

The District School Board of
Escambia County
Pensacola, Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT

***FISCAL YEAR ENDED
JUNE 30, 2019***



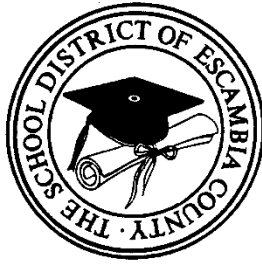
District School Board
Of Escambia County
Pensacola, Florida

Comprehensive Annual
Financial Report

For The
Fiscal Year
Ended June 30, 2019



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, 2019

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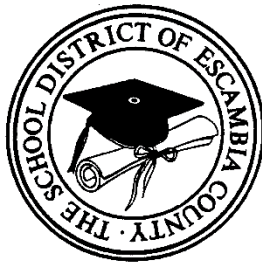
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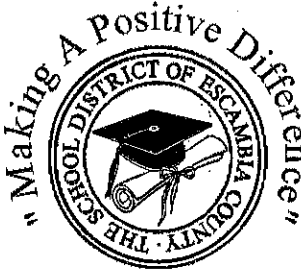
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INTRODUCTORY SECTION



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THE SCHOOL DISTRICT OF ESCAMBIA COUNTY

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

December 13, 2019

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, 2019.

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. Because the cost of internal controls should not outweigh their benefits, the District's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been independently audited by Moore Stephens Lovelace CPAs. 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, 2019, 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, 2019, 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) Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 questioned costs, and independent auditor's report on the system of internal control and on compliance with applicable requirements, are included in the Single Audit Section.

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 Article IX, Section 4 of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The 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 financial 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 2018-19 fiscal year, the District operated 62 schools, special centers, and other programs, including 32 elementary schools, 9 middle schools, 7 high schools, 4 special centers, and 10 other programs. These totals include two new schools that were opened for the 2018-19 fiscal year – an elementary school and a middle school. The District also has 5 charter schools that are component units of the District (one charter school had closed at the end of the prior fiscal year). In addition, the District provides on-line learning opportunities through its virtual education offerings.

District school facilities vary greatly in age. Year of occupancy for elementary schools range from the year 1936 to 2018; middle schools range from 1953 to 2018; and high school facilities range from 1949 to 1993.

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.

The District's general fund financial condition ratio at June 30, 2019, was 9.7 percent, well above the minimum statutory requirement of 3 percent (local board requirement is 3.5 percent). The financial condition ratio is calculated by dividing the combined assigned and unassigned fund balance by total general fund revenue. The financial condition ratio is an indication of the district's level of liquidity and excess operating reserves compared to the above referenced benchmark requirements.

During the 2018-19 fiscal year, the District provided general, special, vocational, and other education programs to 39,620 unweighted full-time equivalent students (UFTE), a decrease of 187 UFTE over the prior fiscal year (39,807). Based on forecasting models, the District projects its 2019-20 student membership to further decrease in number to 39,365 UFTE which represents a decline of 255 UFTE from the 2018-19 fiscal year.

For budgeting purposes, the Board follows procedures established by Florida Statutes and the SBE 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 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 318,560. The population has increased by approximately 20,596 or 6.9 percent over the last 10 years (297,964). The statewide increase during that period has been approximately 14.9 percent. The Escambia county unemployment rate has decreased from 3.9 percent a year ago to 3.5 percent in June 2019.

Local sales tax revenues continue to increase on a yearly basis. Current year receipts totaled \$28.2 million which was a 5.6 percent increase over the 2017-18 fiscal year (\$26.7 million). In addition, school taxable property values in Escambia County grew 7.6 percent over the same period.

Per pupil funding for the Escambia County School District was \$7,285 per UFTE, an increase of 2.5 percent over the 2017-18 fiscal year (\$7,109). The funding formula is made up of both state and local revenue as required by the Florida Education Finance Program (FEFP). The FEFP is composed of several funding components including local ad valorem taxes and state categorical programs.

The total fund balance of the District's General Fund decreased by \$1,050,962 from the 2017-18 fiscal year. This indicates that operating funds were insufficient to cover required expenditures.

Major Initiatives

Section 212.055(6), Florida Statutes, authorizes local school boards the ability to levy a one-half cent School Capital Outlay Sales Surtax (sales surtax). The Escambia County School District currently has a ten year referendum in place based on voter approval in the November 2014 general election. The current term began in January 2015 and is a renewal of a prior ten year referendum. Accordingly, the District issued Sales Tax Revenue Bonds in January 2016 for construction of a new middle school. The school was placed into service for the start of the 2018-19 school year. In

addition, various remodel/renovation projects at other school facilities were part of the overall plan for the bond proceeds. The debt service period on the bonds extends through December 31, 2027; the life of the referendum.

District opened a newly constructed elementary school to address similar overcrowding concerns. The new elementary school was built on a pay-as-you go basis and utilized cash reserves from local sales tax revenue. One hundred percent of the District's sales tax funds are used for new construction, renovations, and certain retrofit projects for its school facilities.

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.

Long-Term Financial Planning

General Operating The District's financial objectives for general operating revenue may be summarized as follows: (1) provide for adequate classroom resources and operational support to accomplish curriculum and instructional goals, (2) provide for competitive salary and benefits program for all employees, and (3) maintain adequate fund balance consistent with School Board policy.

Facilities The District currently benefits from a 10-year, 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. This 10-year levy is in effect until December 31, 2027 and is the source of funds for nearly all new construction and major remodel and renovation projects.

Awards and Acknowledgments

The District's CAFR for the fiscal year ended June 30, 2018, received the following awards:

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
December 13, 2019

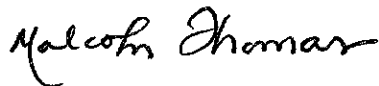
- The Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).
- The Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO).

This was the eleventh consecutive year that the District's CAFR has been so recognized and demonstrates the District's commitment to transparency for the benefit of the taxpayers of Escambia County. The District will also submit the current 2018-19 CAFR for such consideration.

The timely preparation of this report was made possible by the dedicated service of the entire staff of the Finance and Business Services 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 School 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 - Accounting Operations

District School Board of Escambia County, Florida

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



District 1
Kevin Adams
3 years
November 2022



District 2
Paul H. Fetsko
1 year
November 2022



District 3
Dr. Laura Edler
1 year
November 2022



District 4
Patty Hightower
15 years
Chairman
November 2020



District 5
Bill Slayton
11 years
Vice Chairman
November 2020



Superintendent
Malcolm Thomas
11 years
November 2020

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

PRINCIPAL OFFICIALS

Norm Ross

Deputy Superintendent

Shawn Dennis

Assistant Superintendent
Operations

Steve Marcanio

Assistant Superintendent
Curriculum and Instruction

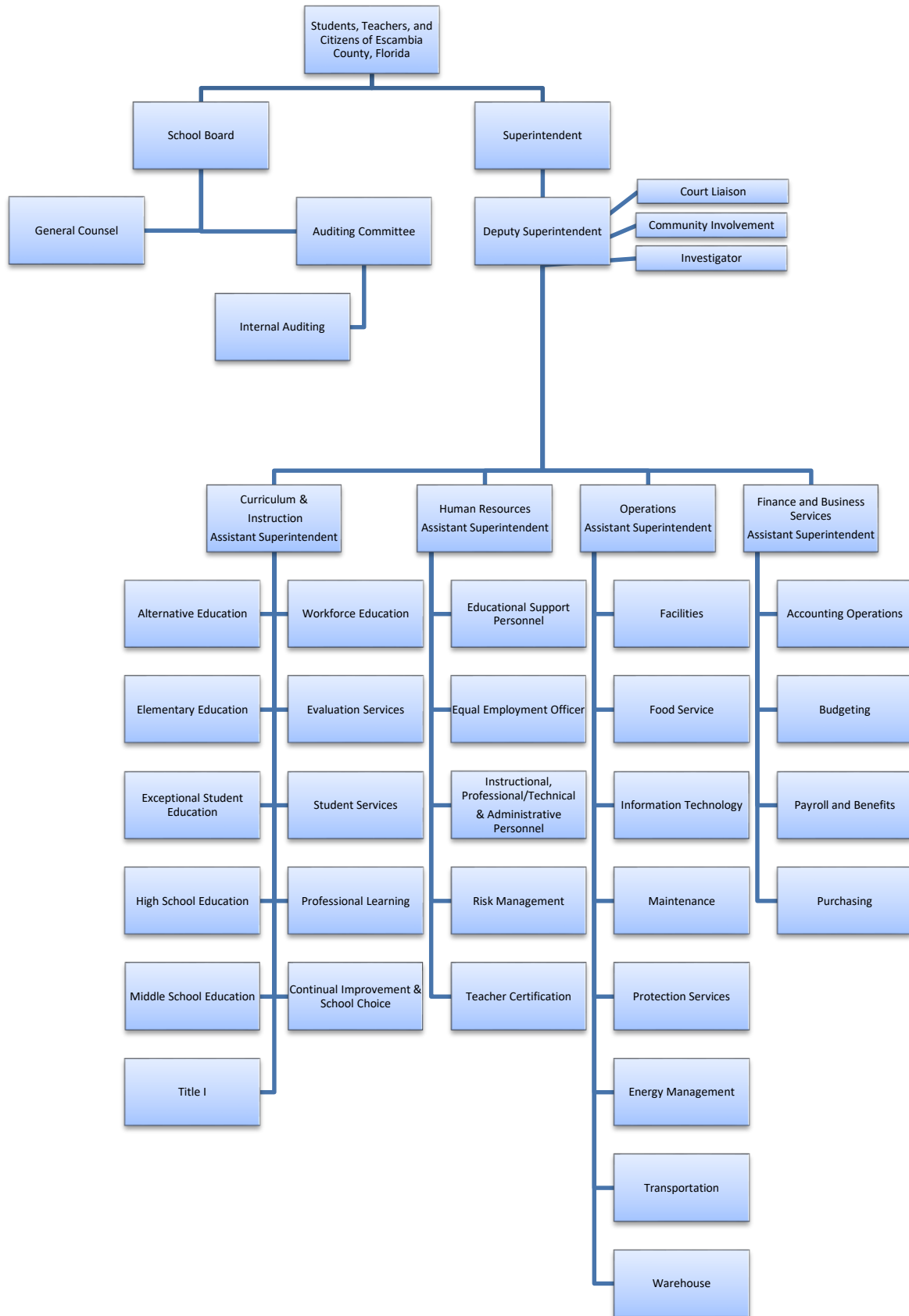
Terry St. Cyr

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
is presented to

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

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



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, 2018

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Chairman and Members of
The District School Board of Escambia County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2019, 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 Charter Schools or Escambia Schools Foundation, Inc., which comprises 100 percent of the assets, net position, and revenues of the discretely presented component units of the District. Those financial statements were audited by other auditors, whose reports have been furnished to us and, our opinion, insofar as it relates to the amounts included for the discretely presented component units, is 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 District'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 District'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and major special revenue funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, combining and individual major and non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual major and non-major 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 major and non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section and statistical section 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.

Chairman and Members of
The District School Board of Escambia County, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

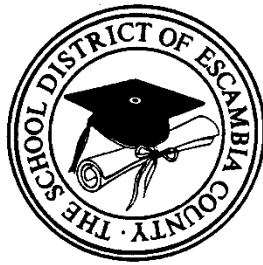
In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
December 13, 2019



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Escambia County, Florida (District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2019. 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 2018-19 fiscal year are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at June 30, 2019, by \$284.4 million (net position).
- The District's total net position decreased by \$0.4 million from the prior fiscal year (\$284.8 million). The decrease is primarily due to the accrual of property tax refunds, in accordance with GASB Statement No. 56 (Subsequent Events), resulting from litigation between Pensacola Beach Leaseholders and the Escambia County Tax Collector (See Note 20).
- At June 30, 2019, the combined assigned and unassigned fund balance for the General Fund was \$29.6 million, or 9.7 percent (Financial Condition Ratio) of total General Fund revenues. These totals represent decreases of \$3.1 million and 1.2 percent, respectively from the prior fiscal year.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) was \$64.8 million, a decrease of \$9.2 million from the prior fiscal year (\$74 million) due to the reduction of principal via normal debt service requirements.

OVERVIEW OF 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 District 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 six separate legal entities in this report: Capstone Academy Pensacola, Jacqueline Harris Preparatory Academy, Beulah Academy of Science, Inc., Byrneville Elementary School Inc., Pensacola Beach Elementary School, Inc., and the Escambia County Public Schools Foundation For Excellence, Inc.

Each school is considered to be a component unit of the District due to the following criteria:

1. The District is financially accountable for each school.
2. Each school was established based on school board approval of the charter (which is tantamount to the initial appointment of the charter schools)
3. There is potential for each charter school to impose specific financial burdens on the District.

In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. Financial information for these component units is reported separately from the financial information presented for the primary government.

Blended Component Unit - 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 the broad categories discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 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 and the Special Revenue – Other Federal 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 and required supplementary information concerning the District's liability and required contributions to the state retirement system.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2019, compared to net position as of June 30, 2018:

	Net Position, End of Year	
	Governmental	
	Activities	
	6-30-19	6-30-18
Current Assets	\$ 205,357,796	\$ 206,489,665
Capital Assets	399,049,473	396,920,985
Total Assets	604,407,269	603,410,650
Deferred Outflow of Resources	86,051,350	88,433,713
Total Assets and Deferred Outflow of Resources	\$ 690,458,619	\$ 691,844,363
Long-Term Liabilities	\$ 352,388,174	\$ 367,875,054
Other Liabilities	21,141,734	20,076,523
Total Liabilities	373,529,908	387,951,577
Deferred Inflow of Resources	32,525,197	19,079,276
Net Position:		
Net Investment in Capital Assets	343,230,615	341,718,135
Restricted	115,734,971	105,923,265
Unrestricted (Deficit)	(174,562,072)	(162,827,890)
Total Net Position	284,403,514	284,813,510
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 690,458,619	\$ 691,844,363

The largest portion of the District's net position, \$343.2 million, is 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. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position, \$115.7 million, represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position of \$174.6 million was mainly due to the accrual of net pension liability totaling \$206.2 million. The District reported net pension liability according to the requirements of GASB Statement No. 68 – *Accounting and Reporting for Pensions*.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2019, and June 30, 2018, are as follows:

	Operating Results for the Year	
	Governmental Activities	
	6-30-19	6-30-18
Program Revenues:		
Charges for Services	\$ 4,359,715	\$ 4,107,649
Operating Grants and Contributions	19,554,877	19,920,098
Capital Grants and Contributions	2,938,854	2,730,986
General Revenues:		
Property Taxes, Levied for Operational Purposes	92,400,716	88,593,488
Property Taxes, Levied for Capital Projects	25,713,431	25,897,925
Local Sales Taxes	28,220,187	26,693,489
Grants and Contributions Not Restricted to Specific Programs	240,182,926	235,440,637
Unrestricted Investment Earnings	3,088,594	1,877,193
Miscellaneous	5,310,353	3,072,906
Total Revenues	421,769,653	408,334,371
Functions/Program Expenses:		
Instruction	216,558,696	214,425,693
Student Support Services	18,032,843	17,331,002
Instructional Media Services	4,492,359	4,517,610
Instruction and Curriculum Development Services	13,268,349	13,201,725
Instructional Staff Training Services	8,812,216	6,348,029
Instruction-Related Technology	4,620,929	4,736,281
Board	7,528,891	1,300,560
General Administration	2,208,824	2,145,111
School Administration	17,121,281	15,858,774
Facility Acquisition and Construction	31,638,107	21,339,837
Fiscal Services	2,332,863	2,330,536
Food Services	21,462,250	21,261,023
Central Services	6,829,979	6,062,529
Student Transportation Services	21,859,505	20,887,224
Operation of Plant	26,987,310	25,346,355
Maintenance of Plant	12,187,824	11,107,852
Administrative Technology Services	3,511,314	3,479,380
Community Services	1,295,433	1,085,710
Unallocated Interest on Long-Term Debt	1,430,676	1,658,723
Total Functions/Program Expenses	422,179,649	394,423,954
Increase (Decrease) in Net Position	(409,996)	13,910,417
Beginning Net Position	284,813,510	283,226,973
Adjustment to Net Position	-	(12,323,880)
Ending Net Position	\$ 284,403,514	\$ 284,813,510

Governmental Activities decreased the District's net position by \$0.4 million.

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, 2019, is \$29.6 million, while the total fund balance is \$44.1 million. The assigned and unassigned fund balances decreased by \$3.1 million, while the restricted fund balance increased by \$2.0 million. The net result was a total fund balance that decreased by \$1.1 million during the fiscal year. Key fund balance performance indicators are as follows:

- Restricted categorical FEFP revenue increased significantly due to state required school safety and mental health legislation. Unspent funds, specifically for the new Safe Schools and Mental Health allocations, created an increase in those restricted carryforward balances over the prior fiscal year.
- Due to the timing of categorical textbook purchases, the carryforward balances of these restricted, unspent funds increased over the prior year.
- Salary increases were negotiated and paid to eligible employees. Salary increases have a negative affect mainly on unassigned fund balance.

Special Revenue – Other Federal Programs Fund. The Special Revenue – Other Federal Programs Fund had revenues and expenditures of \$31.6 million each. This is an increase over the prior fiscal year of \$1.6 million due mainly to Title I grants to schools in need of improvement as identified by the Florida Department of Education Funds are typically recorded as revenue when expended.

Capital Projects – Local Capital Improvement Fund. The Capital Projects – Local Capital Improvement Fund accounts for the revenue and expenditures associated with the District's ad valorem tax receipts generated through the discretionary capital outlay millage. The District is authorized to levy up to 1.5 mills for capital projects such as construction, technology, school bus purchases, and repair and maintenance of facilities. Other uses include, if eligible, payment of property and casualty insurance and debt service requirements. At June 30, 2019, the fund balance totals \$5.5 million and is restricted for eligible capital outlay purposes.

Capital Projects – Other Fund. The Capital Projects – Other Fund has a fund balance of \$69.4 million for the 2018-19 fiscal year. The fund balance decreased from the prior year by \$2.7 million due to ongoing construction programs at the various school sites.

The original net proceeds of the bond issue totaled \$60 million and has a remaining balance of \$9.6 million at June 30, 2019 (a decrease of \$7.2 million during the 2018-19 fiscal year).

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were less than final budgeted revenues by \$607 thousand, most of which (\$476 thousand) was from state sources.

Actual expenditures were \$15.3 million less than final budgeted expenditures. The instruction function accounted for \$6.3 million of this variance due mainly to contingency reserves and various unfilled classroom teaching positions during the year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$399 million (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software. The District's investment in capital assets (net of accumulated depreciation) for the current fiscal year increased \$2.1 million (less than 1 percent).

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

- Roofing projects at various District locations.
- Roy Hyatt Environmental Center – Facility rebuild.
- Oakcrest Elementary School – Covered play area.
- West Pensacola Elementary School – Covered play area.
- Woodham Middle School facility repurpose (future West Florida High School).
- Installation and renovation of mechanical and life safety systems.
- New Construction - Site preparation for future elementary school
- New Construction – Kingsfield Elementary School.
- New Construction – Beulah Middle School.
- West Florida High School repurpose for special program.
- Brentwood Elementary School – Covered play area.
- Escambia Westgate – Covered play area
- Tate High School – Chiller.
- Brown Barge Middle School – Gymnasium and track facility.
- Security System upgrades at various locations.

Additional information on the District's capital assets can be found in Notes 6 and 13 to the financial statements.

Long-Term Debt

At June 30, 2019, the District has total long-term debt outstanding of \$64.8 million. The District has \$1.5 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 total \$14.5 million and the remainder of the long-term debt is made up of Sales Tax Revenue Bonds, Series 2016, which have an outstanding balance of \$48.8 million at June 30, 2019

Additional information on the District's long-term debt can be found in Notes 8 through 10 to the financial statements.

ECONOMIC FACTORS AFFECTING 2018-19 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2019-20 fiscal year:

Funding for Student Enrollment

The District receives the majority of its general operating funds through the Florida Education Finance Program (FEFP). The funds are based on the number of full-time equivalent (FTE) students and is a combination of state and local revenue. Key issues related to the proposed 2019-20 FEFP funding formula over the current 2018-19 fiscal year include:

- The District projects a decrease of 220 unweighted FTE students to begin the new fiscal year.
- FEFP formula funds will increase \$299 per unweighted FTE over the 2018-19 fiscal year (4.1 percent).
- Total increase in formula funds will be approximately \$10.2 million over the prior year. Of the total, two new categorical earmarks account for \$6.6 million of the increase (Best and Brightest Teacher/Principal Allocation - \$3.8 million for bonus payments to targeted personnel meeting appropriate criteria and Turnaround Supplemental Services Allocation - \$2.8 million for state identified struggling schools).

General Fund – Fund Balance

The District will budget approximately \$1.9 million of total fund balance to cover planned expenditures during the 2019-20 fiscal year. Any unspent appropriations and/or revenue receipts in excess of budgeted amounts will be used to replenish the unassigned fund balance accordingly.

Expected Cost Increases

The District will plan for major increases in certain operating expenditures to include campus security officers, potential salary increases and associated benefits such as retirement contributions, health insurance costs, and wellness benefits to offset medical inflation.

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, 2019

	Primary Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 104,674,731	\$ 4,098,812
Investments	88,337,130	-
Accounts Receivable	391,953	485,613
Deposits Receivable	2,000	-
Prepaid Items	-	22,052
Due from Other Agencies	8,298,405	76,147
Inventories	3,653,577	-
Capital Assets:		
Non-Depreciable Capital Assets	22,747,817	975,261
Depreciable Capital Assets, Net	376,301,656	7,123,379
Total Assets	604,407,269	12,781,264
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	84,173,680	512,757
Deferred Outflows Related to Other Postemployment Benefits	1,877,670	-
Total Deferred Outflows of Resources	86,051,350	512,757
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 690,458,619	\$ 13,294,021
LIABILITIES		
Salaries and Benefits Payable	\$ 1,369,426	\$ 86,407
Payroll Deductions and Withholdings	706,934	-
Accounts Payable	6,139,509	472,995
Construction Contracts Payable - Retainage	1,118,727	-
Due to Other Agencies	5,373,633	-
Deposits Payable	148,167	6,991
Loan Payable	2,571,706	-
Unearned Revenue	3,713,632	-
Long-Term Liabilities:		
Portion Due Within One Year:	21,204,622	773,739
Portion Due After One Year:	331,183,552	4,319,765
Total Liabilities	373,529,908	5,659,897
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	27,877,689	121,004
Deferred Inflows Related to Other Postemployment Benefits	3,777,366	-
Deferred Gains on Refunding	870,142	-
Total Deferred Inflows of Resources	32,525,197	121,004
NET POSITION		
Net Investment in Capital Assets	343,230,615	4,335,843
Restricted for:		
State Required Carryover Programs	7,922,176	-
Debt Service	9,138,389	-
Capital Projects	71,746,107	-
Food Service	7,707,208	-
Other Required Carryover Programs	19,221,091	516,664
Unrestricted	(174,562,072)	2,660,613
Total Net Position	284,403,514	7,513,120
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 690,458,619	\$ 13,294,021

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, 2019**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 216,558,696	\$ 1,192,531	\$ -
Student Support Services	18,032,843	-	-
Instructional Media Services	4,492,359	-	-
Instruction and Curriculum Development Services	13,268,349	-	-
Instructional Staff Training Services	8,812,216	-	-
Instruction-Related Technology Board	4,620,929	-	-
General Administration	7,528,891	-	-
School Administration	2,208,824	-	-
Facilities Acquisition and Construction	17,121,281	-	-
Fiscal Services	31,638,107	38,872	-
Food Services	2,332,863	-	-
Central Services	21,462,250	2,157,187	19,554,877
Student Transportation Services	6,829,979	-	-
Operation of Plant	21,859,505	439,208	-
Maintenance of Plant	26,987,310	-	-
Administrative Technology Services	12,187,824	-	-
Community Services	3,511,314	-	-
Unallocated Interest on Long-Term Debt	1,295,433	531,917	-
	1,430,676	-	-
Total Governmental Activities	\$ 422,179,649	\$ 4,359,715	\$ 19,554,877
Component Units			
Foundation/Charter Schools	\$ 9,146,306	\$ 565,634	\$ 525,135

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, 2018, Restated (See Note 2)

Net Position, June 30, 2019

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

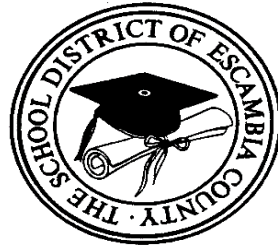
<i>Net (Expense) Revenue and Changes in Net Position</i>		
<i>Capital Grants and Contributions</i>	<i>Primary Government Governmental Activities</i>	<i>Component Units</i>
\$ -	\$ (215,366,165)	\$ -
-	(18,032,843)	-
-	(4,492,359)	-
-	(13,268,349)	-
-	(8,812,216)	-
-	(4,620,929)	-
-	(7,528,891)	-
-	(2,208,824)	-
-	(17,121,281)	-
2,732,750	(28,866,485)	-
-	(2,332,863)	-
-	249,814	-
-	(6,829,979)	-
-	(21,420,297)	-
-	(26,987,310)	-
-	(12,187,824)	-
-	(3,511,314)	-
-	(763,516)	-
206,104	(1,224,572)	-
<u>\$ 2,938,854</u>	<u>(395,326,203)</u>	<u>-</u>
<u>\$ 210,411</u>		<u>(7,845,126)</u>
	92,400,716	-
	25,713,431	-
	28,220,187	-
	240,182,926	7,046,173
	3,088,594	14,593
	<u>5,310,353</u>	<u>203,009</u>
	<u>394,916,207</u>	<u>7,263,775</u>
	(409,996)	(581,351)
	<u>284,813,510</u>	<u>8,094,471</u>
	<u>\$ 284,403,514</u>	<u>\$ 7,513,120</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue - Other Federal Programs Fund
ASSETS		
Cash and Cash Equivalents	\$ 32,248,916	\$ 5,554
Investments	9,393,646	-
Accounts Receivable	331,925	53,134
Deposits Receivable	2,000	-
Due from Other Funds	11,605,350	-
Due from Other Agencies	396,046	6,390,419
Inventories	1,548,283	-
TOTAL ASSETS	\$ 55,526,166	\$ 6,449,107
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 1,070,332	\$ 277,741
Payroll Deductions and Withholdings	651,256	51,209
Accounts Payable	1,743,391	315,195
Construction Contracts Payable - Retainage	-	-
Due to Other Funds	-	5,804,962
Due to Other Agencies	7,945,909	-
Deposits Payable	-	-
Total Liabilities	11,410,888	6,449,107
Fund Balances:		
Nonspendable:		
Inventories	1,548,283	-
Restricted for:		
State Required Carryover Programs	7,922,176	-
Debt Service	-	-
Capital Projects	-	-
Food Service	-	-
Other Required Carryover Programs	5,031,918	-
Assigned for:		
Contingencies	6,978,241	-
Local Carryovers	16,515,385	-
Unassigned	6,119,275	-
Total Fund Balances	44,115,278	-
TOTAL LIABILITIES, DEERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 55,526,166	\$ 6,449,107

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	Other Governmental Funds	Total Governmental Funds
\$ 846,341	\$ 4,699,886	\$ 20,777,259	\$ 58,577,956
13,013,847	65,899,488	30,149	88,337,130
-	-	6,004	391,063
-	-	-	2,000
-	482,254	47,921	12,135,525
-	527,359	984,581	8,298,405
-	-	2,105,294	3,653,577
<u>\$ 13,860,188</u>	<u>\$ 71,608,987</u>	<u>\$ 23,951,208</u>	<u>\$ 171,395,656</u>
\$ -	\$ -	\$ 21,352	\$ 1,369,425
-	-	4,469	706,934
3,028,964	595,271	147,949	5,830,770
-	1,118,727	-	1,118,727
5,336,808	482,313	48,060	11,672,143
-	-	-	7,945,909
-	-	148,167	148,167
<u>8,365,772</u>	<u>2,196,311</u>	<u>369,997</u>	<u>28,792,075</u>
-	-	2,105,294	3,653,577
-	-	-	7,922,176
-	-	10,008,533	10,008,533
5,494,416	69,412,676	5,865,471	80,772,563
-	-	5,601,913	5,601,913
-	-	-	5,031,918
-	-	-	6,978,241
-	-	-	16,515,385
-	-	-	6,119,275
<u>5,494,416</u>	<u>69,412,676</u>	<u>23,581,211</u>	<u>142,603,581</u>
<u>\$ 13,860,188</u>	<u>\$ 71,608,987</u>	<u>\$ 23,951,208</u>	<u>\$ 171,395,656</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, 2019**

Total Fund Balances - Governmental Funds \$ 142,603,581

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. 399,049,473

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. 12,640,890

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	\$ (43,628,000)	
Less: unamortized premiums on bonds payable	(6,668,598)	
Certificates of Participation Payable	(13,475,000)	
Less: unamortized premiums on certificates of participation payable	(1,073,717)	
Compensated Absences Payable	(40,091,987)	
Net Pension Liability	(206,221,638)	
Other Postemployment Benefits	<u>(12,257,643)</u>	(323,416,583)

Deferred inflows of resources related to the deferred amount on refunding are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Gains on Refunding - Bonds Payable	(13,000)	
Deferred Gains on Refunding - Certificates of Participation Payable	<u>(857,142)</u>	(870,142)

Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	84,173,680	
Deferred Inflows Related to Pensions	(27,877,689)	
Deferred Outflows Related to Other Postemployment Benefits	1,877,670	
Deferred Inflows Related to Other Postemployment Benefits	<u>(3,777,366)</u>	<u>54,396,295</u>

Total Net Position - Governmental Activities \$ 284,403,514

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, 2019**

	General Fund	Special Revenue - Other Federal Programs Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 1,069,737	\$ 1,807,915
Federal Through State and Local	2,440,153	29,781,035
State	203,719,944	-
Local:		
Property Taxes	92,400,715	-
Sales Taxes	-	-
Charges for Food Service	-	-
Miscellaneous	6,373,391	-
Total Revenues	306,003,940	31,588,950
Expenditures		
Current - Education:		
Instruction	192,395,975	11,993,613
Student Support Services	16,322,355	1,411,665
Instructional Media Services	4,334,392	75,531
Instruction and Curriculum Development Services	6,767,391	6,288,536
Instructional Staff Training Services	3,689,596	5,047,477
Instruction-Related Technology	2,899,981	1,401,443
Board	7,508,557	-
General Administration	887,470	1,308,208
School Administration	16,771,769	2,199
Facilities Acquisition and Construction	677,033	5,421
Fiscal Services	2,290,353	-
Food Services	103,382	-
Central Services	6,528,711	81,595
Student Transportation Services	16,428,784	2,896,168
Operation of Plant	26,687,168	8,086
Maintenance of Plant	11,747,008	-
Administrative Technology Services	3,174,744	82,079
Community Services	570,299	711,562
Capital Outlay:		
Facilities Acquisition and Construction	28,861	-
Other Capital Outlay	1,056,632	275,367
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	320,870,461	31,588,950
Excess (Deficiency) of Revenues Over Expenditures	(14,866,521)	-
Other Financing Sources (Uses)		
Sale of Capital Assets	-	-
Loss Recoveries	19,555	-
Transfers In	13,796,004	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	13,815,559	-
Net Change in Fund Balances	(1,050,962)	-
Fund Balances, July 1, 2018	45,166,240	-
Fund Balances, June 30, 2019	\$ 44,115,278	\$ -

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	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,877,652
-	-	19,262,313	51,483,501
-	1,764,338	2,811,667	208,295,949
25,713,432	-	-	118,114,147
-	28,220,187	-	28,220,187
-	-	2,157,187	2,157,187
<u>282,864</u>	<u>1,763,202</u>	<u>51,875</u>	<u>8,471,332</u>
<u>25,996,296</u>	<u>31,747,727</u>	<u>24,283,042</u>	<u>419,619,955</u>
-	-	-	204,389,588
-	-	-	17,734,020
-	-	-	4,409,923
-	-	-	13,055,927
-	-	-	8,737,073
-	-	-	4,301,424
-	-	-	7,508,557
-	-	-	2,195,678
-	-	-	16,773,968
7,399,901	18,838,882	1,089,628	28,010,865
-	-	-	2,290,353
-	-	21,008,991	21,112,373
-	-	-	6,610,306
-	-	-	19,324,952
-	-	-	26,695,254
-	-	-	11,747,008
-	-	-	3,256,823
-	-	-	1,281,861
87,560	11,599,367	-	11,715,788
4,245,483	1,145,796	258,307	6,981,585
-	-	8,014,000	8,014,000
-	-	2,846,672	2,846,672
<u>11,732,944</u>	<u>31,584,045</u>	<u>33,217,598</u>	<u>428,993,998</u>
<u>14,263,352</u>	<u>163,682</u>	<u>(8,934,556)</u>	<u>(9,374,043)</u>
-	3,281,282	-	3,281,282
-	-	-	19,555
-	-	10,635,925	24,431,929
<u>(18,270,650)</u>	<u>(6,161,279)</u>	<u>-</u>	<u>(24,431,929)</u>
<u>(18,270,650)</u>	<u>(2,879,997)</u>	<u>10,635,925</u>	<u>3,300,837</u>
(4,007,298)	(2,716,315)	1,701,369	(6,073,206)
<u>9,501,714</u>	<u>72,128,991</u>	<u>21,879,842</u>	<u>148,676,787</u>
<u>\$ 5,494,416</u>	<u>\$ 69,412,676</u>	<u>\$ 23,581,211</u>	<u>\$ 142,603,581</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, 2019**

Net Change in Fund Balances - Governmental Funds \$ (6,073,206)

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	\$ 9,216,113	
Capital Outlay - Other Capital Outlay - Capitalized	6,981,585	
Less, Depreciation Expense	<u>(12,918,070)</u>	3,279,628

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. (1,151,139)

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, payments to escrow agents are reported as financial uses in the governmental funds but reduces the liability in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. These are the debt refunding and principal payments for the current fiscal year:

Bond Repayments	3,939,000	
Certificate of Participation Repayments	<u>4,075,000</u>	8,014,000

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	769,777	
Amortization of deferred charges and gain on refunding, net	2,600	
Certificates of Participation Payable	357,905	
Amortization of deferred charges and gain on refunding, net	<u>285,714</u>	1,415,996

In the Statement of Activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68. (10,062,261)

In the Statement of Activities, other postemployment benefits (OPEB) expense is recorded for the District's proportionate share of collective OPEB expense of the cost sharing defined benefit plans in which the District participates. Also included in OPEB expense are amounts required to be amortized in accordance with GASB Statement No. 75. 1,161,918

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. 252,613

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 2,752,455

Change in Net Position of Governmental Activities \$ (409,996)

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

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund			
	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 800,000	\$ 1,069,737	\$ 1,069,737	\$ -
Federal Through State and Local	2,749,735	2,562,071	2,440,153	(121,918)
State	206,400,466	204,196,190	203,719,944	(476,246)
Local:				
Property Taxes	90,785,688	92,400,715	92,400,715	-
Miscellaneous	4,527,716	6,382,499	6,373,391	(9,108)
Total Revenues	<u>305,263,605</u>	<u>306,611,212</u>	<u>306,003,940</u>	<u>(607,272)</u>
Expenditures				
Current - Education:				
Instruction	194,970,239	198,683,207	192,395,975	6,287,232
Student Support Services	16,224,965	16,752,470	16,322,355	430,115
Instructional Media Services	4,517,626	4,683,093	4,334,392	348,701
Instruction and Curriculum Development Services	6,638,335	6,854,548	6,767,391	87,157
Instructional Staff Training Services	3,440,447	3,974,534	3,689,596	284,938
Instruction-Related Technology	3,138,910	3,100,419	2,899,981	200,438
Board	1,431,214	7,615,487	7,508,557	106,930
General Administration	886,369	915,369	887,470	27,899
School Administration	15,953,657	16,843,022	16,771,769	71,253
Facilities Acquisition and Construction	2,374,264	2,581,462	677,033	1,904,429
Fiscal Services	2,600,331	2,572,861	2,290,353	282,508
Food Services	70,011	103,887	103,382	505
Central Services	6,965,262	7,356,032	6,528,711	827,321
Student Transportation Services	16,604,239	16,896,827	16,428,784	468,043
Operation of Plant	25,978,292	28,819,883	26,687,168	2,132,715
Maintenance of Plant	11,002,434	12,191,817	11,747,008	444,809
Administrative Technology Services	3,188,282	3,219,604	3,174,744	44,860
Community Services	1,092,876	1,185,177	570,299	614,878
Capital Outlay:				
Facilities Acquisition and Construction	221,693	237,823	28,861	208,962
Other Capital Outlay	1,006,798	1,553,759	1,056,632	497,127
Total Expenditures	<u>318,306,244</u>	<u>336,141,281</u>	<u>320,870,461</u>	<u>15,270,820</u>
(Excess) Deficiency of Revenues Over Expenditures	<u>(13,042,639)</u>	<u>(29,530,069)</u>	<u>(14,866,521)</u>	<u>14,663,548</u>
Other Financing Sources (Uses)				
Loss Recoveries	-	19,555	19,555	-
Transfers In	8,636,107	13,883,512	13,796,004	(87,508)
Total Other Financing Sources (Uses)	<u>8,636,107</u>	<u>13,903,067</u>	<u>13,815,559</u>	<u>(87,508)</u>
Net Change in Fund Balances	(4,406,532)	(15,627,002)	(1,050,962)	14,576,040
Fund Balances, July 1, 2018	45,166,240	45,166,240	45,166,240	-
Fund Balances, June 30, 2019	<u>\$ 40,759,708</u>	<u>\$ 29,539,238</u>	<u>\$ 44,115,278</u>	<u>\$ 14,576,040</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
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Special Revenue - Other Federal Programs Fund

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 2,950,486	\$ 2,434,420	\$ 1,807,915	\$ (626,505)
Federal Through State and Local	32,429,741	36,971,911	29,781,035	(7,190,876)
Total Revenues	<u>35,380,227</u>	<u>39,406,331</u>	<u>31,588,950</u>	<u>(7,817,381)</u>
Expenditures				
Current - Education:				
Instruction	13,747,000	15,388,958	11,993,613	3,395,345
Student Support Services	1,505,911	1,623,185	1,411,665	211,520
Instructional Media Services	16,013	89,243	75,531	13,712
Instruction and Curriculum Development Services	6,767,002	7,451,485	6,288,536	1,162,949
Instructional Staff Training Services	5,223,479	6,218,538	5,047,477	1,171,061
Instruction-Related Technology	1,457,994	1,576,105	1,401,443	174,662
General Administration	1,649,831	1,749,514	1,308,208	441,306
School Administration	98,346	3,819	2,199	1,620
Facilities Acquisition and Construction	1,000	6,421	5,421	1,000
Central Services	119,495	143,064	81,595	61,469
Student Transportation Services	3,396,367	3,665,334	2,896,168	769,166
Operation of Plant	20,071	13,618	8,086	5,532
Administrative Technology Services	80,027	84,895	82,079	2,816
Community Services	1,005,964	1,018,590	711,562	307,028
Capital Outlay:				
Other Capital Outlay	291,727	373,562	275,367	98,195
Total Expenditures	<u>35,380,227</u>	<u>39,406,331</u>	<u>31,588,950</u>	<u>7,817,381</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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 NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 46,096,775
Accounts Receivable	889
Due From Other Agencies	569
Total Assets	46,098,233
 TOTAL ASSETS	 \$ 46,098,233
 LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 308,738
Due to Other Funds	463,382
Unearned Revenue	3,713,632
Estimated Insurance Claims Payable	7,133,863
Total Current Liabilities	11,619,615
 Noncurrent Liabilities:	
Estimated Insurance Claims Payable	21,837,728
Total Noncurrent Liabilities	21,837,728
 TOTAL LIABILITIES	 33,457,343
 NET POSITION	
Restricted for Employee Benefits	12,640,890
Total Net Position	12,640,890
 TOTAL LIABILITIES AND NET POSITION	 \$ 46,098,233

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, 2019**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 45,983,521
Other	1,409,806
Total Operating Revenues	<u>47,393,327</u>
OPERATING EXPENSES	
Salaries	261,945
Employee Benefits	3,072,650
Purchased Services	5,347,394
Energy Services	11,904
Materials and Supplies	25,337
Capital Outlay	986
Insurance Claims	33,450,769
Other	2,535,385
Total Operating Expenses	<u>44,706,370</u>
Operating Income (Loss)	<u>2,686,957</u>
NONOPERATING REVENUES	
Loss Recoveries	65,498
Total Nonoperating Revenues	<u>65,498</u>
Income (Loss) Before Transfers	<u>2,752,455</u>
Change in Net Position	<u>2,752,455</u>
NET POSITION	
Total Net Position, July 1, 2018	<u>9,888,435</u>
Total Net Position, June 30, 2019	<u><u>\$ 12,640,890</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, 2019

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 48,016,924
Cash Received for Interfund Services	278,133
Cash Payments to Suppliers for Goods and Services	(7,906,295)
Cash Payments to Employees for Services	(323,916)
Cash Payments for Interfund Services	(10,454)
Cash Payments for Insurance Claims	(35,976,488)
Net Cash Provided (Used) by Operating Activities	<u>4,077,904</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Loss Recoveries	65,498
Net Cash Provided (Used) by Noncapital Financing Activities	<u>65,498</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,143,402
Beginning Cash and Cash Equivalents	<u>41,953,373</u>
Ending Cash and Cash Equivalents	<u><u>\$ 46,096,775</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 2,686,957
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(889)
(Increase) Decrease in Due From Other Agencies	7,542
Increase (Decrease) in Accounts Payable	284,620
Increase (Decrease) in Due to Other Funds	7,368
Increase (Decrease) in Due to Other Agencies	(1,310)
Increase (Decrease) in Unearned Revenue	(30,055)
Increase (Decrease) in Estimated Insurance Claims Payable	1,123,671
Total Adjustments	<u>1,390,947</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 4,077,904</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 FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,404,401
LIABILITIES	
Internal Accounts Payable	\$ 3,301,410
Payroll Deductions and Withholdings	<u>102,991</u>
Total Liabilities	<u>\$ 3,404,401</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, 2019**

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 Escambia County School District (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.

Pursuant to the Florida Constitution, charter schools are public schools and the District is responsible for their operation, control, and supervision. The District has entered

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

into charter agreements with the following charter schools that are considered part of the District's reporting entity:

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.

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

Note: Escambia Charter School, Inc., was closed at the end of the prior fiscal year. Due to a funding shortfall caused by an insufficient student population, it was determined by both the Board and the charter school administration that the school was unable to continue as a going concern.

Audits of the Foundation's financial statements and the charter schools' financial statements for the fiscal year ended June 30, 2019, 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 is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured as current financial resources or economic resources. 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.

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Governmental activities are normally supported by taxes and inter-governmental revenues. The District currently does not have any business-type activities.

The Statement of Net Position includes all assets, liabilities, and deferred outflows/inflows of resources of the District. The Statement of Activities presents a comparison between the direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program or 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 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 unearned 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.

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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), and employee benefits (health and prescription) 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 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 financial 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 other governmental 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.
- Capital Projects – Local Capital Improvement Fund (Nonvoted) – to account for the financial resources generated by capital outlay ad valorem property taxes based the discretionary millage rate set by the School Board.
- 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.

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

Further, certain activity occurs during the 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.

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➤ **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 3 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 or through the Federally Insured Cash Account program, which complies with the provisions of Section 218.415(23), Florida Statutes, and is therefore exempt from Florida's public deposits program pursuant to Section 280.03(3)(f), Florida Statutes. 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 3 months or less.

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 are reported at fair value and consist of:

- (1) 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.
- (2) Government bonds.
- (3) Commercial paper.
- (4) Treasury bills.
- (5) U.S. Government bond funds.

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, 2018, 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, fuel inventories, and purchased food and lunchroom supply inventories are stated on the average-cost method. 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.

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➤ **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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than 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.

➤ **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 straight-line 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.

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➤ **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 an employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employee 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). The liability for compensated absences includes salary-related benefits, where applicable.

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 net position will sometimes report 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 will not be recognized as an outflow of resources (expense) until then.

The District has one item that qualifies for reporting as deferred outflows of resources, the *deferred outflows related to pensions* reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in a subsequent note.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting as deferred inflows of resources.

The two items reported as deferred inflows of resources are the *deferred gain on debt refunding* and the *deferred inflows related to pensions*, both reported in the government-wide statement of net position. A deferred gain on refunding results from a debt refinancing whereby the net carrying amount of the debt instrument exceeds the reacquisition price of the refunding debt. This amount is deferred and amortized over the shorter of the life of the refunded or

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refunding debt. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred inflows related to pensions are further discussed in a subsequent note.

➤ **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 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.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from FDOE. 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 2018 tax levy on September 18, 2018. 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

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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 was authorized for a period of 10 years, beginning January 1, 2006, proceeds of which were to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, and retrofitting and technology implementation and any land acquisition, land improvement, design, and engineering costs related thereto. The sales tax levy was renewed for another 10-year term beginning in January of the current fiscal year. The current term was approved by Escambia County voters during a November 4, 2014 ballot referendum.

➤ **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 change concerning its component units:

- The District terminated the charter agreement with Escambia Charter School, Inc., effective June 30, 2018. Accordingly, the Escambia Charter School, Inc., was not included as one of its charter schools during the 2018-19 fiscal year.

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

Component Units' Net Position - June 30, 2018	\$ 8,210,760
Adjustment to Beginning Net Position:	
Removal of Escambia Charter School, Inc.	(116,289)
Component Units' Net Position - July 1, 2018	<u><u>\$ 8,094,471</u></u>

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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.
- 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, 2019, the District has the following investments and maturities:

Investment	Average Maturities	Fair Value	Fair Value Measurement
State Board of Administration			
Florida PRIME (1)	29 Days	\$ 3,202,110	N/A
Debt Service Accounts	6 months	30,149	N/A
Sales Tax Investment Portfolio			
Agency Bonds	498 Days	18,113,200	Level 2
Certificates of Deposit	203 Days	1,008,993	Level 2
Government Bonds	257 Days	15,078,264	Level 2
Treasury Bills	138 Days	3,970,005	Level 2
Commercial Paper	59 Days	9,960,269	N/A
First American Gov Obligations (1)	18 Days	2,669,021	N/A
Florida Fixed Income Trust (FL FIT)			
Enhanced Cash Investments	223 Days	24,472,488	N/A
Cash Pool	113 Days	6,106,073	N/A
Cash Pool (Series 2016)	113 Days	9,597,689	N/A
Total Investments, Primary Government		<u><u>\$ 94,208,261</u></u>	

Note: (1) Investments reported as cash equivalents for financial statement reporting purposes.

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GASB Statement No. 72, Fair Value Measurement and Application

According to GASB 72, all assets meeting the definition of an investment should be measured at fair value, except the following:

- Nonparticipating interest earning investment contracts including non-negotiable certificates of deposit
- Investments in unallocated insurance contracts
- Money market investments and participating interest-earning investment contracts that have remaining maturity at time of purchase of 3 months or less
- Investments held by 2a-7 external investment pools
- Investments in 2a-7-like pools
- Fully benefit-responsive synthetic guaranteed investment contracts
- Investments in life insurance contracts not meeting the definition of a life settlement contract

In addition to expanding the definitions of fair value and investments, GASB 72 provides requirements for the valuation and disclosure of assets and liabilities reported at fair value. Governments are to use valuation techniques that are appropriate and for which sufficient data is available to measure assets and liabilities at fair value. These valuation techniques, which are inputs or data that market participants use in valuing assets and liabilities, should be applied consistently.

The District uses the market approach for fair value measurements.

GASB Statement No. 72 establishes a three-tier fair value hierarchy that prioritizes the inputs based on relative reliability and requiring all assets and liabilities valued at fair market value to be categorized each using one of the three hierarchy levels:

- *Level 1 Inputs* – quoted prices in active markets for identical assets or liabilities. Observable markets include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
- *Level 2 Inputs* – inputs other than quoted prices included within Level 1 that are observable for the asset or liability. These inputs are derived from or corroborated by observable market data through correlation or by other means. Examples: Quoted prices for similar assets or liabilities in active or inactive markets, credit spreads, interest rates and yield curves observable at commonly quoted intervals.
- *Level 3 Inputs* – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable. Examples: Nonbinding quotes on interest rate swaps that cannot be corroborated by observable market data and financial forecasts using internal data for commercial real estate.

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)

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investments of current operating funds shall have maturities of no longer than 2 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 5 years.

- The District’s investments in Florida PRIME, First American Government Obligations Fund, and Commercial Paper (CP) had weighted average maturities (WAMs) of 29 days, 18 days, and 59 days, respectively, at June 30, 2019.
- The District’s investments in Agency Bonds and Government Bonds had WAMs of 498 and 257 days, respectively, at June 30, 2019.
- The District’s investments in Treasury Bills had a WAM of 138 days.
- Florida Fixed Income Trust (FL FIT) had the following WAM for each portfolio:

- FL FIT Enhanced Cash – 223 days
- FL FIT Commercial Paper (Cash) Pool – 113 days

A portfolio’s WAM reflects the average maturity in days or years 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.

- As of June 30, 2019, 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	\$ 12,595,756	\$ 5,077,878	\$ 7,517,878
Capital Projects - Local Capital Improvements	13,013,847	2,598,667	10,415,180
Capital Projects - Other	68,568,509	27,828,622	40,739,887
Nonmajor Governmental	30,149	30,149	-
Total Investments	<u>\$ 94,208,261</u>	<u>\$ 35,535,316</u>	<u>\$ 58,672,945</u>

Note: Investments that have stable net asset values (NAVs) 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

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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, 2019, the District's investments are rated as follows:

- The District's investments in First American Government Obligations are rated AAAM by Standard and Poor's (S&P) and Aaa-mf by Moody's Investors Service.
- The District's investments in the SBA Florida PRIME are rated AAAM by S&P.
- The District's investments in Agency Bonds are rated AA+ by S&P and Aaa by Moody's.
- The District's investments in Government Bonds are rated AA+ by S&P and Aaa by Moody's.
- The District's investments in Treasury Bills are rated A-1+ by S&P and P-1 by Moody's.
- The District's investments in Commercial Paper are rated A-1 by S&P and P-1 by Moody's.
- The District's investments in Certificates of Participation are rated A-1+ by S&P and P-1 by Moody's.
- The District's investments in FL FIT Commercial Paper (Cash) Pool and Enhanced Cash Pool are rated AA Af/S1+ and AA Af/S1, respectively, by Standard & Poor's.
- The District's investments in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing 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

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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, 2019, 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.

Concentration of Credit Risk

- Concentration of credit risk is associated with potential loss of assets attributed to the portion of investment in a single issuer or issue size. The District's investment policy has established asset allocation and issuer limits according to the following investment types:

The Florida Local Government Surplus Funds Trust Fund (Florida PRIME)

Portfolio Composition: A maximum of 35 percent of available funds may be invested in Florida PRIME.

United States Government Securities

Portfolio Composition: A maximum of 75 percent of available funds may be invested in the United States Government Securities with no more than 10 percent of those funds invested in any one issue size (per CUSIP).

United States Government Agencies

Portfolio Composition: A maximum of 50 percent of available funds may be invested in United States Government agencies.

Limits on Individual Issuers: A maximum of 25 percent of available funds may be invested in individual United States Government agencies with no more than 10 percent of those funds invested in any one issue size (per CUSIP).

Federal Instrumentalities (United States Government sponsored agencies)

Portfolio Composition: A maximum of 50 percent of available funds may be invested in Federal Instrumentalities.

Limits on Individual Issuers: A maximum of 25 percent of available funds may be invested in individual Federal Instrumentality security with no more than 10 percent of those funds invested in any one issue size (per CUSIP).

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Interest Bearing Time Deposit or Saving Accounts

Portfolio Composition: A maximum of 25 percent of available funds may be invested in non-negotiable interest bearing time certificates of deposit (CDs).

Limits on Individual Issuers: A maximum of 15 percent of available funds may be deposited with any one CD.

Repurchase Agreements

Portfolio Composition: A maximum of 50 percent of available funds may be invested in repurchase agreements excluding one business day agreements and overnight sweep agreements.

Limits on Individual Issuers: A maximum of 15 percent of available funds may be invested with any one institution.

Commercial Paper

Portfolio Composition: A maximum of 35 percent of available funds may be directly invested in prime commercial paper.

Limits on Individual Issuers: A maximum of 10 percent of available funds may be invested in any one issuer with no more than 5 percent of those funds invested in any one issue size.

Registered Investment Companies (Mutual Funds and Money Markets)

Portfolio Composition: A maximum of 20 percent of available funds may be invested in mutual funds (investing in short-term government bonds) and 75 percent of available funds may be invested in money market funds.

Limits on Individual Issuers: A maximum of 20 percent of available funds may be invested with any one mutual fund or money market fund.

Intergovernmental Investment Pool

Portfolio Composition: A maximum of 50 percent of available funds may be invested in intergovernmental investment pools.

Limits on Individual Issuers: A maximum of 25 percent of available funds may be invested with any one intergovernmental investment pool (excludes Florida PRIME).

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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DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
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6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-18	Additions	Deletions	Balance 6-30-19
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 12,429,486	\$ 260,588	\$ 52,100	\$ 12,637,974
Construction in Progress	82,123,735	11,608,026	83,621,918	10,109,843
Total Capital Assets Not Being Depreciated	<u>94,553,221</u>	<u>11,868,614</u>	<u>83,674,018</u>	<u>22,747,817</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	17,737,213	1,640,931	-	19,378,144
Buildings and Fixed Equipment	429,939,728	81,677,357	937,940	510,679,145
Furniture, Fixtures, and Equipment	14,862,438	1,050,813	530,945	15,382,306
Motor Vehicles	52,303,800	3,581,900	3,259,228	52,626,472
Audio Visual Materials and Computer Software	9,154,407	-	5,548	9,148,859
Total Capital Assets Being Depreciated	<u>523,997,586</u>	<u>87,951,001</u>	<u>4,733,661</u>	<u>607,214,926</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	11,128,241	1,011,373	-	12,139,614
Buildings and Fixed Equipment	173,225,356	8,354,773	921,976	180,658,153
Furniture, Fixtures, and Equipment	9,640,859	793,484	462,050	9,972,293
Motor Vehicles	19,943,581	2,481,725	2,245,049	20,180,257
Audio Visual Materials and Computer Software	7,691,785	276,715	5,547	7,962,953
Total Accumulated Depreciation	<u>221,629,822</u>	<u>12,918,070</u>	<u>3,634,622</u>	<u>230,913,270</u>
Total Capital Assets Being Depreciated, Net	<u>302,367,764</u>	<u>75,032,931</u>	<u>1,099,039</u>	<u>376,301,656</u>
Governmental Activities Capital Assets, Net	<u>\$ 396,920,985</u>	<u>\$ 86,901,545</u>	<u>\$ 84,773,057</u>	<u>\$ 399,049,473</u>

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**DISTRICT SCHOOL BOARD OF
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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 8,098,513
Student Support Services	10,084
Instructional Media Services	3,723
Instruction and Curriculum Development Services	66,983
Instructional Staff Training Services	2,132
Instruction-Related Technology	269,285
General Administration	159
School Administration	17,891
Facilities Acquisition and Construction	1,124,102
Fiscal Services	369
Food Services	346,432
Central Services	94,844
Student Transportation Services	2,270,122
Operation of Plant	113,400
Maintenance of Plant	302,093
Administrative Technology Services	194,595
Community Services	3,343
Total Depreciation Expense - Governmental Activities	\$ 12,918,070

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 2 fiscal years.

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**DISTRICT SCHOOL BOARD OF
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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, 2019:

Issue	Original	Principal		Refunded By Series	Balance 6-30-19
	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	885,000	21,840,000	2014	-
Series 2005	10,000,000	10,000,000	-		-
Series 2006	10,000,000	10,000,000	-		-
Series 2011	1,124,561	1,124,561	-		-
Series 2014	19,840,000	6,365,000	-		13,475,000
	<u>\$ 184,649,561</u>	<u>\$ 66,634,561</u>	<u>\$ 104,540,000</u>		<u>\$ 13,475,000</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 ended 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, 2004, and 2014 Certificates end on the earlier of (a) the date on which the series of Certificates has been paid in full, or (b) June 30, 2022. 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.

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

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DISTRICT SCHOOL BOARD OF
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- Cordova Park Elementary School – Five Classroom Additions/Media Center
- 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, 2004, and 2014:

- 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

Note: Carver/Century K-8 Elementary School (Physical Education Building/Media Center/Classroom Additions), previously a part of the Series 2014 Certificates of Participation, was released from the COP Master Lease Agreement during the 2015-16 fiscal year in order to provide for the legal sale of the property to another educational institution. However, certain conditions were required of the transaction to preserve the tax-exempt status of the master lease. The sale was finalized on May 26, 2016 and the proceeds of the Series 2014 certificates allocable to the Carver/Century facilities are treated as financing the disposition proceeds rather than the facilities itself.

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The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 4 to 5 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, 2019:

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 4,837,000	\$ 4,270,000	\$ 567,000
2021	4,838,000	4,490,000	348,000
2022	4,832,875	4,715,000	117,875
Total Minimum Lease Payments	14,507,875	13,475,000	1,032,875
Unamortized Premium	1,073,717	1,073,717	-
Total Certificates of Participation	<u>\$ 15,581,592</u>	<u>\$ 14,548,717</u>	<u>\$ 1,032,875</u>

9. BONDS PAYABLE

SBE Bonds payable at June 30, 2019, are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2010A	\$ 225,000	\$ 165,000	3.5-5	2030
Series 2011A (Refunding)	2,625,000	250,000	3-5	2023
Series 2014A (Refunding)	229,000	140,000	3-5	2025
Series 2014B (Refunding)	627,000	5,000	2-5	2020
Series 2017A (Refunding)	812,000	758,000	3-5	2028
Subtotal	4,518,000	1,318,000		
Unamortized Premiums, Net	506,246	187,285		
Total Bonds Payable	<u>\$ 5,024,246</u>	<u>\$ 1,505,285</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 \$1,644,841, all of which was applicable to debt service. 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, 2019, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2020	\$ 217,355	\$ 158,000	\$ 59,355
2021	215,605	164,000	51,605
2022	219,405	176,000	43,405
2023	225,905	190,000	35,905
2024	155,955	128,000	27,955
2025-2028	526,175	472,000	54,175
2029-2030	31,800	30,000	1,800
Subtotal	1,592,200	1,318,000	274,200
Unamortized Premiums, Net	187,285	187,285	-
Total Bonds Payable	<u>\$ 1,779,485</u>	<u>\$ 1,505,285</u>	<u>\$ 274,200</u>

Sales Tax Revenue Bonds

In November 2014, the voters of Escambia County approved a 10-year extension to the District's one-half cent sales surtax for capital outlay. The extension began on January 1, 2018, and will end on December 31, 2027. Accordingly, in order to provide financing for the construction of a new middle school and improvements to several other of the various schools, the Board issued Sales Tax Revenue Bonds, Series 2016 in the amount of \$51,910,000.

These bonds are authorized by Chapters 212 and 1001, Florida Statutes. The principal and interest on the Series 2016 Bonds are payable solely from and secured by the proceeds received by the Board from the levy and collection of the one-half cent sales surtax pursuant to Section 212.055(6), Florida Statutes. The District pledged a total of \$67,969,815 for principal and interest on the original issue during the 2015-16 fiscal year. Due to payments for normal debt service requirements, the total pledged at June 30, 2019 for principal and interest was \$51,787,300. Final debt service requirements on this bond issue will be paid on September 1, 2027. Assuming a nominal growth rate in the collection of sales tax revenues through December 2027, approximately 19.3 percent of this revenue stream has been pledged in connection with debt service on the bonds.

During the 2018-19 fiscal year, the District recognized sales tax revenues totaling \$28,220,187 and expended \$5,785,300 (20.5 percent) of these revenues for debt service directly collateralized by these revenues.

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**DISTRICT SCHOOL BOARD OF
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 NOTES TO FINANCIAL STATEMENTS
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Series 2016 Bonds payable at June 30, 2019, are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
Sales Tax Revenue Bonds:				
Series 2016	\$ 51,910,000	\$ 42,310,000	4-5	2028
Unamortized Premiums, Net	<u>8,641,751</u>	<u>6,481,313</u>		
Total Bonds Payable	<u>\$ 60,551,751</u>	<u>\$ 48,791,313</u>		

The following is a schedule by years of the future annual debt service of the Series 2016 Bonds at June 30, 2019:

Fiscal Year Ending June 30	Total	Principal	Interest
Sales Tax Revenue Bonds:			
2020	\$ 5,780,500	\$ 3,945,000	\$ 1,835,500
2021	5,789,800	4,105,000	1,684,800
2022	5,769,250	4,250,000	1,519,250
2023	5,749,625	4,435,000	1,314,625
2022-2027	22,978,625	19,995,000	2,983,625
2028	<u>5,719,500</u>	<u>5,580,000</u>	<u>139,500</u>
Subtotal	51,787,300	42,310,000	9,477,300
Unamortized Premiums, Net	<u>6,481,313</u>	<u>6,481,313</u>	-
Total Bonds Payable	<u>\$ 58,268,613</u>	<u>\$ 48,791,313</u>	<u>\$ 9,477,300</u>

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**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
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10. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-18	Additions	Deductions	Balance 6-30-19	Due in One Year
GOVERNMENTAL ACTIVITIES					
SBE Bonds Payable	\$ 1,462,000	\$ -	\$ 144,000	\$ 1,318,000	\$ 158,000
Unamortized Premiums, Net	236,916	-	49,631	187,285	-
Total SBE Bonds Payable	<u>1,698,916</u>	<u>-</u>	<u>193,631</u>	<u>1,505,285</u>	<u>158,000</u>
Sales Tax Revenue Bonds Payable	46,105,000	-	3,795,000	42,310,000	3,945,000
Unamortized Premiums, Net	7,201,459	-	720,146	6,481,313	-
Total Sales Tax Revenue Bonds Payable	<u>53,306,459</u>	<u>-</u>	<u>4,515,146</u>	<u>48,791,313</u>	<u>3,945,000</u>
Certificates of Participation Payable	17,550,000	-	4,075,000	13,475,000	4,270,000
Unamortized Premium	1,431,622	-	357,905	1,073,717	-
Total Certificates of Participation Payable	<u>18,981,622</u>	<u>-</u>	<u>4,432,905</u>	<u>14,548,717</u>	<u>4,270,000</u>
Estimated Insurance Claims Payable	27,847,921	37,100,158	35,976,488	28,971,591	7,133,863
Compensated Absences Payable	40,344,599	3,420,378	3,672,990	40,091,987	4,046,688
Net Pension Liability	210,672,650	88,638,806	93,089,818	206,221,638	1,651,071
Other Postemployment Benefits Payable	15,022,888	1,943,062	4,708,307	12,257,643	-
Total Governmental Activities	<u>\$ 367,875,055</u>	<u>\$ 131,102,404</u>	<u>\$ 146,589,285</u>	<u>\$ 352,388,174</u>	<u>\$ 21,204,622</u>

For the governmental activities, net pension liabilities, 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.

11. 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	\$ 11,605,350	\$ -
Special Revenue - Other Federal Programs	-	5,804,962
Capital Projects - Local Capital Improvement	-	5,336,808
Capital Projects - Other	482,254	482,313
Nonmajor Governmental	47,921	48,060
Internal Service	-	463,382
Total	<u>\$ 12,135,525</u>	<u>\$ 12,135,525</u>

(Continued)
**DISTRICT SCHOOL BOARD OF
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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	\$ 13,796,004	\$ -
Capital Projects - Local Capital Improvement	-	18,270,650
Capital Projects - Other	-	6,161,279
Nonmajor Governmental	10,635,925	-
Total	\$ 24,431,929	\$ 24,431,929

Transfers among funds were as follows: (1) Capital Outlay funds were transferred to the General Fund to reimburse eligible maintenance operational costs, payment of property insurance premiums, charter school capital outlay distributions, and Pensacola Beach ad valorem tax refunds (see Note 20) and, (2) Capital Outlay funds were transferred to Debt Service (nonmajor) funds to provide for debt service requirements for Sales Tax Revenue Bonds and Certificates of Participation.

12. 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 GASB. The Board approves the assigned fund balance.

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.

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**DISTRICT SCHOOL BOARD OF
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- **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, 2019.
- **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 a total assigned fund balance of \$23,493,626 consisting of the following: encumbered local project carryovers totaling \$1,702,434; unencumbered local project carryovers totaling \$14,812,951 and local project contingencies of \$6,978,241.
- **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. Unassigned fund balance totaled \$6,119,275 at June 30, 2019.

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 to maintain an assigned/unassigned fund balance ratio in the General Fund of at least 3.5 percent of general fund revenue to comply with the intent of Section 1011.051, Florida Statutes.

As of June 30, 2019, the assigned and unassigned fund balance in the General Fund totaled \$29,612,901 (9.7 percent of General Fund revenues).

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**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
NOTES TO FINANCIAL STATEMENTS
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13. 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.

The following is a schedule of encumbrances at June 30, 2019:

Major Funds				Nonmajor	Total
General	Special Revenue - Other Federal Programs	Capital Projects - Local Capital Improvement	Capital Projects - Other	Governmental Funds	Governmental Funds
\$ 3,907,793	\$ 315,022	\$ 1,808,519	\$ 16,848,983	\$ 488,842	\$ 23,369,159

Construction Contracts. 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:			
J.E. Hall Center Renovations	\$ 3,311,404	\$ 2,848,986	\$ 462,418
Mechanical and Life Safety Systems	1,929,780	1,518,515	411,265
School Specific Projects:			
New Construction - Kingsfield Elementary School	33,368,139	32,919,374	448,765
New Construction - Beulah Middle School	47,093,314	46,790,686	302,628
New Construction - Westside Elementary School	2,862,416	1,024,367	1,838,049
Brown Barge Middle School - New Gym and Track	4,907,396	1,653,759	3,253,637
Brown Barge Middle School - General Renovations	1,388,254	161,427	1,226,827
Woodham Middle School - Repurpose	9,737,114	8,409,980	1,327,134
West Florida High School - Repurpose	2,062,820	162,963	1,899,857
Brentwood Elementary School - Covered Play Area	1,478,218	66,759	1,411,459
Tate High School - Chiller Plant	3,476,000	1,155,121	2,320,879
Lincoln Park Elementary School - General Renovations	440,650	174,721	265,929
Total	<u>\$ 112,055,505</u>	<u>\$ 96,886,658</u>	<u>\$ 15,168,847</u>

Total other construction contract commitments (individually below \$250,000) amounted to \$414,968 at June 30, 2019.

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**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
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FOR THE FISCAL YEAR ENDED JUNE 30, 2019

14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2018-19 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 151,052,919
Categorical Educational Program - Class Size Reduction	42,406,259
Workforce Development Program	3,915,074
Best and Brightest Teacher Scholarship Program	3,011,777
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,644,841
Voluntary Pre-K Program	1,219,007
Educational Facilities Security Grant	1,388,359
School Recognition	981,092
Public Education Capital Outlay	898,479
Racing Commission Funds	446,500
Charter School Capital Outlay	375,979
Food Service Supplement	276,324
Youth Mental Health Awareness Training	222,649
Discretionary Lottery	133,344
Law Enforcement Training	85,557
Florida Student Assistance Grant	84,057
Learning for Life	60,000
State License Tax	55,512
Miscellaneous	149,244
Total	<u><u>\$ 208,295,949</u></u>

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

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2018 tax roll for the 2018-19 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	4.200	\$ 81,023,249
Discretionary Local Effort	0.748	14,429,855
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.377	26,564,051
Total	<u><u>6.325</u></u>	<u><u>\$ 122,017,155</u></u>

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16. FLORIDA RETIREMENT SYSTEM

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

Governmental Accounting Standards Board Statement No. 68. The District participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for the fiscal year ended June 30, 2015, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The District's proportionate share of the net pension liabilities at June 30, 2019, totaled \$206,221,638.

General Information about the FRS.

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

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

The District's total pension expense was \$27,350,311 for the fiscal year ended June 30, 2019.

FRS Pension Plan

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

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- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.

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

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

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

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<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2018-19 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
DROP - Applicable to		
Members from All of the Above Classes	0.00	14.03
FRS, Reemployed Retiree	(2)	(2)

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

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

The District's contributions (not including employee contributions) to the Plan for the fiscal year ended June 30, 2019 totaled \$13,874,806 which was equal to the required contributions for the fiscal year.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources

and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a liability of \$138,767,435 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members.

At June 30, 2018, the District's proportionate share was 0.460707327 percent, which was 0.013912017 less than the proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$22,637,050 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,755,688	\$ 426,676
Change of assumptions	45,342,449	-
Net difference between projected and actual earnings on FRS pension plan investments	-	10,721,476
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	447,604	6,314,842
District FRS contributions subsequent to the measurement date	13,874,806	-
Total	<u>\$ 71,420,547</u>	<u>\$ 17,462,994</u>

The deferred outflows of resources related to pensions, totaling \$13,874,806, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year Ending June 30	<u>Amount</u>
2020	\$ 16,641,365
2021	10,747,167
2022	200,935
2023	6,998,743
2024	4,846,083
Thereafter	<u>648,454</u>
Total	<u><u>\$ 40,082,747</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

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<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100.0%</u>			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2018 valuation was updated from 7.1 percent to 7.0 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's proportionate share of the net pension liability	\$ 253,256,389	\$ 138,767,435	\$ 43,677,590

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

Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$57,247 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2019.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of

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State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$3,461,431 the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a net pension liability of \$67,454,203 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.637315645 percent, which was a decrease of 0.02001983 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$4,713,261 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,032,694	\$ 114,602
Change of assumptions	7,501,741	7,131,822
Net difference between projected and actual earnings on HIS pension plan investments	40,717	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	716,550	3,168,271
District contributions subsequent to the measurement date	3,461,431	-
Total	<u>\$ 12,753,133</u>	<u>\$ 10,414,695</u>

The deferred outflows of resources related to pensions, totaling \$3,461,431, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	<u>Amount</u>
2020	\$ 622,181
2021	618,749
2022	263,205
2023	(369,036)
2024	(1,454,804)
Thereafter	(803,288)
Total	<u>\$ (1,122,993)</u>

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Actuarial Assumptions. The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2018 valuation was updated from 3.58 percent to 3.87 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net pension liability	\$ 76,826,385	\$ 67,454,203	\$ 59,641,947

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

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FRS/HIS Pension Plan - Aggregate

The aggregate amount of net pension liabilities, related deferred outflows of resources, deferred inflows of resources, and pension expense for the District's defined pension plans are summarized below:

	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liabilities	138,767,435	67,454,203	206,221,638
Deferred Outflows of Resources	71,420,547	12,753,133	84,173,680
Deferred Inflows of Resources	17,462,994	10,414,695	27,877,689
Pension Expense	22,637,050	4,713,261	27,350,311

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2018-19 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. Costs

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of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

There were 1020 District participants in the Investment Plan during the 2018-19 fiscal year. The District's total contribution to the plan, including the employee portion totaled \$3,310,170 (which was equal to the required contribution for the 2018-19 fiscal year). The employer portion was \$2,438,386.

17. 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 \$265,324 during the 2018-19 fiscal year for Retirement Incentive pay.

18. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

Other Postemployment Benefits (OPEB) are addressed in GASB Statements No. 74 and 75; *Financial Reporting for Postemployment Benefits Plans Other than Pension Plans*, and *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 74 establishes financial and reporting requirements for OPEB, while Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. This statement requires governments in all types of OPEB plans to present adequate note disclosures and Required Supplemental Information (RSI) about their OPEB liabilities.

Plan Description. The OPEB healthcare 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 one of four self-funded comprehensive plans for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

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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 OPEB plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity.

Funding Policy. 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 OPEB costs or the net OPEB obligation. The calculations were based on July 1, 2019, data where there were 170 retirees and 21 eligible dependents receiving postemployment healthcare benefits. For the 2018-19 fiscal year, the District provided required contributions of \$526,793 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$2,159,968, 1.0 percent of covered payroll. Required contributions are based on projected pay-as-you-go financing.

As of July 1, 2019 the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	191
Active employees	<u>5,083</u>
Total	<u>5,274</u>

Net OPEB Liability. The District's net OPEB liability was measured as of June 30, 2017 the balance of which was recognized at June 30, 2018 (the fiscal year ended June 30, 2019). The District's actuarial valuation was performed on a roll forward basis. A full valuation is performed every other year.

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.

The District's OPEB actuarial valuation for the 2018-19 fiscal year used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2019, and to estimate the District's annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.87 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial

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assumptions also included a payroll growth rate of 3 percent per year, salary increases of 4.5 percent, general inflation is 2.5 percent, and an annual healthcare cost trend rate of 7.50 percent initially for the 2018-19 fiscal year, reduced to an ultimate rate of 5 percent for the fiscal year ending June 30, 2029. Under GASB 75 the entire amount of the unfunded OPEB liability is reported.

The long-term expected rate of return on OPEB investments was determined using the Bond Buyer 20-Bond Municipal Bond Index which is used to determine the interest rates for a new issue of general obligation bonds. The average yield drawn from the index is taken from a survey of muni bond traders. The index tracks the average yields of 20 general obligation municipal bonds of which the average rating Aa2 (Moody's) or AA (Standard & Poor's).

Changes in Net OPEB Liability. The following table illustrates the Net OPEB Liability under GASB 75:

	Increase (Decrease)		
	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net OPEB Liability
Balance Recognized at 6/30/2018 (Based on 6/30/2017 Measurement Date)	\$ 15,022,888	\$ -	\$ 15,022,888
Changes Recognized for the Fiscal Year:			
Service Costs	1,365,697	-	1,365,697
Interest on the total OPEB Liability	577,365	-	577,365
Differences Between Expected and Actual Experience	(985,496)	-	(985,496)
Changes in Assumptions	(3,196,018)	-	(3,196,018)
Benefit Payments	(526,793)	(526,793)	-
Contributions From Employer	-	526,793	(526,793)
	-	526,793	(526,793)
Balance Recognized at 6/30/2019 (Based on 6/30/2018 Measurement Date)	\$ 12,257,643	\$ -	\$ 12,257,643

Interest Rate Sensitivity. The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for the fiscal year ended June 30, 2019:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability	\$ 12,805,318	\$ 12,257,643	\$ 11,667,237

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Healthcare Cost Trend Sensitivity. The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for the fiscal year ended June 30, 2019:

	1% Decrease (6.50%)	Current Trend (7.50%)	1% Increase (8.50%)
Net OPEB Liability	\$ 11,039,596	\$ 12,257,643	\$ 13,685,306

OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2019 the District recognized OPEB expense of \$1,158,472. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,073	\$ 815,289
Change of assumptions	-	2,962,077
Sub Total	84,073	3,777,366
Contributions made in FYE 6/30/2019 after measurement date	1,793,597	
Total	\$ 1,877,670	\$ 3,777,366

Amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2020	\$ (784,590)
2021	(784,590)
2022	(784,590)
2023	(768,989)
2024	(570,534)
Thereafter	-
Total	\$ (3,693,293)

19. 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

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 3 fiscal years.

For all programs for which the District is self-insured, an undiscounted liability in the amount of \$28,971,591 (\$25,302,093 for workers' compensation, automobile and general liability claims, and \$3,669,498 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, 2019.

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

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017-18	\$ 27,637,587	36,971,540	(36,761,206)	\$ 27,847,921
2018-19	27,847,921	37,100,159	(35,976,489)	28,971,591

20. 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 ruled during the 2013-14 fiscal year that the leasehold improvements are taxable. The Property Appraiser was of the opinion that the land under lease is also addressed by the Court ruling but the leaseholders disagree. In March of 2016 the Florida 1st District Court

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

of Appeal ruled that the land was not taxable in a specific case involving a condominium development. The effect of the ruling may be far reaching for other leaseholders. Depending upon the ultimate outcome of this litigation, the District may be required to return a portion of the gross taxes that were previously collected from the leaseholders (beginning in the 2004 tax year). At June 30, 2019, the District has received \$33,605,909 in taxes collected from residential leaseholders.

During the 2018-19 fiscal year the Escambia County Tax Collector provided invoices to the District requesting tax refunds on behalf of certain leaseholders and their specific cases. These refunds were ordered as Final Judgement by the First Judicial Circuit in and for Escambia County, Florida. The District complied with the orders and refunded the invoiced amounts to the Escambia County Tax Collector. Refunds paid prior to June 30, 2019 totaled \$720,465.

In addition, subsequent to June 30, 2019, the District was invoiced periodically for settled leaseholder accounts totaling \$5,336,808. In accordance with GASB Statement No. 56 (Subsequent Events), the full amount of these invoices was also expensed at June 30, 2019 and recorded as an accrued liability. Beach tax reserves totaling \$5,767,239 were designated in both general and capital outlay funds at June 30, 2019 in anticipation of litigated refunds. There is currently one beach tax case remaining in litigation.

21. 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.

REQUIRED SUPPLEMENTARY
INFORMATION

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2019	2018
Total OPEB Liability		
Service Cost	\$ 1,365,697	\$ 1,464,394
Interest Cost	577,365	442,761
Changes in Benefit Terms		-
Differences between Expected and Actual Experiences	(985,496)	128,911
Changes in Assumptions	(3,196,018)	(487,674)
Benefit Payments	(526,793)	(1,184,877)
Net Change in Total OPEB Liability	(2,765,245)	363,515
Total OPEB Liability (Beginning)	15,022,888	14,659,373
Total OPEB Liability (Ending)	\$ 12,257,643	\$ 15,022,888
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 526,793	\$ 1,184,877
Contributions - Member	-	-
Net Investment Income	-	-
Benefit Payments	(526,793)	(1,184,877)
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net position	-	-
Fiduciary Net Position (Beginning)	-	-
Fiduciary Net Position (Ending)	-	-
Net OPEB Liability (Ending)	\$ 12,257,643	\$ 15,022,888
 Net Position as a Percentage of OPEB Liability	-	-
 Covered Payroll at Measurement Period	\$ 208,266,112	\$ 279,651,532
 Net OPEB Liability as a Percentage of Covered Payroll	5.89%	5.37%

GASB 75 was effective first for employer fiscal years beginning after June 15, 2017. Fiscal year ended 6/30/2019 values reflect the measurement period from July 1, 2017 to June 30, 2018.

*GASB Statement No. 75 was implemented during the 2017-18 fiscal year. Therefore, data for a full 10-year presentation was not available. Additional years' information will be displayed as it becomes available.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	100.00%	100.00%
District's proportionate share of the net OPEB liability (asset)	\$ 12,257,643	\$ 15,022,888
District's covered payroll	208,266,112	279,651,532
District's proportionate share of the net OPEB liability (asset) as a percentage of the covered payroll	5.89%	5.37%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

GASB 75 was effective first for employer fiscal years beginning after June 15, 2017. Fiscal year ended 6/30/2019 values reflect the measurement period from July 1, 2017 to June 30, 2018.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2019	2018
Contractually required contribution	\$ 526,793	\$ 1,184,877
Contributions in relation to the contractually required contribution	(526,793)	(1,184,877)
Contribution deficiency (excess)	\$ -	\$ -
 District's covered payroll	 \$ 208,266,112	 \$ 279,651,532
Contributions as a percentage of covered payroll	0.25%	0.42%

GASB 75 was effective first for employer fiscal years beginning after June 15, 2017. Fiscal year ended 6/30/2019 values reflect the measurement period from July 1, 2017 to June 30, 2018.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Net OPEB Obligation was \$12,257,643 at the July 1, 2018 measurement date.

Actuarial Valuation:

Cost Method - Entry Age Normal Cost Method

Method Changes - None

Assumption Changes:

- A change in the funding discount rate from 3.58 percent at June 30, 2018 to 3.87 percent at June 30, 2019.
- The mortality projection scale was updated from MP-2017 to MP-2018.
- A change in the health care participation rate from 40 percent elect pre-65 medical coverage to 25 percent elect pre-65 medical coverage.
- A change in medical trend rates and claims developed as of July 1, 2017 to rates and claims developed as of July 1, 2019.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST 10 FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability	0.460707327%	0.474619344%	0.492777162%	0.522779113%	0.523517774%
District's proportionate share of the FRS net pension liability	\$ 138,767,435	\$ 140,389,217	\$ 124,426,620	\$ 67,523,934	\$ 31,942,283
District's covered payroll	208,266,112	279,651,532	226,377,227	217,952,759	209,931,489
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	66.63%	50.20%	54.96%	30.98%	15.22%
FRS Plan fiduciary net position as percentage of total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

	<u>2013</u>
District's proportion of the FRS net pension liability	0.510916965%
District's proportionate share of the FRS net pension liability	\$ 87,951,549
District's covered payroll	196,359,029
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	44.79%
FRS Plan fiduciary net position as percentage of total pension liability	88.54%

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF DISTRICT CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM

PENSION PLAN
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required FRS contribution	\$ 13,874,806	\$ 13,129,789	\$ 12,355,510	\$ 12,017,157	\$ 12,745,799
FRS contributions in relation to the contractually required contribution	<u>(13,874,806)</u>	<u>(13,129,789)</u>	<u>(12,355,510)</u>	<u>(12,017,157)</u>	<u>(12,745,799)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 208,523,980	\$ 208,266,112	\$ 279,651,532	\$ 226,377,227	\$ 217,952,759
FRS contributions as a percentage of covered payroll	6.65%	6.30%	4.42%	5.31%	5.85%
	<u>2014</u>				
Contractually required FRS contribution	\$ 11,467,261				
FRS contributions in relation to the contractually required contribution	<u>(11,467,261)</u>				
FRS contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 209,931,489				
FRS contributions as a percentage of covered payroll	5.46%				

*GASB Statement No. 68 was implemented during the 2014-15 fiscal year. Therefore, data for a full 10-year presentation was not available. Additional years' information will be displayed as it becomes available.

FLORIDA RETIREMENT SYSTEM PENSION PLAN - CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

There were no changes in benefit terms for the fiscal year ended June 30, 2019.

Changes in Assumptions. The long-term expected rate of return, net of investment expense, decreased from 7.1 percent to 7.0 percent and the active member mortality assumption was updated. A decrease in discount rate results in an increase in pension liability.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST 10 FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability (asset)	0.637315645%	0.657317628%	0.677334098%	0.676027064%	0.665329064%
District's proportionate share of the HIS net pension liability (asset)	\$ 67,454,203	\$ 70,283,433	\$ 78,940,483	\$ 68,944,126	\$ 62,209,891
District's covered payroll	208,266,112	279,651,532	226,377,227	217,952,759	209,931,489
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered payroll	32.39%	25.13%	34.87%	31.63%	29.63%
FRS HIS Plan fiduciary net position as percentage of total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%
	<u>2013</u>				
District's proportion of the HIS net pension liability (asset)	0.657194019%				
District's proportionate share of the HIS net pension liability (asset)	\$ 57,217,380				
District's covered payroll	196,359,029				
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered payroll	29.14%				
FRS HIS Plan fiduciary net position as percentage of total pension liability	1.78%				

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF DISTRICT CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

LAST 10 FISCAL YEARS*

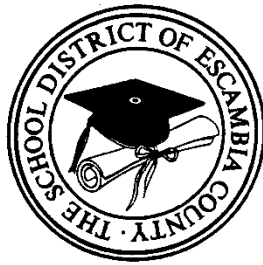
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required HIS contribution	\$ 3,461,431	\$ 3,456,179	\$ 3,478,715	\$ 3,471,769	\$ 2,584,196
HIS contributions in relation to the contractually required contribution	<u>(3,461,431)</u>	<u>(3,456,179)</u>	<u>(3,478,715)</u>	<u>(3,471,769)</u>	<u>(2,584,196)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 208,523,980	\$ 208,266,112	\$ 279,651,532	\$ 226,377,227	\$ 217,952,759
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.24%	1.53%	1.19%
	<u>2014</u>				
Contractually required HIS contribution	\$ 2,279,194				
HIS contributions in relation to the contractually required contribution	<u>(2,279,194)</u>				
HIS contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 209,931,489				
HIS contributions as a percentage of covered payroll	1.09%				

*GASB Statement No. 68 was implemented in during the 2014-15 fiscal year. Therefore, data for a full 10-year presentation was not available. Additional years' information will be displayed as it becomes available.

FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PENSION PLAN –
CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

There were no changes in benefit terms for the fiscal year ended June 30, 2019.

Changes in Assumptions. The municipal bond rate used to determine total pension liability increased from 3.58 to 3.87 percent. An increase in discount rate results in a decrease in pension liability.



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**COMBINING AND INDIVIDUAL
FUND FINANCIAL 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.

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.

Other Debt Service Fund - (1) To account for and report on Certificate of Participation Issues, characterized as lease-purchase agreements. (2) To account for and report on the Sales Tax Revenue Bonds, Series 2016.

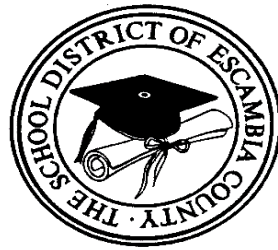
Nonmajor Governmental Funds (Continued)

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:

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

Capital Outlay & 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.



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Total Nonmajor Governmental Funds	Special Revenue Fund		Debt Service Funds		
		Total Nonmajor Special Revenue Fund	Food Service Fund	Total Nonmajor Debt Service Funds	State Board of Education (SBE) Bond Fund	Other Debt Service Fund
ASSETS						
Cash and Cash Equivalents	\$ 20,777,259	\$ 5,812,058	\$ 5,812,058	\$ 9,978,384	\$ -	\$ 9,978,384
Investments	30,149	-	-	30,149	30,149	-
Accounts Receivable	6,004	6,004	6,004	-	-	-
Due from Other Funds	47,921	12,940	12,940	-	-	-
Due from Other Agencies	984,581	72,703	72,703	-	-	-
Inventories	2,105,294	2,105,294	2,105,294	-	-	-
TOTAL ASSETS	\$ 23,951,208	\$ 8,008,999	\$ 8,008,999	\$ 10,008,533	\$ 30,149	\$ 9,978,384
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Salaries and Benefits Payable	\$ 21,352	\$ 21,352	\$ 21,352	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	4,469	4,469	4,469	-	-	-
Accounts Payable	147,949	114,864	114,864	-	-	-
Due to Other Funds	48,060	12,940	12,940	-	-	-
Deposits Payable	148,167	148,167	148,167	-	-	-
Total Liabilities	369,997	301,792	301,792	-	-	-
Fund Balances:						
Nonspendable:						
Inventories	2,105,294	2,105,294	2,105,294	-	-	-
Restricted for:						
Debt Service	10,008,533	-	-	10,008,533	30,149	9,978,384
Capital Projects	5,865,471	-	-	-	-	-
Food Service	5,601,913	5,601,913	5,601,913	-	-	-
Total Fund Balances	23,581,211	7,707,207	7,707,207	10,008,533	30,149	9,978,384
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,951,208	\$ 8,008,999	\$ 8,008,999	\$ 10,008,533	\$ 30,149	\$ 9,978,384

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2019

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ 4,986,817	\$ -	\$ 4,986,817
Due from Other Funds	34,981	34,981	-
Due from Other Agencies	911,878	883,505	28,373
	<u>\$ 5,933,676</u>	<u>\$ 918,486</u>	<u>\$ 5,015,190</u>
TOTAL ASSETS			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 33,085	\$ 33,085	\$ -
Due to Other Funds	35,120	35,120	-
	<u>68,205</u>	<u>68,205</u>	<u>-</u>
Total Liabilities			
Fund Balances:			
Restricted for:			
Capital Projects	5,865,471	850,281	5,015,190
	<u>5,865,471</u>	<u>850,281</u>	<u>5,015,190</u>
Total Fund Balances			
	<u>\$ 5,933,676</u>	<u>\$ 918,486</u>	<u>\$ 5,015,190</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			

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, 2019

	Total Nonmajor Governmental Funds	Special Revenue Fund		Debt Service Funds		
		Total Nonmajor Special Revenue Fund	Food Service Fund	Total Nonmajor Debt Service Funds	State Board of Education (SBE) Bond Fund	Other Debt Service Fund
REVENUES						
Federal Through State and Local:						
Food Service	\$ 19,262,313	\$ 19,262,313	\$ 19,262,313	\$ -	\$ -	\$ -
Total Federal Through State and Local	<u>19,262,313</u>	<u>19,262,313</u>	<u>19,262,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
State:						
Food Service	292,564	292,564	292,564	-	-	-
CO&DS Withheld for SBE/COBI Bond	205,661	-	-	205,661	205,661	-
CO&DS Distribution	1,384,598	-	-	-	-	-
Public Education Capital Outlay	898,479	-	-	-	-	-
Other State Sources	30,365	-	-	443	443	-
Total State	<u>2,811,667</u>	<u>292,564</u>	<u>292,564</u>	<u>206,104</u>	<u>206,104</u>	<u>-</u>
Local:						
Charges for Food Service	2,157,187	2,157,187	2,157,187	-	-	-
Interest Income	24,569	24,569	24,569	-	-	-
Other Local Sources	27,306	27,306	27,306	-	-	-
Total Local	<u>2,209,062</u>	<u>2,209,062</u>	<u>2,209,062</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>24,283,042</u>	<u>21,763,939</u>	<u>21,763,939</u>	<u>206,104</u>	<u>206,104</u>	<u>-</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, 2019

	<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>State Board of Education (SBE) Bond Fund</u>	<u>Other Debt Service Fund</u>
EXPENDITURES						
Current Education:						
Facilities Acquisition and Construction	1,089,628	-	-	-	-	-
Food Services	21,008,991	21,008,991	21,008,991	-	-	-
Capital Outlay:						
Other Capital Outlay	258,307	258,307	258,307	-	-	-
Debt Service:						
Principal	8,014,000	-	-	8,014,000	144,000	7,870,000
Interest and Fiscal Charges	2,846,672	-	-	2,845,123	66,498	2,778,625
Total Expenditures	<u>33,217,598</u>	<u>21,267,298</u>	<u>21,267,298</u>	<u>10,859,123</u>	<u>210,498</u>	<u>10,648,625</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,934,556)</u>	<u>496,641</u>	<u>496,641</u>	<u>(10,653,019)</u>	<u>(4,394)</u>	<u>(10,648,625)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	10,635,925	-	-	10,635,925	-	10,635,925
Total Other Financing Sources (Uses)	<u>10,635,925</u>	<u>-</u>	<u>-</u>	<u>10,635,925</u>	<u>-</u>	<u>10,635,925</u>
Net Change in Fund Balances	1,701,369	496,641	496,641	(17,094)	(4,394)	(12,700)
Fund Balances, July 1, 2018	21,879,842	7,210,566	7,210,566	10,025,627	34,543	9,991,084
Fund Balances, June 30, 2019	<u>\$ 23,581,211</u>	<u>\$ 7,707,207</u>	<u>\$ 7,707,207</u>	<u>\$ 10,008,533</u>	<u>\$ 30,149</u>	<u>\$ 9,978,384</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, 2019

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
REVENUES			
State:			
CO&DS Distribution	\$ 1,384,598	\$ -	\$ 1,384,598
Public Education Capital Outlay	898,479	898,479	-
Other State Sources	29,922	-	29,922
Total State	2,312,999	898,479	1,414,520
 Total Revenues	 \$ 2,312,999	 \$ 898,479	 \$ 1,414,520

(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, 2019

	Capital Projects Funds		
	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
EXPENDITURES			
Current Education:			
Facilities Acquisition and Construction	\$ 1,089,628	\$ 620,798	\$ 468,830
Debt Service:			
Interest and Fiscal Charges	1,549	-	1,549
Total Expenditures	1,091,177	620,798	470,379
Excess (Deficiency) of Revenues Over Expenditures	1,221,822	277,681	944,141
Net Change in Fund Balances	1,221,822	277,681	944,141
Fund Balances, July 1, 2018	4,643,649	572,600	4,071,049
Fund Balances, June 30, 2019	\$ 5,865,471	\$ 850,281	\$ 5,015,190

General Fund

The General Fund is the primary operating fund of the District. 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, 2019

	<i>General 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				
Federal Direct:				
Federal Impact, Current Operations	\$ 350,000	\$ 573,761	\$ 573,761	\$ -
Reserve Officers Training Corps (ROTC)	450,000	495,904	495,904	-
Other Federal Direct Sources	-	72	72	-
Total Federal Direct	800,000	1,069,737	1,069,737	-
Federal Through State and Local:				
Medicaid	1,625,000	1,341,847	1,341,847	-
Other Federal Through State and Local Sources	1,124,735	1,220,224	1,098,306	(121,918)
Total Federal Through State and Local	2,749,735	2,562,071	2,440,153	(121,918)
State:				
Florida Education Finance Program (FEFP)	153,665,477	151,052,919	151,052,919	-
Workforce Development	3,745,691	3,745,691	3,745,691	-
Workforce Education Performance Incentive	-	169,383	169,383	-
CO & DS Withheld for Administrative Expense	24,217	24,217	24,217	-
Discretionary Lottery Funds	68,572	133,344	133,344	-
Categorical Programs - Class Size Reduction	42,264,998	42,406,259	42,406,259	-
Other State Sources	6,631,511	6,664,377	6,188,131	(476,246)
Total State	206,400,466	204,196,190	203,719,944	(476,246)
Local:				
Property Taxes	90,785,688	92,400,715	92,400,715	-
Interest Income	500,000	1,021,356	1,019,538	(1,818)
Other Local Sources	4,027,716	5,361,143	5,353,853	(7,290)
Total Local	95,313,404	98,783,214	98,774,106	(9,108)
Total Revenues	305,263,605	306,611,212	306,003,940	(607,272)
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	131,186,073	130,473,638	129,199,058	1,274,580
Employee Benefits	38,536,096	37,929,159	37,928,937	222
Purchased Services	14,004,717	16,815,313	15,801,459	1,013,854
Energy Services	14,400	10,987	4,750	6,237
Materials and Supplies	6,235,518	6,781,491	3,382,900	3,398,591
Capital Outlay	1,367,686	1,303,553	886,837	416,716
Other Expenses	3,625,749	5,369,066	5,192,034	177,032
Total Instruction	194,970,239	198,683,207	192,395,975	6,287,232

(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, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (Continued)				
Student Support Services:				
Salaries	\$ 10,917,114	\$ 10,847,526	\$ 10,823,921	\$ 23,605
Employee Benefits	3,230,869	3,261,142	3,260,238	904
Purchased Services	1,901,738	2,453,518	2,133,374	320,144
Energy Services	2,850	2,850	2,429	421
Materials and Supplies	147,929	132,723	64,828	67,895
Capital Outlay	1,150	12,639	12,086	553
Other Expenses	23,315	42,072	25,479	16,593
Total Student Support Services	16,224,965	16,752,470	16,322,355	430,115
Instructional Media Services:				
Salaries	2,920,600	3,117,513	3,117,241	272
Employee Benefits	1,015,700	1,006,549	953,124	53,425
Purchased Services	53,578	52,939	41,212	11,727
Materials and Supplies	42,172	29,040	28,759	281
Capital Outlay	427,276	434,433	151,889	282,544
Other Expenses	58,300	42,619	42,167	452
Total Instructional Media Services	4,517,626	4,683,093	4,334,392	348,701
Instruction and Curriculum Development Services:				
Salaries	5,005,069	5,209,890	5,188,274	21,616
Employee Benefits	1,453,095	1,449,783	1,420,735	29,048
Purchased Services	97,649	98,911	95,616	3,295
Materials and Supplies	43,060	25,164	23,399	1,765
Capital Outlay	502	5,412	6,673	(1,261)
Other Expenses	38,960	65,388	32,694	32,694
Total Instruction and Curriculum Development Services	6,638,335	6,854,548	6,767,391	87,157
Instructional Staff Training Services:				
Salaries	1,886,109	2,326,196	2,233,888	92,308
Employee Benefits	554,978	556,571	536,690	19,881
Purchased Services	630,840	787,216	690,517	96,699
Materials and Supplies	202,066	154,359	153,038	1,321
Capital Outlay	100	7,919	7,844	75
Other Expenses	166,354	142,273	67,619	74,654
Total Instructional Staff Training Services	3,440,447	3,974,534	3,689,596	284,938
Instruction-Related Technology:				
Salaries	1,860,790	1,914,822	1,914,721	101
Employee Benefits	568,320	570,457	537,435	33,022
Purchased Services	591,338	513,578	394,741	118,837
Materials and Supplies	12,169	4,927	3,722	1,205
Capital Outlay	99,500	76,251	29,508	46,743
Other Expenses	6,793	20,384	19,854	530
Total Instruction-Related Technology	3,138,910	3,100,419	2,899,981	200,438

(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, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (Continued)				
Board:				
Salaries	\$ 730,350	\$ 715,165	\$ 714,713	\$ 452
Employee Benefits	397,500	380,885	299,294	81,591
Purchased Services	236,358	394,791	394,184	607
Energy Services	600	200	73	127
Materials and Supplies	13,980	25,725	1,891	23,834
Capital Outlay	-	1,262	1,248	14
Other Expenses	52,426	6,097,459	6,097,154	305
Total Board of Education	<u>1,431,214</u>	<u>7,615,487</u>	<u>7,508,557</u>	<u>106,930</u>
General Administration:				
Salaries	575,000	579,000	578,983	17
Employee Benefits	145,500	145,845	142,746	3,099
Purchased Services	74,569	74,569	57,294	17,275
Materials and Supplies	19,600	12,805	5,788	7,017
Capital Outlay	-	1,500	1,373	127
Other Expenses	71,700	101,650	101,286	364
Total General Administration	<u>886,369</u>	<u>915,369</u>	<u>887,470</u>	<u>27,899</u>
School Administration:				
Salaries	12,292,403	12,976,341	12,961,953	14,388
Employee Benefits	3,517,794	3,723,900	3,723,713	187
Purchased Services	7,810	14,729	12,684	2,045
Materials and Supplies	78,240	100,970	52,725	48,245
Capital Outlay	13,940	21,931	18,235	3,696
Other Expenses	43,470	5,151	2,459	2,692
Total School Administration	<u>15,953,657</u>	<u>16,843,022</u>	<u>16,771,769</u>	<u>71,253</u>
Facilities Acquisition and Construction:				
Salaries	1,448,448	1,448,338	166,098	1,282,240
Employee Benefits	604,271	591,271	32,604	558,667
Purchased Services	161,043	165,229	113,221	52,008
Energy Services	20,750	22,850	22,759	91
Materials and Supplies	20,090	40,106	26,379	13,727
Capital Outlay	114,047	310,120	314,424	(4,304)
Other Expenses	5,615	3,548	1,548	2,000
Total Facilities Acquisition and Construction	<u>2,374,264</u>	<u>2,581,462</u>	<u>677,033</u>	<u>1,904,429</u>
Fiscal Services:				
Salaries	1,651,450	1,636,405	1,636,074	331
Employee Benefits	459,000	478,055	477,178	877
Purchased Services	422,583	385,011	137,762	247,249
Materials and Supplies	37,973	30,215	11,481	18,734
Capital Outlay	15,000	16,076	1,076	15,000
Other Expenses	14,325	27,099	26,782	317
Total Fiscal Services	<u>2,600,331</u>	<u>2,572,861</u>	<u>2,290,353</u>	<u>282,508</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, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (Continued)				
Food Services:				
Salaries	\$ 60,000	\$ 96,500	\$ 96,491	\$ 9
Employee Benefits	11	4,702	4,686	16
Materials and Supplies	10,000	1,225	745	480
Other Expenses	-	1,460	1,460	-
Total Food Services	70,011	103,887	103,382	505
Central Services:				
Salaries	4,564,657	4,623,004	4,401,702	221,302
Employee Benefits	932,592	1,072,370	1,071,489	881
Purchased Services	996,893	1,160,092	788,126	371,966
Energy Services	29,106	21,723	21,684	39
Materials and Supplies	253,450	272,359	115,063	157,296
Capital Outlay	7,300	12,658	11,525	1,133
Other Expenses	181,264	193,826	119,122	74,704
Total Central Services	6,965,262	7,356,032	6,528,711	827,321
Student Transportation Services:				
Salaries	8,446,649	8,892,201	8,631,971	260,230
Employee Benefits	3,228,451	3,529,388	3,529,347	41
Purchased Services	944,431	892,897	826,333	66,564
Energy Services	1,492,816	1,621,816	1,610,326	11,490
Materials and Supplies	1,220,456	1,118,696	1,104,059	14,637
Capital Outlay	27,409	28,210	28,114	96
Other Expenses	1,244,027	813,619	698,634	114,985
Total Student Transportation Services	16,604,239	16,896,827	16,428,784	468,043
Operation of Plant:				
Salaries	5,433,695	6,058,889	6,045,032	13,857
Employee Benefits	2,386,303	2,561,239	2,561,164	75
Purchased Services	6,123,368	7,851,403	7,125,864	725,539
Energy Services	10,870,905	10,835,555	9,454,903	1,380,652
Materials and Supplies	729,401	839,865	839,774	91
Capital Outlay	43,720	95,540	91,468	4,072
Other Expenses	390,900	577,392	568,963	8,429
Total Operation of Plant	25,978,292	28,819,883	26,687,168	2,132,715
Maintenance of Plant:				
Salaries	4,465,728	4,707,018	4,638,592	68,426
Employee Benefits	1,724,961	1,709,606	1,709,568	38
Purchased Services	2,706,812	3,345,826	2,977,692	368,134
Energy Services	192,975	242,975	242,818	157
Materials and Supplies	1,823,958	2,003,904	2,003,731	173
Capital Outlay	53,000	163,588	166,951	(3,363)
Other Expenses	35,000	18,900	7,656	11,244
Total Maintenance of Plant	11,002,434	12,191,817	11,747,008	444,809

(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, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (Continued)				
Administrative Technology Services:				
Salaries	\$ 2,433,919	\$ 2,444,612	\$ 2,436,478	\$ 8,134
Employee Benefits	675,932	699,627	698,679	948
Purchased Services	4,684	8,761	8,059	702
Energy Services	3,000	3,000	2,919	81
Materials and Supplies	70,747	47,643	12,795	34,848
Capital Outlay	-	6,861	6,839	22
Other Expenses	-	9,100	8,975	125
Total Administrative Technology Services	3,188,282	3,219,604	3,174,744	44,860
Community Services:				
Salaries	127,320	245,841	208,959	36,882
Employee Benefits	64,441	150,316	91,456	58,860
Purchased Services	9,800	12,782	10,042	2,740
Materials and Supplies	214,507	192,698	23,443	169,255
Capital Outlay	-	10,788	10,788	-
Other Expenses	676,808	572,752	225,611	347,141
Total Community Services	1,092,876	1,185,177	570,299	614,878
Capital Outlay:				
Facilities Acquisition and Construction	221,693	237,823	28,861	208,962
Other Capital Outlay	1,006,798	1,553,759	1,056,632	497,127
Total Capital Outlay	1,228,491	1,791,582	1,085,493	706,089
Total Expenditures	318,306,244	336,141,281	320,870,461	15,270,820
Deficiency of Revenues Over Expenditures	(13,042,639)	(29,530,069)	(14,866,521)	14,663,548
Other Financing Sources				
Loss Recoveries	-	19,555	19,555	-
Transfers In	8,636,107	13,883,512	13,796,004	(87,508)
Total Other Financing Sources	8,636,107	13,903,067	13,815,559	(87,508)
Net Change in Fund Balances	(4,406,532)	(15,627,002)	(1,050,962)	14,576,040
Fund Balances, July 1, 2018	45,166,240	45,166,240	45,166,240	-
Fund Balances, June 30, 2019	\$ 40,759,708	\$ 29,539,238	\$ 44,115,278	\$ 14,576,040

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:

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.

Major Special Revenue Fund

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

**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, 2019**

	<i>Food 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				
Federal Through State and Local:				
Food Service	\$ 19,427,000	\$ 19,476,294	\$ 19,262,313	\$ (213,981)
Total Federal Through State and Local	<u>19,427,000</u>	<u>19,476,294</u>	<u>19,262,313</u>	<u>(213,981)</u>
State:				
Food Service	280,420	292,564	292,564	-
Total State	<u>280,420</u>	<u>292,564</u>	<u>292,564</u>	<u>-</u>
Local:				
Charges for Food Service	2,234,500	2,157,187	2,157,187	-
Interest Income	16,000	24,569	24,569	-
Other Local Sources	20,000	27,306	27,306	-
Total Local	<u>2,270,500</u>	<u>2,209,062</u>	<u>2,209,062</u>	<u>-</u>
Total Revenues	<u>21,977,920</u>	<u>21,977,920</u>	<u>21,763,939</u>	<u>(213,981)</u>
EXPENDITURES				
Current - Education:				
Food Services:				
Salaries	4,973,450	4,973,450	4,966,871	6,579
Employee Benefits	2,716,700	2,716,700	2,377,188	339,512
Purchased Services	806,996	806,996	584,254	222,742
Energy Services	288,850	288,850	228,819	60,031
Materials and Supplies	11,432,036	11,432,036	11,387,696	44,340
Capital Outlay	315,926	315,926	220,099	95,827
Other Expenses	1,503,780	1,503,780	1,244,064	259,716
Total Food Services	<u>22,037,738</u>	<u>22,037,738</u>	<u>21,008,991</u>	<u>1,028,747</u>
Capital Outlay:				
Other Capital Outlay	280,945	280,945	258,307	22,638
Total Capital Outlay	<u>280,945</u>	<u>280,945</u>	<u>258,307</u>	<u>22,638</u>
Total Expenditures	<u>22,318,683</u>	<u>22,318,683</u>	<u>21,267,298</u>	<u>1,051,385</u>
Deficiency of Revenues Over Expenditures	<u>(340,763)</u>	<u>(340,763)</u>	<u>496,641</u>	<u>837,404</u>
Net Change in Fund Balances	<u>(340,763)</u>	<u>(340,763)</u>	<u>496,641</u>	<u>837,404</u>
Fund Balances, July 1, 2018	<u>7,210,566</u>	<u>7,210,566</u>	<u>7,210,566</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ 6,869,803</u>	<u>\$ 6,869,803</u>	<u>\$ 7,707,207</u>	<u>\$ 837,404</u>

**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, 2019**

	<i>Other Federal 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>		
REVENUES				
Federal Direct:				
Other Federal Direct Sources	\$ 2,950,486	\$ 2,434,420	\$ 1,807,915	\$ (626,505)
Total Federal Direct	2,950,486	2,434,420	1,807,915	(626,505)
Federal Through State and Local:				
Career and Technical Education	614,344	687,757	686,669	(1,088)
WIOA - Adult General Education	189,856	189,856	188,144	(1,712)
Other Workforce and Innovation Opportunity Act	187,221	197,906	197,906	-
Individuals with Disabilities Education Act	12,026,400	13,472,000	10,875,150	(2,596,850)
Elementary and Secondary Education Act - Title I	16,343,801	19,255,801	15,561,446	(3,694,355)
Other Federal Through State and Local Sources	3,068,119	3,168,591	2,271,720	(896,871)
Total Federal Through State and Local	32,429,741	36,971,911	29,781,035	(7,190,876)
Total Revenues	35,380,227	39,406,331	31,588,950	(7,817,381)
EXPENDITURES				
Current - Education:				
Instruction:				
Salaries	5,430,339	5,784,245	4,802,898	981,347
Employee Benefits	2,545,314	2,645,666	1,746,112	899,554
Purchased Services	1,700,731	1,921,453	1,528,045	393,408
Materials and Supplies	2,263,531	2,429,199	2,030,258	398,941
Capital Outlay	534,188	957,554	788,984	168,570
Other Expenses	1,272,897	1,650,841	1,097,316	553,525
Total Instruction	13,747,000	15,388,958	11,993,613	3,395,345
Student Support Services:				
Salaries	632,926	647,481	601,183	46,298
Employee Benefits	197,940	209,113	187,865	21,248
Purchased Services	381,802	387,711	309,932	77,779
Materials and Supplies	195,876	277,027	246,070	30,957
Capital Outlay	3,500	7,546	5,569	1,977
Other Expenses	93,867	94,307	61,046	33,261
Total Student Support Services	1,505,911	1,623,185	1,411,665	211,520
Instructional Media Services:				
Salaries	2,000	7,783	4,807	2,976
Employee Benefits	153	1,135	606	529
Materials and Supplies	10,860	9,600	6,644	2,956
Capital Outlay	3,000	70,725	63,474	7,251
Total Instructional Media Services	16,013	89,243	75,531	13,712

(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, 2019

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	\$ 4,904,913	\$ 5,387,800	\$ 4,746,939	\$ 640,861
Employee Benefits	1,538,552	1,665,497	1,400,288	265,209
Purchased Services	175,858	124,339	66,529	57,810
Materials and Supplies	87,749	119,498	30,871	88,627
Capital Outlay	21,610	97,908	11,354	86,554
Other Expenses	38,320	56,443	32,555	23,888
Total Instruction and Curriculum Development Services	6,767,002	7,451,485	6,288,536	1,162,949
Instructional Staff Training Services:				
Salaries	2,283,490	2,320,458	1,966,414	354,044
Employee Benefits	582,710	686,253	566,384	119,869
Purchased Services	1,972,888	2,379,757	2,010,052	369,705
Energy Services	500	500	29	471
Materials and Supplies	176,444	582,782	379,225	203,557
Capital Outlay	26,680	43,804	31,805	11,999
Other Expenses	180,767	204,984	93,568	111,416
Total Instructional Staff Training Services	5,223,479	6,218,538	5,047,477	1,171,061
Instruction-Related Technology:				
Salaries	1,088,979	1,140,333	1,019,919	120,414
Employee Benefits	346,943	395,325	358,208	37,117
Purchased Services	6,300	5,400	2,019	3,381
Materials and Supplies	3,000	4,400	201	4,199
Capital Outlay	1,000	500	-	500
Other Expenses	11,772	30,147	21,096	9,051
Total Instruction-Related Technology	1,457,994	1,576,105	1,401,443	174,662
General Administration:				
Other Expenses	1,649,831	1,749,514	1,308,208	441,306
Total General Administration	1,649,831	1,749,514	1,308,208	441,306
School Administration:				
Salaries	-	2,532	1,839	693
Employee Benefits	-	487	360	127
Purchased Services	94,093	800	-	800
Capital Outlay	4,253	-	-	-
Total School Administration	98,346	3,819	2,199	1,620
Facilities Acquisition and Construction:				
Other Capital Outlay	1,000	6,421	5,421	1,000
Total Facilities Acquisition and Construction	1,000	6,421	5,421	1,000
Central Services:				
Salaries	60,170	69,841	40,045	29,796
Employee Benefits	14,454	16,360	11,737	4,623
Purchased Services	38,596	50,089	27,486	22,603
Materials and Supplies	-	295	295	-
Other Expenses	6,275	6,479	2,032	4,447
Total Central Services	119,495	143,064	81,595	61,469

(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, 2019

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current - Education: (Continued)				
Student Transportation Services:				
Salaries	\$ 1,758,864	\$ 2,090,198	\$ 1,673,150	\$ 417,048
Employees Benefits	763,051	870,758	733,201	137,557
Purchased Services	38,852	37,286	33,966	3,320
Energy Services	2,000	2,000	1,553	447
Other Expenses	833,600	665,092	454,298	210,794
Total Student Transportation Services	<u>3,396,367</u>	<u>3,665,334</u>	<u>2,896,168</u>	<u>769,166</u>
Operation of Plant:				
Purchased Services	11,311	13,386	7,854	5,532
Materials and Supplies	-	232	232	-
Other Expenses	8,760	-	-	-
Total Operation of Plant	<u>20,071</u>	<u>13,618</u>	<u>8,086</u>	<u>5,532</u>
Administrative Technology Services:				
Salaries	61,997	64,210	61,997	2,213
Employee Benefits	18,030	20,685	20,082	603
Total Administrative Technology Services	<u>80,027</u>	<u>84,895</u>	<u>82,079</u>	<u>2,816</u>
Community Services:				
Employee Benefits	500	626	626	-
Purchased Services	5,900	2,492	2,492	-
Materials and Supplies	600	366	366	-
Other Expenses	998,964	1,015,106	708,078	307,028
Total Community Services	<u>1,005,964</u>	<u>1,018,590</u>	<u>711,562</u>	<u>307,028</u>
Capital Outlay:				
Other Capital Outlay	291,727	373,562	275,367	98,195
Total Capital Outlay	<u>291,727</u>	<u>373,562</u>	<u>275,367</u>	<u>98,195</u>
Total Expenditures	<u>35,380,227</u>	<u>39,406,331</u>	<u>31,588,950</u>	<u>7,817,381</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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.

Other Debt Service Fund - (1) To account for and report on Certificate of Participation Issues, characterized as lease-purchase agreements. (2) To account for and report on the Sales Tax Revenue Bonds, Series 2016.

**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, 2019**

	<i>State Board of Education (SBE) Bond Fund</i>			
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
CO&DS Withheld for SBE/COBI Bonds	\$ 210,405	\$ 205,661	\$ 205,661	\$ -
Other State Sources	-	443	443	-
Total State	<u>210,405</u>	<u>206,104</u>	<u>206,104</u>	<u>-</u>
Total Revenues	<u>210,405</u>	<u>206,104</u>	<u>206,104</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	144,000	144,000	144,000	-
Interest and Fiscal Charges	66,405	66,498	66,498	-
Total Expenditures	<u>210,405</u>	<u>210,498</u>	<u>210,498</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>(4,394)</u>	<u>(4,394)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(4,394)</u>	<u>(4,394)</u>	<u>-</u>
Fund Balances, July 1, 2018	<u>34,543</u>	<u>34,543</u>	<u>34,543</u>	<u>-</u>
Fund Balances, June 30, 2019	<u><u>\$ 34,543</u></u>	<u><u>\$ 30,149</u></u>	<u><u>\$ 30,149</u></u>	<u><u>\$ -</u></u>

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, 2019

	<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	\$ -	\$ -	\$ -	\$ -
Total Local	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal	7,870,000	7,870,000	7,870,000	-
Interest and Fiscal Charges	2,815,925	2,816,775	2,778,625	38,150
Total Expenditures	10,685,925	10,686,775	10,648,625	38,150
Deficiency of Revenues Over Expenditures	(10,685,925)	(10,686,775)	(10,648,625)	(38,150)
OTHER FINANCING SOURCES (USES)				
Transfers In	10,635,925	10,635,925	10,635,925	-
Total Other Financing Sources (Uses)	10,635,925	10,635,925	10,635,925	-
Net Change in Fund Balances	(50,000)	(50,850)	(12,700)	(38,150)
Fund Balances, July 1, 2018	9,991,084	9,991,084	9,991,084	-
Fund Balances, June 30, 2019	<u>\$ 9,941,084</u>	<u>\$ 9,940,234</u>	<u>\$ 9,978,384</u>	<u>\$ (38,150)</u>

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:

Nonmajor Capital Projects Funds

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

Capital Outlay & 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.

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.

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.

**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, 2019**

	<i>Public Education Capital Outlay Fund</i>			
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Public Education Capital Outlay	\$ 898,479	\$ 898,479	\$ 898,479	\$ -
Total State	898,479	898,479	898,479	-
Total Revenues	898,479	898,479	898,479	-
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	75,000	75,000	-	75,000
Remodeling and Renovations	1,356,079	1,356,079	620,798	735,281
Total Facilities Acquisition and Construction	1,431,079	1,431,079	620,798	810,281
Capital Outlay:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	40,000	40,000	-	40,000
Total Facilities Acquisition and Construction	40,000	40,000	-	40,000
Total Expenditures	1,471,079	1,471,079	620,798	850,281
Excess of Revenues Over Expenditures	(572,600)	(572,600)	277,681	850,281
Net Change in Fund Balances	(572,600)	(572,600)	277,681	850,281
Fund Balances, July 1, 2018	572,600	572,600	572,600	-
Fund Balances, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,281</u>	<u>\$ 850,281</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, 2019**

	Capital Outlay & Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO&DS Distribution	\$ 1,353,223	\$ 1,384,598	\$ 1,384,598	\$ -
Other State Sources	18,397	29,922	29,922	-
Total State	<u>1,371,620</u>	<u>1,414,520</u>	<u>1,414,520</u>	<u>-</u>
Total Revenues	<u>1,371,620</u>	<u>1,414,520</u>	<u>1,414,520</u>	<u>-</u>
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	224,448	224,448	-	224,448
Remodeling and Renovations	3,416,302	3,416,302	468,830	2,947,472
Total Facilities Acquisition and Construction	<u>3,640,750</u>	<u>3,640,750</u>	<u>468,830</u>	<u>3,171,920</u>
Capital Outlay:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	355,016	355,016	-	355,016
Improvements Other Than Buildings	111,289	111,289	-	111,289
Total Facilities Acquisition and Construction	<u>466,305</u>	<u>466,305</u>	<u>-</u>	<u>466,305</u>
Debt Service:				
Interest and Fiscal Charges	-	1,549	1,549	-
Total Debt Service	<u>-</u>	<u>1,549</u>	<u>1,549</u>	<u>-</u>
Total Expenditures	<u>4,107,055</u>	<u>4,108,604</u>	<u>470,379</u>	<u>3,638,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,735,435)</u>	<u>(2,694,084)</u>	<u>944,141</u>	<u>3,638,225</u>
Net Change in Fund Balances	<u>(2,735,435)</u>	<u>(2,694,084)</u>	<u>944,141</u>	<u>3,638,225</u>
Fund Balances, July 1, 2018	<u>4,071,049</u>	<u>4,071,049</u>	<u>4,071,049</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ 1,335,614</u>	<u>\$ 1,376,965</u>	<u>\$ 5,015,190</u>	<u>\$ 3,638,225</u>

**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, 2019**

	Local Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local:				
Property Taxes	\$ 25,265,136	\$ 25,713,432	\$ 25,713,432	\$ -
Interest Income	-	282,864	282,864	-
Total Local	<u>25,265,136</u>	<u>25,996,296</u>	<u>25,996,296</u>	<u>-</u>
Total Revenues	<u>25,265,136</u>	<u>25,996,296</u>	<u>25,996,296</u>	<u>-</u>
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	301,542	3,379,400	3,576,259	(196,859)
Improvements Other Than Buildings	109,837	178,527	73,643	104,884
Remodeling and Renovations	5,546,379	5,533,254	3,463,801	2,069,453
Computer Software	367,846	367,846	286,198	81,648
Total Facilities Acquisition and Construction	<u>6,325,604</u>	<u>9,459,027</u>	<u>7,399,901</u>	<u>2,059,126</u>
Capital Outlay:				
Other Capital Outlay:				
Furniture, Fixtures, and Equipment	4,158,246	1,096,732	663,583	433,149
Motor Vehicles	4,402,758	4,402,758	3,581,900	820,858
Improvements Other Than Buildings		88,228	87,560	668
Computer Software	132,000	132,000	-	132,000
Total Capital Outlay	<u>8,693,004</u>	<u>5,719,718</u>	<u>4,333,043</u>	<u>1,386,675</u>
Total Expenditures	<u>15,018,608</u>	<u>15,178,745</u>	<u>11,732,944</u>	<u>3,445,801</u>
Excess of Revenues Over Expenditures	<u>10,246,528</u>	<u>10,817,551</u>	<u>14,263,352</u>	<u>3,445,801</u>
Other Financing Sources (Uses)				
Transfers Out	(13,119,194)	(19,176,467)	(18,270,650)	905,817
Total Other Financing Sources (Uses)	<u>(13,119,194)</u>	<u>(19,176,467)</u>	<u>(18,270,650)</u>	<u>905,817</u>
Net Change in Fund Balances	(2,872,666)	(8,358,916)	(4,007,298)	4,351,618
Fund Balances, July 1, 2018	<u>9,501,714</u>	<u>9,501,714</u>	<u>9,501,714</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ 6,629,048</u>	<u>\$ 1,142,798</u>	<u>\$ 5,494,416</u>	<u>\$ 4,351,618</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA 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, 2019

	Other Capital Projects Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
Charter School Capital Outlay	\$ 367,538	\$ 375,979	\$ 375,979	\$ -
Other State Sources	-	1,388,359	1,388,359	-
Total State	367,538	1,764,338	1,764,338	-
Local:				
Sales Taxes	24,000,000	28,220,187	28,220,187	-
Interest Income	-	1,763,202	1,763,202	-
Total Local	24,000,000	29,983,389	29,983,389	-
Total Revenues	24,367,538	31,747,727	31,747,727	-
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction:				
Furniture, Fixtures, and Equipment	1,272,754	1,817,084	1,437,362	379,722
Improvements Other Than Buildings	2,918,758	2,885,876	916,882	1,968,994
Remodeling and Renovations	32,162,020	30,910,926	16,484,638	14,426,288
Total Facilities Acquisition and Construction	36,353,532	35,613,886	18,838,882	16,775,004
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	31,647,921	33,644,124	9,817,872	23,826,252
Furniture, Fixtures, and Equipment	744,920	1,899,431	1,145,796	753,635
Improvements Other Than Buildings	950,282	2,382,454	1,036,415	1,346,039
Remodeling and Renovations	302,091	972,053	745,080	226,973
Total Facilities Acquisition and Construction	33,645,214	38,898,062	12,745,163	26,152,899
Total Expenditures	69,998,746	74,511,948	31,584,045	42,927,903
Deficiency of Revenues Over Expenditures	(45,631,208)	(42,764,221)	163,682	42,927,903
Other Financing Sources (Uses)				
Sale of Capital Assets	-	3,281,282	3,281,282	-
Transfers Out	(6,152,838)	(6,161,279)	(6,161,279)	-
Total Other Financing Sources (Uses)	(6,152,838)	(2,879,997)	(2,879,997)	-
Net Change in Fund Balances	(51,784,046)	(45,644,218)	(2,716,315)	42,927,903
Fund Balances, July 1, 2018	72,128,991	72,128,991	72,128,991	-
Fund Balances, June 30, 2019	\$ 20,344,945	\$ 26,484,773	\$ 69,412,676	\$ 42,927,903

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 - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 25,756,780	\$ 20,339,995	\$ 46,096,775
Accounts Receivable	-	889	889
Due from Other Agencies	-	569	569
Total Assets	<u>25,756,780</u>	<u>20,341,453</u>	<u>46,098,233</u>
TOTAL ASSETS	<u>\$ 25,756,780</u>	<u>\$ 20,341,453</u>	<u>\$ 46,098,233</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 9,490	\$ 299,248	\$ 308,738
Due to Other Funds	445,197	18,185	463,382
Unearned Revenue	-	3,713,632	3,713,632
Estimated Insurance Claims Payable	3,464,365	3,669,498	7,133,863
Total Current Liabilities	<u>3,919,052</u>	<u>7,700,563</u>	<u>11,619,615</u>
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	21,837,728	-	21,837,728
Total Noncurrent Liabilities	<u>21,837,728</u>	<u>-</u>	<u>21,837,728</u>
TOTAL LIABILITIES	<u>25,756,780</u>	<u>7,700,563</u>	<u>33,457,343</u>
NET POSITION			
Restricted for Employee Benefits	-	12,640,890	12,640,890
Total Net Position	<u>-</u>	<u>12,640,890</u>	<u>12,640,890</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 25,756,780</u>	<u>\$ 20,341,453</u>	<u>\$ 46,098,233</u>

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<i>Governmental Activities</i>		
	<i>Proprietary Funds - Internal Service Funds</i>		
	<i>Self-Insurance</i>		
	<i>Risk Management Fund</i>	<i>Employee Benefit Trust Fund</i>	<i>Total</i>
OPERATING REVENUES			
Premium Revenues	\$ 3,915,235	\$ 42,068,286	\$ 45,983,521
Other	-	1,409,806	1,409,806
Total Operating Revenues	<u>3,915,235</u>	<u>43,478,092</u>	<u>47,393,327</u>
OPERATING EXPENSES			
Salaries	256,487	5,458	261,945
Employee Benefits	3,069,819	2,831	3,072,650
Purchased Services	647,286	4,700,108	5,347,394
Energy Services	3,365	8,539	11,904
Material and Supplies	2,867	22,470	25,337
Capital Outlay	390	596	986
Insurance Claims	-	33,450,769	33,450,769
Other	519	2,534,866	2,535,385
Total Operating Expenses	<u>3,980,733</u>	<u>40,725,637</u>	<u>44,706,370</u>
Operating Income (Loss)	<u>(65,498)</u>	<u>2,752,455</u>	<u>2,686,957</u>
NONOPERATING REVENUES			
Loss Recoveries	65,498	-	65,498
Total Nonoperating Revenues	<u>65,498</u>	<u>-</u>	<u>65,498</u>
Income (Loss) Before Transfers	-	2,752,455	2,752,455
Change in Net Position	<u>-</u>	<u>2,752,455</u>	<u>2,752,455</u>
NET POSITION			
Total Net Position, July 1, 2018	-	9,888,435	9,888,435
Total Net Position, June 30, 2019	<u>\$ -</u>	<u>\$ 12,640,890</u>	<u>\$ 12,640,890</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 3,915,235	\$ 44,101,689	\$ 48,016,924
Cash Received for Interfund Services	-	278,133	278,133
Cash Payments to Suppliers for Goods and Services	(655,636)	(7,250,659)	(7,906,295)
Cash Payments to Employees for Services	(323,916)	-	(323,916)
Cash Payments for Interfund Services Used	(10,454)	-	(10,454)
Cash Payments for Insurance Claims	(2,496,720)	(33,479,768)	(35,976,488)
Net Cash Provided (Used) by Operating Activities	428,509	3,649,395	4,077,904
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loss Recoveries	65,498	-	65,498
Net Cash Provided (Used) by Noncapital Financing Activities	65,498	-	65,498
Net Increase (Decrease) in Cash and Cash Equivalents	494,007	3,649,395	4,143,402
Beginning Cash and Cash Equivalents	25,262,773	16,690,600	41,953,373
Ending Cash and Cash Equivalents	\$ 25,756,780	\$ 20,339,995	\$ 46,096,775
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (65,498)	\$ 2,752,455	\$ 2,686,957
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(889)	(889)
(Increase) Decrease in Due From Other Agencies	-	7,542	7,542
Increase (Decrease) in Accounts Payable	(1,210)	285,830	284,620
Increase (Decrease) in Due to Other Funds	(10,454)	17,822	7,368
Increase (Decrease) in Due to Other Agencies	-	(1,310)	(1,310)
Increase (Decrease) in Unearned Revenue	-	(30,055)	(30,055)
Increase (Decrease) in Estimated Insurance Claims Payable	505,671	618,000	1,123,671
Total Adjustments	494,007	896,940	1,390,947
Net Cash Provided (Used) by Operating Activities	\$ 428,509	\$ 3,649,395	\$ 4,077,904

Agency Funds

Agency funds are fiduciary funds 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, 2019**

	Agency Funds		
	Total	Student and Club Activities	Employee Benefits Program
ASSETS			
Cash	\$ 3,404,401	\$ 3,301,410	\$ 102,991
LIABILITIES			
Internal Accounts Payable	\$ 3,301,410	\$ 3,301,410	\$ -
Payroll Deductions and Withholdings	102,991	-	102,991
Total Liabilities	\$ 3,404,401	\$ 3,301,410	\$ 102,991

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Student and Club Activities			
		<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Assets					
Cash		\$ 3,389,132	\$ 2,872,356	\$ 2,960,078	\$ 3,301,410
Liabilities					
Internal Accounts Payable		\$ 3,389,132	\$ 2,872,356	\$ 2,960,078	\$ 3,301,410
		Employee Benefits Program			
		<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Assets					
Cash		\$ 75,440	\$ 696,139	\$ 668,588	\$ 102,991
Liabilities					
Payroll Deductions and Withholdings		\$ 75,440	\$ 696,139	\$ 668,588	\$ 102,991
		Total			
		<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Assets					
Cash		\$ 3,464,572	\$ 3,568,495	\$ 3,628,666	\$ 3,404,401
Liabilities					
Internal Accounts Payable		\$ 3,389,132	\$ 2,872,356	\$ 2,960,078	\$ 3,301,410
Payroll Deductions and Withholdings		75,440	696,139	668,588	102,991
Total Liabilities		<u>\$ 3,464,572</u>	<u>\$ 3,568,495</u>	<u>\$ 3,628,666</u>	<u>\$ 3,404,401</u>

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 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., 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 six charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2019

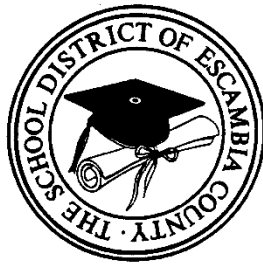
	Charter Schools			
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Byrneville Elementary School, Inc.
ASSETS				
Cash and Cash Equivalents	\$ 1,245,294	\$ 338,237	\$ 585,162	\$ 1,070,785
Accounts Receivable	14,642	-	424,449	-
Prepaid Items	-	-	22,052	-
Due from Other Agencies	-	11,442	-	-
Capital Assets:				
Non-Depreciable Capital Assets	428,690	530,871	-	-
Depreciable Capital Assets, Net	1,883,578	2,609,950	2,328,991	175,444
Total Assets	<u>3,572,204</u>	<u>3,490,500</u>	<u>3,360,654</u>	<u>1,246,229</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	-	-	218,152	294,605
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>218,152</u>	<u>294,605</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,572,204</u>	<u>\$ 3,490,500</u>	<u>\$ 3,578,806</u>	<u>\$ 1,540,834</u>
LIABILITIES				
Salaries and Benefits Payable	\$ 892	\$ 31,462	\$ 42,962	\$ -
Accounts Payable	1,492	-	435,426	35,295
Deposits Payable	-	-	-	-
Long-Term Liabilities:				
Portion Due Within One Year:				
Notes Payable	70,325	192,607	-	-
Obligations Under Capital Leases	4,588	-	-	-
Compensated Absences Payable	-	-	18,021	12,107
Pension Liability	-	-	476,091	-
Portion Due After One Year:				
Notes Payable	559,013	3,092,401	-	-
Obligations Under Capital Leases	3,002	-	-	-
Compensated Absences Payable	-	-	29,624	29,300
Pension Liability	-	-	-	606,425
Total Liabilities	<u>639,312</u>	<u>3,316,470</u>	<u>1,002,124</u>	<u>683,127</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	-	-	55,880	65,124
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>55,880</u>	<u>65,124</u>
NET POSITION				
Net Investment in Capital Assets	1,675,340	155,813	2,328,991	175,444
Restricted for:				
Other Required Carryover Programs	-	-	-	-
Unrestricted	1,257,552	18,217	191,811	617,139
Total Net Position - Component Units	<u>2,932,892</u>	<u>174,030</u>	<u>2,520,802</u>	<u>792,583</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 3,572,204</u>	<u>\$ 3,490,500</u>	<u>\$ 3,578,806</u>	<u>\$ 1,540,834</u>

<u>Charter Schools</u>			
<i>Capstone Academy Pensacola</i>	<i>Total Charter Schools</i>	<i>The Escambia County Public Schools Foundation for Excellence, Inc.</i>	<i>Total Component Units</i>
\$ 208,147	\$ 3,447,625	\$ 651,187	\$ 4,098,812
20,350	459,441	26,172	485,613
-	22,052	-	22,052
64,705	76,147	-	76,147
15,700	975,261	-	975,261
125,161	7,123,124	255	7,123,379
<u>434,063</u>	<u>12,103,650</u>	<u>677,614</u>	<u>12,781,264</u>
-	512,757	-	512,757
-	512,757	-	512,757
<u>\$ 434,063</u>	<u>\$ 12,616,407</u>	<u>\$ 677,614</u>	<u>\$ 13,294,021</u>
\$ 11,091	\$ 86,407	\$ -	\$ 86,407
-	472,213	782	472,995
6,991	6,991	-	6,991
-	262,932	-	262,932
-	4,588	-	4,588
-	30,128	-	30,128
-	476,091	-	476,091
-	3,651,414	-	3,651,414
-	3,002	-	3,002
-	58,924	-	58,924
-	606,425	-	606,425
<u>18,082</u>	<u>5,659,115</u>	<u>782</u>	<u>5,659,897</u>
-	121,004	-	121,004
-	121,004	-	121,004
-	4,335,588	255	4,335,843
-	-	516,664	516,664
415,981	2,500,700	159,913	2,660,613
<u>415,981</u>	<u>6,836,288</u>	<u>676,832</u>	<u>7,513,120</u>
<u>\$ 434,063</u>	<u>\$ 12,616,407</u>	<u>\$ 677,614</u>	<u>\$ 13,294,021</u>

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

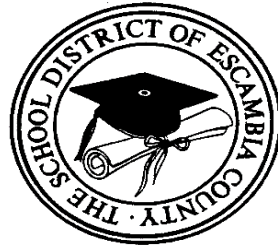
	Charter Schools			
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Byrneville Elementary School, Inc.
Functions/Programs				
Expenses:				
Governmental Activities:				
Instruction	\$ 770,495	\$ 778,701	\$ 709,526	\$ 1,167,320
Student Support Services	41,708	-	4,550	800
Instructional Media Services	1,287	-	-	-
Instructional Staff Training Services	280	-	2,244	-
Instruction-Related Technology Board	-	-	31,754	-
General Administration	198	-	40,359	43,197
School Administration	246,418	202,017	211,408	230,540
Facilities Acquisition and Construction	4,305	-	203,577	2,580
Fiscal Services	14,250	41,800	33,578	14,235
Food Services	211,870	-	-	3,212
Central Services	96,043	84,439	-	66,942
Student Transportation Services	216,974	206,754	14,512	78,145
Operation of Plant	231,185	776,053	259,858	161,716
Maintenance of Plant	83,692	109,566	2,090	9
Unallocated Interest on Long-Term Debt	33,612	130,489	-	-
Unallocated Depreciation Expense	-	-	-	-
Total Expenses	1,952,317	2,329,819	1,513,456	1,768,696
Program Revenues:				
Charges for Services	288,348	-	72,000	2,936
Operating Grants and Contributions	40,992	129,406	181,016	66,549
Capital Grants and Contributions	-	142,011	68,400	-
Total Program Revenues	329,340	271,417	321,416	69,485
Net Program Expense	(1,622,977)	(2,058,402)	(1,192,040)	(1,699,211)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs	1,796,780	1,692,618	1,035,441	1,362,535
Unrestricted Investment Earnings	-	-	9,121	5,131
Miscellaneous	1,552	11,689	18,118	48,340
Total General Revenues	1,798,332	1,704,307	1,062,680	1,416,006
Change in Net Position	175,355	(354,095)	(129,360)	(283,205)
Net Position				
Net Position, July 1, 2018, Restated (See Note 2)	2,757,537	528,125	2,650,162	1,075,788
Net Position, June 30, 2019	\$ 2,932,892	\$ 174,030	\$ 2,520,802	\$ 792,583

<u>Charter Schools</u>		<i>The Escambia County Public Schools Foundation for Excellence, Inc.</i>		<u>Total Component Units</u>
<u>Capstone Academy Pensacola</u>	<u>Total Charter Schools</u>			
\$ 556,419	\$ 3,982,461	\$ 762,216	\$ 4,744,677	
-	47,058	-	47,058	
-	1,287	-	1,287	
-	2,524	-	2,524	
-	31,754	-	31,754	
295	295	-	295	
22,193	105,947	80,233	186,180	
94,875	985,258	-	985,258	
-	210,462	-	210,462	
4,420	108,283	-	108,283	
2,080	217,162	-	217,162	
333	247,757	-	247,757	
5,023	521,408	-	521,408	
31,855	1,460,667	-	1,460,667	
854	196,211	-	196,211	
-	164,101	-	164,101	
21,222	21,222	-	21,222	
<u>739,569</u>	<u>8,303,857</u>	<u>842,449</u>	<u>9,146,306</u>	
202,350	565,634	-	565,634	
107,172	525,135	-	525,135	
-	210,411	-	210,411	
<u>309,522</u>	<u>1,301,180</u>	<u>-</u>	<u>1,301,180</u>	
(430,047)	(7,002,677)	(842,449)	(7,845,126)	
479,837	6,367,211	678,962	7,046,173	
47	14,299	294	14,593	
-	79,699	123,310	203,009	
<u>479,884</u>	<u>6,461,209</u>	<u>802,566</u>	<u>7,263,775</u>	
49,837	(541,468)	(39,883)	(581,351)	
366,144	7,377,756	716,715	8,094,471	
<u>\$ 415,981</u>	<u>\$ 6,836,288</u>	<u>\$ 676,832</u>	<u>\$ 7,513,120</u>	



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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	132
<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>	
Revenue Capacity Information	140
<i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	
Debt Capacity Information	146
<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>	
Demographic and Economic Information	152
<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>	
Operating Information	156
<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>	

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

	Fiscal Year Ending		
	June 30, 2010	June 30, 2011	June 30, 2012
Governmental Activities:			
Net Investment in Capital Assets	\$ 225,400,496	\$ 252,115,638	\$ 254,218,697
Restricted	134,790,510	107,465,893	115,478,880
Unrestricted	<u>(3,287,909)</u>	<u>22,166,216</u>	<u>5,025,406</u>
Total Governmental Activities Net Position	<u>\$ 356,903,097</u>	<u>\$ 381,747,747</u>	<u>\$ 374,722,983</u>

Note: The District no longer has business-type activities.

Source: District Records

Fiscal Year Ending						
<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
\$ 252,132,981	\$ 269,930,903	\$ 288,526,040	\$ 234,417,599	\$ 301,633,148	\$ 341,718,135	\$ 343,230,615
119,870,743	121,223,565	115,241,269	182,241,764	129,167,248	105,923,265	115,734,971
<u>90,030</u>	<u>(2,969,337)</u>	<u>(131,632,624)</u>	<u>(140,330,443)</u>	<u>(147,573,423)</u>	<u>(162,827,890)</u>	<u>(174,562,072)</u>
<u>\$ 372,093,754</u>	<u>\$ 388,185,131</u>	<u>\$ 272,134,685</u>	<u>\$ 276,328,920</u>	<u>\$ 283,226,973</u>	<u>\$ 284,813,510</u>	<u>\$ 284,403,514</u>

DISTRICT SHOOL 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, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Primary Government:										
Expenses:										
Governmental Activities:										
Instruction	\$ 205,951,789	\$ 209,265,786	\$ 197,679,286	\$ 202,319,715	\$ 200,433,368	\$ 206,850,659	\$ 213,251,178	\$ 214,493,605	\$ 214,425,693	\$ 216,558,696
Student Support Services	16,858,395	16,848,558	15,147,309	15,295,809	16,018,809	16,357,758	18,119,750	18,015,111	17,331,002	18,032,843
Instructional Media Services	4,761,283	4,772,147	4,223,246	4,170,561	4,224,367	4,400,081	4,763,360	4,752,394	4,517,610	4,492,359
Instruction and Curriculum Development Services	11,197,176	11,008,291	9,883,085	9,685,168	10,038,942	10,450,035	12,301,860	13,390,752	13,201,725	13,268,349
Instructional Staff Training Services	8,724,396	8,633,858	7,502,117	8,083,368	9,139,669	8,497,923	9,038,724	7,082,312	6,348,029	8,812,216
Instruction-Related Technology	3,923,575	4,254,642	4,054,693	4,295,397	4,401,182	4,165,597	4,598,508	4,620,276	4,736,281	4,620,929
Board	1,564,164	1,444,331	1,353,109	1,272,572	1,196,527	1,223,781	1,370,750	1,290,759	1,300,560	7,528,891
General Administration	3,003,731	2,653,708	1,518,541	1,581,664	2,413,878	2,211,509	1,839,932	2,043,693	2,145,111	2,208,824
School Administration	14,170,094	14,358,227	13,427,115	14,123,325	14,787,725	14,978,087	16,420,126	16,829,076	15,858,774	17,121,281
Facilities Acquisition and Construction	17,510,854	15,698,815	16,667,247	9,966,883	13,506,908	19,944,374	15,877,255	17,831,416	21,339,837	31,638,107
Fiscal Services	2,184,481	2,299,755	2,180,152	2,401,752	2,164,484	2,335,937	2,428,612	2,321,692	2,330,536	2,332,863
Food Service	18,879,371	18,486,692	20,414,794	21,199,498	20,988,484	20,515,294	20,327,540	21,082,132	21,261,023	21,462,250
Central Services	3,857,958	3,967,315	4,629,028	5,019,010	4,791,656	5,050,783	5,488,570	5,999,352	6,062,529	6,829,979
Student Transportation Services	17,537,020	18,863,979	18,651,437	19,359,259	18,220,613	17,788,057	21,368,991	22,193,795	20,887,224	21,859,505
Operation of Plant	28,935,143	28,489,116	28,363,047	27,069,683	27,217,458	27,069,043	26,673,022	25,956,001	25,346,355	26,987,310
Maintenance of Plant	10,704,965	11,255,993	10,749,457	11,641,163	10,943,295	11,041,441	11,231,772	11,503,358	11,107,852	12,187,824
Administrative Technology Services	3,681,151	3,781,038	3,891,979	3,911,729	3,948,080	3,508,846	3,586,559	3,514,601	3,479,380	3,511,314
Community Services	1,242,581	1,084,175	1,253,975	1,458,102	1,384,546	1,119,798	1,106,272	1,069,492	1,085,710	1,295,433
Unallocated Interest on Long-Term Debt	2,843,124	2,643,630	2,404,644	2,105,728	1,883,019	1,855,933	3,051,758	2,149,676	1,658,723	1,430,676
Total Governmental Activities	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010	379,364,936	392,844,539	396,139,493	394,423,954	422,179,649
Business-Type Activities:										
Panhandle Management Development Network	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	377,531,251	379,810,056	363,994,261	364,960,386	367,703,010	379,364,936	392,844,539	396,139,493	394,423,954	422,179,649
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	1,394,372	1,344,462	1,302,174	1,040,440	1,154,747	916,332	1,197,625	1,162,564	1,189,505	1,192,531
Facilities Acquisition and Construction	-	-	-	33,888	40,716	28,759	38,707	37,259	38,499	38,872
Food Services	5,282,975	5,195,911	4,734,992	4,033,654	3,827,300	3,480,641	2,897,012	2,960,429	2,215,916	2,157,187
Student Transportation Services	415,479	262,892	437,998	256,127	252,548	241,944	259,827	254,942	162,620	439,208
Community Services	-	-	-	394,213	393,075	424,983	471,105	475,398	501,109	531,917
Operating Grants and Contributions	13,816,659	14,392,698	15,000,374	16,029,099	15,890,352	16,484,055	18,028,039	17,245,206	19,920,098	19,554,877
Capital Grants and Contributions	2,872,668	11,338,456	1,966,452	2,583,367	2,632,234	6,094,047	4,800,120	5,133,006	2,730,986	2,938,854
Total Governmental Activities Program Revenues	23,782,153	32,534,419	23,441,990	24,370,788	24,190,972	27,670,761	27,692,435	27,268,804	26,758,733	26,853,446

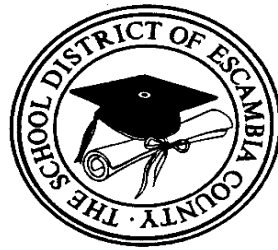
(Continued)

DISTRICT SHOOB 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, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Total Primary Government Program Revenues	\$ 23,782,153	\$ 32,534,419	\$ 23,441,990	\$ 24,370,788	\$ 24,190,972	\$ 27,670,761	\$ 27,692,435	\$ 27,268,804	\$ 26,758,733	\$ 26,853,446
Net (Expenses)/Revenues										
Governmental Activities	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)	(351,694,175)	(365,152,104)	(368,870,689)	(367,665,221)	(395,326,203)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government Net Expenses	(353,749,098)	(347,275,637)	(340,552,271)	(340,589,598)	(343,512,038)	(351,694,175)	(365,152,104)	(368,870,689)	(367,665,221)	(395,326,203)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	106,137,711	99,288,288	92,658,245	89,803,524	91,977,693	95,102,045	91,336,026	88,907,015	88,593,488	92,400,716
Levied for Capital Projects	20,066,464	18,435,553	21,989,423	21,518,559	22,777,599	21,492,708	21,709,577	24,005,885	25,897,925	25,713,431
Local Sales Taxes	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254	23,376,775	24,164,744	24,900,899	26,693,489	28,220,187
Grants and Contributions Not Restricted to Specific Programs	224,485,318	230,271,976	195,648,584	202,402,869	219,193,213	222,905,305	228,438,767	233,409,076	235,440,637	240,182,926
Unrestricted Investment Earnings	492,008	295,489	158,475	77,582	96,333	584,835	681,813	1,300,072	1,877,193	3,088,594
Miscellaneous	6,216,542	4,185,317	2,937,726	3,213,169	3,702,323	3,604,535	3,015,412	3,245,795	3,072,906	5,310,353
Loss Recoveries	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415	367,066,203	369,346,339	375,768,742	381,575,638	394,916,207
Business-Type Activities:										
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government General Revenues and Other Changes in Net Position	376,140,299	372,120,286	333,527,507	337,960,369	359,603,415	367,066,203	369,346,339	375,768,742	381,575,638	394,916,207
Changes in Net Position:										
Governmental Activities	22,391,201	24,844,649	(7,024,764)	(2,629,229)	16,091,377	15,372,028	4,194,235	6,898,053	13,910,417	(409,996)
Adjustment to Net Position (a)	-	-	-	-	-	(131,422,474)	-	-	(12,323,880)	-
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 22,391,201	\$ 24,844,649	\$ (7,024,764)	\$ (2,629,229)	\$ 16,091,377	\$ (116,050,446)	\$ 4,194,235	\$ 6,898,053	\$ 1,586,537	\$ (409,996)

June 30, 2015 adjustment due to initial implementation of GASB 68 "Accounting and Financial Reporting for Pensions."

Source: District Records



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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	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General Fund									
Nonspendable	\$ 1,215,720	\$ 1,208,455	\$ 1,208,455	\$ 1,215,625	\$ 1,208,455	\$ 1,208,455	\$ 1,399,578	\$ 1,434,376	\$ 1,548,283
Restricted	9,184,279	13,311,648	9,106,284	17,486,027	13,050,637	12,301,277	14,472,496	11,032,511	12,954,094
Assigned	15,762,759	20,804,591	21,234,802	20,243,410	22,247,545	24,577,866	25,167,612	26,744,108	23,493,626
Unassigned	40,731,996	20,156,679	19,036,830	14,514,070	14,759,425	10,456,241	8,148,624	5,955,245	6,119,275
Total General Fund	<u>\$ 66,894,754</u>	<u>\$ 55,481,373</u>	<u>\$ 50,586,371</u>	<u>\$ 53,459,132</u>	<u>\$ 51,266,062</u>	<u>\$ 48,543,839</u>	<u>\$ 49,188,310</u>	<u>\$ 45,166,240</u>	<u>\$ 44,115,278</u>
All Other Governmental Funds									
Nonspendable	\$ 1,334,910	\$ 1,286,998	\$ 1,600,470	\$ 1,715,215	\$ 1,977,837	\$ 2,204,600	\$ 1,916,224	\$ 2,518,830	\$ 2,105,294
Restricted	92,954,183	95,657,391	106,024,402	102,022,323	91,533,061	159,853,016	144,366,037	100,991,717	96,383,009
Total All Other Governmental Funds	<u>\$ 94,289,093</u>	<u>\$ 96,944,389</u>	<u>\$ 107,624,872</u>	<u>\$ 103,737,538</u>	<u>\$ 93,510,898</u>	<u>\$ 162,057,616</u>	<u>\$ 146,282,261</u>	<u>\$ 103,510,547</u>	<u>\$ 98,488,303</u>

Pre-GASB 54

	Fiscal Year Ending June 30, 2010
General Fund	
Reserved for:	
Encumbrances	\$ 1,609,721
State Categorical Programs	12,581,661
Inventories	1,270,326
Legal Restrictions	1,706,293
Unreserved	32,916,644
Total General Fund	<u>\$ 50,084,645</u>
All Other Governmental Funds	
Reserved for:	
Debt Service	\$ 220,117
Encumbrances	28,830,870
Inventories	1,178,765
Unreserved, Reported in:	
Special Revenue Funds	5,733,237
Debt Service Funds	4,743,512
Capital Projects Funds	66,064,908
Total All Other Governmental Funds	<u>\$ 106,771,409</u>

Source: District Records

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, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Revenues:										
Federal Direct:										
Federal Impact, Current Operations	\$ 765,872	\$ 920,990	\$ 724,457	\$ 701,600	\$ 550,597	\$ 615,566	\$ 520,324	\$ 407,487	\$ 378,907	\$ 573,760
Reserve Officers Training Corps (ROTC)	435,838	433,570	424,206	435,608	437,965	438,955	457,309	471,063	404,967	495,904
Other Federal Direct Sources	1,277,879	1,848,880	2,033,007	2,494,810	1,849,952	1,991,890	1,405,073	2,082,909	2,035,210	1,807,988
Total Federal Direct	2,479,589	3,203,440	3,181,670	3,632,018	2,838,514	3,046,411	2,382,706	2,961,459	2,819,084	2,877,652
Federal Through State and Local:										
Food Service	13,479,986	14,045,674	14,682,599	15,386,860	15,587,668	16,199,631	17,796,125	16,967,566	19,619,678	19,262,313
Other Federal Through State and Local Sources	61,469,091	64,993,242	34,657,795	34,719,040	34,830,597	34,186,962	32,181,086	30,789,622	30,598,505	32,221,188
Total Federal Through State and Local	74,949,077	79,038,916	49,340,394	50,105,900	50,418,265	50,386,593	49,977,211	47,757,188	50,218,183	51,483,501
State:										
Florida Education Finance Program (FEFP)	109,426,496	110,995,559	105,659,076	113,112,565	130,085,150	133,079,212	141,767,900	147,813,119	149,340,069	151,052,919
Workforce Development	4,632,491	4,532,780	4,765,518	4,778,222	4,895,677	4,880,129	4,586,924	4,525,985	4,060,898	4,084,457
Adults with Disabilities	230,654	219,164	187,087	160,690	162,244	167,298	-	-	-	-
Categorical Educational Programs	44,610,770	42,556,763	42,960,100	43,640,836	43,315,211	45,171,285	46,190,066	43,599,683	44,500,630	44,606,358
Discretionary Lottery Funds	106,881	143,196	125,912	-	387,403	142,093	-	657,935	68,609	133,344
CO&DS Distribution	228,989	179,241	155,363	184,231	181,172	272,230	997,774	1,218,416	1,353,223	1,384,598
CO&DS Withheld for SBE/COBI Bonds	1,383,223	1,408,787	1,449,634	1,427,398	1,441,102	1,288,789	621,725	371,843	282,396	205,661
Public Education Capital Outlay	821,950	2,262,924	-	-	-	787,693	912,198	1,388,480	1,081,559	898,479
Food Service	336,673	347,024	317,775	301,994	302,684	284,424	279,694	277,640	277,420	276,324
Other State Sources	1,957,074	4,002,816	4,426,113	3,019,987	3,183,878	2,680,220	1,601,569	3,349,997	4,075,841	5,653,809
Total State	163,735,201	166,648,254	160,046,578	166,625,923	183,954,521	188,753,373	196,957,850	203,203,098	205,040,645	208,295,949
Local:										
Property Taxes	126,204,175	117,723,841	114,647,668	111,322,083	114,755,292	116,594,753	113,045,603	112,912,900	114,491,413	118,114,147
Sales Taxes	18,742,256	19,643,663	20,135,054	20,944,666	21,856,254	23,376,775	24,164,744	24,900,899	26,693,489	28,220,187
Charges for Food Service	5,282,976	5,195,911	4,734,991	4,033,654	3,827,300	3,480,641	2,897,012	2,960,429	2,215,916	2,157,187
Interest Income	453,046	281,179	141,013	55,362	96,333	596,541	734,149	1,300,072	1,877,193	3,088,593
Other Local Sources	6,201,739	5,423,005	4,289,095	4,440,036	5,718,317	5,079,049	4,734,649	5,175,958	4,964,639	5,382,739
Total Local	156,884,192	148,267,599	143,947,821	140,795,801	146,253,496	149,127,759	145,576,157	147,250,258	150,242,650	156,962,853
Total Revenues	398,048,059	397,158,209	356,516,463	361,159,642	383,464,796	391,314,136	394,893,924	401,172,003	408,320,562	419,619,955
Expenditures:										
Current - Education:										
Instruction	198,539,780	199,014,371	189,523,811	188,948,850	192,462,254	205,019,212	199,992,057	200,712,053	207,636,368	204,389,588
Student Support Services	16,780,482	16,569,587	15,268,235	14,898,648	15,986,593	16,849,656	17,679,276	17,586,716	17,534,208	17,734,020
Instructional Media Services	4,700,758	4,594,243	4,142,086	4,039,942	4,210,339	4,557,548	4,625,002	4,619,046	4,580,366	4,409,923
Instruction and Curriculum										
Development Services	11,180,453	10,918,167	9,985,299	9,438,703	9,927,607	10,540,383	12,027,098	13,093,815	13,211,227	13,055,927
Instructional Staff Training Services	8,732,663	8,636,753	7,522,735	8,025,677	9,134,087	8,576,810	8,969,552	7,023,687	6,368,695	8,737,073
Instruction-Related Technology (a)	3,468,362	3,742,020	3,551,024	3,855,314	4,035,137	3,893,039	4,210,077	4,249,202	4,474,730	4,301,424
Board	1,543,620	1,413,818	1,325,749	1,236,702	1,194,064	1,264,067	1,336,050	1,259,018	1,316,342	7,508,557

(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, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
General Administration	\$ 2,963,753	\$ 2,545,919	\$ 1,405,283	\$ 1,558,318	\$ 2,409,159	\$ 2,238,154	\$ 1,817,686	\$ 2,023,229	\$ 2,156,983	\$ 2,195,678
School Administration	14,106,346	13,998,296	13,553,109	13,659,134	14,743,900	15,569,808	15,909,843	16,321,299	16,092,768	16,773,968
Facilities Acquisition and Construction	13,674,311	12,200,265	14,446,528	9,776,555	13,324,504	17,898,083	14,961,023	16,566,965	17,130,892	28,010,865
Fiscal Services	2,136,906	2,226,105	2,125,880	2,331,986	2,159,270	2,415,832	2,361,350	2,258,102	2,364,027	2,290,353
Food Service	18,256,402	17,787,701	19,800,947	20,180,916	20,629,628	20,171,124	19,979,512	20,748,991	20,903,229	21,112,373
Central Services	3,736,109	3,791,850	4,508,051	4,763,206	4,959,376	5,106,813	5,251,482	5,744,152	6,024,459	6,610,306
Student Transportation Services	15,783,172	16,556,430	16,865,818	16,134,634	16,362,999	16,274,752	18,911,080	19,599,099	18,479,788	19,324,952
Operation of Plant	28,862,677	28,290,543	28,074,548	26,741,413	27,123,194	27,292,882	26,333,337	25,600,740	25,352,221	26,695,254
Maintenance of Plant	10,268,080	10,813,898	10,196,603	10,985,410	10,592,744	10,953,267	10,706,582	10,953,447	11,042,054	11,747,008
Administrative Technology Services (a)	3,058,616	3,229,741	3,429,491	3,188,998	3,559,873	3,266,347	3,251,767	3,184,691	3,304,349	3,256,823
Community Services	1,239,929	1,081,523	1,251,320	1,446,291	1,379,526	1,123,431	1,093,821	1,052,813	1,083,138	1,281,861
Fixed Capital Outlay:										
Facilities Acquisition and Construction	15,875,764	33,036,849	11,405,823	7,643,361	23,947,575	27,810,019	16,045,856	32,812,375	55,351,540	11,715,788
Charter School Local Capital Improvement	-	-	-	-	-	-	-	-	271,558	-
Other Capital Outlay	3,080,669	2,949,474	1,723,958	2,191,130	1,381,185	1,622,740	1,458,065	3,735,249	8,964,459	6,981,585
Debt Service:										
Principal	4,380,125	4,221,187	4,213,595	4,498,680	4,697,828	4,768,768	4,316,613	6,391,723	7,645,309	8,014,000
Interest and Fiscal Charges	2,704,475	2,507,998	2,295,429	2,105,728	1,952,012	1,619,850	1,650,018	3,567,865	3,059,376	2,846,672
Total Expenditures	385,073,452	400,126,738	366,615,322	357,649,596	386,172,854	408,832,585	392,887,147	419,104,277	454,348,086	428,993,998
Excess (Deficiency) of Revenues Over Expenditures	12,974,607	(2,968,529)	(10,098,859)	3,510,046	(2,708,058)	(17,518,449)	2,006,777	(17,932,274)	(46,027,524)	(9,374,043)
Other Financing Sources (Uses)										
Bonds Issued	-	225,000	-	-	-	-	51,910,000	-	-	-
Refunding Bonds Issued	-	-	2,625,000	-	229,000	627,000	-	812,000	-	-
Refunding Certificates of Participation Issued	-	-	1,124,561	-	-	19,840,000	-	-	-	-
Payment to Refunding Escrow Agent	-	-	(3,986,280)	-	(186,007)	(23,126,288)	-	-	(945,961)	-
Sale of Capital Assets	3,195,330	-	1,669,973	924,408	1,113,573	1,877,010	1,369,143	-	165,893	3,281,282
Loss Recoveries	1,233	7,474,473	45,345	650,765	500,000	3,285,325	1,896,824	1,865,544	13,808	19,555
Premiums on Long-Term Debt Issued	-	19,346	255,174	-	36,560	2,548,722	8,641,751	123,846	-	-
Transfers In	11,996,925	11,369,796	16,156,101	16,449,253	12,691,682	13,632,905	76,884,490	19,047,008	19,511,380	24,431,929
Transfers Out	(11,996,925)	(11,792,293)	(16,549,100)	(15,748,991)	(12,691,323)	(13,585,935)	(76,884,490)	(19,047,008)	(19,511,380)	(24,431,929)
Total Other Financing Sources (Uses)	3,196,563	7,296,322	1,340,774	2,275,435	1,693,485	5,098,739	63,817,718	2,801,390	(766,260)	3,300,837
Change in Fund Balances Before Extraordinary Items	16,171,170	4,327,793	(8,758,085)	5,785,481	(1,014,573)	(12,419,710)	65,824,495	(15,130,884)	(46,793,784)	(6,073,206)
Net Change in Fund Balances	16,171,170	4,327,793	(8,758,085)	5,785,481	(1,014,573)	(12,419,710)	65,824,495	(15,130,884)	(46,793,784)	(6,073,206)
Fund Balances, Beginning	140,684,885	156,856,054	161,183,847	152,425,762	158,211,243	157,196,670	144,776,960	210,601,455	195,470,571	148,676,787
Fund Balances, Ending	<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>	<u>\$ 144,776,960</u>	<u>\$ 210,601,455</u>	<u>\$ 195,470,571</u>	<u>\$ 148,676,787</u>	<u>\$ 142,603,581</u>
Debt Service as a Percentage of Noncapital Expenditures	1.94%	1.83%	1.83%	1.90%	1.84%	1.68%	1.59%	2.60%	2.74%	2.65%

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, 2019	\$ 92,400,715	\$ 25,713,432	\$ 28,220,187	\$ 146,334,334
June 30, 2018	88,593,488	25,897,925	26,693,489	141,184,902
June 30, 2017	88,907,015	24,005,885	24,900,899	137,813,799
June 30, 2016	91,336,026	21,709,577	24,164,744	137,210,347
June 30, 2015	95,102,045	21,492,708	23,376,775	139,971,528
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

Source: Escambia County School District Comprehensive Annual Financial Report

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				
2018-19	\$ 25,266,470	\$ 2,769,429	\$ 30,778	\$ 28,066,677	\$ 7,400,160	\$ 20,666,517	73.63%	6.325
2017-18	23,949,793	2,323,977	30,510	26,304,280	9,152,638	17,151,642	65.20%	6.631
2016-17	22,858,204	2,209,792	28,654	25,096,650	8,961,807	16,134,843	64.29%	6.876
2015-16	22,920,773	2,209,501	28,109	25,158,383	9,734,784	15,423,599	61.31%	7.113
2014-15	24,030,738	2,593,312	26,499	26,650,549	9,578,244	17,072,305	64.06%	7.322
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

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

Sources: 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			
	2009-10	2010-11	2011-12	2012-13
Direct Rates:				
District School Board:				
Local Required Effort	5.612	5.631	5.573	5.510
Discretionary Local	0.748	0.748	0.748	0.748
Supplemental Discretionary	0.250	0.250	0.000	0.000
Capital Improvement	1.250	1.231	1.500	1.500
Total District School Board	7.860	7.860	7.821	7.758
Overlapping Rates:				
Escambia County	6.976	6.975	6.975	6.975
Escambia County Municipal Service Taxing Unit	0.685	0.685	0.685	0.685
City of Pensacola	4.540	4.540	4.289	4.289
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000
Northwest Florida Water Management	0.045	0.045	0.040	0.040
Town of Century	0.905	0.905	0.905	0.905

Source: Escambia County Tax Collector

Fiscal Year						
2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
5.309	5.237	4.999	4.666	4.383	4.200	
0.748	0.748	0.748	0.748	0.748	0.748	
0.000	0.000	0.000	0.000	0.000	0.000	
1.500	1.337	1.366	1.462	1.500	1.377	
<u>7.557</u>	<u>7.322</u>	<u>7.113</u>	<u>6.876</u>	<u>6.631</u>	<u>6.325</u>	
6.976	6.617	6.616	6.617	6.617	6.165	
0.685	0.685	0.685	0.685	0.685	0.685	
4.290	4.290	4.290	4.290	4.290	4.290	
2.000	2.000	2.000	2.000	2.000	2.000	
0.040	0.039	0.038	0.037	0.035	0.034	
0.901	0.871	0.901	0.973	0.920	0.920	

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

Taxpayer	Fiscal Year					
	2018-19			2009-10		
	Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Gulf Power Company	1	\$ 676,873	3.51%	1	\$ 445,613	2.81%
International Paper Company	2	276,109	1.43%	2	374,457	2.36%
West Florida Regional Medical Center	3	108,241	0.56%	4	91,542	0.58%
Solutia, Inc. / Ascend Perf. Mat.	4	114,473	0.59%	3	140,170	0.89%
Navy Federal Credit Union	5	153,978	0.80%			
Simon Debartolo Group / Simon Property	6	69,358	0.36%	8	35,322	0.22%
Wal-Mart Stores, Inc.	7	74,796	0.39%	6	64,397	0.41%
City of Pensacola	8	227,417	1.18%			
Bellsouth Telecommunication	9	39,179	0.20%	5	71,747	0.45%
Pensacola POB / Baptist Hospital	10	143,951	0.75%	9	66,231	0.42%
CoxCom, Inc.				7	50,584	0.32%
Exxon Mobil Chemical				10	40,191	0.25%
Totals		<u>\$ 1,884,375</u>	<u>9.76%</u>		<u>\$ 1,380,254</u>	<u>8.74%</u>
 Total Estimated Assessed Value - County		<u>\$ 19,291,249</u>			<u>\$ 15,837,113</u>	

Source: Escambia County Clerk of Court, Escambia County Tax Collector

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
2018-19	\$ 120,886,275	\$ 117,827,456	97.47%	\$ 286,691	\$ 118,114,147	97.71%
2017-18	118,700,546	113,897,590	95.95%	593,823	114,491,413	96.45%
2016-17	117,619,850	112,912,890	96.00%	346,574	113,259,464	96.29%
2015-16	116,836,952	109,306,823	93.56%	3,738,780	113,045,603	96.76%
2014-15	116,033,176	112,111,423	96.62%	4,483,330	116,594,753	100.48%
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%

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 percent 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	Sales Tax Revenue Bonds	Capital Leases	Total Primary Government		
2018-19	\$ 1,505,285	\$ 14,548,717	\$ 48,791,313	\$ -	\$ 64,845,315	0.498%	204
2017-18	1,698,916	18,981,622	53,306,459	-	73,986,997	0.596%	236
2016-17	2,835,164	23,167,836	57,676,605	-	83,679,605	0.703%	270
2015-16	2,225,141	27,477,464	60,551,751	-	90,254,356	0.803%	294
2014-15	2,738,580	31,635,983	-	-	34,374,563	0.315%	112
2013-14	3,954,275	35,063,539	-	-	39,017,814	0.355%	128
2012-13	5,206,286	38,611,793	-	-	43,818,079	0.406%	146
2011-12	6,410,159	42,016,050	-	-	48,426,209	0.471%	162
2010-11	7,479,885	45,087,833	-	77,967	52,645,685	0.528%	176
2009-10	8,298,895	48,028,536	-	379,304	56,706,735	0.564%	190

Sources:

(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, 2019
(Unaudited)

Governmental Unit	State Board of Education Bonds	Sales Tax Revenue Bonds, Series 2016	Certificates of Participation	Direct Debt	
				Total Debt Outstanding	Percentage Applicable to This Governmental Unit
Direct Debt:					
District School Board of Escambia County	\$ 1,505,285	\$ 48,791,313	\$ 14,548,717	\$ 64,845,315	100%
Overlapping Debt:					
Escambia County (1)				<u>176,257,121</u>	100%
Total Direct and Overlapping Debt				<u>\$ 241,102,436</u>	

(1) County debt outstanding was not determined at June 30, 2019, as their fiscal year ends on September 30. Consequently, September 30, 2018 data is reported.

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.

Source: District Records; Escambia County CAFR

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PLEGGED REVENUE COVERAGE
LOCAL SALES TAX
June 30, 2019
(Unaudited)

Fiscal Year	Sales Tax Revenue	Debt Service		Total Debt Service	Coverage
		Principal	Interest		
2018-19	\$ 28,220,187	\$ 3,795,000	\$ 1,990,300	\$ 5,785,300	4.88
2017-18	26,693,489	3,650,000	2,139,200	5,789,200	4.61
2016-17	24,900,899	2,155,000	2,453,015	4,608,015	5.40

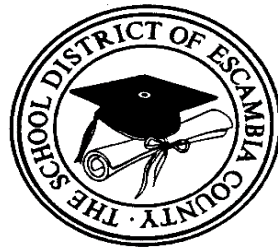
Source: District Records; Escambia County CAFR

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Assessed Value	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percent of Debt Limit
2018-19	\$ 19,291,249,673	n/a	\$ -	\$ -	0.00%
2017-18	17,937,051,307	n/a	-	-	0.00%
2016-17	17,066,661,790	n/a	-	-	0.00%
2015-16	16,413,934,013	n/a	-	-	0.00%
2014-15	15,845,710,220	n/a	-	-	0.00%
2013-14	15,185,937,304	n/a	-	-	0.00%
2012-13	14,995,805,026	n/a	-	-	0.00%
2011-12	15,328,183,064	n/a	-	-	0.00%
2010-11	15,248,094,138	n/a	-	-	0.00%
2009-10	15,932,352,281	n/a	-	-	0.00%

Note: The State of Florida does not have a limit on the amount of voter-approved debt.

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>
2018-19	\$ 19,291,249	\$ 4,850,625	.26 Mills
2017-18	17,937,051	4,782,240	.28 Mills
2016-17	17,066,662	5,060,278	.31 Mills
2015-16	16,413,934	5,062,851	.32 Mills
2014-15	15,845,710	5,109,849	.34 Mills
2013-14	15,185,937	5,134,381	.35 Mills
2012-13	14,995,805	5,136,131	.36 Mills
2011-12	15,328,183	4,941,173	.34 Mills
2010-11	15,248,094	4,945,453	.34 Mills
2009-10	15,932,352	4,944,814	.33 Mills

Notes: (A) Final assessed value is in thousands.

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

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

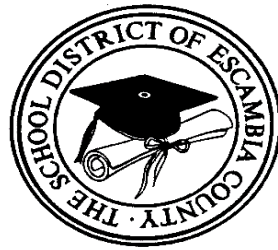
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Population (A)	Personal Income	Per Capita Personal Income (A)	Median Age (A)
2018-19	318,560	\$ 13,014,768,800	\$ 40,855	38.00
2017-18	313,381	12,404,246,742	39,582	37.90
2016-17	309,986	11,905,942,288	38,408	37.90
2015-16	306,944	11,243,972,608	36,632	37.90
2014-15	305,872	10,919,018,656	35,698	37.70
2013-14	305,817	10,987,087,359	35,927	37.60
2012-13	301,120	10,782,203,840	35,807	38.30
2011-12	299,511	10,284,608,718	34,338	37.40
2010-11	299,114	9,977,545,698	33,357	37.00
2009-10	297,964	10,053,901,288	33,742	38.40

Sources:

- (A) Federal Reserve Economic Data (FRED), Florida Department of Economic Opportunity, Florida Office of Economic and Demographic Research.
- (B) Florida Department of Economic Opportunity, Bureau of Workforce Statistics & Economic Research.
- (C) Student enrollment was obtained from District records. Starting in the 2013-14 fiscal year, student enrollment figures were capped by the Florida Department of Education at 1.0 unweighted FTE which reduced total enrollment numbers.

Unemployment Rate (B)	Student Enrollment (C)	Government-wide Governmental Activities Expenses	Cost per Student
3.5%	39,584.86	\$ 430,991,864	\$ 10,888
3.9%	39,807.09	394,423,954	9,908
4.4%	39,859.07	396,139,493	9,939
4.7%	40,109.79	392,844,539	9,794
5.7%	40,155.69	379,364,936	9,447
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



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

Employer	Fiscal Year					
	2018-19 ⁽¹⁾			2009-10 ⁽¹⁾		
	Employees	Rank	Percentage of Labor Force	Employees	Rank	Percentage of Labor Force
Local Government	14,700	1	9.90%	15,790	1	11.01%
State of Florida	7,500	2	5.05%	5,970	3	4.16%
Navy Federal Credit Union	7,101	3	4.78%			0.00%
Federal Government	6,600	4	4.45%	7,403	2	5.16%
Baptist Health Care	6,633	5	4.47%	3,163	5	2.20%
Sacred Heart Health Systems	4,820	6	3.25%	5,000	4	3.49%
Gulf Power Company	1,744	7	1.17%	1,400	7	0.98%
West Florida Health Care	1,200	8	0.81%	1,300	9	0.91%
Solutia, Inc. / Ascend Perf. Materials	888	9	0.60%	1,400	8	0.98%
West Corporation	800	10	0.54%			
University of West Florida				1,231	10	0.86%
Lakeview Center				2,000	6	1.39%
Total	51,986		35.02%	44,657		31.13%
Total Civilian Labor Force (2)	148,474			143,448		

Sources:

- (1) Escambia County Florida Comprehensive Annual Financial Report (CAFR) - Fiscal Year Ending June 30, 2018
(2) Federal Reserve Economic Data (FRED)

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		
				2009-10	2010-11	2011-12
Elementary Schools/K-8						
Allen Elementary	1956	86,479		582.19	652.44	628.36
Bellview Elementary	1950	98,997	1	730.25	672.10	698.00
Beulah Elementary	1980	111,503	18	817.78	844.84	887.80
Bibbs Elementary	1962	57,871		328.55	242.86	
Blue Angels Elementary	1999	127,545	2	925.00	871.90	884.76
Bratt Elementary	1980	75,727	5	429.61	422.30	436.02
Brentwood Elementary	1937	63,682	2	500.41	535.68	542.87
Caro Elementary	1989	116,550	8	947.05	912.02	943.06
Cook Elementary	1997	119,719		623.68	658.59	628.50
Cordova Park Elementary	1962	91,297	7	676.26	659.22	713.52
Ensley Elementary	1959	71,449	10	354.68	406.52	442.93
Ferry Pass Elementary	1957	85,515	9	687.15	706.56	708.42
Global Learning Academy	2011	130,802				780.06
Hallmark Elementary	1928	36,993	3	212.56	210.84	
Holm Elementary	1999	110,777	1	517.04	491.35	471.58
Kingsfield Elementary	2018	118,310				
Lincoln Park Elementary	1961	64,540	1	214.04	225.60	261.56
Lipscomb Elementary	1991	125,142	10	1,005.05	945.39	903.03
Longleaf Elementary	1975	91,612	3	670.47	717.83	730.88
McArthur Elementary	1975	107,456	11	726.02	704.10	686.64
Molino Park Elementary	2002	129,069		390.37	387.18	397.26
Montclair Elementary	1960	69,993	2	458.55	332.80	373.04
Myrtle Grove Elementary	1936	82,080	6	684.76	661.41	662.82
Navy Point Elementary	1954	79,369		397.30	435.80	481.62
Oakcrest Elementary	1956	85,505	17	413.72	448.61	470.03
Pine Meadow Elementary	1960	87,754	4	835.71	844.88	856.67
Pleasant Grove Elementary	1948	70,718	6	648.00	666.57	675.09
Scenic Heights Elementary	1960	110,679	11	837.44	782.45	780.00
Semmes Elementary	1955	72,751	2	297.80	263.26	335.69
Sherwood Elementary	1958	85,082	1	489.16	532.50	509.20
Suter Elementary	2015	110,295		385.52	400.23	367.58
Warrington Elementary	1947	74,225	10	502.06	516.25	508.12
Weis Elementary	1990	111,549		517.78	464.15	487.68
West Pensacola Elementary	1955	82,099	8	530.31	499.98	497.94
Yniestra Elementary	1938	39,600	1	234.89	256.63	
Total Elementary Schools			159	18,571.16	18,372.84	18,750.73
Middle Schools						
Bailey Middle School	1993	201,368	12	1,453.50	1,479.60	1,406.93
Bellview Middle School	1961	158,235	8	1,060.30	1,107.60	1,071.40
Beulah Middle School	2018	175,680				
Brown Barge Middle School ⁽³⁾	1955	113,127		634.00	617.50	610.70
Ferry Pass Middle School	1961	153,755	3	873.37	946.00	889.82
Ransom Middle School	1987	190,378	11	1,310.05	1,312.30	1,356.40
Ward Middle School	2015	121,676		519.31	480.00	465.58
Warrington Middle School	1953	137,998	4	850.71	731.11	727.70
Woodham Middle School	1964	236,668	1	924.90	912.63	853.80
Workman Middle School	1962	156,155	2	867.10	936.43	921.42
Total Middle Schools			41	8,493.24	8,523.17	8,303.75

Full-Time Equivalent Enrollment Data

2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
632.13	563.93	577.49	616.68	613.47	599.61	635.25
746.50	696.10	720.25	750.09	761.17	727.06	628.19
896.00	920.11	967.64	963.52	991.32	978.19	919.81
989.10	849.17	913.43	943.19	881.70	871.85	813.85
438.91	414.96	401.14	418.33	425.33	476.12	476.74
555.39	616.97	585.98	578.77	557.12	523.07	470.95
908.97	952.20	954.91	895.03	837.11	830.39	806.95
635.72	622.13	579.89	587.39	593.80	599.12	566.98
677.22	707.88	680.48	682.43	704.79	659.61	618.55
427.16	457.85	474.93	493.22	474.93	439.76	380.61
622.66	688.46	724.37	679.90	591.64	603.91	617.30
753.14	757.43	757.96	726.80	739.26	649.06	579.33
430.67	440.04	470.40	499.21	489.95	449.53	449.29
						624.23
276.44	140.02	147.40	179.88	172.38	229.30	286.42
911.39	926.99	931.84	921.90	879.04	869.40	844.02
690.67	784.36	772.13	770.94	722.20	659.80	565.56
693.60	740.55	762.06	770.49	752.01	744.94	702.98
387.26	381.35	415.13	410.79	422.45	440.86	457.82
363.04	341.33	308.66	356.06	314.68	303.90	366.53
677.72	703.69	606.89	657.60	611.09	517.70	560.86
483.58	508.65	449.89	495.59	571.33	488.85	512.00
518.35	602.87	663.55	568.83	518.23	521.00	519.43
909.03	942.99	905.42	920.55	906.51	940.59	629.67
680.62	631.70	729.36	670.16	626.56	676.74	594.42
841.67	872.57	762.30	815.99	801.85	910.43	819.15
366.24	405.43	397.86	377.29	429.06	451.36	398.66
526.66	589.50	605.46	615.82	598.21	573.88	513.82
434.72	423.62	437.37	538.94	586.77	576.76	565.11
483.24	485.95	425.29	429.36	379.78	374.40	319.84
492.60	573.90	545.03	494.12	444.33	473.59	467.77
472.12	404.83	425.20	439.63	506.95	502.91	526.40
<u>18,922.52</u>	<u>19,147.53</u>	<u>19,099.71</u>	<u>19,268.50</u>	<u>18,905.02</u>	<u>18,663.69</u>	<u>18,238.49</u>
1,400.90	1,481.31	1,389.71	1,345.55	1,355.79	1,372.55	1,392.34
1,110.69	980.69	1,019.59	1,009.27	972.73	1,004.94	991.08
						824.53
620.99	594.23	576.87	536.36	549.83	570.57	557.78
980.71	1,011.74	987.37	1,023.05	1,049.24	1,052.39	1,206.63
1,360.09	1,429.64	1,392.08	1,331.97	1,388.04	1,449.59	1,271.80
461.33	458.58	453.79	459.52	432.56	486.20	485.84
705.79	649.87	672.76	666.21	680.24	678.15	809.89
805.80	699.61	687.07	821.14	769.52	745.89	
<u>1,008.49</u>	<u>979.62</u>	<u>941.48</u>	<u>852.49</u>	<u>779.94</u>	<u>775.98</u>	<u>972.82</u>
<u>8,454.79</u>	<u>8,285.29</u>	<u>8,120.72</u>	<u>8,045.56</u>	<u>7,977.89</u>	<u>8,136.26</u>	<u>8,512.71</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		
				2009-10	2010-11	2011-12
High Schools						
Escambia High School	1958	283,880	6	1,873.29	1,811.94	1,786.06
West Florida High School of Advanced Technology	1967	338,380	12	1,296.67	1,279.41	1,249.58
Northview High School	1993	148,273	1	552.65	541.38	540.27
Pensacola High School	1949	288,045	5	1,641.12	1,607.20	1,611.19
Pine Forest High School	1974	246,196	14	1,876.25	1,744.28	1,702.56
Tate Senior High School	1950	318,045	1	1,955.85	1,928.49	1,884.06
Washington High School	1976	275,971	7	1,634.31	1,591.01	1,609.95
Total High Schools			46	10,830.14	10,503.71	10,383.67
Special Centers						
Clubbs Alternative Middle School	1938	35,459		85.50		
Judy Andrews Second Chance Center ⁽⁴⁾	1954	45,495		53.50	52.00	40.51
E-Seal Center	1992	36,527	5	85.31		
Sid Nelson Community Learning	1956	56,836		154.24		
McMillian Learning Center	1961	44,979	5	70.36	84.30	68.15
Teenage Parent PK	n/a	n/a	n/a			
George Stone Technical Center ⁽⁵⁾	1967	219,913	5			
Escambia Westgate Center	1979	104,473	4	226.07	232.00	246.00
Total Special Centers			19	674.98	368.30	354.66
Other Programs						
Camelot	n/a	n/a	n/a		182.50	154.00
District Administered Programs	n/a	n/a	n/a	123.93	108.46	102.20
Escambia County Jail	n/a	n/a	n/a	4.65	2.90	9.00
Escambia Juvenile Justice Center	n/a	n/a	n/a	50.00	44.50	58.22
Hospital & Homebound	n/a	n/a	n/a	10.07	9.99	12.28
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	15.00	16.00	18.50
Lakeview Center	n/a	n/a	n/a	36.50	29.00	29.50
Escambia Boys Base	n/a	n/a	n/a	25.50	24.50	27.66
Escambia Bay Marine	n/a	n/a	n/a	55.50	54.00	74.55
PACE Center for Girls	n/a	n/a	n/a	53.00	50.50	66.80
McKay Scholarships	n/a	n/a	n/a	192.00	235.00	235.00
Opportunity Scholarships	n/a	n/a	n/a			
Total Other Programs				566.15	757.35	787.71
Charter Schools						
A. A. Dixon Charter School of Excellence	n/a	n/a	n/a		220.30	156.50
Beulah Academy of Science, Inc.	n/a	n/a	n/a	261.60	261.30	282.90
Byrneville Elementary School, Inc.	n/a	n/a	n/a	178.60	161.40	157.10
Capstone Academy Pensacola	n/a	n/a	n/a	24.84	25.93	21.51
Escambia Charter School, Inc.	n/a	n/a	n/a	126.00	107.50	126.50
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a	182.00	214.50	188.00
Five Flags Academy	n/a	n/a	n/a			
Newpoint Academy Middle School	n/a	n/a	n/a			189.10
Newpoint Pensacola High School	n/a	n/a	n/a			81.50
Pensacola Beach Elementary School, Inc.	n/a	n/a	n/a	140.68	141.45	135.45
Total Charter Schools				913.72	1,132.38	1,338.56
Virtual Instruction Programs	n/a	n/a	n/a			199.94
Total District				40,049.39	39,657.75	40,119.02

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

⁽²⁾ Square footage includes portables and modulares in addition to permanent buildings.

⁽³⁾ Brown-Barge moved to the former Brentwood Middle facility in 2007-08.

⁽⁴⁾ Formerly known as Dixon Educational Center until the 2006-07 fiscal year.

⁽⁵⁾ George Stone Center houses adult programs that do not typically generate Full Time Enrollment (FTE) except for dual enrollment during 2015-16 school year.

Source: District Records

Full-Time Equivalent Enrollment Data

<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
1,646.34	1,678.82	1,707.46	1,656.07	1,683.17	1,750.59	1,689.15
1,245.51	1,254.39	1,257.06	1,260.21	1,307.05	1,295.79	1,275.20
535.95	495.89	481.26	487.65	476.77	458.70	467.14
1,571.52	1,463.15	1,419.10	1,403.39	1,360.71	1,401.57	1,374.45
1,729.23	1,646.97	1,674.06	1,628.62	1,582.40	1,558.14	1,590.58
1,969.99	1,928.67	2,073.34	2,144.00	2,095.49	2,096.45	2,100.79
1,623.54	1,626.17	1,711.79	1,720.77	1,730.68	1,736.67	1,717.27
<u>10,322.08</u>	<u>10,094.06</u>	<u>10,324.07</u>	<u>10,300.71</u>	<u>10,236.27</u>	<u>10,297.91</u>	<u>10,214.58</u>
38.76	40.72	42.99	57.09	100.11	121.18	130.32
49.14	38.95	25.51	16.96	21.84	25.82	34.58
			12.33	24.00	18.00	19.00
			0.31			
<u>238.50</u>	<u>242.49</u>	<u>228.83</u>	<u>228.47</u>	<u>231.49</u>	<u>208.55</u>	<u>195.27</u>
<u>326.40</u>	<u>322.16</u>	<u>297.33</u>	<u>315.16</u>	<u>377.44</u>	<u>373.55</u>	<u>379.17</u>
160.00	177.75	181.05	177.80	153.30	170.13	224.02
90.44	92.98	100.45	82.83	70.09	85.61	84.60
17.00	15.13	17.30	28.14	21.46	9.95	10.01
49.53	48.09	52.05	36.42	60.49	83.53	70.05
9.33	9.85	14.76	6.08	9.03	8.90	5.93
16.00	16.41	12.45	12.68	13.61	11.28	2.89
28.50	26.63	24.90	43.48	46.66	38.69	41.60
19.17	28.38	30.34	34.39	33.02	30.47	29.60
59.12	31.69					
63.43	62.61	72.62	69.10	73.48	65.32	71.86
248.50	316.71	328.86	311.35	386.00	391.00	405.00
<u>761.02</u>	<u>826.23</u>	<u>834.78</u>	<u>802.27</u>	<u>867.14</u>	<u>894.88</u>	<u>945.56</u>
160.00						
282.60	288.04	286.55	289.88	286.68	286.02	290.04
158.80	174.10	191.63	206.72	206.50	214.49	192.57
25.50	26.00	23.42	24.93	32.86	28.53	31.10
114.00	120.03	115.26	103.73	90.62	99.07	
174.50	197.63	179.94	209.75	203.64	232.08	233.27
		89.44				
166.80	158.33	172.87				
91.03	113.23	109.43				
138.26	135.34	138.00	139.10	150.09	136.57	143.70
<u>1,311.49</u>	<u>1,212.70</u>	<u>1,306.54</u>	<u>974.11</u>	<u>970.39</u>	<u>996.76</u>	<u>890.68</u>
<u>241.88</u>	<u>282.75</u>	<u>172.54</u>	<u>403.48</u>	<u>524.92</u>	<u>444.04</u>	<u>438.68</u>
<u>40,340.18</u>	<u>40,170.72</u>	<u>40,155.69</u>	<u>40,109.79</u>	<u>39,859.07</u>	<u>39,807.09</u>	<u>39,619.87</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
2018-19	2,963	174	2,041	5,178	13.36	17.03
2017-18	3,139	181	2,057	5,377	12.68	17.34
2016-17	3,082	178	2,040	5,300	12.95	17.31
2015-16	3,097	177	2,053	5,327	12.97	17.50
2014-15	3,138	173	2,050	5,361	12.80	18.14
2013-14	3,161	164	1,870	5,195	12.71	19.27
2012-13	3,083	160	1,938	5,181	13.08	19.27
2011-12	3,087	160	2,042	5,289	13.00	19.29
2010-11	3,203	160	1,912	5,275	12.38	20.02
2009-10	3,194	164	2,112	5,470	11.94	19.48

(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.

Sources: District Records, Florida Department of Education Staff Reports

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
2018-19	\$ 37,800	\$ 41,400	\$ 67,600	\$ 71,200	\$ 44,312
2017-18	37,000	40,600	66,800	70,400	43,963
2016-17	36,810 -	40,410	59,374 -	62,974	47,632
2015-16	36,446 -	40,046	58,786 -	62,386	45,171
2014-15	35,872 -	39,472	56,250 -	59,850	44,841
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

(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.

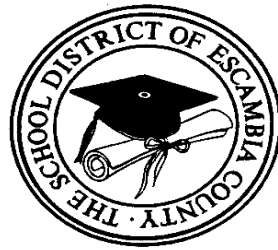
Sources: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

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

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Days Meals were Served	177	180	180	177
Average Number of Free and Reduced Meals Served Daily	29,557	30,082	31,288	30,980
Number of Free and Reduced Meals Served	5,231,541	5,414,671	5,631,896	5,483,459
Average Daily Subsidy Received	\$ 78,042	\$ 79,942	\$ 83,309	\$ 88,638
Total Subsidy Received	\$ 13,813,367	\$ 14,389,546	\$ 14,995,628	\$ 15,688,854
Average Number of Meals Served Daily	35,511	35,774	36,613	36,473
Number of Meals Served	6,285,394	6,439,395	6,590,289	6,455,792
Average Daily Revenues	\$ 107,987	\$ 108,906	\$ 109,692	\$ 111,500
Total Revenues	\$ 19,113,616	\$ 19,603,137	\$ 19,744,479	\$ 19,735,430
Average Daily Costs	\$ 102,972	\$ 99,434	\$ 111,823	\$ 118,833
Total Costs	\$ 18,226,102	\$ 17,898,106	\$ 20,128,069	\$ 21,033,403

Source: District Records

Fiscal Year Ending					
June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
175	180	180	179	175	176
30,792	30,809	32,567	31,442	35,153	33,956
5,388,581	5,545,625	5,862,052	5,628,083	6,151,817	5,976,306
\$ 90,802	\$ 1,580	\$ 90,295	\$ 89,222	\$ 101,975	\$ 101,304
\$ 15,890,352	\$ 284,424	\$ 16,253,037	\$ 15,970,789	\$ 17,845,684	\$ 17,829,460
35,870	35,751	35,875	34,462	36,814	35,737
6,277,235	6,435,127	6,457,472	6,168,739	6,442,413	6,289,726
\$ 112,721	\$ 110,961	\$ 116,613	\$ 113,276	\$ 126,738	\$ 123,659
\$ 19,726,102	\$ 19,973,056	\$ 20,990,375	\$ 20,276,400	\$ 22,179,211	\$ 21,763,939
\$ 118,158	\$ 112,483	\$ 111,525	\$ 117,249	\$ 120,478	\$ 120,837
\$ 20,677,648	\$ 20,246,983	\$ 20,074,488	\$ 20,987,576	\$ 21,083,616	\$ 21,267,297



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SINGLE AUDIT

*DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019*

<u>Federal Grantor /Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Grantor Number</u>	<u>Amount of Expenditures (1)</u>
United States Department of Agriculture:			
Indirect:			
Child Nutrition Cluster:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	17002	\$ 4,547,141
National School Lunch Program	10.555	17001	14,671,448
Summer Food Service Program for Children	10.559	17006	<u>24,788</u>
Total Child Nutrition Cluster			<u>19,243,377</u>
Child and Adult Care Food Program	10.558	5033	<u>18,936</u>
Total United States Department of Agriculture			<u>19,262,313</u>
United States Department of Defense:			
Direct:			
Army Junior Reserve Officers Training Corps	12.UNK	N/A	74,743
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	60,451
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	360,711
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	<u>789,152</u>
Total United States Department of Defense			<u>1,285,057</u>
United States Department of Labor:			
Indirect:			
WIOA Cluster:			
Workforce Escarosa, Inc.:			
WIOA Youth Activities	17.259	2016-2017-03	<u>197,906</u>
Total United States Department of Labor			<u>197,906</u>
United States Department of Education:			
Direct:			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	N/A	<u>1,018,503</u>
Impact Aid	84.041	N/A	<u>573,760</u>
Total Direct			<u>1,592,263</u>
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	10,645,164
Special Education - Preschool Grants	84.173	266, 267	<u>229,986</u>
Total Special Education Cluster			<u>10,875,150</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

<u>Federal Grantor /Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-Through Grantor Number</u>	<u>Amount of Expenditures (1)</u>
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191	188,144
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	15,399,003
Migrant Education - State Grant Program	84.011	217	162,443
Title IV Student Support and Academic Enrichment Grant	84.424		939,006
Career and Technical Education - Basic Grants to States	84.048	161	686,669
Education for Homeless Children and Youth	84.196	127	102,427
English Language Acquisition Grants	84.365	102	94,381
Supporting Effective Instruction State Grants	84.367	224	<u>1,135,906</u>
Total Florida Department of Education			<u>18,707,979</u>
Total Indirect			<u>29,583,129</u>
Total United States Department of Education			<u>31,175,392</u>
United States Department of Health and Human Services:			
Indirect:			
Community Action Community - Head Start:			
Head Start	93.600	None	<u>536,896</u>
Total United States Department of Health and Human Services			<u>536,896</u>
Total Expenditures of Federal Awards			<u>\$ 52,457,563</u>

Notes:

(1) Basis of Presentation

The accompanying Schedule of Federal Awards (Schedule) includes the Federal award activity of the Escambia County District School Board under programs of the Federal government for the fiscal year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present financial position, changes in net position, or cash flows of the District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Noncash Assistance:

(A) National School Lunch Program - Includes \$1,387,785 of donated food received during the fiscal year. Donated foods are recorded at fair value as determined at the time of donation.

(B) Impact Aid - Expenditures are related to grant numbers/programs as follows: 19-FL-2017-0001 (\$89,786), 19-FL-2018-0001 (113,429), and 19-FL-2019-0001 (\$370,545).



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Chairman and Members of
The District School Board of Escambia County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 13, 2019. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Chairman and Members of
The District School Board of Escambia County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated December 13, 2019.

Purpose of this Report

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
December 13, 2019



Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Chairman and Members of
The District School Board of Escambia County, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the District School Board of Escambia County, Florida (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2019. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 13, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

Chairman and Members of
The District School Board of Escambia County, Florida

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Cont.)

The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 13, 2019

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Type of report issued on compliance for major federal program: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance? ___ Yes X No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,573,727

Auditee qualified as low-risk auditee? X Yes ___ No

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Cont.)*

For the Year Ended June 30, 2019

Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.

No matters are reported.

Section III - Federal Award Findings and Questioned Costs reported in accordance with the Uniform Guidance.

No matters are reported.

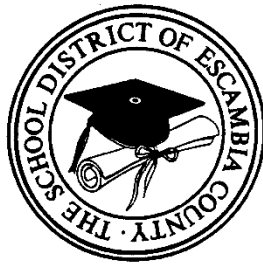
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2019

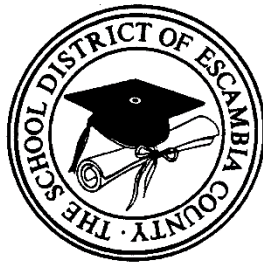
FEDERAL AUDIT FINDINGS

No matters were reported in the prior year affecting federal financial assistance programs.



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OTHER REPORTS



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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Chairman and Members of
The District School Board of Escambia County, Florida

Report on the Financial Statements

We have audited the financial statements of the District School Board of Escambia County, Florida (the "District") as of and for the year ended June 30, 2019, and have issued our report thereon dated December 13, 2019.

Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated December 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Financial Condition and Management

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Chairman and Members of
The District School Board of Escambia County, Florida

Financial Condition and Management (Cont.)

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

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

Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 13, 2019



INDEPENDENT ACCOUNTANT'S REPORT

Chairman and Members of
The District School Board of Escambia County, Florida

We have examined the District School Board of Escambia County, Florida's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended June 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied with those requirements. An examination involves performing procedures to obtain evidence about the District's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2019.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 13, 2019