- The actuarial assumptions for the 2011-12 fiscal year included a 4.5 percent rate of return on invested assets, a payroll growth rate of 3.5 percent a year, and a flat inflation rate. The actuarial assumptions for the 2013-14 fiscal year included a 4 percent rate of return on invested assets, a payroll growth rate of 3 percent a year, and an inflation rate of 2.5 percent.
- The assumed annual healthcare cost trend rate was revised. In the previous valuation, the initial healthcare cost trend was 10 percent initially for the 2011-12 fiscal year, decreasing by 1 percent each year to an ultimate rate of 5 percent. In the current valuation, the annual healthcare cost trend rate was 8 percent initially for the 2013-14 fiscal year, reduced to an ultimate rate of 5 percent for the fiscal year ending June 30, 2025.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government, and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal of the current portion on long-term debt.

Other Debt Service Fund - To account for and report on Certificates of Participation issues, characterized as lease-purchase agreements.

SBE Bond Fund – To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the SBE on behalf of the District. These bonds are payable from the District’s portion of the State-assessed motor vehicle license tax.

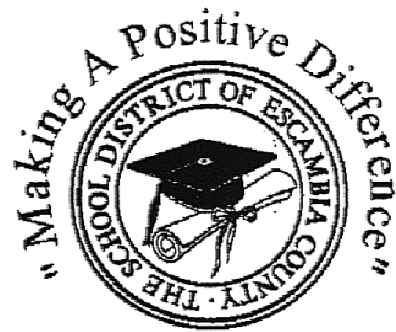
Nonmajor Governmental Funds (Continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Total Nonmajor Governmental Funds	Special Revenue Fund		Debt Service Funds		
		Total Nonmajor Special Revenue Fund	Food Service Fund	Total Nonmajor Debt Service Funds	Other Debt Service Fund	State Board of Education (SBE) Bond Fund
ASSETS						
Cash and Cash Equivalents	\$ 10,643,365	\$ 4,529,892	\$ 4,529,892	\$ 5,266,087	\$ 5,266,087	\$
Investments	173,605			173,605		173,605
Accounts Receivable	2,198	2,198	2,198			
Due from Other Funds	13,353	13,353	13,353			
Due from Other Agencies	57,200	57,200	57,200			
Inventories	1,715,215	1,715,215	1,715,215			
TOTAL ASSETS	\$ 12,604,936	\$ 6,317,858	\$ 6,317,858	\$ 5,439,692	\$ 5,266,087	\$ 173,605
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries and Benefits Payable	\$ 33,517	\$ 33,517	\$ 33,517	\$	\$	\$
Payroll Deductions and Withholdings	1,304	1,304	1,304			
Accounts Payable	80,122	60,122	60,122	20,000	20,000	
Due to Other Funds	32,985	32,985	32,985			
Deposits Payable	5,742	5,742	5,742			
Accrued Interest Payable	779,585			779,585	779,585	
Total Liabilities	933,255	133,670	133,670	799,585	799,585	
Fund Balances:						
Nonspendable:						
Inventories	1,715,215	1,715,215	1,715,215			
Restricted for:						
Debt Service	4,640,107			4,640,107	4,466,502	173,605
Capital Projects	847,386					
Food Service	4,468,973	4,468,973	4,468,973			
Total Fund Balances	11,671,681	6,184,188	6,184,188	4,640,107	4,466,502	173,605
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,604,936	\$ 6,317,858	\$ 6,317,858	\$ 5,439,692	\$ 5,266,087	\$ 173,605

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
June 30, 2014

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund
ASSETS			
Cash and Cash Equivalents	\$ 847,386	\$ 847,386	\$
Investments			
Accounts Receivable			
Due from Other Funds			
Inventories			
TOTAL ASSETS	\$ 847,386	\$ 847,386	\$ 0
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and Benefits Payable	\$	\$	\$
Payroll Deductions and Withholdings			
Accounts Payable			
Due to Other Funds			
Due to Other Agencies			
Deposits Payable			
Accrued Interest Payable			
Total Liabilities			
Fund Balances:			
Nonspendable:			
Inventories			
Restricted for:			
Debt Service			
Capital Projects	847,386	847,386	
Food Service			
Total Fund Balances	847,386	847,386	
TOTAL LIABILITIES AND FUND BALANCES	\$ 847,386	\$ 847,386	\$ 0

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Fund</u>		<u>Debt Service Funds</u>		
		<u>Total Nonmajor Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
REVENUES						
Federal Through State and Local:						
Food Service	\$ 15,587,668	\$ 15,587,668	\$ 15,587,668	\$	\$	\$
Total Federal Through State and Local	<u>15,587,668</u>	<u>15,587,668</u>	<u>15,587,668</u>			
State:						
Food Service	302,684	302,684	302,684			
CO and DS Withheld for SBE/COBI Bond	1,409,087			1,409,087		1,409,087
CO and DS Distribution	181,172					
Other State Sources	7,795			58		58
Total State	<u>1,900,738</u>	<u>302,684</u>	<u>302,684</u>	<u>1,409,145</u>		<u>1,409,145</u>
Local:						
Charges for Food Service	3,827,300	3,827,300	3,827,300			
Other Local Sources	9,373	8,450	8,450	923	923	
Total Local	<u>3,836,673</u>	<u>3,835,750</u>	<u>3,835,750</u>	<u>923</u>	<u>923</u>	
Total Revenues	<u>\$ 21,325,079</u>	<u>\$ 19,726,102</u>	<u>\$ 19,726,102</u>	<u>\$ 1,410,068</u>	<u>\$ 923</u>	<u>\$ 1,409,145</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue Fund</u>			<u>Debt Service Funds</u>		
	<u>Total Nonmajor Governmental Funds</u>	<u>Total Nonmajor Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
EXPENDITURES						
Current Education:						
Facility Services	\$ 527	\$	\$	\$	\$	\$
Food Services	20,499,174	20,499,174	20,499,174			
Fixed Capital Outlay:						
Other Capital Outlay	178,474	178,474	178,474			
Debt Service:						
Principal	4,697,828			4,697,828	3,497,828	1,200,000
Interest and Fiscal Charges	1,952,012			1,951,108	1,695,806	255,302
Total Expenditures	<u>27,328,015</u>	<u>20,677,648</u>	<u>20,677,648</u>	<u>6,648,936</u>	<u>5,193,634</u>	<u>1,455,302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,002,936)</u>	<u>(951,546)</u>	<u>(951,546)</u>	<u>(5,238,868)</u>	<u>(5,192,711)</u>	<u>(46,157)</u>
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issues:						
Refunding Bonds Issued	229,000			229,000		229,000
Premium on Refunding of Bonds	36,560			36,560		36,560
Payments to Refunded Bond Escrow Agent	(186,007)			(186,007)		(186,007)
Transfers In	5,000,000			5,000,000	5,000,000	
Total Other Financing Sources (Uses)	<u>5,079,553</u>			<u>5,079,553</u>	<u>5,000,000</u>	<u>79,553</u>
Net Change in Fund Balances	<u>(923,383)</u>	<u>(951,546)</u>	<u>(951,546)</u>	<u>(159,315)</u>	<u>(192,711)</u>	<u>33,396</u>
Fund Balances, July 1, 2013	12,595,064	7,135,734	7,135,734	4,799,423	4,659,213	140,210
Fund Balances, June 30, 2014	<u>\$ 11,671,681</u>	<u>\$ 6,184,188</u>	<u>\$ 6,184,188</u>	<u>\$ 4,640,108</u>	<u>\$ 4,466,502</u>	<u>\$ 173,606</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2014

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund
	<hr/>	<hr/>	<hr/>
REVENUES			
CO and DS Distribution	\$ 181,172	\$ 181,172	\$
Other State Sources	7,737	7,737	
	<hr/>	<hr/>	<hr/>
Total State	188,909	188,909	
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 188,909	\$ 188,909	\$ 0

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2014

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund
EXPENDITURES			
Current Education:			
Facility Services	\$ 527	\$ 194	\$ 333
Interest and Fiscal Charges	904	904	
Total Expenditures	<u>1,431</u>	<u>1,098</u>	<u>333</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>187,478</u>	<u>187,811</u>	<u>(333)</u>
Net Change in Fund Balances	187,478	187,811	(333)
Fund Balances, July 1, 2013	<u>659,907</u>	<u>659,574</u>	<u>333</u>
Fund Balances, June 30, 2014	<u><u>\$ 847,385</u></u>	<u><u>\$ 847,385</u></u>	<u><u>\$ 0</u></u>

General Fund

The General Fund is the primary operating fund of the Board. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The General Fund is reported as a major governmental fund.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2014

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Federal Impact, Current Operations	\$ 500,000	\$ 550,597	\$ 550,597	\$
Reserve Officers Training Corps (ROTC)	450,000	437,965	437,965	
Other Federal Direct Sources	300,000	232,608	232,608	
Total Federal Direct	1,250,000	1,221,170	1,221,170	
Federal Through State and Local:				
Medicaid	1,000,000	1,830,279	1,830,279	
Other Federal Through State and Local Sources	467,859	982,950	982,950	
Total Federal Through State and Local	1,467,859	2,813,229	2,813,229	
State:				
Florida Education Finance Program (FEFP)	132,432,736	130,085,150	130,085,150	
Workforce Development	4,895,677	4,895,677	4,895,677	
Workforce Education Performance Incentive		137,343	137,343	
Adults With Disabilities	181,079	170,000	162,244	(7,756)
CO and DS Withheld for Administrative Expense	24,183	24,217	24,217	
Categorical Programs - Class Size Reduction	43,630,289	43,315,211	43,315,211	
Other State Sources	2,456,737	2,988,973	2,928,477	(60,496)
Total State	183,620,701	181,616,571	181,548,319	(68,252)
Local:				
Property Taxes	87,995,309	91,977,693	91,977,693	
Interest Income	103,100	191,305	22,192	(169,113)
Other Local Sources	4,004,002	5,708,944	5,708,944	
Total Local	92,102,411	97,877,942	97,708,829	(169,113)
Total Revenues	278,440,971	283,528,912	283,291,547	(237,365)
EXPENDITURES				
Current Education:				
Instruction				
Salaries	128,397,955	132,159,365	123,291,856	8,867,509
Employee Benefits	34,638,294	34,696,500	34,651,668	44,832
Purchased Services	15,628,592	16,984,433	13,699,010	3,285,423
Energy Services	17,900	17,316	8,449	8,867
Materials and Supplies	12,634,981	11,521,237	2,618,822	8,902,415
Capital Outlay	403,889	1,077,731	840,346	237,385
Other Expenses	3,937,625	3,920,319	4,244,498	(324,179)
Total Instruction	195,659,236	200,376,901	179,354,649	21,022,252

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2014

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Student Personnel Services				
Salaries	\$ 9,687,283	\$ 11,065,918	\$ 9,684,816	\$ 1,381,102
Employee Benefits	2,553,851	2,548,352	2,726,977	(178,625)
Purchased Services	1,439,304	1,743,780	1,259,841	483,939
Energy Services	4,000	4,400	4,986	(586)
Materials and Supplies	139,897	153,004	47,718	105,286
Capital Outlay	1,900	6,685	4,472	2,213
Other Expenses	14,264	22,159	22,097	62
Total Student Personnel Services	13,840,499	15,544,298	13,750,907	1,793,391
Instructional Media Services				
Salaries	3,076,117	3,105,427	3,020,845	84,582
Employee Benefits	863,591	864,544	870,088	(5,544)
Purchased Services	55,635	51,815	50,868	947
Materials and Supplies	56,814	63,010	33,424	29,586
Capital Outlay	371,374	364,812	162,624	202,188
Other Expenses	27,300	27,420	26,336	1,084
Total Instructional Media Services	4,450,831	4,477,028	4,164,185	312,843
Instruction and Curriculum Development Services				
Salaries	3,593,286	3,855,572	3,487,504	368,068
Employee Benefits	863,599	867,944	896,992	(29,048)
Purchased Services	26,390	27,134	17,065	10,069
Materials and Supplies	69,934	70,077	42,220	27,858
Capital Outlay	150	1,291	1,085	206
Other Expenses	2,895	3,335	4,653	(1,318)
Total Instruction and Curriculum Development Services	4,556,254	4,825,353	4,449,518	375,835
Instructional Staff Training Services				
Salaries	1,615,205	1,754,834	1,816,010	(61,176)
Employee Benefits	202,346	394,152	412,117	(17,965)
Purchased Services	343,820	484,761	405,330	79,431
Materials and Supplies	63,772	74,335	122,218	(47,883)
Capital Outlay	1,000	95,979	6,479	89,500
Other Expenses	68,948	124,442	83,268	41,174
Total Instructional Staff Training Services	2,295,091	2,928,503	2,845,422	83,081
Instruction Related Technology				
Salaries	1,281,449	1,386,171	1,345,410	40,761
Employee Benefits	307,728	309,189	336,467	(27,278)
Purchased Services	81,905	73,530	160,664	(87,134)
Materials and Supplies	22,400	17,963		17,963
Capital Outlay	12,987	62,763	61,180	1,583
Other Expenses	18,317	11,977	7,509	4,468
Total Instruction Related Technology	1,724,786	1,861,593	1,911,230	(49,637)

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2014

	<i>General Fund</i>			
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current Education: (Continued)				
Board of Education				
Salaries	\$ 695,609	\$ 727,609	\$ 658,477	\$ 69,132
Employee Benefits	618,920	618,920	341,776	277,144
Purchased Services	307,167	305,824	152,091	153,733
Energy Services	950	950	1,030	(80)
Materials and Supplies	13,980	15,130	3,237	11,893
Capital Outlay		1,983	1,983	
Other Expenses	42,301	40,511	35,470	5,041
Total Board of Education	<u>1,678,927</u>	<u>1,710,927</u>	<u>1,194,064</u>	<u>516,863</u>
General Administration				
Salaries	491,359	491,359	431,102	60,257
Employee Benefits	103,002	103,002	114,376	(11,374)
Purchased Services	72,216	93,308	74,803	18,505
Materials and Supplies	21,400	17,710	6,375	11,335
Capital Outlay		760	760	
Other Expenses	74,600	74,534	77,035	(2,501)
Total General Administration	<u>762,577</u>	<u>780,673</u>	<u>704,451</u>	<u>76,222</u>
School Administration				
Salaries	11,350,127	12,729,237	11,484,939	1,244,298
Employee Benefits	2,829,105	2,841,507	3,077,612	(236,105)
Purchased Services	35,998	38,084	5,778	32,306
Materials and Supplies	72,948	78,832	37,876	40,956
Capital Outlay	8,874	29,663	26,720	2,943
Other Expenses	7,583	9,570	3,544	6,026
Total School Administration	<u>14,304,635</u>	<u>15,726,893</u>	<u>14,636,469</u>	<u>1,090,424</u>
Facility Services				
Salaries	173,396	579,396	162,468	416,928
Employee Benefits	35,999	35,999	36,972	(973)
Purchased Services	553,474	561,535	141,052	420,483
Energy Services	20,500	19,542	21,285	(1,743)
Materials and Supplies	24,300	30,700	10,097	20,603
Capital Outlay	606,838	725,266	112,134	613,132
Other Expenses	3,600	1,948	1,948	
Total Facility Services	<u>1,418,107</u>	<u>1,954,386</u>	<u>485,956</u>	<u>1,468,430</u>
Fiscal Services				
Salaries	1,620,241	1,620,241	1,462,729	157,512
Employee Benefits	380,243	380,243	382,938	(2,695)
Purchased Services	841,676	831,186	271,595	559,591
Materials and Supplies	37,714	35,654	17,690	17,964
Capital Outlay	14,103	12,782	179	12,603
Other Expenses	35,875	35,906	8,831	27,075
Total Fiscal Services	<u>2,929,852</u>	<u>2,916,012</u>	<u>2,143,962</u>	<u>772,050</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2014

	<i>General Fund</i>			
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Food Services				
Salaries	\$ 142,519	\$ 157,208	\$ 125,023	\$ 32,185
Employee Benefits	7,351	8,427	4,322	4,105
Other Expenses		154	154	
Total Food Services	<u>149,870</u>	<u>165,789</u>	<u>129,499</u>	<u>36,290</u>
Central Services				
Salaries	2,936,522	3,467,512	3,034,863	432,649
Employee Benefits	1,004,345	1,004,349	965,488	38,861
Purchased Services	1,274,426	1,650,506	510,149	1,140,357
Energy Services	40,000	38,101	39,656	(1,555)
Materials and Supplies	248,036	251,472	111,084	140,388
Capital Outlay	1,000	7,555	5,337	2,218
Other Expenses	144,129	125,678	106,429	19,249
Total Central Services	<u>5,648,458</u>	<u>6,545,173</u>	<u>4,773,006</u>	<u>1,772,167</u>
Student Transportation Services				
Salaries	8,485,312	8,485,312	8,090,354	394,958
Employee Benefits	4,044,471	4,045,477	3,545,810	499,667
Purchased Services	459,215	408,294	283,128	125,166
Energy Services	3,074,475	3,029,407	2,578,668	450,739
Materials and Supplies	922,084	1,103,244	1,061,597	41,647
Capital Outlay	137,655	94,046	89,792	4,254
Other Expenses	585,112	604,874	387,200	217,674
Total Student Transportation Services	<u>17,708,324</u>	<u>17,770,654</u>	<u>16,036,549</u>	<u>1,734,105</u>
Operation of Plant				
Salaries	5,366,377	5,364,011	5,208,367	155,644
Employee Benefits	2,666,101	2,668,188	2,494,286	173,902
Purchased Services	9,393,986	8,775,234	6,447,512	2,327,722
Energy Services	12,373,091	12,338,437	11,912,582	425,855
Materials and Supplies	609,382	603,490	604,841	(1,351)
Capital Outlay	33,410	91,401	82,277	9,124
Other Expenses	288,600	291,084	342,217	(51,133)
Total Operation of Plant	<u>30,730,947</u>	<u>30,131,845</u>	<u>27,092,082</u>	<u>3,039,763</u>
Maintenance of Plant				
Salaries	4,632,037	4,324,957	4,484,256	(159,299)
Employee Benefits	1,810,860	1,810,860	1,721,514	89,346
Purchased Services	6,840,552	7,264,620	2,473,788	4,790,832
Energy Services	239,674	247,335	322,773	(75,438)
Materials and Supplies	1,545,328	1,570,677	1,511,923	58,754
Capital Outlay	55,627	41,923	39,260	2,663
Other Expenses	41,000	41,000	39,230	1,770
Total Maintenance of Plant	<u>15,165,078</u>	<u>15,301,372</u>	<u>10,592,744</u>	<u>4,708,628</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2014

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Administrative Technology Services				
Salaries	\$ 2,369,217	\$ 2,564,375	\$ 2,397,698	\$ 166,677
Employee Benefits	582,100	582,100	597,561	(15,461)
Purchased Services	179,972	194,762	37,635	157,127
Energy Services	4,500	4,480	2,503	1,977
Materials and Supplies	77,597	57,829	31,990	25,839
Capital Outlay	102	8,893	8,892	1
Other Expenses		1,206	1,271	(65)
Total Administrative Technology Services	<u>3,213,488</u>	<u>3,413,645</u>	<u>3,077,550</u>	<u>336,095</u>
Community Services				
Salaries	99,650	147,370	154,313	(6,943)
Employee Benefits	31,772	58,179	55,759	2,420
Purchased Services	10,400	14,421	4,013	10,408
Materials and Supplies	238,809	248,676	22,784	225,892
Capital Outlay		20,456	10,225	10,231
Other Expenses	366,791	321,323	237,334	83,989
Total Community Services	<u>747,422</u>	<u>810,425</u>	<u>484,428</u>	<u>325,997</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	225,027	284,078	178,996	105,082
Other Capital Outlay	930,785	918,718	604,442	314,276
Total Fixed Capital Outlay	<u>1,155,812</u>	<u>1,202,796</u>	<u>783,438</u>	<u>419,358</u>
Debt Service:				
Principal	10,000	10,000		10,000
Total Debt Service	<u>10,000</u>	<u>10,000</u>		<u>10,000</u>
Total Expenditures	<u>318,150,194</u>	<u>328,454,266</u>	<u>288,610,109</u>	<u>39,844,157</u>
Deficiency of Revenues Over Expenditures	<u>(39,709,223)</u>	<u>(44,925,354)</u>	<u>(5,318,562)</u>	<u>39,606,792</u>
Other Financing Sources				
Transfers In	10,678,082	7,691,323	7,691,323	
Insurance Loss Recoveries		500,000	500,000	
Total Other Financing Sources	<u>10,678,082</u>	<u>8,191,323</u>	<u>8,191,323</u>	
Net Change in Fund Balances	<u>(29,031,141)</u>	<u>(36,734,031)</u>	<u>2,872,761</u>	<u>39,606,792</u>
Fund Balances, July 1, 2013	<u>50,586,371</u>	<u>50,586,371</u>	<u>50,586,371</u>	
Fund Balances, June 30, 2014	<u>\$ 21,555,230</u>	<u>\$ 13,852,340</u>	<u>\$ 53,459,132</u>	<u>\$ 39,606,792</u>

Special Revenue Funds

The special revenue funds account for certain revenues derived from the State of Florida, the Federal Government and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Major Special Revenue Funds

Other Federal Programs Fund – To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.

Federal Economic Stimulus Programs Fund – To account for programs funded by the American Recovery and Reinvestment Act (ARRA) requiring separate accountability because of legal or regulatory restrictions.

Nonmajor Special Revenue Fund

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE
For the Fiscal Year Ended June 30, 2014

	<i>Food Service Fund</i>			
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>		<i>Final Budget -</i> <i>Positive</i> <i>(Negative)</i>
REVENUES				
Federal Through State and Local:				
Food Service	\$ 15,445,000	\$ 15,468,965	\$ 15,587,668	\$ 118,703
Total Federal Through State and Local	15,445,000	15,468,965	15,587,668	118,703
State:				
Food Service	305,000	302,684	302,684	
Total State	305,000	302,684	302,684	
Local:				
Charges for Food Service	4,037,000	4,010,401	3,827,300	(183,101)
Other Local Sources	3,500	8,450	8,450	
Total Local	4,040,500	4,018,851	3,835,750	(183,101)
Total Revenues	19,790,500	19,790,500	19,726,102	(64,398)
EXPENDITURES				
Current Education:				
Food Services:				
Salaries	4,647,000	4,647,000	4,505,988	141,012
Employee Benefits	2,621,900	2,599,772	2,465,300	134,472
Purchased Services	1,471,422	866,905	646,516	220,389
Energy Services	300,150	300,150	268,779	31,371
Materials and Supplies	8,875,638	9,465,093	9,568,664	(103,571)
Capital Outlay	1,567,582	1,567,582	1,051,240	516,342
Other Expenses	1,788,500	2,080,105	1,992,687	87,418
Total Food Services	21,272,192	21,526,607	20,499,174	1,027,433
Fixed Capital Outlay:				
Other Capital Outlay	859,397	604,982	178,474	426,508
Total Fixed Capital Outlay	859,397	604,982	178,474	426,508
Total Expenditures	22,131,589	22,131,589	20,677,648	1,453,941
Deficiency of Revenues Over Expenditures	(2,341,089)	(2,341,089)	(951,546)	1,389,543
Net Change in Fund Balances	(2,341,089)	(2,341,089)	(951,546)	1,389,543
Fund Balances, July 1, 2013	7,135,734	7,135,734	7,135,734	
Fund Balances, June 30, 2014	\$ 4,794,645	\$ 4,794,645	\$ 6,184,188	\$ 1,389,543

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2014

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Other Federal Direct Sources	\$ 1,969,095	\$ 1,895,535	\$ 1,617,344	\$ (278,191)
Total Federal Direct	1,969,095	1,895,535	1,617,344	(278,191)
Federal Through State and Local:				
Vocational Education	513,392	528,274	527,079	(1,195)
Workforce Investment Act	366,250	346,651	346,651	
Individuals with Disabilities Education Act	13,268,116	12,379,121	11,368,354	(1,010,767)
Title I	19,268,222	19,489,438	14,383,531	(5,105,907)
Adult General Education	275,537	244,315	229,849	(14,466)
Other Federal Through State and Local Sources	3,827,687	3,804,786	2,314,951	(1,489,835)
Total Federal Through State and Local	37,519,204	36,792,585	29,170,415	(7,622,170)
Total Revenues	39,488,299	38,688,120	30,787,759	(7,900,361)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	6,332,802	7,840,139	6,072,717	1,767,422
Employee Benefits	2,391,319	2,694,453	2,138,752	555,701
Purchased Services	3,018,191	1,931,089	1,613,063	318,026
Energy Services	800	475		475
Materials and Supplies	5,657,509	1,358,237	1,039,677	318,560
Capital Outlay	1,279,887	1,841,808	1,443,308	398,500
Other Expenses	881,312	879,740	753,243	126,497
Total Instruction	19,561,820	16,545,941	13,060,760	3,485,181
Student Personnel Services:				
Salaries	944,783	940,558	814,654	125,904
Employee Benefits	261,857	282,872	230,233	52,639
Purchased Services	1,490,055	1,180,453	969,540	210,913
Materials and Supplies	143,924	152,385	108,106	44,279
Capital Outlay	807	2,125	1,625	500
Other Expenses	129,396	141,495	111,528	29,967
Total Student Personnel Services	2,970,822	2,699,888	2,235,686	464,202
Instructional Media Services:				
Salaries	850	26,949	25,770	1,179
Employee Benefits	149	4,548	4,150	398
Capital Outlay	15,722	16,150	16,046	104
Other Expenses		200	188	12
Total Instructional Media Services	16,721	47,847	46,154	1,693

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2014

	Other Federal Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 3,994,254	\$ 4,158,234	\$ 4,021,749	\$ 136,485
Employee Benefits	1,153,932	1,148,142	1,068,628	79,514
Purchased Services	173,672	161,742	124,499	37,243
Materials and Supplies	107,548	98,016	76,374	21,642
Capital Outlay	91,148	78,272	25,905	52,367
Other Expenses	7,571	11,390	10,918	472
Total Instruction and Curriculum Development Services	5,528,125	5,655,796	5,328,073	327,723
Instructional Staff Training Services:				
Salaries	1,983,824	2,889,477	2,316,252	573,225
Employee Benefits	533,117	703,188	576,260	126,928
Purchased Services	1,691,936	2,307,873	1,606,757	701,116
Materials and Supplies	1,143,679	443,555	189,986	253,569
Capital Outlay	99,117	281,911	41,219	240,692
Other Expenses	249,713	373,426	148,552	224,874
Total Instructional Staff Training Services	5,701,386	6,999,430	4,879,026	2,120,404
Instruction Related Technology:				
Salaries	1,484,041	1,336,160	1,265,404	70,756
Employee Benefits	403,758	411,084	360,970	50,114
Purchased Services	22,600	32,745	32,150	595
Other Expenses	63,104	74,341	63,636	10,705
Total Instruction Related Technology	1,973,503	1,854,330	1,722,160	132,170
General Administration:				
Other Expenses	1,205,129	1,659,020	1,548,490	110,530
Total General Administration	1,205,129	1,659,020	1,548,490	110,530
School Administration:				
Salaries	1,000	79,974	64,254	15,720
Employee Benefits	176	41,931	33,979	7,952
Purchased Services		4,560		4,560
Other Expenses		9,198	9,198	
Total School Administration	1,176	135,663	107,431	28,232
Facility Services:				
Purchased Services	20,000			
Capital Outlay	3,600	26,482	5,001	21,481
Total Facility Services	23,600	26,482	5,001	21,481
Fiscal Services:				
Purchased Services	20,000			
Total Fiscal Services	20,000			
Food Services:				
Salaries		875	875	
Employee Benefits		85	80	5
Total Food Services		960	955	5
Central Services:				
Salaries	36,237	18,761	18,761	
Employee Benefits	8,701	6,155	6,010	145
Purchased Services	64,862	32,511	30,439	2,072
Materials and Supplies	2,540	27		27
Other Expenses	5,585	5,535	970	4,565
Total Central Services	117,925	62,989	56,180	6,809

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2014

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Student Transportation Services:				
Purchased Services	\$ 13,000	\$ 16,336	\$ 15,380	\$ 956
Energy Services	198	7,945	4,600	3,345
Materials and Supplies	81			
Other Expenses	444,053	381,276	306,470	74,806
Total Student Transportation Services	457,332	405,557	326,450	79,107
Operation of Plant:				
Salaries		2,125	2,125	
Employee Benefits		193	163	30
Purchased Services	20,583	39,176	28,824	10,352
Total Operation of Plant	20,583	41,494	31,112	10,382
Maintenance of Plant:				
Purchased Services	3,500			
Total Maintenance of Plant	3,500			
Administrative Technology Services:				
Salaries	67,770	55,530	55,530	
Employee Benefits	17,274	16,132	15,049	1,083
Purchased Services	50	13		13
Total Administrative Technology Services	85,094	71,675	70,579	1,096
Community Services:				
Employee Benefits	2,359	2,108	2,108	
Purchased Services	1,160	8,216	8,216	
Materials and Supplies	8,000	1,963	1,963	
Other Expenses	936,585	883,541	882,811	730
Total Community Services	948,104	895,828	895,098	730
Fixed Capital Outlay:				
Facilities Acquisition and Construction	3,192	118,003	1,211	116,792
Other Capital Outlay	760,846	1,467,217	473,023	994,194
Total Fixed Capital Outlay	764,038	1,585,220	474,234	1,110,986
Total Expenditures	39,398,858	38,688,120	30,787,389	7,900,731
Excess of Revenues Over Expenditures	89,441		370	370
Net Change in Fund Balances	89,441		370	370
Fund Balances, July 1, 2013				
Fund Balances, June 30, 2014	\$ 89,441	\$ 0	\$ 370	\$ 370

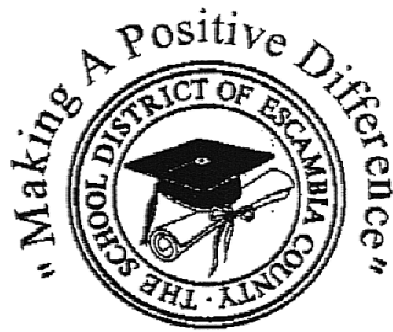
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS
For the Fiscal Year Ended June 30, 2014

	Federal Economic Stimulus Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local:				
Race-to-the-Top	\$ 2,876,221	\$ 2,950,288	\$ 2,846,953	\$ (103,335)
Title I	394,286			
Total Federal Through State and Local	<u>3,270,507</u>	<u>2,950,288</u>	<u>2,846,953</u>	<u>(103,335)</u>
Total Revenues	<u>3,270,507</u>	<u>2,950,288</u>	<u>2,846,953</u>	<u>(103,335)</u>
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	360,772	1,450	1,205	245
Employee Benefits	33,514	245	141	104
Purchased Services	38,000	18,500	18,500	
Materials and Supplies	23,575	4,008	4,008	
Capital Outlay	1,812	22,991	22,991	
Total Instruction	<u>457,673</u>	<u>47,194</u>	<u>46,845</u>	<u>349</u>
Instruction and Curriculum Development Services:				
Salaries	101,310	105,479	105,001	478
Employee Benefits	21,242	15,311	14,535	776
Purchased Services		28,896	28,896	
Materials and Supplies	973	1,584	1,584	
Other Expenses	748			
Total Instruction and Curriculum Development Services	<u>124,273</u>	<u>151,270</u>	<u>150,016</u>	<u>1,254</u>
Instructional Staff Training Services:				
Salaries	815,189	700,665	655,694	44,971
Employee Benefits	202,452	147,954	142,089	5,865
Purchased Services	429,910	492,539	476,361	16,178
Materials and Supplies	29,648	85,218	62,875	22,343
Capital Outlay	4,124	8,782	8,782	
Other Expenses	60,027	74,738	63,838	10,900
Total Instructional Staff Training Services	<u>1,541,350</u>	<u>1,509,896</u>	<u>1,409,639</u>	<u>100,257</u>
Instruction Related Technology:				
Salaries	92,214	78,104	78,086	18
Employee Benefits	27,468	21,266	20,885	381
Purchased Services	299,603	281,251	281,251	
Materials and Supplies	26,508	21,525	21,525	
Total Instruction Related Technology	<u>445,793</u>	<u>402,146</u>	<u>401,747</u>	<u>399</u>

(Continued)

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2014**

	<i>Federal Economic Stimulus Programs Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
General Administration:				
Other Expenses	\$ 128,560	\$ 156,219	\$ 156,218	\$ 1
Total General Administration	128,560	156,219	156,218	1
Fiscal Services:				
Salaries	26,000	13,018	13,018	
Employee Benefits	8,759	2,291	2,290	1
Total Fiscal Services	34,759	15,309	15,308	1
Central Services:				
Salaries	63,071	62,405	62,405	
Employee Benefits	15,932	16,720	16,665	55
Purchased Services	52,964	51,282	51,120	162
Total Central Services	131,967	130,407	130,190	217
Student Transportation Services:				
Other Expenses		700		700
Total Student Transportation Services		700		700
Administrative Technology Services:				
Salaries	202,606	206,303	206,303	
Employee Benefits	43,479	54,698	54,541	157
Purchased Services	110,112	107,172	107,172	
Capital Outlay	11,452	43,728	43,728	
Total Administrative Technology Services	367,649	411,901	411,744	157
Fixed Capital Outlay:				
Other Capital Outlay	38,483	125,246	125,246	
Total Fixed Capital Outlay	38,483	125,246	125,246	
Total Expenditures	3,270,507	2,950,288	2,846,953	103,335
Excess (Deficiency) of Revenues Over Expenditures				
Net Change in Fund Balances				
Fund Balances, July 1, 2013				
Fund Balances, June 30, 2014	\$ 0	\$ 0	\$ 0	\$ 0



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Debt Service Funds

The debt service funds are used to account for the payment of interest and principal of the current portion on long-term debt.

Nonmajor Debt Service Funds

Other Debt Service Fund - To account for and report on Certificates of Participation issues, characterized as lease-purchase agreements.

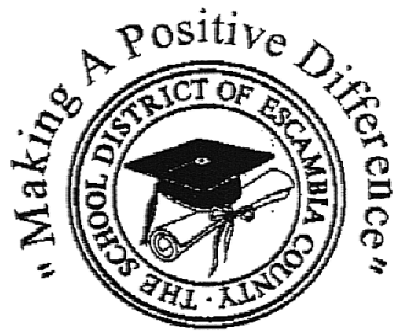
State Board of Education (SBE) Bond Fund – To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the SBE on behalf of the District. These bonds are payable from the District’s portion of the State-assessed motor vehicle license tax.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2014

	<i>Other Debt Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Local:				
Interest Income	\$	\$ 923	\$ 923	\$
Total Local		923	923	
Total Revenues		923	923	
EXPENDITURES				
Debt Service:				
Principal	3,497,829	3,497,828	3,497,828	
Interest and Fiscal Charges	1,686,553	1,695,806	1,695,806	
Total Expenditures	5,184,382	5,193,634	5,193,634	
Deficiency of Revenues Over Expenditures	(5,184,382)	(5,192,711)	(5,192,711)	
OTHER FINANCING SOURCES				
Transfers In	5,000,000	5,000,000	5,000,000	
Total Other Financing Sources	5,000,000	5,000,000	5,000,000	
Net Change in Fund Balances	(184,382)	(192,711)	(192,711)	
Fund Balances, July 1, 2013	4,659,213	4,659,213	4,659,213	
Fund Balances, June 30, 2014	\$ 4,474,831	\$ 4,466,502	\$ 4,466,502	\$ 0

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - STATE BOARD OF EDUCATION (SBE) BONDS
For the Fiscal Year Ended June 30, 2014

	State Board of Education (SBE) Bond Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State:				
CO and DS Withheld for SBE/COBI Bonds	\$ 1,438,233	\$ 1,409,087	\$ 1,409,087	\$
Other State Sources		61	58	(3)
Total State	1,438,233	1,409,148	1,409,145	(3)
Total Revenues	1,438,233	1,409,148	1,409,145	(3)
EXPENDITURES				
Debt Service:				
Principal	1,200,000	1,200,000	1,200,000	
Interest and Fiscal Charges	238,233	255,302	255,302	
Total Expenditures	1,438,233	1,455,302	1,455,302	
Deficiency of Revenues Over Expenditures		(46,154)	(46,157)	(3)
Other Financing Sources (Uses)				
Refunding Bonds Issued		229,000	229,000	
Premium on Refunding Bonds		36,559	36,560	(1)
Payments to Refunded Bond Escrow Agent		(186,007)	(186,007)	
Total Other Financing Sources (Uses)		79,552	79,553	(1)
Net Change in Fund Balances		33,398	33,396	2
Fund Balances, July 1, 2013	140,210	140,210	140,210	
Adjustment to Fund Balance	(3)	(3)		(3)
Fund Balances, June 30, 2014	\$ 140,207	\$ 173,605	\$ 173,606	\$ (1)



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Capital Projects Funds

The capital projects funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Major Capital Projects Funds

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 Fund - To account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including new construction, renovation, and remodeling projects.

Nonmajor Capital Projects Funds

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2014

	Local Capital Improvement Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local:				
Property Taxes	\$ 21,791,805	\$ 22,777,599	\$ 22,777,599	\$
Interest Income		(1,923)	(1,923)	
Total Local	<u>21,791,805</u>	<u>22,775,676</u>	<u>22,775,676</u>	
Total Revenues	<u>21,791,805</u>	<u>22,775,676</u>	<u>22,775,676</u>	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	474,086	1,310,518	987,877	322,641
Improvements Other Than Buildings	482,262	766,656	154,306	612,350
Remodeling and Renovations	3,626,158	3,689,061	1,992,339	1,696,722
Computer Software	203,422	544,296	120,585	423,711
Total Facility Services	<u>4,785,928</u>	<u>6,310,531</u>	<u>3,255,107</u>	<u>3,055,424</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	2,483,945	1,748,584	913,024	835,560
Motor Vehicles	5,095,823	5,095,823	2,665,329	2,430,494
Improvements Other Than Buildings	194,338	269,104	85,209	183,895
Remodeling and Renovations	16,344	44,603	30,899	13,704
Computer Software	443,877	433,113		433,113
Total Facilities Acquisition and Construction	<u>8,234,327</u>	<u>7,591,227</u>	<u>3,694,461</u>	<u>3,896,766</u>
Total Expenditures	<u>13,020,255</u>	<u>13,901,758</u>	<u>6,949,568</u>	<u>6,952,190</u>
Excess of Revenues Over Expenditures	<u>8,771,550</u>	<u>8,873,918</u>	<u>15,826,108</u>	<u>6,952,190</u>
Other Financing Uses				
Transfers Out	(15,382,056)	(12,185,859)	(12,185,859)	
Total Other Financing Uses	<u>(15,382,056)</u>	<u>(12,185,859)</u>	<u>(12,185,859)</u>	
Net Change in Fund Balances	(6,610,506)	(3,311,941)	3,640,249	6,952,190
Fund Balances, July 1, 2013	15,763,184	15,763,184	15,763,184	
Fund Balances, June 30, 2014	<u>\$ 9,152,678</u>	<u>\$ 12,451,243</u>	<u>\$ 19,403,433</u>	<u>\$ 6,952,190</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE
For the Fiscal Year Ended June 30, 2014

	Capital Outlay and Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO and DS Distribution	\$ 198,595	\$ 181,172	\$ 181,172	\$
Other State Sources		7,737	7,737	
Total State	198,595	188,909	188,909	
Total Revenues	198,595	188,909	188,909	
EXPENDITURES				
Current - Education:				
Facility Services:				
Improvements Other Than Buildings	25,145	25,145		25,145
Remodeling and Renovations	767,854	767,854	194	767,660
Total Facility Services	792,999	792,999	194	792,805
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	39,595	29,006		29,006
Improvements Other Than Buildings	11,289	11,289		11,289
Total Facilities Acquisition and Construction	50,884	40,295		40,295
Debt Service:				
Dues and Fees		904	904	
Total Expenditures	843,883	834,198	1,098	833,100
Excess (Deficiency) of Revenues Over Expenditures	(645,288)	(645,289)	187,811	833,100
Net Change in Fund Balances	(645,288)	(645,289)	187,811	833,100
Fund Balances, July 1, 2013	659,574	659,574	659,574	
Fund Balances, June 30, 2014	\$ 14,286	\$ 14,285	\$ 847,385	\$ 833,100

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY
For the Fiscal Year Ended June 30, 2014

	<i>Public Education Capital Outlay Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Public Education Capital Outlay				
Total State				
Total Revenues				
EXPENDITURES				
Current - Education:				
Facility Services:				
Remodeling and Renovations	\$ 333	\$ 333	\$ 333	\$
Total Facility Services	333	333	333	
Total Expenditures	333	333	333	
Deficiency of Revenues Over Expenditures	(333)	(333)	(333)	
Net Change in Fund Balances	(333)	(333)	(333)	
Fund Balances, July 1, 2013	333	333	333	
Fund Balances, June 30, 2014	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
For the Fiscal Year Ended June 30, 2014

	Other Capital Projects Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
Charter School Capital Outlay	\$ 296,026	\$ 505,464	\$ 505,464	\$
Total State	296,026	505,464	505,464	
Local:				
Sales Taxes	20,000,000	21,856,254	21,856,254	
Interest Income		76,064	76,064	
Total Local	20,000,000	21,932,318	21,932,318	
Total Revenues	20,296,026	22,437,782	22,437,782	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	986,047	1,104,645	166,988	937,657
Improvements Other Than Buildings	517,986	659,118	393,641	265,477
Remodeling and Renovations	21,358,094	19,159,232	9,017,284	10,141,948
Computer Software	1,448	1,448		1,448
Total Facility Services	22,863,575	20,924,443	9,577,913	11,346,530
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	65,446,597	70,544,923	18,567,757	51,977,166
Furniture, Fixtures, and Equipment	1,088,830	1,095,405	117,460	977,945
Land	1,718,000	1,727,407	359,407	1,368,000
Improvements Other Than Buildings	1,267,376	1,140,026	794,998	345,028
Remodeling and Renovations	631,376	665,132	233,285	431,847
Total Facilities Acquisition and Construction	70,152,179	75,172,893	20,072,907	55,099,986
Total Expenditures	93,015,754	96,097,336	29,650,820	66,446,516
Excess (Deficiency) of Revenues Over Expenditures	(72,719,728)	(73,659,554)	(7,213,038)	66,446,516
Other Financing Sources (Uses)				
Sale of Fixed Assets		1,113,573	1,113,573	
Transfers In		359	359	
Transfers Out	(296,026)	(505,464)	(505,464)	
Total Other Financing Sources (Uses)	(296,026)	608,468	608,468	
Net Change in Fund Balances	(73,015,754)	(73,051,086)	(6,604,570)	66,446,516
Fund Balances, July 1, 2013	79,266,624	79,266,624	79,266,624	
Fund Balances, June 30, 2014	\$ 6,250,870	\$ 6,215,538	\$ 72,662,054	\$ 66,446,516

Internal Service Funds

Internal service funds are nonmajor proprietary funds and are reported as Governmental-type Activities. They are used to account for the financing of goods or services provided by one department to other departments within the District on a cost-reimbursement basis. The following funds are included in the internal service funds:

Risk Management Fund – To account for and report on funds received for and used by the District’s self-insured property, casualty, liability, and workers’ compensation program.

Employee Benefit Trust Fund – To account for and report on funds received for and used to pay for life, health, and dental insurance issued under the District’s self-insurance program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2014

	<i>Governmental Activities</i>		
	<i>Proprietary Funds - Internal Service Funds</i>		
	<i>Self-Insurance</i>		<i>Total</i>
	<i>Risk Management Fund</i>	<i>Employee Benefit Trust Fund</i>	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 24,345,088	\$ 14,431,381	\$ 38,776,469
Accounts Receivable	20,056		20,056
TOTAL ASSETS	\$ 24,365,144	\$ 14,431,381	\$ 38,796,525
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 6,407	\$ 148,191	\$ 154,598
Due to Other Funds	390,502	1,271,304	1,661,806
Due to Other Agencies		1,272	1,272
Advanced Revenue		3,432,260	3,432,260
Estimated Insurance Claims Payable	3,202,169	3,450,406	6,652,575
Total Current Liabilities	3,599,078	8,303,433	11,902,511
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	20,766,066		20,766,066
Total Liabilities	24,365,144	8,303,433	32,668,577
NET POSITION			
Restricted for Employee Benefits		6,127,948	6,127,948
Total Net Position		6,127,948	6,127,948
TOTAL LIABILITIES AND NET POSITION	\$ 24,365,144	\$ 14,431,381	\$ 38,796,525

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2014

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		Total
	Risk Management Fund	Employee Benefit Trust Fund	
OPERATING REVENUES			
Premium Revenues	\$ 4,298,315	\$ 40,691,283	\$ 44,989,598
Other		200,550	200,550
Total Operating Revenues	4,298,315	40,891,833	45,190,148
OPERATING EXPENSES			
Salaries	219,883	263,772	483,655
Employee Benefits	57,251	78,991	136,242
Purchased Services	264,467	5,072,327	5,336,794
Energy Services	5,480	9,784	15,264
Material and Supplies	3,645	12,392	16,037
Capital Outlay		20,981	20,981
Insurance Claims	3,746,179	33,153,192	36,899,371
Other	1,410	2,585,203	2,586,613
Total Operating Expenses	4,298,315	41,196,642	45,494,957
Operating Income		(304,809)	(304,809)
NONOPERATING REVENUES			
Interest		19,973	19,973
Total Nonoperating Revenues		19,973	19,973
Loss Before Transfers		(284,836)	(284,836)
Transfers Out		(359)	(359)
Change in Net Position		(285,195)	(285,195)
Total Net Position, July 1, 2013		6,413,143	6,413,143
Total Net Position, June 30, 2014	\$ 0	\$ 6,127,948	\$ 6,127,948

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2014

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		Total
	Risk Management Fund	Employee Benefit Trust Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 4,322,429	\$ 40,879,243	\$ 45,201,672
Cash Payments to Suppliers for Goods and Services	(268,596)	(7,561,797)	(7,830,393)
Cash Payments to Employees for Services	(277,134)	(342,763)	(619,897)
Cash Payments for Interfund Services Used	(1,447,311)	(1,426,000)	(2,873,311)
Cash Payments for Insurance Claims	(3,601,069)	(33,017,285)	(36,618,354)
Net Cash Used by Operating Activities	(1,271,681)	(1,468,602)	(2,740,283)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers To Other Funds		(359)	(359)
Net Cash Used by Noncapital Financing Activities		(359)	(359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income		19,973	19,973
Net Cash Provided by Investment Activities		19,973	19,973
Net Decrease in Cash and Cash Equivalents	(1,271,681)	(1,448,988)	(2,720,669)
Beginning Cash and Cash Equivalents	25,616,769	15,880,369	41,497,138
Ending Cash and Cash Equivalents	\$ 24,345,088	\$ 14,431,381	\$ 38,776,469
Reconciliation of Operating Income to Net Cash Used by Operating Activities:			
Operating Loss	\$	\$ (304,809)	\$ (304,809)
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	26,267		26,267
Decrease in Due From Other Funds	966		966
Increase in Accounts Payable	3,287	136,330	139,617
Decrease in Due to Other Funds	(1,447,311)	(1,427,178)	(2,874,489)
Increase in Due to Other Agencies		1,272	1,272
Decrease in Advanced Revenue		(10,124)	(10,124)
Increase in Estimated Insurance Claims Payable	145,110	135,907	281,017
Total Adjustments	(1,271,681)	(1,163,793)	(2,435,474)
Net Cash Used by Operating Activities	\$ (1,271,681)	\$ (1,468,602)	\$ (2,740,283)

Agency Funds

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2014

	<u>Total</u>	<u>Agency Funds Student and Club Activities</u>	<u>Employee Benefits</u>
ASSETS			
Cash	\$ 3,361,122	\$ 2,773,462	\$ 587,660
LIABILITIES			
Payroll Deductions and Withholdings	\$ 587,660	\$	\$ 587,660
Internal Accounts Payable	2,773,462	2,773,462	
Total Liabilities	<u>\$ 3,361,122</u>	<u>\$ 2,773,462</u>	<u>\$ 587,660</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
June 30, 2014

	Student and Club Activities			June 30, 2014
	June 30, 2013	Additions	Deletions	
Assets				
Cash	\$ 2,693,206	\$ 6,278,244	\$ 6,197,988	\$ 2,773,462
Liabilities				
Internal Accounts Payable	\$ 2,693,206	\$ 6,278,244	\$ 6,197,988	\$ 2,773,462
Total Liabilities	\$ 2,693,206	\$ 6,278,244	\$ 6,197,988	\$ 2,773,462

	Employee Benefits Program			June 30, 2014
	June 30, 2013	Additions	Deletions	
Assets				
Cash	\$ 529,720	\$ 776,492	\$ 718,552	\$ 587,660
Liabilities				
Payroll Deductions and Withholdings	\$ 529,720	\$ 776,492	\$ 718,552	\$ 587,660
Total Liabilities	\$ 529,720	\$ 776,492	\$ 718,552	\$ 587,660

	Total			June 30, 2014
	June 30, 2013	Additions	Deletions	
Assets				
Cash	\$ 3,222,926	\$ 7,054,736	\$ 6,916,540	\$ 3,361,122
Liabilities				
Payroll Deductions and Withholdings	\$ 529,720	\$ 776,492	\$ 718,552	\$ 587,660
Internal Accounts Payable	2,693,206	6,278,244	6,197,988	2,773,462
Total Liabilities	\$ 2,693,206	\$ 6,278,244	\$ 6,197,988	\$ 2,773,462

Discretely Presented Component Units

The component units columns in the basic financial statements, include the financial data of the District's discretely presented component units.

Nonmajor Discretely Presented Component Units

The Escambia County Public Schools Foundation for Excellence, Inc. (Foundation) is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. Section 1001.453, Florida Statutes, requires the Foundation to be authorized and approved by the District. The stated mission of the Foundation is to enhance the quality of education in Escambia County Public Schools through raising and distributing funds and in-kind contributions, fostering involvement in the public schools by business and community, and by providing recognition and rewards for outstanding contributions to and performance within the public school system. The Foundation is considered to be a component unit of the District because the District must approve all members of the Foundation's board and the District has the ability to impose its will on the Foundation. It is considered to be a discretely presented component unit because the two boards are not the same.

Beulah Academy of Science, Inc., Jacqueline Harris Preparatory Academy, Pensacola Beach Elementary School, Inc., Escambia Charter School Inc., Newpoint Pensacola Academy Middle School, Newpoint Pensacola High School, Byrneville Elementary School, Inc., and Capstone Academy Pensacola (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These eight charter schools operate under charters approved by their sponsor, the Board, and are considered component units according to the interpretation of GASB Statement No. 61 by the Florida Department of Education which determined that Florida school districts are financially accountable for Florida charter schools.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2014

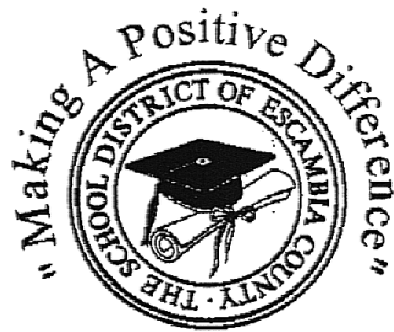
	Charter Schools				
	<i>Beulah Academy of Science, Inc.</i>	<i>Jacqueline Harris Preparatory Academy</i>	<i>Pensacola Beach Elementary School, Inc.</i>	<i>Escambia Charter School, Inc.</i>	<i>Newpoint Pensacola Academy Middle School</i>
ASSETS					
Cash and Cash Equivalents	\$ 893,555	\$ 156,002	\$ 864,294	\$ 289,662	\$ 98,181
Accounts Receivable			9,281		
Deposits Receivable		1,016			
Prepaid Items	11,186	1,125	24,011	7,302	18,000
Due from Other Agencies		7,729			6,394
Capital Assets:					
Non-Depreciable Capital Assets	428,690		448,053	1,750	
Depreciable Capital Assets, Net	<u>1,850,709</u>	<u>241,599</u>	<u>2,092,614</u>	<u>208,636</u>	<u>70,011</u>
Total Assets	<u>\$ 3,184,140</u>	<u>\$ 407,471</u>	<u>\$ 3,438,253</u>	<u>\$ 507,350</u>	<u>\$ 192,586</u>
LIABILITIES					
Salaries and Benefits Payable	\$	\$	\$ 6,872	\$	\$
Accounts Payable	5,187	14,307	136,132	24,632	23,449
Advanced Revenue					
Note Payable					246,325
Long-Term Liabilities:					
Portion Due or Payable Within One Year	169,392	30,328	9,638	12,530	10,000
Portion Due or Payable After One Year	<u>777,591</u>	<u></u>	<u>197,362</u>	<u>15,952</u>	<u></u>
Total Liabilities	<u>952,170</u>	<u>44,635</u>	<u>350,004</u>	<u>53,114</u>	<u>279,774</u>
NET POSITION					
Net Investment in Capital Assets	1,332,416	211,271	2,395,715	201,194	70,011
Restricted for:					
Debt Service	140,000				
Other Purposes					
Unrestricted	<u>759,554</u>	<u>151,565</u>	<u>692,534</u>	<u>253,042</u>	<u>(157,199)</u>
Total Net Position - Component Units	<u>2,231,970</u>	<u>362,836</u>	<u>3,088,249</u>	<u>454,236</u>	<u>(87,188)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,184,140</u>	<u>\$ 407,471</u>	<u>\$ 3,438,253</u>	<u>\$ 507,350</u>	<u>\$ 192,586</u>

	Charter Schools			Total Charter Schools	The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
<i>Newpoint Pensacola High School</i>	<i>Byrneville Elementary School, Inc.</i>	<i>Capstone Academy Pensacola</i>				
\$ 40,106	\$ 880,176	\$ 20,397	\$ 3,242,373	\$ 586,720	\$ 3,829,093	
23,449		41,848	74,578	61,362	135,940	
735			1,751		1,751	
	9,641	3,400	74,665	69,634	144,299	
6,124			20,247		20,247	
			878,493		878,493	
79,729	158,350	121,694	4,823,342	443	4,823,785	
<u>\$ 150,143</u>	<u>\$ 1,048,167</u>	<u>\$ 187,339</u>	<u>\$ 9,115,449</u>	<u>\$ 718,159</u>	<u>\$ 9,833,608</u>	
\$ 6,088	\$ 5,269	\$ 853	\$ 6,872	\$ 10,269	\$ 6,872	
		1,500	215,917		226,186	
165,940			1,500		1,500	
			412,265		412,265	
	6,063	7,436	245,387		245,387	
	11,553	7,712	1,010,170		1,010,170	
<u>172,028</u>	<u>22,885</u>	<u>17,501</u>	<u>1,892,111</u>	<u>10,269</u>	<u>1,902,380</u>	
79,729	158,350	121,694	4,570,380	443	4,570,823	
			140,000		140,000	
		3,538	3,538	529,115	532,653	
(101,614)	866,932	44,606	2,509,420	178,332	2,687,752	
(21,885)	1,025,282	169,838	7,223,338	707,890	7,931,228	
<u>\$ 150,143</u>	<u>\$ 1,048,167</u>	<u>\$ 187,339</u>	<u>\$ 9,115,449</u>	<u>\$ 718,159</u>	<u>\$ 9,833,608</u>	

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2014

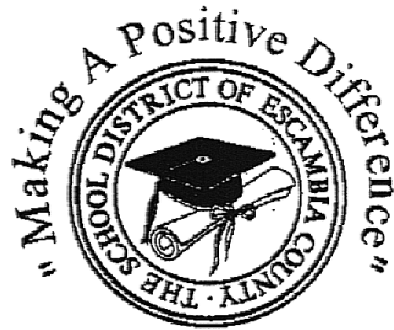
Functions/Programs	Charter Schools				
	<i>Beulah Academy of Science, Inc.</i>	<i>Jacqueline Harris Preparatory Academy</i>	<i>Pensacola Beach Elementary School, Inc.</i>	<i>Escambia Charter School, Inc.</i>	<i>Newpoint Pensacola Academy Middle School</i>
Expenses:					
Governmental Activities:					
Instruction	\$ 686,064	\$ 558,435	\$ 571,377	\$ 380,326	\$ 369,957
Student Personnel Services	1,284	13,285		40,851	56,340
Instructional Media Services	2,997		223	25	
Instruction and Curriculum Development Services		3,450	1,008		
Instructional Staff Training Services	840		463	788	15,657
Instructional Related Technology			31,028		14,313
Board of Education		447		416	203,511
General Administration			14,618		
School Administration	257,074	282,240	166,851	3,949	126,856
Facility Services	5,591		357,998	25,331	178,400
Fiscal Services	13,000	34,000	28,703	150,883	23,482
Food Services	175,252	705			7,193
Central Services	89,122			67,674	
Student Transportation Services	196,900	109,660	19,272	120,218	
Operation of Plant	172,302	238,067	9,221	96,474	64,263
Maintenance of Plant	72,639	59,555	851	31,332	3,987
Community Services			603		
Unallocated Expenses					
Unallocated Interest on Long-Term Debt	53,139	4,932		790	6,000
Unallocated Depreciation Expense					31,419
Total Expenses	<u>1,726,204</u>	<u>1,304,776</u>	<u>1,202,216</u>	<u>919,057</u>	<u>1,101,378</u>
Program Revenues:					
Charges for Services	58,878		141,360		4,011
Operating Grants and Contributions	293,021	56,855	21,238	133,961	67,672
Capital Grants and Contributions		81,619	124,253		75,137
Total Program Revenues	<u>351,899</u>	<u>138,474</u>	<u>286,851</u>	<u>133,961</u>	<u>146,820</u>
Net Program Expense	<u>(1,374,305)</u>	<u>(1,166,302)</u>	<u>(915,365)</u>	<u>(785,096)</u>	<u>(954,558)</u>
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs	1,600,499	1,263,475	922,228	756,707	901,293
Unrestricted Investment Earnings			8,654	259	
Miscellaneous		4,369		5,441	
Total General Revenues	<u>1,600,499</u>	<u>1,267,844</u>	<u>930,882</u>	<u>762,407</u>	<u>901,293</u>
Changes in Net Position	226,194	101,542	15,517	(22,689)	(53,265)
Net Position, July 1, 2013, Restated	2,005,776	261,294	3,072,732	476,925	(33,923)
Net Position, June 30, 2014	<u>\$ 2,231,970</u>	<u>\$ 362,836</u>	<u>\$ 3,088,249</u>	<u>\$ 454,236</u>	<u>\$ (87,188)</u>

	Charter Schools			Total Charter Schools	The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
	Newpoint Pensacola High School	Byrneville Elementary School, Inc.	Capstone Academy Pensacola			
\$ 241,266	\$ 806,611	\$ 399,556	\$ 4,013,592	\$	\$ 4,013,592	
32,402	3,026		147,188		147,188	
			3,245		3,245	
151			4,609		4,609	
8,387	1,340	50	27,525		27,525	
8,650			53,991		53,991	
145,162			349,536		349,536	
	21,877	12,444	48,939		48,939	
167,198	165,387	115,601	1,285,156		1,285,156	
96,062	1,856		665,238		665,238	
16,717	7,765	4,074	278,624		278,624	
4,747	11,536	3,350	202,783		202,783	
		745	157,541		157,541	
	56,873	4,265	507,188		507,188	
43,392	98,821	20,831	743,371		743,371	
2,728	243	128	171,463		171,463	
			603		603	
				791,179	791,179	
3,750		881	69,492		69,492	
32,937		13,968	78,324		78,324	
803,549	1,175,335	575,893	8,808,408	791,179	9,599,587	
	8,876	152,188	365,313		365,313	
23,875	42,447	24,813	663,882		663,882	
		10,738	291,747		291,747	
23,875	51,323	187,739	1,320,942		1,320,942	
(779,674)	(1,124,012)	(388,154)	(7,487,466)	(791,179)	(8,278,645)	
719,681	1,159,418	350,308	7,673,609	897,451	8,571,060	
	1,563	95	10,571	1,367	11,938	
		38,074	47,884		47,884	
719,681	1,160,981	388,477	7,732,064	898,818	8,630,882	
(59,993)	36,969	323	244,598	107,639	352,237	
38,108	988,313	169,515	6,978,740	600,251	7,578,991	
\$ (21,885)	\$ 1,025,282	\$ 169,838	\$ 7,223,338	\$ 707,890	\$ 7,931,228	



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STATISTICAL SECTION



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STATISTICAL SECTION

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

Contents	Page
Financial Trend Information <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	118
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	126
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	132
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	136
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	140

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending		
	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Governmental Activities:			
Net Investment in Capital Assets	\$ 163,801,365	\$ 165,456,952	\$ 178,915,643
Restricted	73,009,496	104,744,385	128,677,400
Unrestricted	<u>(22,151)</u>	<u>(4,437,218)</u>	<u>(5,337,670)</u>
Total Governmental Activities Net Position	<u>236,788,710</u>	<u>265,764,119</u>	<u>302,255,373</u>
Business-Type Activities:			
Net Investment in Capital Assets			
Restricted	9,518		
Unrestricted		9,504	12,755
Total Business-Type Activities Net Position	<u>9,518</u>	<u>9,504</u>	<u>12,755</u>
Primary Government:			
Net Investment in Capital Assets	163,801,365	165,456,952	178,915,643
Restricted	73,019,014	104,744,385	128,677,400
Unrestricted	<u>(22,151)</u>	<u>(4,427,714)</u>	<u>(5,324,915)</u>
Total Primary Government Net Position	<u>\$ 236,798,228</u>	<u>\$ 265,773,623</u>	<u>\$ 302,268,128</u>

Source: District Records

Fiscal Year Ending

<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
\$ 188,476,535	\$ 219,815,751	\$ 225,400,496	\$ 252,115,638	\$ 254,218,697	\$ 252,132,981	\$ 269,930,903
141,958,454	123,598,721	134,790,510	107,465,893	115,478,880	119,870,743	121,223,565
(8,743,741)	(8,902,576)	(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)
<u>321,691,248</u>	<u>334,511,896</u>	<u>356,903,097</u>	<u>381,747,747</u>	<u>374,722,983</u>	<u>372,093,754</u>	<u>388,185,131</u>
188,476,535	219,815,751	225,400,496	252,115,638	254,218,697	252,132,981	269,930,903
141,958,454	123,598,721	134,790,510	107,465,893	115,478,880	119,870,743	121,223,565
(8,743,741)	(8,902,576)	(3,287,909)	22,166,216	5,025,406	90,030	(2,969,337)
<u>\$ 321,691,248</u>	<u>\$ 334,511,896</u>	<u>\$ 356,903,097</u>	<u>\$ 381,747,747</u>	<u>\$ 374,722,983</u>	<u>\$ 372,093,754</u>	<u>\$ 388,185,131</u>

DISTRICT SHOOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Primary Government:										
Expenses:										
Governmental Activities:										
Instruction	\$ 166,893,196	\$ 184,674,639	\$ 200,035,407	\$ 210,699,076	\$ 205,755,887	\$ 205,951,789	\$ 209,265,786	\$ 197,679,286	\$ 202,319,715	\$ 200,433,368
Student Personnel Services	15,476,153	16,289,854	17,710,197	17,159,487	16,952,375	16,858,395	16,848,558	15,147,309	15,295,809	16,018,809
Instructional Media Services	4,821,902	5,471,588	5,877,497	5,591,263	5,302,170	4,761,283	4,772,147	4,223,246	4,170,561	4,224,367
Instruction and Curriculum Development Services	11,689,669	10,324,742	11,939,007	11,812,859	10,898,048	11,197,176	11,008,291	9,883,085	9,685,168	10,038,942
Instructional Staff Training Services	5,449,226	7,157,151	7,408,236	7,787,869	7,202,670	8,724,396	8,633,858	7,502,117	8,083,368	9,139,669
Instruction Related Technology		2,677,467	2,777,732	3,267,448	3,105,661	3,923,575	4,254,642	4,054,693	4,295,397	4,401,182
Board of Education	999,642	1,063,889	1,063,256	1,212,416	1,169,146	1,564,164	1,444,331	1,353,109	1,272,572	1,196,527
General Administration	2,100,671	1,741,746	1,369,805	1,525,336	1,609,860	3,003,731	2,653,708	1,518,541	1,581,664	2,413,878
School Administration	13,769,779	14,577,098	15,866,203	15,674,843	14,449,919	14,170,094	14,358,227	13,427,115	14,123,325	14,787,725
Facility Services	27,337,176	37,322,496	37,396,130	31,604,053	22,275,464	17,510,854	15,698,815	16,667,247	9,966,883	13,506,908
Fiscal Services	2,023,565	2,104,460	2,255,833	2,386,653	2,211,047	2,184,481	2,299,755	2,180,152	2,401,752	2,164,484
Food Service	16,988,160	18,021,854	18,952,187	18,578,045	18,394,973	18,879,371	18,486,692	20,414,794	21,199,498	20,988,484
Central Services	5,543,354	3,440,807	4,160,563	5,103,314	3,830,766	3,857,958	3,967,315	4,629,028	5,019,010	4,791,656
Student Transportation Services	14,984,538	15,593,018	17,173,433	17,894,762	18,143,178	17,537,020	18,863,979	18,651,437	19,359,259	18,220,613
Operation of Plant	22,312,201	23,119,212	27,270,568	28,308,033	27,722,642	28,935,143	28,489,116	28,363,047	27,069,683	27,217,458
Maintenance of Plant	22,204,545	19,020,854	13,854,263	11,875,929	11,125,532	10,704,965	11,255,993	10,749,457	11,641,163	10,943,295
Administrative Technology Services		3,670,920	3,712,180	3,813,897	3,719,871	3,681,151	3,781,038	3,891,979	3,911,729	3,948,080
Community Services	674,314	694,296	709,533	897,108	985,155	1,242,581	1,084,175	1,253,975	1,458,102	1,384,546
Unallocated Interest on Long-Term Debt	3,771,756	3,181,513	3,650,125	3,251,291	2,876,984	2,843,124	2,643,630	2,404,644	2,105,728	1,883,019
Loss on Disposal of Capital Assets	1,126,173	1,006,503	3,653,313	334,149	1,123,337					
Unallocated Depreciation	8,924,399									
Total Governmental Activities Expenses	347,090,419	371,154,107	396,835,468	398,777,831	378,854,685	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010
Business-Type Activities:										
Panhandle Management Development Network	46,637	47,785	65,894	8,000						
Total Business-Type Activities Expenses	46,637	47,785	65,894	8,000						
Total Primary Government Expenses	347,137,056	371,201,892	396,901,362	398,785,831	378,854,685	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	1,213,461	1,163,378	1,186,281	1,221,058	1,146,218	1,394,372	1,344,462	1,302,174	1,040,440	1,154,747
Facility Services									33,888	40,716
Food Services	5,088,795	5,833,058	6,104,082	5,901,163	5,753,396	5,282,975	5,195,911	4,734,992	4,033,654	3,827,300
Transportation					457,021	415,479	262,892	437,998	256,127	252,548
Community Services									394,213	393,075
Operating Grants and Contributions	23,087,951	23,186,429	23,196,783	22,893,049	23,782,878	13,816,659	14,392,698	15,000,374	16,029,099	15,890,352
Capital Grants and Contributions	6,884,765	6,626,047	14,393,520	12,787,860	5,549,903	2,872,668	11,338,456	1,966,452	2,583,367	2,632,234
Total Governmental Activities Program Revenues	36,274,972	36,808,912	44,880,666	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990	24,370,788	24,190,972

(Continued)

DISTRICT SHOOOL BOARD OF ESCAMBAIA COUNTY, FLORIDA
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Business-Type Activities:										
Charges for Services	\$ 53,187	\$ 47,598	\$ 68,770	\$	\$	\$	\$	\$	\$	\$
Total Business-Type Activities Program Revenues	53,187	47,598	68,770							
Total Primary Government Program Revenues	36,328,159	36,856,510	44,949,436	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990	24,370,788	24,190,972
Net (Expenses)/Revenues										
Governmental Activities	(310,815,447)	(334,345,195)	(351,954,802)	(355,974,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)
Business-Type Activities	6,550	(187)	2,876	(8,000)						
Total Primary Government Net Expenses	(310,808,897)	(334,345,382)	(351,951,926)	(355,982,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	69,965,606	65,457,064	81,045,039	85,413,366	97,379,871	106,137,711	99,288,288	92,658,245	89,803,524	91,977,693
Levied for Capital Projects	21,828,682	21,702,808	27,507,116	29,869,892	27,210,547	20,066,464	18,435,553	21,989,423	21,518,559	22,777,599
Local Sales Taxes	22,265,741	22,770,190	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254
Grants and Contributions Not Restricted to Specific Programs	197,604,758	221,882,698	225,973,513	224,459,137	204,808,168	224,485,318	230,271,976	195,648,584	202,402,869	219,193,213
Unrestricted Investment Earnings	2,485,859	6,555,524	8,754,067	5,787,426	1,743,725	492,008	295,489	158,475	77,582	96,333
Miscellaneous	5,162,918	2,941,087	3,015,536	4,756,160	3,319,666	6,216,542	4,185,317	2,937,726	3,213,169	3,702,323
Loss Recoveries	35,164,391	22,011,233	20,181,553	4,464,012	1,085,919					
Transfers				4,755						
Total Governmental Activities	354,477,955	363,320,604	388,446,056	375,410,576	354,985,916	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415
Business-Type Activities:										
Transfers				(4,755)						
Investment Earnings	269	173	375							
Total Business-Type Activities	269	173	375	(4,755)						
Total Primary Government General Revenues and Other Changes in Net Position	354,478,224	363,320,777	388,446,431	375,405,821	354,985,916	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415
Changes in Net Position:										
Governmental Activities	43,662,508	28,975,409	36,491,254	19,435,875	12,820,647	22,391,201	24,844,649	(7,024,764)	(2,629,229)	16,091,377
Business-Type Activities	6,819	(14)	3,251	(12,755)						
Total Primary Government	<u>\$ 43,669,327</u>	<u>\$ 28,975,395</u>	<u>\$ 36,494,505</u>	<u>\$ 19,423,120</u>	<u>\$ 12,820,647</u>	<u>\$ 22,391,201</u>	<u>\$ 24,844,649</u>	<u>\$ (7,024,764)</u>	<u>\$ (2,629,229)</u>	<u>\$ 16,091,377</u>

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Post-GASB 54

	Fiscal Year Ending			
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General Fund				
Nonspendable	\$ 1,215,720	\$ 1,208,455	\$ 1,208,455	\$ 1,215,625
Restricted	9,184,279	13,311,648	9,106,284	17,486,027
Assigned	15,762,759	20,804,591	21,234,802	20,243,410
Unassigned	40,731,996	20,156,679	19,036,830	14,514,070
Total General Fund	\$ 66,894,754	\$ 55,481,373	\$ 50,586,371	\$ 53,459,132
All Other Governmental Funds				
Nonspendable	\$ 1,334,910	\$ 1,286,998	\$ 1,600,470	\$ 1,715,215
Restricted	92,954,183	95,657,391	106,024,402	102,022,323
Total All Other Governmental Funds	\$ 94,289,093	\$ 96,944,389	\$ 107,624,872	\$ 103,737,538

Pre-GASB 54

	Fiscal Year Ending			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
General Fund				
Reserved for:				
Encumbrances	\$ 20,015,372	\$ 12,727,760	\$ 11,191,867	\$ 2,352,701
State Categorical Programs	1,559,107	3,391,398	5,202,838	4,293,074
Inventories	1,205,985	1,319,469	1,356,364	1,422,407
Legal Restrictions				4,267,982
Other Purposes	1,757,006	1,381,969	1,608,877	
Unreserved	15,541,028	20,703,572	20,481,566	24,826,303
Total General Fund	\$ 40,078,498	\$ 39,524,168	\$ 39,841,512	\$ 37,162,467
All Other Governmental Funds				
Reserved for:				
Debt Service	\$ 278,580	\$	\$	\$ 231,418
Encumbrances	3,599,895	12,308,154	13,303,247	28,393,311
Inventories	1,137,894	1,148,835	1,070,863	1,078,435
Unreserved, Reported in:				
Special Revenue Funds	4,284,110	4,604,630	4,426,188	3,889,807
Debt Service Funds	344,816	2,915,269	4,742,564	4,480,160
Capital Projects Funds	55,401,026	67,713,542	86,377,339	84,573,574
Total All Other Governmental Funds	\$ 65,046,321	\$ 88,690,430	\$ 109,920,201	\$ 122,646,705

Source: District Records

Fiscal Year Ending	
<u>June 30, 2009</u>	<u>June 30, 2010</u>
\$ 1,336,715	\$ 1,609,721
7,549,726	12,581,661
1,316,108	1,270,326
3,005,887	1,706,293
<u>24,432,388</u>	<u>32,916,644</u>
<u>\$ 37,640,824</u>	<u>\$ 50,084,645</u>

\$ 244,188	\$ 220,117
13,645,239	28,830,870
1,337,149	1,178,765
4,779,396	5,733,237
4,715,914	4,743,512
<u>78,322,174</u>	<u>66,064,908</u>
<u>\$ 103,044,060</u>	<u>\$ 106,771,409</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Revenues:										
Federal Direct:										
Federal Impact, Current Operations	\$ 1,294,911	\$ 923,300	\$ 1,152,581	\$ 1,183,926	\$ 1,018,679	\$ 765,872	\$ 920,990	\$ 724,457	\$ 701,600	\$ 550,597
Reserve Officers Training Corps (ROTC)	415,085	453,665	417,065	409,098	413,473	435,838	433,570	424,206	435,608	437,965
Other Federal Direct Sources	480,964	311,764	962,300	772,319	694,217	1,277,879	1,848,880	2,033,007	2,494,810	1,849,952
Total Federal Direct	2,190,960	1,688,729	2,531,946	2,365,343	2,126,369	2,479,589	3,203,440	3,181,670	3,632,018	2,838,514
Federal Through State and Local:										
Food Service	11,355,676	11,318,091	11,671,718	11,410,831	11,578,098	13,479,986	14,045,674	14,682,599	15,386,860	15,587,668
Other Federal Through State and Local Sources	33,193,175	38,520,498	35,048,555	31,078,529	35,881,314	61,469,091	64,993,242	34,657,795	34,719,040	34,830,597
Total Federal Through State and Local	44,548,851	49,838,589	46,720,273	42,489,360	47,459,412	74,949,077	79,038,916	49,340,394	50,105,900	50,418,265
State:										
Florida Education Finance Program (FEFP)	126,838,697	139,867,238	137,022,162	119,465,949	112,591,939	109,426,496	110,995,559	105,659,076	113,112,565	130,085,150
Workforce Development	5,109,994	5,228,544	5,432,193	5,272,821	5,041,903	4,632,491	4,532,780	4,765,518	4,778,222	4,895,677
Adults with Disabilities	292,946	293,265	292,671	270,706	241,255	230,654	219,164	187,087	160,690	162,244
Categorical Educational Programs	33,566,532	42,949,749	52,103,260	72,989,150	58,145,077	44,610,770	42,556,763	42,960,100	43,640,836	43,315,211
Discretionary Lottery Funds	2,261,868	1,964,953	1,586,871	1,880,022	942,182	106,881	143,196	125,912		387,403
CO and DS Distribution	175,119	171,673	191,946	383,269	259,043	228,989	179,241	155,363	184,231	181,172
CO and DS Withheld for SBE/COBI Bonds	1,414,448	1,409,332	1,384,081	1,270,660	1,377,051	1,383,223	1,408,787	1,449,634	1,427,398	1,441,102
Public Education Capital Outlay	4,215,818	4,200,190	5,493,269	6,231,986	3,264,046	821,950	2,262,924			
Class Size Reduction	969,616	660,491	6,995,090	4,061,135						
Food Service	394,459	371,017	371,943	367,566	360,688	336,673	347,024	317,775	301,994	302,684
Other State Sources	5,535,116	2,921,613	3,181,271	2,858,430	2,237,993	1,957,074	4,002,816	4,426,113	3,019,987	3,183,878
Total State	180,774,613	200,038,065	214,054,757	215,051,694	184,461,177	163,735,201	166,648,254	160,046,578	166,625,923	183,954,521
Local:										
Property Taxes	91,794,287	87,159,872	108,552,155	115,283,258	124,590,418	126,204,175	117,723,841	114,647,668	111,322,083	114,755,292
Charges for Food Service	5,088,796	5,833,058	6,104,082	5,901,163	5,753,396	5,282,976	5,195,911	4,734,991	4,033,654	3,827,300
Sales Taxes	22,265,741	22,770,190	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254
Interest Income	2,225,860	5,855,365	7,854,187	5,232,574	1,683,864	453,046	281,179	141,013	55,362	96,333
Other Local Sources	5,022,851	4,104,466	4,201,818	5,976,239	4,922,904	6,201,739	5,423,005	4,289,095	4,440,036	5,718,317
Total Local	126,397,535	125,722,951	148,681,474	153,049,062	156,388,602	156,884,192	148,267,599	143,947,821	140,795,801	146,253,496
Total Revenues	353,911,959	377,288,334	411,988,450	412,955,459	390,435,560	398,048,059	397,158,209	356,516,463	361,159,642	383,464,796
Expenditures:										
Current:										
Instruction	170,618,643	181,014,101	194,003,980	204,278,206	198,766,964	198,539,780	199,014,371	189,523,811	188,948,850	192,462,254
Student Personnel Services	15,962,268	16,499,340	17,744,031	17,053,141	16,925,918	16,780,482	16,569,587	15,268,235	14,898,648	15,986,593
Instructional Media Services	4,953,218	5,556,320	5,866,894	5,461,659	5,271,893	4,700,758	4,594,243	4,142,086	4,039,942	4,210,339
Instruction and Curriculum Development Services	11,941,611	10,322,096	11,518,924	11,693,817	10,950,595	11,180,453	10,918,167	9,985,299	9,438,703	9,927,607
Instructional Staff Training Services	5,490,789	7,152,755	7,407,788	7,729,025	7,271,003	8,732,663	8,636,753	7,522,735	8,025,677	9,134,087
Instruction Related Technology (a)		2,531,278	2,777,316	2,814,699	2,725,577	3,468,362	3,742,020	3,551,024	3,855,314	4,035,137
Board of Education	1,018,539	898,235	1,062,728	1,206,764	1,157,359	1,543,620	1,413,818	1,325,749	1,236,702	1,194,064
									(Continued)	

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
General Administration	\$ 2,116,662	\$ 1,749,728	\$ 1,360,405	\$ 1,504,389	\$ 1,621,018	\$ 2,963,753	\$ 2,545,919	\$ 1,405,283	\$ 1,558,318	\$ 2,409,159
School Administration	14,355,836	14,798,168	15,900,390	15,390,211	14,599,860	14,106,346	13,998,296	13,553,109	13,659,134	14,743,900
Facility Services	22,643,281	29,608,301	32,431,045	23,719,493	19,403,257	13,674,311	12,200,265	14,446,528	9,776,555	13,324,504
Fiscal Services	2,077,336	2,136,659	2,255,801	2,350,543	2,253,484	2,136,906	2,226,105	2,125,880	2,331,986	2,159,270
Food Service	17,059,157	17,712,161	18,687,353	18,262,744	17,937,965	18,256,402	17,787,701	19,800,947	20,180,916	20,629,628
Central Services	5,766,979	3,368,861	4,012,916	4,970,337	3,859,480	3,736,109	3,791,850	4,508,051	4,763,206	4,959,376
Student Transportation Services	14,263,018	14,588,532	15,868,321	16,496,816	16,637,566	15,783,172	16,556,430	16,865,818	16,134,634	16,362,999
Operation of Plant	22,520,423	23,246,435	27,282,271	28,281,523	27,700,704	28,862,677	28,290,543	28,074,548	26,741,413	27,123,194
Maintenance of Plant	22,408,399	17,443,160	12,293,035	11,547,704	10,806,804	10,268,080	10,813,898	10,196,603	10,985,410	10,592,744
Administrative Technology Services (a)		2,980,297	3,143,570	3,147,233	3,134,090	3,058,616	3,229,741	3,429,491	3,188,998	3,559,873
Community Services	674,314	694,296	709,533	896,030	985,155	1,239,929	1,081,523	1,251,320	1,446,291	1,379,526
Fixed Capital Outlay:										
Facilities Acquisition and Construction	12,417,729	11,629,269	24,593,503	21,385,160	38,905,555	15,875,764	33,036,849	11,405,823	7,643,361	23,947,575
Other Capital Outlay	4,858,396	4,746,264	3,768,805	3,174,268	2,451,582	3,080,669	2,949,474	1,723,958	2,191,130	1,381,185
Debt Service:										
Principal	8,658,207	4,477,131	4,455,384	4,434,860	4,541,769	4,380,125	4,221,187	4,213,595	4,498,680	4,697,828
Interest and Fiscal Charges	4,081,231	3,102,584	3,478,895	3,208,832	2,738,169	2,704,475	2,507,998	2,295,429	2,105,728	1,952,012
Total Expenditures	<u>363,886,036</u>	<u>376,255,971</u>	<u>410,622,888</u>	<u>409,007,454</u>	<u>410,645,767</u>	<u>385,073,452</u>	<u>400,126,738</u>	<u>366,615,322</u>	<u>357,649,596</u>	<u>386,172,854</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,974,077)</u>	<u>1,032,363</u>	<u>1,365,562</u>	<u>3,948,005</u>	<u>(20,210,207)</u>	<u>12,974,607</u>	<u>(2,968,529)</u>	<u>(10,098,859)</u>	<u>3,510,046</u>	<u>(2,708,058)</u>
Other Financing Sources (Uses)										
Bonds Issued	369,633			1,295,000			225,000			
Refunding Bonds Issued		3,260,000						2,625,000		229,000
Proceeds from Sale of Capital Assets				2,199		3,195,330		1,669,973	924,408	1,113,573
Loss Recoveries	36,517,919			4,750,744	1,085,919	1,233	7,474,473	45,345	650,765	500,000
Certificates of Participation Issued	22,725,000	20,000,000						1,124,561		
Refunding Certificates of Participation Issued	(23,172,965)									
Premiums on Long-Term Debt Issued		301,935		46,756			19,346	255,174		36,560
Payment to Refunding Escrow Agent	823,002	(23,515,752)						(3,986,280)		(186,007)
Transfers In	14,363,168	12,851,686	14,218,508	15,448,151	15,817,649	11,996,925	11,369,796	16,156,101	16,449,253	12,691,682
Transfers Out	(14,363,168)	(12,851,686)	(14,218,508)	(15,443,396)	(15,817,649)	(11,996,925)	(11,792,293)	(16,549,100)	(15,748,991)	(12,691,323)
Total Other Financing Sources (Uses)	<u>37,262,589</u>	<u>46,183</u>	<u></u>	<u>6,099,454</u>	<u>1,085,919</u>	<u>3,196,563</u>	<u>7,296,322</u>	<u>1,340,774</u>	<u>2,275,435</u>	<u>1,693,485</u>
Change in Fund Balances Before Extraordinary Items	<u>27,288,512</u>	<u>1,078,546</u>	<u>1,365,562</u>	<u>10,047,459</u>	<u>(19,124,288)</u>	<u>16,171,170</u>	<u>4,327,793</u>	<u>(8,758,085)</u>	<u>5,785,481</u>	<u>(1,014,573)</u>
Extraordinary Items		<u>22,011,233</u>	<u>20,181,553</u>							
Net Change in Fund Balances	<u>27,288,512</u>	<u>23,089,779</u>	<u>21,547,115</u>	<u>10,047,459</u>	<u>(19,124,288)</u>	<u>16,171,170</u>	<u>4,327,793</u>	<u>(8,758,085)</u>	<u>5,785,481</u>	<u>(1,014,573)</u>
Fund Balances, Beginning	77,836,308	105,124,820	128,214,599	149,761,714	159,809,173	140,684,885	156,856,054	161,183,847	152,425,762	158,211,243
Fund Balances, Ending	<u>\$ 105,124,820</u>	<u>\$ 128,214,599</u>	<u>\$ 149,761,714</u>	<u>\$ 159,809,173</u>	<u>\$ 140,684,885</u>	<u>\$ 156,856,055</u>	<u>\$ 161,183,847</u>	<u>\$ 152,425,762</u>	<u>\$ 158,211,243</u>	<u>\$ 157,196,670</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>3.68%</u>	<u>2.11%</u>	<u>2.08%</u>	<u>1.99%</u>	<u>1.97%</u>	<u>1.94%</u>	<u>1.83%</u>	<u>1.83%</u>	<u>1.90%</u>	<u>1.84%</u>

(a) In fiscal year ending June 30, 2006, two new function/program expenditures classifications were established to report technology expenditures previously reported in central services.

Source: District Records

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

Fiscal Year Ending	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
June 30, 2014	\$ 91,977,693	\$22,777,599	\$21,856,254	\$ 136,611,546
June 30, 2013	89,803,524	21,518,559	20,944,666	132,266,749
June 30, 2012	92,658,245	21,989,423	20,135,054	134,782,722
June 30, 2011	99,288,288	18,435,553	19,643,663	137,367,504
June 30, 2010	106,137,711	20,066,464	18,742,256	144,946,431
June 30, 2009	97,379,871	27,210,548	19,438,020	144,028,439
June 30, 2008	85,413,366	29,869,892	20,655,828	135,939,086
June 30, 2007	81,045,039	27,507,116	21,969,232	130,521,387
June 30, 2006	65,457,064	21,702,808	22,770,190	109,930,062
June 30, 2005	69,965,606	21,828,681	22,265,741	114,060,028

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Assessed Value				Less: Exemptions	Total Taxable Value	Ratio of Taxable Value to Assessed Value	Total Direct Rate
	Real Property	Personal Property	Centrally Assessed Property	Total Assessed Value				
2013-14	\$ 21,388,874	\$ 2,255,095	\$ 25,485	\$ 23,669,454	\$ 9,446,754	\$ 14,222,700	60.09%	7.557
2012-13	20,679,182	2,210,551	24,618	22,914,351	9,342,485	13,571,866	59.23%	7.758
2011-12	20,879,864	2,204,413	22,872	23,107,149	8,111,344	14,995,805	64.90%	7.821
2010-11	21,289,236	2,209,636	23,087	23,521,959	8,193,669	15,328,290	65.17%	7.860
2009-10	23,233,171	2,303,807	21,196	25,558,174	10,310,080	15,248,094	59.66%	7.860
2008-09	25,691,952	2,659,525	23,023	28,374,500	12,537,387	15,837,113	55.81%	7.720
2007-08	26,716,632	2,361,421	21,134	29,099,187	13,148,156	15,951,031	54.82%	7.720
2006-07	24,459,300	2,374,054	18,447	26,851,801	12,025,873	14,825,928	55.21%	7.894
2005-06	18,226,317	2,175,889	17,849	20,420,055	8,806,171	11,613,884	56.87%	8.033
2004-05	17,167,533	2,148,921	24,542	19,340,996	7,678,231	11,662,765	60.30%	8.410

Notes: Assessed values approximate estimated actual values.
Tax rates per \$1,000 of assessed value.

Source: Escambia County Property Appraiser and Florida Department of Revenue

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per \$1,000 Assessed Valuation)
(Unaudited)**

	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
Direct Rates:				
District School Board:				
Local Required Effort	5.694	5.273	5.134	4.960
Discretionary Local	0.510	0.510	0.510	0.510
Supplemental Discretionary	0.206	0.250	0.250	0.250
Capital Improvement	2.000	2.000	2.000	2.000
Total District School Board	8.410	8.033	7.894	7.720
Overlapping Rates:				
Escambia County	8.756	8.756	8.756	8.017
Escambia County Municipal Service Taxing Unit	0.747	0.747	0.747	0.685
City of Pensacola	5.057	5.057	4.950	4.598
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000
Northwest Florida Water Management	0.050	0.050	0.050	0.045
Town of Century	0.828	0.861	0.764	0.781

Source: Escambia County Tax Collector

Fiscal Year						
2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
5.286	5.612	5.631	5.573	5.510	5.309	
0.498	0.748	0.748	0.748	0.748	0.748	
0.250	0.250	0.250	0.000	0.000	0.000	
1.686	1.250	1.231	1.500	1.500	1.500	
7.720	7.860	7.860	7.821	7.758	7.557	
6.976	6.976	6.975	6.975	6.975	6.976	
0.685	0.685	0.685	0.685	0.685	0.685	
4.540	4.540	4.540	4.289	4.289	4.290	
2.000	2.000	2.000	2.000	2.000	2.000	
0.045	0.045	0.045	0.040	0.040	0.040	
0.823	0.905	0.905	0.905	0.905	0.901	

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)
(Unaudited)**

Taxpayer	Fiscal Year					
	2013-14			2004-05		
	Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Gulf Power Company	1	\$ 560,686	3.94%	1	\$ 411,318	3.53%
International Paper Company	2	348,639	2.45%	2	240,090	2.06%
Solutia, Inc. / Ascend Perf. Mat.	3	124,309	0.87%	3	136,173	1.17%
West Florida Medical Center	4	90,329	0.64%	5	70,489	0.60%
Bellsouth Telecommunication	5	60,919	0.43%	4	101,778	0.87%
Walmart Stores	6	58,785	0.41%	8	41,086	0.35%
Simon Debartolo Group / Simon Property	7	45,309	0.32%	7	42,511	0.36%
Navy Federal Credit Union	8	74,783	0.53%			
CoxCom, Inc. (formerly Cox Cable)	9	37,594	0.26%	6	52,086	0.45%
Pensacola POB/Baptist Hospital	10	64,045	0.45%			
WCI Communities				9	39,396	0.34%
Cordova Community				10	26,863	0.23%
Totals		<u>\$ 1,465,398</u>	<u>10.30%</u>		<u>\$ 1,161,790</u>	<u>9.97%</u>
Total Estimated Assessed Value - County		<u>\$ 14,222,700</u>			<u>\$ 11,662,765</u>	

Source: Pensacola Area Chamber of Commerce, Escambia County Clerk of Court

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Tax Levy	Fiscal Year Collections		Delinquent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013-14	\$ 114,760,128	\$ 110,015,982	95.87%	\$ 4,739,310	\$ 114,755,292	100.00%
2012-13	116,337,455	110,886,858	95.31%	435,225	111,322,083	95.69%
2011-12	119,882,566	114,257,815	95.31%	389,853	114,647,668	95.63%
2010-11	119,850,006	114,139,658	95.24%	3,584,183	117,723,841	98.23%
2009-10	124,479,688	114,199,954	91.74%	3,645,089	117,845,043	94.67%
2008-09	126,868,775	118,049,237	93.05%	873,145	118,922,382	93.74%
2007-08	123,128,068	113,579,256	92.24%	1,704,002	115,283,258	93.63%
2006-07	117,027,107	107,994,392	92.28%	557,763	108,552,155	92.76%
2005-06	93,284,933	86,860,563	93.11%	299,309	87,159,872	93.43%
2004-05	97,736,698	89,794,940	91.87%	1,999,347	91,794,287	93.92%

Note: Property taxes become due and payable on November 1 of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

Source: Escambia County Tax Collector

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities (A)				Percentage of Personal Income (B)	Per Capita (B)
	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2013-14	\$ 3,954,275	\$ 35,063,539	\$	\$ 39,017,814	0.332%	\$ 128
2012-13	5,206,286	38,611,793		43,818,079	0.379%	146
2011-12	6,410,159	42,016,050		48,426,209	0.432%	162
2010-11	7,479,885	45,087,833	77,967	52,645,685	0.488%	176
2009-10	8,298,895	48,028,536	379,304	56,706,735	0.551%	190
2008-09	9,291,284	50,840,714	1,038,229	61,170,227	0.612%	206
2007-08	10,233,673	53,536,829	2,024,988	65,795,490	0.640%	222
2006-07	9,764,305	56,131,879	3,076,029	68,972,213	0.689%	232
2005-06	9,240,982	58,719,369	4,070,281	72,030,632	0.752%	240
2004-05	11,532,666	60,195,842	5,397,412	77,125,920	0.872%	259

Source:

(A) District Records

(B) See the table on Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

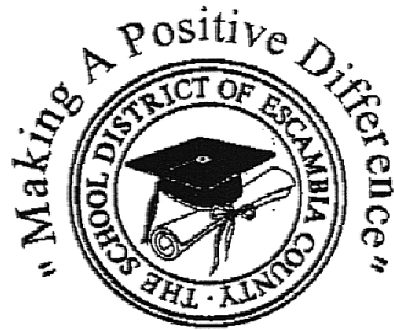
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2014
(Unaudited)

Governmental Unit	State Board of Education (SBA) Bonded Debt Outstanding	Certificates of Participation Outstanding	Direct Debt	
			Total Debt Outstanding	Percentage Applicable to This Governmental Unit
District School Board of Escambia County	\$ 3,954,275	\$ 35,063,539	\$ 39,017,814	100%

Note:

Overlapping debt is that debt of local governments and Escambia county which apply to property owners within the county. Not all overlapping debt applies to all county property owners. Municipality and county debt outstanding was not determined at June 30, 2014, as their fiscal years end on September 30. Consequently there is no data to report for the District's current fiscal year.

Source: District Records



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Fiscal Year</u>	<u>Taxable Assessed Value (A)</u>	<u>Annual Lease Payment</u>	<u>Millage Levy to Provide 1.00x Coverage (B)</u>
2013-14	\$ 14,222,700	\$ 5,134,381	.38 Mills
2012-13	13,571,866	5,136,131	.39 Mills
2011-12	14,995,805	4,941,173	.34 Mills
2010-11	15,328,290	4,945,453	.34 Mills
2009-10	15,248,094	4,944,814	.34 Mills
2008-09	15,837,113	4,948,369	.33 Mills
2007-08	15,951,031	5,108,002	.34 Mills
2006-07	14,825,928	5,205,952	.37 Mills
2005-06	11,613,884	4,543,929	.41 Mills
2004-05	11,662,765	5,068,083	.46 Mills

(A) Final assessed value is in thousands.

(B) Millage rate calculated using 96% of the taxable assessed valuation.

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

Source: District Records

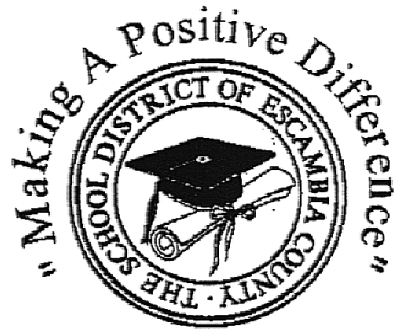
**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)**

Fiscal Year	Population (A)	Personal Income	Per Capita Personal Income (A)	Median Age (A)
2013-14	305,817	\$ 11,740,008,813	\$ 38,389	37.60
2012-13	301,120	11,554,576,640	38,372	38.30
2011-12	299,511	11,211,595,263	37,433	37.40
2010-11	299,114	10,782,162,358	36,047	37.00
2009-10	297,964	10,299,721,588	34,567	38.40
2008-09	297,015	9,999,604,005	33,667	35.00
2007-08	296,854	10,285,694,246	34,649	36.80
2006-07	297,393	10,010,545,773	33,661	36.90
2005-06	300,395	9,578,394,970	31,886	37.40
2004-05	298,339	8,844,856,333	29,647	36.60

Sources:

- (A) Population, personal income, and per capita personal income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research. Personal income was estimated for 2005 through 2009 based on historical growth. Estimated population for the 2013-14 fiscal year was obtained the United States Department of Census.
- (B) Unemployment Rates were obtained from Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics.
- (C) Student enrollment was obtained from District records. Starting in the 2013-14 fiscal year, student enrollment figures were capped at 1.0 unweighted FTE.

Unemployment Rate (B)	Student Enrollment (C)	Government-wide Governmental Activities Expenses	Cost per Student
6.0%	40,170.72	\$ 367,703,010	\$ 9,154
6.7%	40,340.18	364,960,386	9,047
8.7%	40,119.02	363,994,261	9,073
10.2%	39,657.75	379,810,056	9,577
10.5%	40,049.39	377,531,252	9,427
9.9%	40,259.01	378,854,685	9,410
5.5%	41,077.67	398,777,831	9,708
3.8%	42,025.33	396,835,468	9,443
3.4%	42,590.86	371,154,107	8,714
3.6%	42,994.68	347,090,419	8,073



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(Unaudited)**

Employer	Fiscal Year					
	2013-14 ⁽¹⁾			2004-05 ⁽¹⁾		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Local Government	13,900	1	9.78%	15,790	1	12.42%
Federal Government	6,500	2	4.58%	7,403	2	5.82%
State of Florida	5,600	3	3.94%	5,970	3	4.70%
Baptist Health Care	4,133	4	2.91%	3,470	5	2.73%
Sacred Heart Health System	3,483	5	2.45%	3,500	4	2.75%
Navy Federal Credit Union	3,113	6	2.19%			0.00%
Gulf Power Company	1,522	7	1.07%	1,400	9	1.10%
West Florida Healthcare	1,300	8	0.92%	1,200	10	0.94%
University of West Florida	1,108	9	0.78%	2,267	6	1.78%
Solutia, Inc. / Ascend Perf. Mat.	830	10	0.58%	1,800	7	1.42%
Lakeview Center			0.00%	1,500	8	1.18%
Total	41,489		29.20%	44,300		34.84%
Civilian Labor Force	142,070			127,140		

⁽¹⁾ Sources:

- Pensacola Chamber of Commerce
- Escambia County Clerk of Court
- Florida Department of Economic Opportunity, Bureau of Labor Statistics

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data				
				2004-05	2005-06	2006-07	2007-08	2008-09
Elementary Schools/K-8								
Allen Elementary	1956	82,902	1	613.09	618.52	617.09	633.18	590.63
Barrineau Park Elementary	1938	9,840						
Bellview Elementary	1950	91,723	4	699.93	685.92	743.83	762.67	722.02
Beulah Elementary	1980	89,786	18	667.95	734.86	700.59	724.57	767.96
Bibbs Elementary	1962	57,871		398.04	399.58	382.90	344.17	336.40
Blue Angels Elementary	1999	112,793	7	853.07	868.08	827.43	815.10	860.56
Bratt Elementary	1980	69,313	5	364.18	396.63	386.22	394.02	393.28
Brentwood Elementary	1937	61,735	10	492.61	587.61	530.61	450.24	413.87
Byrneville Elementary	1940	310	9					
Caro Elementary	1989	110,126	8	891.01	887.40	879.56	864.49	908.50
Carver/Century K-8	1958	61,793	1	374.45	335.40	264.63	203.75	213.65
Century Elementary	1958	31,663						
Cook Elementary	1997	119,728		648.74	555.05	591.80	588.18	608.90
Cordova Park Elementary	1962	85,651	8	574.30	642.20	625.75	673.04	658.14
Dixon Elementary	1954	45,495						
Edgewater Elementary	1962	51,663		395.52	383.38	360.03	350.82	350.87
Ensley Elementary	1959	62,282	10	469.49	436.56	363.17	374.90	348.21
Ferry Pass Elementary	1957	77,426	11	617.92	653.90	673.44	646.94	619.81
Global Learning Academy	2011	130,802						
Hallmark Elementary	1928	36,993	3	278.05	263.86	239.50	241.43	225.34
Holm Elementary	1999	110,183	2	623.70	614.43	556.81	550.19	534.63
Lincoln Park Elementary	1961	56,091	2	387.02	331.53	334.74	279.94	247.52
Lipscomb Elementary	1991	107,268	12	860.09	849.01	871.98	950.12	1,018.97
Longleaf Elementary	1975	88,455	3	633.21	680.08	769.00	802.02	746.02
McArthur Elementary	1975	85,242	11	668.64	719.04	712.59	719.12	714.42
Molino Elementary	1939	25,851						
Molino Park Elementary	2002	129,694		470.12	485.88	459.84	463.95	431.27
Montclair Elementary	1960	68,383	2	469.17	425.22	296.56	321.92	473.91
Myrtle Grove Elementary	1936	77,263	8	652.99	633.39	640.92	679.32	651.69
Navy Point Elementary	1954	79,369		456.96	406.44	393.96	384.27	331.85
Oakcrest Elementary	1956	65,708	11	454.23	471.65	430.76	447.43	426.31
Pensacola Beach Elementary	1977	10,310						
Pine Meadow Elementary	1960	76,748	10	724.56	752.94	796.95	780.37	797.83
Pleasant Grove Elementary	1948	65,857	7	562.84	602.22	620.28	658.23	645.02
Scenic Heights Elementary	1960	95,129	12	756.14	787.13	743.78	694.10	779.99
Semmes Elementary	1955	65,484		382.78	330.71	310.06	286.23	266.07
Sherwood Elementary	1958	77,292	1	515.51	529.47	530.79	524.10	518.14
Suter Elementary	1921	49,458	3	306.31	315.75	354.70	381.17	367.55
Warrington Elementary	1947	66,228	11	470.16	471.28	442.65	392.79	369.93
Weis Elementary	1990	111,524		573.82	555.32	516.72	548.52	533.02
West Pensacola Elementary	1955	69,757	10	511.51	476.21	481.45	461.44	455.00
Ynuestra Elementary	1938	39,600	1	310.55	332.13	404.08	281.97	235.79
Total Elementary Schools			201	19,128.66	19,218.78	18,855.17	18,674.70	18,563.07
Middle Schools								
Bailey Middle School	1993	190,868	12	1,649.50	1,566.28	1,528.66	1,504.05	1,488.20
Bellview Middle School	1961	140,220	8	1,169.18	1,106.20	1,134.80	1,192.10	1,099.50
Brentwood Middle School	1955	88,445		885.04	869.20	818.79		
Brown Barge Middle School ⁽⁴⁾	1955	88,445	7	512.60	501.00	509.00	631.00	652.71
Brownsville Middle School	1955	106,664		740.50	605.70	524.30		
Carver Middle School	1935	47,790						
Ferry Pass Middle School	1961	127,961	5	977.70	899.70	899.43	880.80	894.56
Ransom Middle School	1987	158,627	12	1,473.10	1,447.88	1,403.11	1,365.31	1,325.81
Ward Middle School	1945	82,541	2	392.05	383.50	443.00	458.50	461.49
Warrington Middle School	1953	127,637	6	796.06	721.50	617.20	892.00	854.80
Wedgewood Middle School	1964	85,650		663.90	541.00	555.60		
Woodham Middle School	1964	215,596	4				1,012.60	928.50
Workman Middle School	1962	128,638	10	898.10	827.90	788.13	850.02	866.11
Total Middle Schools			66	10,157.73	9,469.86	9,222.02	8,786.38	8,571.68

Full-Time Equivalent Enrollment Data

2009-10	2010-11	2011-12	2012-13	2013-14
582.19	652.44	628.36	632.13	563.93
730.25	672.10	698.00	746.50	696.10
817.78	844.84	887.80	896.00	920.11
328.55	242.86			
925.00	871.90	884.76	989.10	849.17
429.61	422.30	436.02	438.91	414.96
500.41	535.68	542.87	555.39	616.97
947.05	912.02	943.06	908.97	952.20
623.68	658.59	628.50	635.72	622.13
676.26	659.22	713.52	677.22	707.88
354.68	406.52	442.93	427.16	457.85
687.15	706.56	708.42	622.66	688.46
		780.06	753.14	757.43
212.56	210.84			
517.04	491.35	471.58	430.67	440.04
214.04	225.60	261.56	276.44	140.02
1,005.05	945.39	903.03	911.39	926.99
670.47	717.83	730.88	690.67	784.36
726.02	704.10	686.64	693.60	740.55
390.37	387.18	397.26	387.26	381.35
458.55	332.80	373.04	363.04	341.33
684.76	661.41	662.82	677.72	703.69
397.30	435.80	481.62	483.58	508.65
413.72	448.61	470.03	518.35	602.87
835.71	844.88	856.67	909.03	942.99
648.00	666.57	675.09	680.62	631.70
837.44	782.45	780.00	841.67	872.57
297.80	263.26	335.69	366.24	405.43
489.16	532.50	509.20	526.66	589.50
385.52	400.23	367.58	434.72	423.62
502.06	516.25	508.12	483.24	485.95
517.78	464.15	487.68	492.60	573.90
530.31	499.98	497.94	472.12	404.83
234.89	256.63			
<u>18,571.16</u>	<u>18,372.84</u>	<u>18,750.73</u>	<u>18,922.52</u>	<u>19,147.53</u>
1,453.50	1,479.60	1,406.93	1,400.90	1,481.31
1,060.30	1,107.60	1,071.40	1,110.69	980.69
634.00	617.50	610.70	620.99	594.23
873.37	946.00	889.82	980.71	1,011.74
1,310.05	1,312.30	1,356.40	1,360.09	1,429.64
519.31	480.00	465.58	461.33	458.58
850.71	731.11	727.70	705.79	649.87
924.90	912.63	853.80	805.80	699.61
867.10	936.43	921.42	1,008.49	979.62
<u>8,493.24</u>	<u>8,523.17</u>	<u>8,303.75</u>	<u>8,454.79</u>	<u>8,285.29</u>

(continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data			
				2004-05	2005-06	2006-07	2007-08
High Schools							
Escambia High School	1958	277,591	8	1,691.66	1,683.69	1,743.04	1,920.58
West Florida High School of Advanced Technology	1967	338,380	12	1,224.82	1,244.51	1,245.00	1,284.46
Northview High School	1993	142,694		520.98	545.97	558.33	551.61
Pensacola High School	1949	283,755	5	1,547.76	1,509.07	1,404.95	1,483.93
Pine Forest High School	1974	230,033	15	1,478.21	1,498.28	1,520.34	1,958.50
Tate Senior High School	1950	283,254	3	1,936.94	1,945.50	2,071.28	1,967.59
Washington High School	1976	270,222	6	1,580.41	1,589.02	1,659.19	1,875.50
Woodham High School	1962	115,126		1,289.25	1,323.76	1,229.01	
Total High Schools			49	11,270.03	11,339.80	11,431.14	11,042.17
Special Centers							
Judy Andrews Pre-K Center	1965	20,458				42.50	47.50
Clubbs Alternative Middle School	1938	35,459		177.00	156.00	122.00	146.50
Judy Andrews Second Chance Center ⁽⁵⁾	1954	45,495		180.50	166.50		
E-Seal Center	1992	36,527	5	125.76	99.50	97.55	85.59
Sid Nelson Community Learning	1956	56,836		108.37	129.15	107.35	122.10
McMillian Learning Center	1961	63,536	1	68.37	58.35	59.52	61.74
Program for Academically Talented Students (PATS)	1921	23,629					
Petree Center	1962	15,512					
George Stone Technical Center ⁽³⁾	1967	219,913	5				
Escambia Westgate Center	1979	96,305		206.13	223.50	223.64	221.16
OASIS High School Preparatory Academy	1965				72.00	72.00	72.00
Total Special Centers			11	866.13	905.00	724.56	756.59
Other Programs							
Camelot	n/a	n/a	n/a				
District Administered Programs	n/a	n/a	n/a	147.89	165.07	151.92	153.18
Escambia County Jail	n/a	n/a	n/a	0.75	0.72	0.93	1.23
Escambia Juvenile Justice Center	n/a	n/a	n/a	79.50	77.50	103.49	96.33
Hospital & Homebound	n/a	n/a	n/a	17.11	16.19	18.22	16.24
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	14.50	13.50	17.00	17.50
Lakeview Center	n/a	n/a	n/a	46.50	43.50	40.50	41.50
Escambia Boys Base	n/a	n/a	n/a	27.50	29.50	38.11	37.02
Escambia Bay Marine	n/a	n/a	n/a	74.50	75.50	75.98	68.30
Outward Bound	n/a	n/a	n/a	22.50	30.50	33.72	
PACE Center for Girls	n/a	n/a	n/a	44.00	47.50	61.30	63.30
McKay Scholarships	n/a	n/a	n/a	191.50	191.50	130.50	144.00
Opportunity Scholarships	n/a	n/a	n/a	28.00	12.50		
Total Other Programs				694.25	703.48	671.67	638.60
Charter Schools							
A. A. Dixon Charter School of Excellence	n/a	n/a	n/a				
Beulah Academy of Science, Inc.	n/a	n/a	n/a	188.40	216.30	225.50	239.20
Byrneville Elementary School, Inc.	n/a	n/a	n/a	165.28	172.00	159.30	162.70
Capstone Academy Pensacola	n/a	n/a	n/a	4.00	5.44	10.00	13.50
Escambia Charter School, Inc.	n/a	n/a	n/a	110.50	120.00	108.50	121.50
Dr. Ruby J. Gainer School for Reaching Your Dream	n/a	n/a	n/a	134.00	117.00	118.51	109.88
Gulf Coast Charter School	n/a	n/a	n/a				
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a	158.50	192.50	179.50	194.30
Life Skills Center	n/a	n/a	n/a			204.01	213.29
Newpoint Academy Middle School	n/a	n/a	n/a				
Newpoint Pensacola High School	n/a	n/a	n/a				
Pensacola Beach Elementary School, Inc.	n/a	n/a	n/a	117.20	130.70	115.45	124.86
Total Charter Schools				877.88	953.94	1,120.77	1,179.23
Virtual Instruction Programs							
	n/a	n/a	n/a				
Total District				42,994.68	42,590.86	42,025.33	41,077.67

⁽¹⁾ Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.

⁽²⁾ Square footage is current, but does not include portables.

⁽³⁾ The George Stone Center houses adult programs which do not generate Full Time Enrollment (FTE).

⁽⁴⁾ Brown-Barge moved to the former Brentwood Middle facility in 2007-08.

⁽⁵⁾ Formerly known as Dixon Educational Center until the 2006-07 fiscal year.

Source: District Records

Full-Time Equivalent Enrollment Data

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1,895.15	1,873.29	1,811.94	1,786.06	1,646.34	1,678.82
1,300.88	1,296.67	1,279.41	1,249.58	1,245.51	1,254.39
546.10	552.65	541.38	540.27	535.95	495.89
1,532.93	1,641.12	1,607.20	1,611.19	1,571.52	1,463.15
1,833.24	1,876.25	1,744.28	1,702.56	1,729.23	1,646.97
1,909.05	1,955.85	1,928.49	1,884.06	1,969.99	1,928.67
1,691.68	1,634.31	1,591.01	1,609.95	1,623.54	1,626.17
<u>10,709.03</u>	<u>10,830.14</u>	<u>10,503.71</u>	<u>10,383.67</u>	<u>10,322.08</u>	<u>10,094.06</u>
44.00					
148.50	85.50				
	53.50	52.00	40.51	38.76	40.72
83.97	85.31				
143.75	154.24				
65.49	70.36	84.30	68.15	49.14	38.95
218.64	226.07	232.00	246.00	238.50	242.49
72.00					
<u>776.35</u>	<u>674.98</u>	<u>368.30</u>	<u>354.66</u>	<u>326.40</u>	<u>322.16</u>
		182.50	154.00	160.00	177.75
147.00	123.93	108.46	102.20	90.44	92.98
1.35	4.65	2.90	9.00	17.00	15.13
70.00	50.00	44.50	58.22	49.53	48.09
14.13	10.07	9.99	12.28	9.33	9.85
16.00	15.00	16.00	18.50	16.00	16.41
40.00	36.50	29.00	29.50	28.50	26.63
26.02	25.50	24.50	27.66	19.17	28.38
72.00	55.50	54.00	74.55	59.12	31.69
51.00	53.00	50.50	66.80	63.43	62.61
163.00	192.00	235.00	235.00	248.50	316.71
<u>600.50</u>	<u>566.15</u>	<u>757.35</u>	<u>787.71</u>	<u>761.02</u>	<u>826.23</u>
		220.30	156.50	160.00	
261.70	261.60	261.30	282.90	282.60	288.04
166.80	178.60	161.40	157.10	158.80	174.10
18.82	24.84	25.93	21.51	25.50	26.00
130.50	126.00	107.50	126.50	114.00	120.03
113.50					
203.30	182.00	214.50	188.00	174.50	197.63
			189.10	166.80	158.33
			81.50	91.03	113.23
143.76	140.68	141.45	135.45	138.26	135.34
<u>1,038.38</u>	<u>913.72</u>	<u>1,132.38</u>	<u>1,338.56</u>	<u>1,311.49</u>	<u>1,212.70</u>
			199.94	241.88	282.75
<u>40,259.01</u>	<u>40,049.39</u>	<u>39,657.75</u>	<u>40,119.02</u>	<u>40,340.18</u>	<u>40,170.72</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students (FTE) to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2013-14	3,200	143	1,846	5,189	12.55	22.38
2012-13	3,074	141	1,849	5,064	13.12	21.80
2011-12	3,191	140	1,843	5,174	12.57	22.79
2010-11	3,269	141	1,912	5,322	12.13	23.18
2009-10	3,270	142	1,964	5,376	11.94	23.03
2008-09	3,371	145	2,022	5,538	11.59	23.25
2007-08	3,442	150	2,084	5,676	11.93	22.95
2006-07	3,421	152	2,192	5,765	12.28	22.51
2005-06	3,371	152	2,145	5,668	12.63	22.18
2004-05	3,301	148	2,128	5,577	13.02	22.30

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

(B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors, Directors, Managers, Coordinators

(C) Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
TEACHERS' SALARIES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Minimum Range 10-Month Salary (a)	Maximum Range 10-Month Salary (a)	Average Teacher Salary
2013-14	\$ 34,152 - \$ 37,752	\$ 55,635 - \$ 59,235	\$ 44,254
2012-13	33,482 - 37,082	53,026 - 56,626	42,619
2011-12	32,825 - 36,425	51,986 - 55,586	41,989
2010-11	32,825 - 36,425	51,986 - 55,586	41,560
2009-10	32,500 - 36,100	51,471 - 55,071	42,346
2008-09	32,000 - 35,600	51,000 - 54,600	41,430
2007-08	32,000 - 35,600	51,000 - 54,600	41,551
2006-07	29,105 - 32,705	48,197 - 51,797	39,075
2005-06	27,878 - 31,478	46,631 - 50,231	37,402
2004-05	27,252 - 30,852	45,639 - 49,239	36,407

(a) Minimum and maximum salary ranges are based on the educational level of the employee. The starting amount represents a bachelor's degree and the ending amount represents an in-field doctorate degree. Employees may earn additional pay for the following degree levels: in-field masters (\$2,500); out-of-field masters (\$1,700); in-field specialist (\$3,100); out-of-field specialist (\$2,600); in-field doctorate (\$3,600); out-of-field doctorate (\$3,300). Employees may also receive additional compensation for working 11 or 12 months.

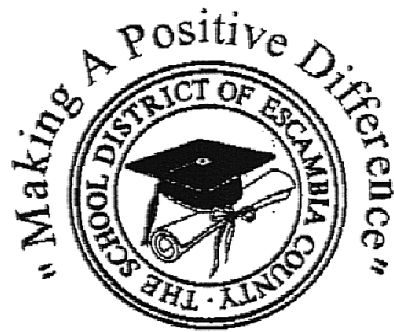
Source: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Days Meals were Served	170	179	180	180
Average Number of Free and Reduced Meals Served Daily	29,909	28,330	27,886	26,440
Number of Free and Reduced Meals Served	5,084,549	5,071,159	5,019,529	4,759,284
Average Daily Subsidy Received	\$ 63,293	\$ 61,462	\$ 62,312	\$ 65,436
Total Subsidy Received	\$ 10,759,800	\$ 11,001,688	\$ 11,216,190	\$ 11,778,397
Average Number of Meals Served Daily	36,602	35,871	35,695	33,365
Number of Meals Served	6,222,411	6,420,924	6,425,066	6,005,633
Average Daily Revenues	\$ 100,072	\$ 100,536	\$ 102,799	\$ 98,927
Total Revenues	\$ 17,012,218	\$ 17,995,872	\$ 18,503,864	\$ 17,806,948
Average Daily Costs	\$ 99,798	\$ 100,429	\$ 102,150	\$ 103,911
Total Costs	\$ 16,965,688	\$ 17,976,729	\$ 18,387,009	\$ 18,704,011

Source: District Records

Fiscal Year Ending					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
180	177	180	180	177	175
27,681	29,557	30,082	31,288	30,980	30,792
4,982,623	5,231,541	5,414,671	5,631,896	5,483,459	5,388,581
\$ 71,958	\$ 78,042	\$ 79,942	\$ 83,309	\$ 88,638	\$ 90,802
\$ 12,952,440	\$ 13,813,367	\$ 14,389,546	\$ 14,995,628	\$ 15,688,854	\$ 15,890,352
33,766	35,511	35,774	36,613	36,473	35,870
6,077,927	6,285,394	6,439,395	6,590,289	6,455,792	6,277,235
\$ 104,226	\$ 107,987	\$ 108,906	\$ 109,692	\$ 111,500	\$ 112,721
\$ 18,760,744	\$ 19,113,616	\$ 19,603,137	\$ 19,744,479	\$ 19,735,430	\$ 19,726,102
\$ 99,617	\$ 102,972	\$ 99,434	\$ 111,823	\$ 118,833	\$ 118,158
\$ 17,931,037	\$ 18,226,102	\$ 17,898,106	\$ 20,128,069	\$ 21,033,403	\$ 20,677,648



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