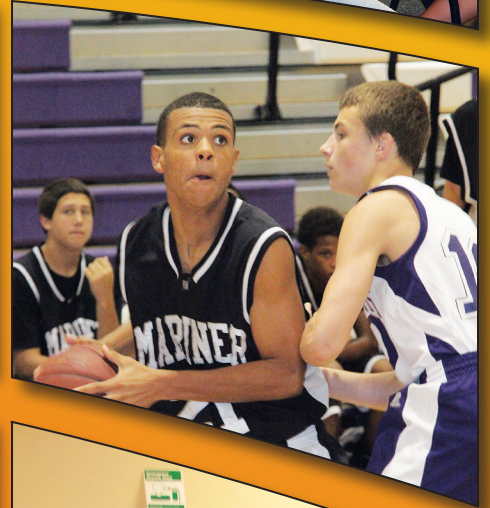




VISION
To be a world-class school system



Comprehensive Annual Financial Report For Year Ended June 30, 2014

The School District of Lee County
Fort Myers, Florida

The School District of Lee County
Fort Myers, Florida

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR
FISCAL YEAR ENDED
JUNE 30, 2014**

Prepared by:
Financial Accounting Department

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2014**

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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF LEE COUNTY

2855 COLONIAL BLVD. ♦ FORT MYERS, FLORIDA 33966 ♦ WWW.LEESCHOOLS.NET

CATHLEEN O'DANIEL MORGAN
CHAIRMAN, DISTRICT 3
STEVEN K. TEUBER
VICE CHAIRMAN, DISTRICT 4

MARY FISCHER
DISTRICT 1

JEANNE S. DOZIER
DISTRICT 2

PAMELA H. LARIVIERE
DISTRICT 5

NANCY J. GRAHAM, ED.D
SUPERINTENDENT

KEITH B. MARTIN, ESQ.
BOARD ATTORNEY

December 12, 2014

District School Board of Lee County
2855 Colonial Boulevard
Fort Myers, FL 33966-1012

Dear Chairman, School Board Members, and Citizens of Lee County:

After the close of each fiscal year, State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited by the Florida Auditor General, or a firm of licensed certified public accountants, 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 School District of Lee County (the District) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the District. 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, District management has established a system of internal controls designed 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 the benefits, the District's system 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 Florida Auditor General conducted the audit for the fiscal year ended June 30, 2014. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant

estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's basic financial statements for the fiscal year ended June 30, 2014. The auditor's report is presented as the first component in the Financial Section of this report.

The independent audit of the District's financial statements included the 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's *Circular A-133, Audits of States, Local Government, and Non-profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on internal control and on compliance with applicable requirements, are included in the Other Independent Auditor's Reports, Schedules and Other Information section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Auditor's Report.

Profile of the Government

The District and its governing board were created pursuant to Section 4, Article IX, of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District officials in accordance with Chapter 1001.42, Florida Statutes. The District School Board of Lee County (the Board) consists of five elected officials responsible for the adoption of policies that govern the operation of the District's public schools. The appointed Superintendent of Schools (the 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 rules, and School Board policies. State Board of Education, Rule 6A-1.001, Florida Administration Code, designates specific responsibility to the Superintendent for maintaining a uniform system of records and accounts.

The geographic boundaries of the District are the same as those of Lee County, (the County), which was founded in 1887 and named in honor of General Robert E. Lee. The County is located on the Gulf Coast of Florida, encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico, and is bordered by Charlotte County to the north, Hendry County to the east, and Collier County to the south. Lee County's estimated population in 2014 is 661,115 people.

The report includes all funds of the District, the Lee County School Board Leasing Corporation, the Foundation for Lee County Public Schools (the Foundation), and sixteen charter schools, all of which comprise the reporting entity. The Lee County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. 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 Lee County. Charter schools are public schools operating under performance contracts with the Board. The Foundation and applicable charter schools are included as aggregate discretely presented component units.

The District provides a full range of educational programs. These include pre-kindergarten, kindergarten through 12th grade, basic and enrichment programs, and exceptional student education. The District also provides vocational and adult programs.

During the 2013-14 fiscal year, the District operated 98 schools and programs comprised of 49 elementary schools, 17 middle schools, 13 high schools, 19 specialized schools and programs, and reported student enrollment of 87,256. The District does not plan to open any new schools in the 2014-15 fiscal year. In addition, the District sponsored 16 charter schools that are component units of the District and plans to sponsor three additional charter schools during the 2014-15 fiscal year. The charter schools are separate not-for-profit corporations organized and operated under Section 1002.33, Florida Statutes. The charter schools are funded by the state based on their weighted full-time equivalent student count and receive this funding through the District.

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. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function 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 year-end and encumbrances outstanding are honored from the subsequent 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.

Economic Condition and Outlook

Lee County is part of the Fort Myers–Cape Coral Metropolitan Statistical Area with an annual growth rate of 2.5 percent. The County's population has increased from 521,253 in 2004 to 661,115 in 2014, an increase of 26.8 percent. This compares to an 11.1 percent increase for Florida overall and an 8.8 percent increase for the nation.

Growth is projected to continue at a slower rate for the next five years, increasing the population in the County to over 763,000 by 2020, and to more than 1,300,000 in the Southwest Florida area in general. Once a retirement haven, Lee County is now dominated by working-age people. In fact, the 18-24 age group (those people just entering the workforce) is growing about twice as fast as that of the State and many times faster than that of the entire United States.

Though Lee County continues to feel the effects of the last five years of economic instability, positive indicators in the economy such as a decreasing unemployment rate, increasing home sales and a rising tax roll are bolstering the economy. Our student population also appears to have stabilized, and has changed from an almost 500 student loss in 2009 to a growth of 1,500 students in 2010, an additional 300 students in 2011, an additional 2,800 students in 2012, an additional 1,900 students in 2013 and an additional 1,700 students in 2014. State and District projections indicate that approximately 1,500 more students will be served in the next fiscal year. This growth is projected to increase the student population up to 4 percent each year bringing the estimated student population to approximately 93,900, 103,600 and 126,500 over the next 5, 10 and 20 years, respectively. The mainstay of the County's economy is tourism and retirement, and their associated services, such as health, trade, and other service-oriented industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial services industries. Currently, over 90 percent of employment is concentrated in the services, wholesale and retail, and government sectors. Industries expected to gain the most new jobs in the near future include local government, health services, business services, food services, and special trade contractors.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County, and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District is the area's second largest employer, employing 10,684 full and part-time employees, including 5,169 instructional personnel.

Ranked in the top 9 in student population in the state and in the top 33 in the nation, the District is challenged not only by growth but also the 2002 State Constitutional Amendment legislating reductions in class size. These challenges require the construction of an additional 8 schools in the next 10 years. In order to meet this demand, the District will continue to seek additional revenue sources. There are 86 public schools in Lee County and providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. An ambitious construction program that produced forty new or additions to schools over the past ten years is winding down. This program was supported in part by the issuance of several Certificates of Participation. The District will not be able to sustain this building program going forward. In recent years, the Florida Legislature has reduced school districts taxing authority for capital outlay from 2.000 mills to 1.500 mills. With the dramatic reduction in property values, the District's revenue stream for school construction is extremely limited. In addition, with half of the school facilities more than 30 years old, a major construction and renovations program was initiated. Concurrently, the District adopted a five year plan to bring schools up to the newly adopted District standard in technology equipment and student accessibility. The District has also adopted a 20 year maintenance and replacement program to ensure school facilities are properly preserved.

Major Initiatives

ARRA Economic Stimulus Funds

On February 13, 2009, Congress passed the American Recovery and Reinvestment Act of 2009 (ARRA) which was signed into law by President Obama on February 17, 2009. ARRA earmarks more than \$90 billion for states to use for education. The primary goal was to save jobs and stabilize local school district funding. The District spent \$.6 million of ARRA funds through June 30, 2009, an additional \$40.5 million during fiscal year 2010, an additional \$67.5 million during fiscal year 2011, an additional \$5.8 million during the fiscal year 2012, an additional \$2.9 million during the fiscal year 2013 and an additional \$2.9 million during the fiscal year 2014. The infusion of ARRA funding has allowed the District to maintain instructional support in a time when there would otherwise have been significant budget reductions. Plans are underway to make sure the District does not experience a funding cliff when the stimulus funding rolls off at the end of fiscal year 2015.

Capital Outlay Program

During the current fiscal year, the District continued the major renovation of one elementary school and one high school.

During the fiscal year 2015, the District is planning to complete the major renovation of one elementary school and one high school. For fiscal year 2016, the District is not planning to start any major construction.

Awards and Acknowledgements

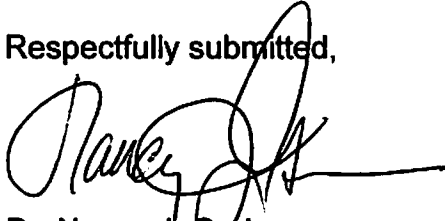
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the eleventh year the District has received these prestigious awards. In order to be awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement and Certificate of Excellence program requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

The preparation and completion of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Financial Accounting Department. Each member of the Financial Accounting Department have our sincere appreciation for the contributions made in the completion of this report.

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

Respectfully submitted,



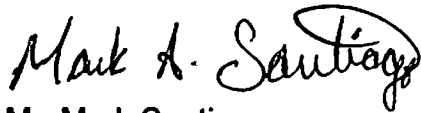
Dr. Nancy J. Graham
Superintendent



Dr. Ami Desamours
Assistant Superintendent of Business and Finance



Mr. William Tubb
Executive Director of Financial Services



Mr. Mark Santiago
Director of Financial Services

**SCHOOL DISTRICT OF LEE COUNTY
BOARD MEMBERS AND SUPERINTENDENT**



Thomas Scott
Chairman, District 5



Cathleen O'Daniel Morgan
Vice Chairman, District 3



Mary Fischer
District 1



Jeanne S. Dozier
District 2



Don H. Armstrong
District 4



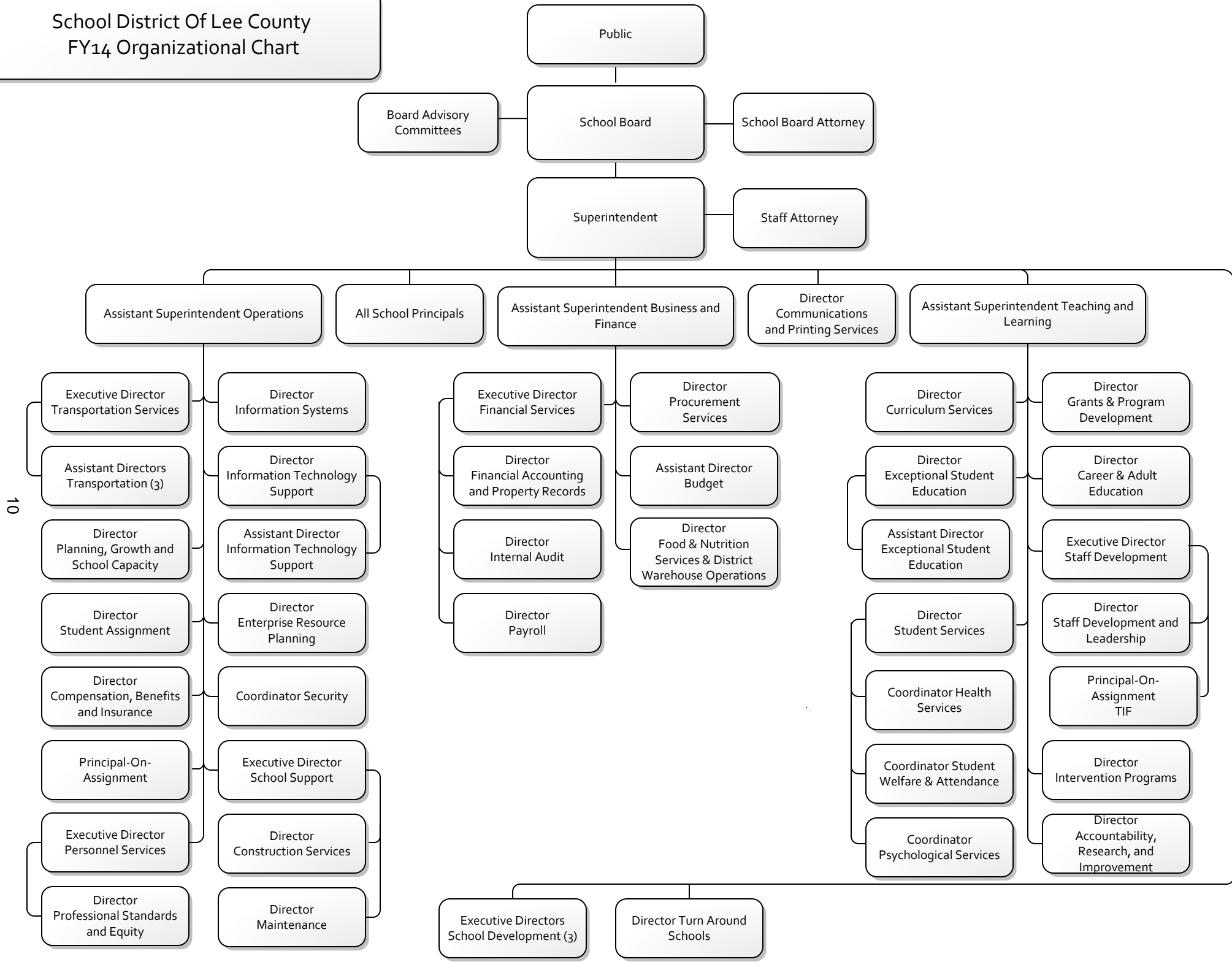
Nancy Graham, Ed.D
Superintendent

School District of Lee County
2855 Colonial Boulevard
Fort Myers, Florida 33966
www.leeschools.net
Phone (239) 334-1102

**THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA
SUPERINTENDENT AND PRINCIPAL DISTRICT OFFICIALS**

Dr. Nancy J. Graham	Superintendent
Dr. Gregory Adkins	Assistant Superintendent Operations
Dr. Ami Desamours	Assistant Superintendent Business and Finance
Ms. Christy Kutz	Assistant Superintendent Teaching and Learning
Ms. Amity Chandler	Director Communications and Printing Services
Ms. Georgianna McDaniel	Executive Director Personnel Services
Dr. Denise Carlin	Executive Director Staff Development
TBA	Executive Director School Support
Mr. Robert Morgan	Executive Director Transportation Services
Mr. William Tubb	Executive Director Financial Services
Mr. Robert Brown	Director Internal Audit
Ms. Delores Shelhorse	Director Information Systems
Mr. Henry Stelmacki	Director Food & Nutrition Services & Warehouse Operations
Ms. Susan Malay	Director Procurement Services
Ms. Rita Zazzaro	Director Payroll
Mr. Dwayne Alton	Director Information Technology Support

School District Of Lee County FY14 Organizational Chart



10

Association of School Business Officials International



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

The School District of Lee County

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

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



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

Terrie S. Simmons, RSBA, CSBO
President

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

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

**School District of Lee County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

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

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Lee County District School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Special Revenue Fund – Federal Economic Stimulus for the fiscal year then ended in accordance 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 **MANAGEMENT'S DISCUSSION AND ANALYSIS, SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS, SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS, and NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the

United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. 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.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 12, 2014

Audit Report No. 2015-070

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the School District of Lee County's Comprehensive Annual Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's assets exceeded its liabilities by \$1,089,961,140 at fiscal year ending June 30, 2014.
- Net position of the District decreased by \$28,998,275, in comparison to the 2012-13 fiscal year.
- The District's Government-wide revenues totaled \$846,041,647, comprised of general revenues of \$793,449,907 or 93.8 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$52,591,740 or 6.2 percent of the total revenues.
- Expenses incurred by the District totaled \$875,039,922 for governmental related activities. Program specific revenues offset these expenses by \$52,591,740, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$233,291,606 or a decrease of \$41,915,480 or 15.2 percent in 2013-14 fiscal year in comparison with the prior fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$111,046,656, at June 30, 2014, or 16.6 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2014, totaled \$127,723,893, a 2.3 percent increase in comparison to the 2012-13 fiscal year total of \$124,898,177. The increase in total fund balance of the General Fund is mainly attributed to the new Pell Grant revenue source of \$2,087,527.

Overview of the Financial Statements

The Financial Section of this Comprehensive Annual Financial Report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and other supplementary section that presents combining statements for Nonmajor Governmental Funds, Internal Service Funds, and Component Units. The Basic Financial Statements include several statements that present different views of the District:

- The first two statements are *Government-wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *Governmental Funds Statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *General Fund's Statement of Revenues, Expenditures and Changes in Fund Balance - Budget vs. Actual* is presented for the primary operating fund of the District.
- The *Special Revenue Fund – Federal Economic Stimulus Statement of Revenues, Expenditures and Changes in Fund Balance - Budget vs. Actual* is presented for the fund that accounts for the resources received and expended under the American Recovery and Reinvestment Act of 2009.
- The *Proprietary Funds Statements* offer *short-term* and *long-term* financial information about the activities the District operates as Internal Service Funds, for self-insurance.
- The *Fiduciary Funds Statement* provides information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The Basic Financial Statements also include notes that explain information in the statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the Basic Financial Statements with combining and individual fund statements that provide details about the Nonmajor Governmental Funds. Combining statements for the District's discretely presented component units are also included. Also, the other supplemental section includes schedules of budget vs. actual for each governmental fund. Figure A-1 on the following page shows how the various parts of this report are arranged and related to one another.

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Figure A-2 summarizes the major features of the District’s Basic Financial Statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as delivery of student instruction and building maintenance.	Activities the District operates similar to private businesses.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both financial and capital, short-term and long-term; funds do not currently contain capital assets, although they can.
Type of in-flow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's non-fiduciary assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The two Government-wide statements report the District's *net position* and *how they have changed*. Net position (the difference between the District's assets and deferred outflows less liabilities and deferred inflows) are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities, must be considered.

In the Government-wide statements, the District's activities are divided into two categories:

Governmental Activities: Most of the District's basic services are included here, such as student instruction, transportation, maintenance and operations, and administration. Property taxes and State aid finance most of these activities. The Lee County School Board Leasing Corporation (Leasing Corporation) although legally separate, was formed December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Due to a substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. Separate financial statements for the Leasing Corporation are not published.

Component Units: The District includes 17 other entities in its report – The Foundation for Lee County Public Schools, Inc., Bonita Springs Preparatory and Fitness Academy, Inc., Bonita Springs Charter School, Cape Coral Charter School, Cape Preparatory and Fitness Academy, Inc., City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Fort Myers Preparatory and Fitness Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, Goodwill L.I.F.E. Academy, The Island School, Inc., North Nicholas High School, Pivot Charter High School, and Six Mile Charter Academy. Although legally separate, these "component units" are important because the District is financially accountable.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices used to track specific sources of funding and spending on particular programs.

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts), or to show that it is properly using certain revenues (such as Federal grants).

The District has three kinds of funds:

Governmental Funds

Most of the District's basic services, such as instruction and facilities services, are included in governmental funds. These funds generally focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statement provides a detailed, short-term view that assists the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance which explains the relationships and/or differences between the funds.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District uses two *Internal Service Funds* (a type of proprietary fund) to report activities that provide self-insurance services for its other programs and activities.

Fiduciary Funds

The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for the intended purposes. The District excludes these activities from the Government-wide statements because it cannot use these funds to finance its operations.

Financial Analysis of the District (Primary Government) as a Whole

Net Position. The District's *combined* net position was smaller on June 30, 2014, than the previous fiscal year; decreasing \$29.0 million to \$1,089.9 million (see Figure A-3). By far, the largest portion of the District's net position, \$892.8 million (81.9 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, software and audio visual materials). The District uses these capital assets to house and educate the students of Lee County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$118.6 million (10.9 percent), represents resources that are subject to external restrictions on how they may be used. The remaining net position, \$78.5 million (7.2 percent), is unrestricted assets. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the District is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2013	2014	
Current and Other Assets	\$ 403.1	\$ 365.6	(9.3)%
Capital Assets	1,365.9	1,343.9	(1.6)%
Total Assets	1,769.0	1,709.5	(3.4)%
Deferred Outflows of Resources	-	.4	100.0%
Long-Term Debt Outstanding	597.9	565.4	(5.4)%
Other Liabilities	52.2	54.4	4.2%
Total Liabilities	650.1	619.8	(4.7)%
Deferred Inflows of Resources	-	.1	100.0%
Net Position			
Net Investment in Capital Assets	887.8	892.8	.6%
Restricted	162.0	118.6	(26.8)%
Unrestricted	69.1	78.5	13.6%
Total Net Position	\$ 1,118.9	\$ 1,089.9	(2.6)%

The District’s worsened financial position is the product of many factors, but the most significant decreases are due to:

- An increase in food service expenses due to remodels and renovations; and
- An increase in instructional expenses due to salary increases.

Changes in Net Position. The District’s total revenue increased 6.6 percent to \$846.0 million (see Figure A-4). Property taxes, Florida Education Finance Program, and Other Federal and State sources, accounted for most of the District’s revenue, contributing about 92 cents of every dollar raised (see Figure A-5). The remainder came from operating grants and contributions, capital grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services increased 1.4 percent to \$875 million. Approximately 90 percent of the District’s expenses are related to student instruction, student services, facilities services, transportation, operation of plant and maintenance of schools (see Figure A-6). The District’s administrative activities, including school administration, accounted for 10 percent of total costs. The \$10.8 million increase in instruction costs was derived largely from salary increases and benefits, in this case for teachers and other educational staff.

Total expenses surpassed revenues, decreasing net position \$29 million and contributing to the District’s worsened financial condition.

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2013	2014	
<i>Revenues</i>			
<i>Program Revenues</i>			
Charges for Services	\$ 15.7	\$ 16.0	1.9%
Operating Grants and Contributions	29.9	31.1	4.0%
Capital Grants and Contributions	7.4	5.5	(-25.7)%
<i>General Revenues</i>			
Property Taxes	416.4	436.1	4.7%
Florida Education Finance Program	130.2	156.3	20.0%
Other Federal Sources	63.8	71.5	12.1%
Other State Sources	117.5	120.5	2.6%
Other Local Sources	9.6	7.8	(18.8)%
Investment Earnings	2.8	1.2	(57.1)%
Total Revenues	793.3	846.0	6.6%
<i>Expenses</i>			
Instruction	441.3	452.1	2.4%
Student Personnel Services	27.6	27.2	(1.4)%
Instructional Media Services	4.3	4.1	(4.7)%
Instruction & Curriculum Development Services	12.0	15.7	30.8%
Instructional Staff Training Services	11.6	11.0	(5.2)%
Instructional Related Technology	6.2	6.6	6.5%
Board	0.8	0.9	12.5%
General Administration	4.9	5.3	8.2%
School Administration	42.2	43.1	2.1%
Facilities Services	109.5	104.1	(4.9)%
Fiscal Services	3.4	3.4	0.0%
Food Services	33.9	37.8	11.5%
Central Services	8.0	8.2	2.5%
Student Transportation Services	49.3	52.0	5.5%
Operation of Plant	65.1	63.4	(2.6)%
Maintenance of Plant	14.6	15.0	2.7%
Administrative Technology Services	5.4	6.0	11.1%
Community Services	4.0	4.2	5.0%
Unallocated Interest on Long-Term Debt	18.6	14.9	(19.9)%
Total Expenses	862.7	875.0	1.4%
Decrease in Net Position	(69.4)	(29.0)	58.2%
Net Position, Beginning	1,188.3	1,118.9	(5.8)%
Net Position, Ending	\$ 1,118.9	\$ 1,089.9	(2.6)%

Figure A-5

Sources of Revenues for Fiscal Year 2014

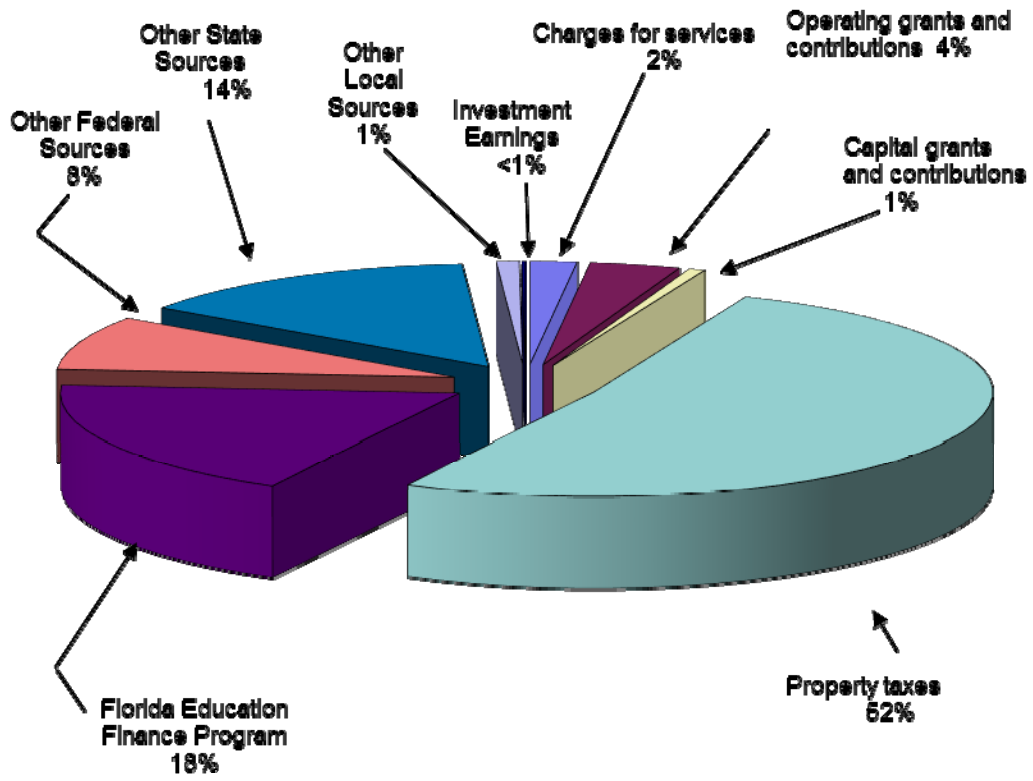
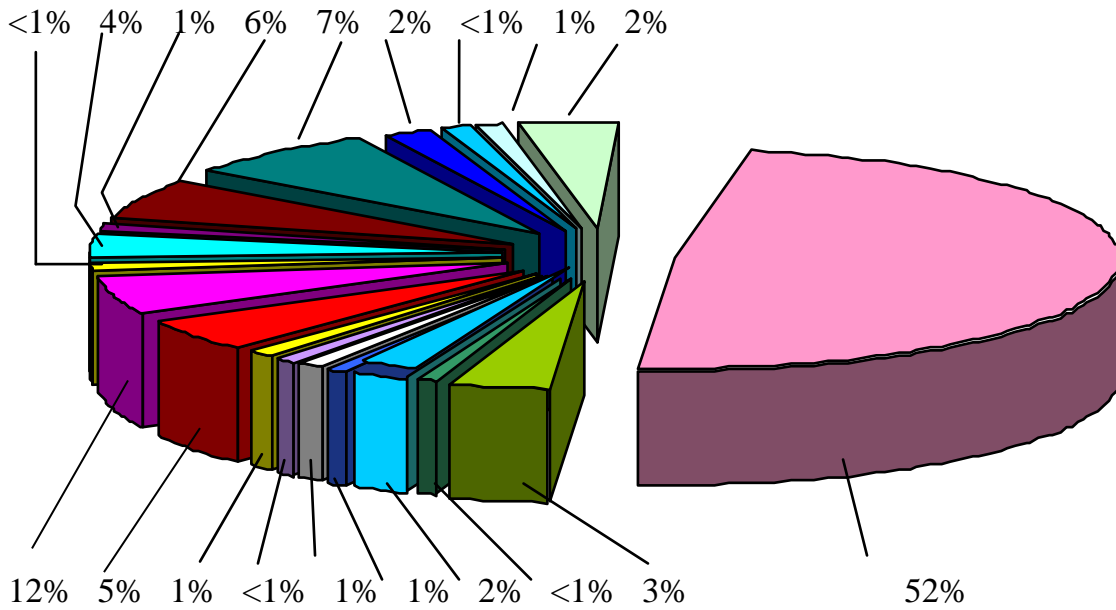


Figure A-6

Expenses for Fiscal Year 2014



- Instruction - 52%
- Student Personnel Services - 3%
- Instructional Media Services - <1%
- Instruction and Curriculum Development Services - 2%
- Instructional Staff Training Services - 1%
- Instructional Related Technology - 1%
- Board <1%
- General Administration - 1%
- School Administration - 5%
- Facilities Services - 12%
- Fiscal Services - <1%
- Food Services - 4%
- Central Services - 1%
- Student Transportation Services - 6%
- Operation of Plant - 7%
- Maintenance of Plant - 2%
- Administrative Technology Services - 1%
- Community Services - <1%
- Unallocated Interest on Long-Term Debt - 2%

Governmental Activities

Revenues for the District's governmental activities increased 6.6 percent, while expenses increased 1.4 percent. The decrease in net position for governmental activities was \$29 million in 2014. The major impact to revenue was the increase in state FEFP revenue of \$26.2 million.

Figure A-7 presents the cost of the District's activities. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities, Primary Government (in millions of dollars)

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2013	2014	Change	2013	2014	Change
Instruction	\$ 441.3	\$ 452.1	2.4%	\$ (432.5)	\$ (443.1)	2.5%
Student Personnel Services	27.6	27.2	(1.4)%	(27.6)	(27.2)	(1.4)%
Instructional Media Services	4.3	4.1	(4.7)%	(4.3)	(4.1)	(4.7)%
Instruction & Curriculum Development Services	12.0	15.7	30.8%	(12.0)	(15.7)	30.8%
Instructional Staff Training Services	11.6	11.0	(5.2)%	(11.6)	(11.0)	(5.2)%
Instructional Related Technology	6.2	6.6	6.5%	(6.2)	(6.6)	6.5%
Board	0.8	0.9	12.5%	(0.8)	(0.9)	12.5%
General Administration	4.9	5.3	8.2%	(4.9)	(5.3)	8.2%
School Administration	42.2	43.1	2.1%	(42.2)	(43.1)	2.1%
Facilities Services	109.5	104.1	(4.9)%	(104.4)	(100.8)	(3.4)%
Fiscal Services	3.4	3.4	0.0%	(3.4)	(3.4)	0.0%
Food Services	33.9	37.8	11.5%	2.5	(0.4)	(116.0)%
Central Services	8.0	8.2	2.5%	(8.0)	(8.2)	2.5%
Student Transportation Services	49.3	52.0	5.5%	(48.9)	(51.3)	4.9%
Operation of Plant	65.1	63.4	(2.6)%	(65.1)	(63.4)	(2.6)%
Maintenance of Plant	14.6	15.0	2.7%	(14.6)	(15.0)	2.7%
Administrative Technology Services	5.4	6.0	11.1%	(5.4)	(6.0)	11.1%
Community Services	4.0	4.2	5.0%	(4.0)	(4.2)	5.0%
Unallocated Interest on Long-Term Debt	18.6	14.9	(19.9)%	(16.3)	(12.7)	(22.1)%
Total	\$ 862.7	\$ 875.0	1.4%	\$ (809.7)	\$ (822.4)	1.6%

The cost of all governmental activities this year was \$875 million.

Part of the cost was financed by the users of the District's programs (\$16 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$36.6 million).

However, most of the District's costs (\$822.4 million) were financed by District and State taxpayers. This portion of governmental activities was financed with \$436.1 million from property taxes and \$356.1 million of unrestricted Florida Education Finance Program funds based on the statewide education aid formula, and other federal, state, and local sources.

Financial Analysis of the District's Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$233.3 million, which is below last fiscal year's ending fund balances of \$275.2 million. Unassigned fund balance of \$111 million represents 47.6 percent of the ending fund balances and is available to meet the District's short-term spending needs. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending, because it is: 1) to liquidate inventory and prepaid items of \$2.7 million; 2) restricted by Federal law, State statute and local ordinance of \$118 million; and 3) assigned for State and Local programs of \$1.6 million.

Five of the eleven Governmental Funds had less revenue and other financing sources than expenditures and other financing uses in 2014, thereby contributing to the decrease in total fund balance. Most significantly, \$46.4 million of capital outlays connected with construction remodeling and renovation of various schools were expended in the current year using prior year resources. Some funds reflect increases (\$7.6 million) in fund balance. The Debt Service Fund fund balance increased \$3.6 million due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2028 when the debt will be paid.

The *General Fund* is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$111 million, while total fund balance reached \$127.7 million. During the current fiscal year, the fund balance of the General Fund increased by \$2.8 million. A key factor in this increase was a \$26.1 million increase in FEFP revenue.

The *Special Revenue Fund Federal Economic Stimulus* is used to account for the resources generated by Federal Stimulus funds for use in key education areas such as instruction of students with disabilities, services for low-income students and the stabilization of local funding. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The *Debt Service Fund Certificates of Participation* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation. The restricted fund balance at the end of fiscal year 2014 was \$2.2 million, an increase of \$1.8 million from the prior fiscal year. The increase is related to debt service payments the District will need to make in early fiscal year 2015.

The *Debt Service Fund ARRA Economic Stimulus* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Qualified School Construction Bond (QSCB). The restricted fund balance at the end of fiscal year 2014 was \$5.4 million, an increase of \$1.8 million from the prior fiscal year due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2028 when the debt will be paid.

The *Capital Projects Fund Local Capital Improvement Tax* is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2014, the total fund balance was \$41.1 million, a decrease of \$36.8 million from the prior fiscal year due to prior fiscal year resources being used to finance current fiscal year expenditures.

The *Capital Projects Fund Certificates of Participation/Impact Fees/State Grants* is used to account for the resources generated by various sources for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract. The total fund balance for this fund at the end of the current fiscal year was \$38.6 million, a decrease of \$9.5 million from the prior fiscal year due to prior year resources being used to finance current fiscal year expenditures.

The *Capital Projects Fund ARRA Economic Stimulus* is used to account for the resources generated by a Federal Qualified School Construction Bond for new school construction projects. All new school construction projects were completed during the current fiscal year utilizing the \$14.2 thousand prior fiscal year fund balance. There is no fund balance at the end of the current fiscal year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual budget several times. These budget amendments generally fall into two categories:

Amendments Related to Changes in Revenue Estimates.

Throughout the school year, the District received revised calculations in the FEFP (Florida Education Finance Program – the funding formula for Florida school districts), based on changes in student counts, State revenue estimates, and local tax roll estimates. With each calculation, the budget is amended to reflect the current revenue estimates provided in the FEFP. The District will also amend revenues in the General Fund for new State grants and changes in local revenue sources, such as interest and indirect cost revenue. The District budgets 96 percent of projected property tax revenues at the onset of each budget year, as required by law, and collections are generally higher. Revenue from property taxes was greater than the final amended budget by \$2 million due to a higher collection rate.

Amendments to Modify Appropriations.

Throughout the fiscal year, the District may increase appropriations for new grants and unanticipated expenditures, such as hurricane damage.

Each school and department is allowed to modify its existing budget to meet its operational needs throughout the school year. An example of this type of amendment would be to move appropriations from purchased supplies to textbooks in order to acquire new textbooks for the art class.

Budgeted expenditures were increased \$2.5 million from the original budget to the final amended budget primarily due to the rise in transportation costs.

- Although the District's final budget for the General Fund anticipated that expenditures would exceed revenues and other financing sources by approximately \$103 million, the actual results for the fiscal year show that expenditures exceeded revenues by \$23.4 million.
- The actual expenditures were \$77.3 million below budgeted levels. Actual expenditures for instruction were more than \$50.8 million below budgeted levels due to conservative spending at the schools.
- Actual expenditures for transportation and operation of plant were \$13.6 million below budgeted levels due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

By the end of the 2013-14 fiscal year, the District had an investment of \$1,343.9 million, net of accumulated depreciation, in a broad range of assets, including land, school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Figure A-8). This amount represents a net decrease of \$22 million, or 1.6 percent, from last fiscal year. Additions to furniture, fixtures and equipment, and motor vehicles amounted to \$10.1 million for the fiscal year. Total depreciation expense for the year was \$51.7 million. (More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.)

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Total Percentage Change
	<u>2013</u>	<u>2014</u>	
Land	\$ 169.0	\$ 169.0	(0.0)%
Improvements Other Than Buildings	30.8	29.3	(4.9)%
Construction in Progress	10.0	30.1	201.0%
Buildings	1,094.6	1,059.8	(3.2)%
Furniture, Fixtures and Equipment	24.5	23.5	(4.1)%
Motor Vehicles	19.1	15.4	(19.4)%
Audio Visual Materials and Software	17.9	16.8	(6.1)%
Total	<u>\$ 1,365.9</u>	<u>\$ 1,343.9</u>	(1.6)%

The District's approved five-year Capital Outlay Plan does not include any new schools over the next five years. The District's student enrollment has grown over the last several years, 8.4 percent since 2010 for a present enrollment of 87,256 students.

The District's capital projects budget shows spending another \$130.8 million in the 2014-15 fiscal year for capital projects, principally in three areas:

- 1) \$6.8 million to purchase new school buses.
- 2) \$18.4 million to continue the upgrade of technology equipment.
- 3) \$30.3 million to continue the maintenance of existing schools.

Long-Term Debt

At fiscal year-end, the District had \$457.7 million in COPS, SBE bonds, and Notes outstanding, a decrease of 5.8 percent from last fiscal year, as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	Total School District		Total Percentage Change
	<u>2013</u>	<u>2014</u>	
Certificates of Participation and Note Payables (financed with property taxes)	\$ 474.1	\$ 447.9	(5.5)%
State School Bonds (financed with specific taxes & fee revenues)	<u>11.7</u>	<u>9.8</u>	(16.2)%
Total	<u>\$ 485.8</u>	<u>\$ 457.7</u>	(5.8)%

During the fiscal year, the District refunded \$1.1 million in State School Bonds and \$24.8 million in Certificates of Participation.

The District continues to retire its outstanding debt as it becomes due, retiring \$25.7 million of outstanding certificates of participation, notes, and bonds during the 2013-14 fiscal year.

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Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of five existing circumstances that could significantly affect its financial health in the future:

- The State of Florida funds the District through the Florida Education Finance Program (FEFP). The 2014 FEFP allocation contained a 1.8 percent increase in per student funding, a positive indicator for the District. We believe this increase in education funding from the state signals optimism about future economic conditions, but it should be noted that our funding levels per student are still not back to where they were in 2007.
- Property tax roll increased over 8.4 percent, another very positive economic indicator for our county. This increase was the second increase in the tax roll since 2008.
- No reserves had been utilized from the general fund budget in 2014 to mitigate budget cuts. No use of reserves is anticipated in 2015.
- Local property taxes are currently the primary source of funding in the capital plan. Despite the increase in the tax roll, the previous loss of capital millage and other state capital funding are continuing to take its toll on the five year capital budget outlook. With a growing need for additional seats due to student growth, increased need for maintenance at our existing buildings, and anticipated need for additional technology and technology infrastructure at our schools to fulfill testing mandates and educational needs, the current capital revenue cannot sustain the estimated need. The District must consider an additional source of capital revenue to provide for all capital needs in 2015 and beyond.
- Both the Support Personnel Association of Lee County (SPALC) and the Teachers Association of Lee County (TALC) are currently in negotiations with the District Bargaining Team. For 2015, the Legislature has allocated our school district salary increases for these groups through the FEFP, including it in the 1.8 percent increase in per student funding. Salary negotiations are still ongoing, but these funds must be allocated through a system of performance based pay that must be negotiated and agreed upon by the bargaining units and the Board.

Contacting the District's Financial Management

This Comprehensive Annual Financial Report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Financial Accounting, the School District of Lee County, 2855 Colonial Blvd., Fort Myers, Florida 33966-1012.

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BASIC FINANCIAL STATEMENTS

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government	Component	Total
	Governmental	Units	Reporting
	Activities	Units	Unit
ASSETS			
Cash	\$ 102,364,113	\$ 7,084,577	\$ 109,448,690
Investments	245,300,578	-	245,300,578
Accounts Receivable	588,203	4,402,790	4,990,993
Taxes Receivable	178,611	-	178,611
Due from Other Agencies	6,228,886	53,170	6,282,056
Due from Fiduciary Funds	-	47,728	47,728
Inventory	2,655,998	-	2,655,998
Prepaid Expenses	-	2,131,925	2,131,925
Capital Credits Receivable	8,039,943	-	8,039,943
Restricted assets:			
Cash with Fiscal Agent	300,000	-	300,000
Capital assets:			
Non-depreciable	199,044,103	-	199,044,103
Depreciable, net	1,144,806,307	69,522,893	1,214,329,200
Total Assets	1,709,506,742	83,243,083	1,792,749,825
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on refunding	415,371	-	415,371
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Salaries and Wages Payable	680,841	1,675,314	2,356,155
Payroll Deductions and Withholdings	1,023,239	-	1,023,239
Accounts Payable	6,363,970	3,497,279	9,861,249
Construction Contracts Payable	3,411,262	-	3,411,262
Construction Contracts Payable - Retainage	2,290,299	-	2,290,299
Matured Principal and Interest Payable	30,843,482	-	30,843,482
Accrued Interest Payable	71,932	-	71,932
Deposits Payable	20,671	-	20,671
Advanced Revenue	8,396,756	1,400	8,398,156
Due to Other Agencies	1,355,635	364	1,355,999
Noncurrent liabilities:			
Portion due within one year:			
Notes Payable	1,169,709	45,890	1,215,599
Bonds Payable	1,822,000	-	1,822,000
Obligations under Capital Lease	-	1,724,852	1,724,852
Liability for Compensated Absences	4,814,172	67,260	4,881,432
Certificates of Participation Payable	23,300,000	-	23,300,000
Estimated Early Retirement Payable	5,800	-	5,800
Estimated Insurance Claims Payable	14,066,851	-	14,066,851
Portion due after one year:			
Notes Payable	5,165,795	116,250	5,282,045
Bonds Payable	7,971,078	-	7,971,078
Obligations under Capital Lease	-	74,706,713	74,706,713
Liability for Compensated Absences	53,102,436	22,421	53,124,857
Certificates of Participation Payable	418,284,903	-	418,284,903
Estimated Early Retirement Payable	1,297,200	-	1,297,200
Estimated Insurance Claims Payable	9,139,804	-	9,139,804
Postemployment Benefits Payable	25,232,837	-	25,232,837
Total Liabilities	619,830,672	81,857,743	701,688,415
DEFERRED INFLOW OF RESOURCES			
Deferred amount on refunding	130,301	1,379,153	1,509,454
NET POSITION			
Net Investment in Capital Assets	892,757,501	(740,362)	892,017,139
Restricted for:			
State Required Carryover Programs	12,775,113	-	12,775,113
Debt Service	7,834,188	-	7,834,188
Capital Projects	81,045,511	543,812	81,589,323
Food Service	16,688,014	-	16,688,014
Other Purposes	300,000	2,710,471	3,010,471
Unrestricted	78,560,813	(2,507,734)	76,053,079
Total Net Position	\$ 1,089,961,140	\$ 6,187	\$ 1,089,967,327

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total Reporting Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
Governmental Activities:							
Instruction	\$ 452,139,428	\$ 9,041,924	\$ -	\$ -	\$ (443,097,504)	\$ -	\$ (443,097,504)
Student Personnel Services	27,234,115	-	-	-	(27,234,115)	-	(27,234,115)
Instructional Media Services	4,101,178	-	-	-	(4,101,178)	-	(4,101,178)
Instruction and Curriculum Development Services	15,671,169	-	-	-	(15,671,169)	-	(15,671,169)
Instructional Staff Training Services	10,992,855	-	-	-	(10,992,855)	-	(10,992,855)
Instruction Related Technology	6,635,241	-	-	-	(6,635,241)	-	(6,635,241)
Board	895,721	-	-	-	(895,721)	-	(895,721)
General Administration	5,266,987	-	-	-	(5,266,987)	-	(5,266,987)
School Administration	43,152,176	-	-	-	(43,152,176)	-	(43,152,176)
Facilities Services	104,076,826	-	-	3,240,323	(100,836,503)	-	(100,836,503)
Fiscal Services	3,375,399	-	-	-	(3,375,399)	-	(3,375,399)
Food Services	37,849,286	6,357,981	31,100,325	-	(390,980)	-	(390,980)
Central Services	8,215,908	-	-	-	(8,215,908)	-	(8,215,908)
Student Transportation Services	51,962,891	614,533	-	-	(51,348,358)	-	(51,348,358)
Operation of Plant	63,425,409	-	-	-	(63,425,409)	-	(63,425,409)
Maintenance of Plant	14,992,123	-	-	-	(14,992,123)	-	(14,992,123)
Administrative Technology Services	5,951,380	-	-	-	(5,951,380)	-	(5,951,380)
Community Services	4,177,873	-	-	-	(4,177,873)	-	(4,177,873)
Unallocated Interest and Fiscal Charges on Long-term Debt	14,923,957	-	-	2,236,654	(12,687,303)	-	(12,687,303)
Total Governmental Activities	<u>875,039,922</u>	<u>16,014,438</u>	<u>31,100,325</u>	<u>5,476,977</u>	<u>(822,448,182)</u>		<u>(822,448,182)</u>
Total Primary Government	<u>\$ 875,039,922</u>	<u>\$ 16,014,438</u>	<u>\$ 31,100,325</u>	<u>\$ 5,476,977</u>	<u>(822,448,182)</u>		<u>(822,448,182)</u>
Component Units:							
Charter Schools/Foundation	\$ 65,987,350	\$ 1,239,956	\$ 4,969,986	\$ 3,561,425		(56,215,983)	(56,215,983)
General Revenues:							
Taxes:							
Property Taxes, Levied for Operational Purposes					349,879,204	-	349,879,204
Property Taxes, Levied for Capital Projects					86,208,685	-	86,208,685
Florida Education Finance Program					156,318,022	-	156,318,022
Other Federal Sources Not Restricted to Specific Programs					71,540,533	274,145	71,814,678
Other State Sources Not Restricted to Specific Programs					120,560,479	54,327,011	174,887,490
Other Miscellaneous Sources Not Restricted to Specific Programs					7,784,746	2,037,831	9,822,577
Unrestricted Investment Earnings					1,158,238	9,780	1,168,018
Total General Revenues					<u>793,449,907</u>	<u>56,648,767</u>	<u>850,098,674</u>
Change in Net Position					<u>(28,998,275)</u>	<u>432,784</u>	<u>(28,565,491)</u>
Net Position - July 1, 2013					1,118,959,415	(368,010)	1,118,591,405
Prior Period Adjustment					-	(58,587)	(58,587)
Net Position - July 1, 2013, Restated					<u>1,118,959,415</u>	<u>(426,597)</u>	<u>1,118,532,818</u>
Net Position- June 30, 2014					<u>\$ 1,089,961,140</u>	<u>\$ 6,187</u>	<u>\$ 1,089,967,327</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	General Fund	Special Revenue Fund Federal Economic Stimulus	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/ Impact Fees/State Grants	Capital Projects Fund ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 33,909,320	\$ -	\$ 29,082,266	\$ -	\$ 11,152,984	\$ 5,916,670	\$ -	\$ 3,138,006	\$ 83,199,246
Investments	104,902,132	-	3,956,539	5,412,679	35,925,268	34,685,603	-	15,339,857	200,222,078
Accounts Receivable	317,229	-	-	-	-	9,923	-	13,728	340,880
Taxes Receivable	143,302	-	-	-	35,309	-	-	-	178,611
Due from Other Funds	2,781,390	40,305	-	-	170,057	-	-	232,057	3,223,809
Due from Other Agencies	3,043,897	43,017	-	-	-	668,170	-	2,473,802	6,228,886
Inventory	2,349,033	-	-	-	-	-	-	306,965	2,655,998
Total Assets	\$ 147,446,303	\$ 83,322	\$ 33,038,805	\$ 5,412,679	\$ 47,283,618	\$ 41,280,366	\$ -	\$ 21,504,415	\$ 296,049,508
LIABILITIES AND FUND BALANCES									
Salaries and Wages Payable	\$ 680,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680,841
Payroll Deductions and Withholdings	1,023,239	-	-	-	-	-	-	-	1,023,239
Accounts Payable	2,778,177	18,346	4,957	2,728	2,403,847	222,593	-	915,440	6,346,088
Matured Principal Payable	-	-	22,746,000	-	-	-	-	-	22,746,000
Matured Interest Payable	-	-	8,097,482	-	-	-	-	-	8,097,482
Accrued Interest Payable	-	-	-	-	-	-	-	7,427	7,427
Construction Contracts Payable	-	-	-	-	1,264,923	1,908,739	-	237,600	3,411,262
Construction Contracts Payable - Retainage	-	-	-	-	1,783,613	415,016	-	91,670	2,290,299
Deposits Payable	20,227	-	-	-	-	-	-	444	20,671
Due to Other Agencies	1,355,635	-	-	-	-	-	-	-	1,355,635
Due to Other Funds	13,864,291	64,976	-	-	763,699	149,497	-	1,936,495	16,778,958
Total Liabilities	19,722,410	83,322	30,848,439	2,728	6,216,082	2,695,845	-	3,189,076	62,757,902
Fund Balance									
Nonspendable									
Inventory	2,349,033	-	-	-	-	-	-	306,965	2,655,998
Restricted for:									
State Required Carryover Programs	12,775,113	-	-	-	-	-	-	-	12,775,113
Debt Service	-	-	2,190,366	5,409,951	-	-	-	233,871	7,834,188
Capital Projects	-	-	-	-	41,067,536	38,584,521	-	1,393,454	81,045,511
Food Service	-	-	-	-	-	-	-	16,381,049	16,381,049
Assigned to:									
Purchase Order Obligations	1,553,091	-	-	-	-	-	-	-	1,553,091
Unassigned	111,046,656	-	-	-	-	-	-	-	111,046,656
Total Fund Balances	127,723,893	-	2,190,366	5,409,951	41,067,536	38,584,521	-	18,315,339	233,291,606
Total Liabilities and Fund Balances	\$ 147,446,303	\$ 83,322	\$ 33,038,805	\$ 5,412,679	\$ 47,283,618	\$ 41,280,366	\$ -	\$ 21,504,415	\$ 296,049,508

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

THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2014

Total Fund Balance - Governmental Funds \$ 233,291,606

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.

Original cost of capital assets	\$ 1,925,020,399	
Accumulated depreciation	<u>(581,169,989)</u>	
		1,343,850,410

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on refundings in the statement of net position. 415,371

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide financial statements. 8,039,943

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Balances at June 30, were:

Accrued Interest payable	(64,505)	
Bonds payable	(9,793,078)	
Certificates of participation payable	(441,584,903)	
Notes payable	(6,335,504)	
Estimated insurance claims payable	(23,206,655)	
Liability for compensated absences	(57,916,608)	
Estimated early retirement payable	(1,303,000)	
Postemployment benefits payable	<u>(25,232,837)</u>	
Subtotal, long-term liabilities		(565,437,090)

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on refundings in the statement of net position. (130,301)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The assets and liabilities of the internal service funds, which are reported in the proprietary funds rather than the governmental funds, are included in governmental activities in the statement of net position. The internal service funds net position is \$46,702,816. This includes \$21,730 in compensated absences and \$23,206,655 in estimated unpaid claims included above. The net amount is as follows:

69,931,201

Total net position - governmental activities \$ 1,089,961,140

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

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

	General Fund	Special Revenue Fund Federal Economic Stimulus	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Capital Projects Fund ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Federal Direct Sources	\$ 3,608,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,205,945	\$ 18,814,328
Federal Through State Sources	2,771,182	2,857,270	-	-	-	-	-	77,628,569	83,257,021
State Sources	271,186,320	-	-	-	-	5,966,877	-	3,964,330	281,117,527
Local Sources									
Taxes	349,879,204	-	-	-	86,208,685	-	-	-	436,087,889
Food Service Sales	-	-	-	-	-	-	-	6,357,981	6,357,981
Impact Fees	-	-	-	-	-	1,807,460	-	-	1,807,460
Miscellaneous	17,634,825	-	64,459	6,219	127,588	72,095	76	95,889	18,001,151
Total Revenues	645,079,914	2,857,270	64,459	6,219	86,336,273	7,846,432	76	103,252,714	845,443,357
EXPENDITURES									
Current									
Instruction	418,977,542	246,409	-	-	-	-	-	35,925,329	455,149,280
Student Personnel Services	22,317,142	-	-	-	-	-	-	4,952,403	27,269,545
Instructional Media Services	4,003,292	-	-	-	-	-	-	73,140	4,076,432
Instruction and Curriculum Development Services	5,592,515	17,646	-	-	-	-	-	10,202,123	15,812,284
Instructional Staff Training Services	4,126,947	773,872	-	-	-	-	-	6,174,897	11,075,716
Instruction Related Technology	5,842,385	791,563	-	-	-	-	-	666	6,634,614
Board	898,798	-	-	-	-	-	-	576	899,374
General Administration	2,646,914	301,430	-	-	-	-	-	2,354,664	5,303,008
School Administration	43,103,403	-	-	-	-	-	-	172,660	43,276,063
Facilities Services	8,571,995	-	-	-	41,578,321	6,650,476	11,859	119,682	56,932,333
Fiscal Services	3,367,963	-	-	-	-	-	-	10,023	3,377,986
Food Service	-	-	-	-	-	-	-	37,477,013	37,477,013
Central Services	7,425,954	529,019	-	-	-	-	-	262,116	8,217,089
Student Transportation Services	51,085,867	-	-	-	-	-	-	526,514	51,612,381
Operation of Plant	63,411,264	-	-	-	-	-	-	79,790	63,491,054
Maintenance of Plant	15,017,778	-	-	-	-	-	-	-	15,017,778
Administrative Technology Services	5,820,542	146,163	-	-	-	-	-	-	5,966,705
Community Services	4,111,917	-	-	-	-	-	-	14,321	4,126,238
Capital Outlay									
Facilities Acquisition and Construction	162,626	-	-	-	17,993,927	998,933	-	1,140,081	20,295,567
Other Capital Outlay	1,984,466	51,168	-	-	2,916,439	182,127	2,416	3,458,058	8,594,674
Debt Service									
Principal	-	-	23,926,399	-	-	-	-	1,730,000	25,656,399
Interest and Fiscal Charges	-	-	16,917,836	224,591	243	31,848	-	581,829	17,756,347
Total Expenditures	668,469,310	2,857,270	40,844,235	224,591	62,488,930	7,863,384	14,275	105,255,885	888,017,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,389,396)	-	(40,779,776)	(218,372)	23,847,343	(16,952)	(14,199)	(2,003,171)	(42,574,523)
OTHER FINANCING SOURCES (USES)									
Issuance of Refunding Bonds	-	-	-	-	-	-	-	998,000	998,000
Premium on Refunding Bonds	-	-	-	-	-	-	-	161,543	161,543
Certificates of Participation Issued	-	-	25,287,000	-	-	-	-	-	25,287,000
Loss Recoveries	572,687	-	-	-	-	-	-	-	572,687
Transfer In	25,642,425	-	42,623,623	2,022,458	-	-	-	-	70,288,506
Payments to Refunded COPS Escrow Agent	-	-	(25,200,040)	-	-	-	-	-	(25,200,040)
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	(1,160,147)	(1,160,147)
Transfer Out	-	-	(90,946)	-	(60,680,705)	(9,516,855)	-	-	(70,288,506)
Total Other Financing Sources (Uses)	26,215,112	-	42,619,637	2,022,458	(60,680,705)	(9,516,855)	-	(604)	659,043
Net Change in Fund Balance	2,825,716	-	1,839,861	1,804,086	(36,833,362)	(9,533,807)	(14,199)	(2,003,775)	(41,915,480)
Fund Balance, Beginning	124,898,177	-	350,505	3,605,865	77,900,898	48,118,328	14,199	20,319,114	275,207,086
Fund Balance, Ending	\$ 127,723,893	\$ -	\$ 2,190,366	\$ 5,409,951	\$ 41,067,536	\$ 38,584,521	\$ -	\$ 18,315,339	\$ 233,291,606

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

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

Net change in fund balances- governmental funds **\$ (41,915,480)**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense exceeds capital outlays, net of noncapitalized outlays, and other additions in the current period.

Capital outlays	\$ 30,975,666	
Depreciation expense	<u>(51,664,075)</u>	(20,688,409)

In the governmental funds, the cost of capital assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (1,382,074)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not effect the statement of net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt proceeds	(26,760,187)	
Payment to escrow agent	26,360,187	
Deferred In/Outflows- Refundings	285,070	
Amortization-net	2,858,155	
Repayments	<u>25,656,399</u>	28,399,624

The District has recorded vested utility interest revenue in the government-wide statements that does not meet the earned criterion for recognition in the fund financial statements. 273,948

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. (44,000)

In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the statement of activities, interest is recorded as it accrues. This is the increase in accrued interest payable. 2,808

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period. 1,570,246

The net change in the liability for postemployment health benefits is reported in the government-wide statements, but not in the governmental fund statements. (2,762,797)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The change in net position of the internal service funds, of \$7,552,772 is reported with governmental activities. This includes \$4,913 in compensated absences included above. The net amount is as follows: 7,547,859

Change in net position of governmental activities **\$ (28,998,275)**

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE- BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General Fund			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources	\$ 1,120,000	\$ 4,429,303	\$ 3,608,383	\$ 820,920
Federal Through State Sources	2,000,000	2,000,000	2,771,182	(771,182)
State Sources	274,476,952	271,514,134	271,186,320	327,814
Local Sources				
Taxes	347,900,399	347,900,399	349,879,204	(1,978,805)
Miscellaneous	14,784,557	16,893,005	17,634,825	(741,820)
	<u>640,281,908</u>	<u>642,736,841</u>	<u>645,079,914</u>	<u>(2,343,073)</u>
EXPENDITURES				
Current				
Instruction	475,195,963	469,808,266	418,977,542	50,830,724
Student Personnel Services	22,372,592	22,621,643	22,317,142	304,501
Instructional Media Services	4,236,366	4,218,756	4,003,292	215,464
Instruction and Curriculum Development Services	4,846,430	5,790,215	5,592,515	197,700
Instructional Staff Training Services	4,769,853	5,650,612	4,126,947	1,523,665
Instruction Related Technology	5,872,993	5,942,625	5,842,385	100,240
Board	893,248	931,052	898,798	32,254
General Administration	3,048,721	3,067,101	2,646,914	420,187
School Administration	44,553,303	45,290,761	43,103,403	2,187,358
Facilities Services	8,387,360	9,223,004	8,571,995	651,009
Fiscal Services	3,622,945	3,646,096	3,367,963	278,133
Central Services	7,414,945	8,060,174	7,425,954	634,220
Student Transportation Services	54,405,679	55,777,428	51,085,867	4,691,561
Operation of Plant	72,127,238	72,357,250	63,411,264	8,945,986
Maintenance of Plant	15,805,055	15,506,599	15,017,778	488,821
Administrative Technology Services	5,771,791	6,314,678	5,820,542	494,136
Community Services	9,932,158	5,822,612	4,111,917	1,710,695
Capital Outlay				
Facilities Acquisition and Construction	-	223,650	162,626	61,024
Other Capital Outlay	-	5,497,953	1,984,466	3,513,487
	<u>743,256,640</u>	<u>745,750,475</u>	<u>668,469,310</u>	<u>77,281,165</u>
Deficiency of Revenues				
Under Expenditures	<u>(102,974,732)</u>	<u>(103,013,634)</u>	<u>(23,389,396)</u>	<u>(79,624,238)</u>
OTHER FINANCING SOURCES				
Loss Recoveries	26,387	505,532	572,687	(67,155)
Transfer In	24,590,000	25,644,177	25,642,425	1,752
	<u>24,616,387</u>	<u>26,149,709</u>	<u>26,215,112</u>	<u>(65,403)</u>
Net Change in Fund Balance	<u>(78,358,345)</u>	<u>(76,863,925)</u>	<u>2,825,716</u>	<u>(79,689,641)</u>
Fund Balance, Beginning	<u>126,394,333</u>	<u>124,898,177</u>	<u>124,898,177</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 48,035,988</u>	<u>\$ 48,034,252</u>	<u>\$ 127,723,893</u>	<u>\$ (79,689,641)</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Federal Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State Sources:				
Other Federal Through State Grants	\$ 3,700,747	\$ 3,591,247	\$ 2,857,270	\$ 733,977
Total Federal Through State Sources	<u>3,700,747</u>	<u>3,591,247</u>	<u>2,857,270</u>	<u>733,977</u>
 Total Revenues	 <u>3,700,747</u>	 <u>3,591,247</u>	 <u>2,857,270</u>	 <u>733,977</u>
EXPENDITURES				
Current				
Instruction	263,317	264,028	246,409	17,619
Instruction and Curriculum Development Services	6,415	22,248	17,646	4,602
Instructional Staff Training Services	2,721,294	1,296,495	773,872	522,623
Instruction Related Technology	24,356	819,755	791,563	28,192
General Administration	20,889	311,850	301,430	10,420
Central Services	639,885	648,503	529,019	119,484
Administrative Technology Services	24,591	173,255	146,163	27,092
Capital Outlay				
Other Capital Outlay	-	55,113	51,168	3,945
 Total Expenditures	 <u>3,700,747</u>	 <u>3,591,247</u>	 <u>2,857,270</u>	 <u>733,977</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Governmental Activities- Internal Service Funds
ASSETS	
Current Assets	
Cash	\$ 19,164,867
Investments	45,078,500
Accounts Receivable	247,322
Due from Governmental Funds	13,559,529
Total Current Assets	78,050,218
Noncurrent Assets	
Restricted Cash with Fiscal Agent	300,000
Furniture, Fixtures and Equipment	1,498
Less Accumulated Depreciation	(1,498)
Total Noncurrent Assets	300,000
Total Assets	78,350,218
LIABILITIES	
Current Liabilities	
Accounts Payable	17,881
Due to Governmental Funds	4,380
Advanced Revenue	8,396,756
Estimated Insurance Claims Payable	14,066,851
Liability for Compensated Absences	21,730
Total Current Liabilities	22,507,598
Long-Term Liabilities	
Estimated Insurance Claims Payable	9,139,804
Total Liabilities	31,647,402
NET POSITION	
Restricted for Claims	300,000
Unrestricted	46,402,816
Total Net Position	\$ 46,702,816

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014**

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Premium Revenue	\$ 88,415,832
Total Operating Revenues	88,415,832
OPERATING EXPENSE	
Salaries	223,311
Employee Benefits	73,849
Purchased Services	12,985,810
Materials and Supplies	19,382
Noncapitalized Equipment	5,610
Insurance Claims	67,637,690
Total Operating Expenses	80,945,652
Operating Income	7,470,180
NONOPERATING REVENUES	
Interest Income	82,592
Total Nonoperating Revenues	82,592
Changes in Net Position	7,552,772
Net Position - July 1, 2013	39,150,044
Net Position - June 30, 2014	\$ 46,702,816

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers, Users and Participants	\$ 105,451,691
Cash Payments to Suppliers for Goods and Services	(13,024,781)
Cash Payments to Employees for Services	(302,074)
Cash Payments for Insurance Claims	(73,290,291)
	18,834,545
Net Cash provided by Operating Activities	18,834,545
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Pooled Investments	(75,067)
Interest on Investments	82,592
	7,525
Net Cash provided by Investing Activities	7,525
Net Increase in Cash and Cash Equivalents	18,842,070
Cash and Cash Equivalents, Beginning	622,797
Cash and Cash Equivalents, Ending	\$ 19,464,867
 Reconciliation of Operating Income to Net Cash provided by Operating Activities	
Operating Income	\$ 7,470,180
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:	
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(247,322)
Decrease in Due from Governmental Funds	16,055,373
Decrease in Accounts Payable	(18,360)
Increase in Due to Governmental Funds	4,380
Increase in Advanced Revenue	1,227,808
Decrease in Estimated Insurance Claims Payable	(5,652,601)
Decrease in Liability for Compensated Absences	(4,913)
Total Adjustments	11,364,365
Net Cash provided by Operating Activities	\$ 18,834,545

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2014

	Fiduciary Funds
	Agency Funds
ASSETS	
Cash	\$ 875,440
Investments	6,076,606
Accounts Receivable	235,755
Inventory	356,343
Total Assets	\$ 7,544,144
LIABILITIES	
Accounts Payable and Other Current Liabilities	\$ 217,229
Due to Student Organizations and Other Agencies	7,326,915
Total Liabilities	\$ 7,544,144

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Reporting Entity

The District School Board of Lee County (Board) has direct responsibility for operation, control, and supervision of the School District of Lee County (District) and is considered a primary government for financial reporting. The District is part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools (Superintendent) is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000-1013, Florida Statutes. Geographic boundaries of the District correspond with those of Lee County, Florida.

Pursuant to Section 1010.51, Florida Statutes, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units" and GASB 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Based on the application of these criteria, District management has determined that the following five charter schools are not component units: Edison Collegiate High School, Oasis Elementary School, Oasis Middle School, Christa McAuliffe Elementary School, and City of Cape Coral High School. Each of these charter schools are operated and reported as a component unit by a government entity other than the District.

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

Blended Component Unit – Leasing Corporation

The Lee County School Board Leasing Corporation (Leasing Corporation) was formed on December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Additionally, the Corporation is legally separate from the District and the governing board of the Leasing Corporation is the District School Board. Therefore, the financial activities of the Leasing Corporation have been blended (reported as if it were part of the District) with those of the District. Separate financial statements for the Leasing Corporation are not published.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Discretely Presented Component Unit – Foundation

The Foundation for Lee County Public Schools, Inc., (Foundation) was formed for the purpose of improving the quality of education by increasing community involvement with and support for Lee County schools. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources (or incomes thereon) that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

Discretely Presented Component Units – Charter Schools

At fiscal year-end there were sixteen charter schools operating within the District that met the criteria for presentation as a discretely presented component unit. All charter schools are separate, not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes to enhance the education of the Lee County students attending these schools. Charter Schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on the District. Pursuant to Florida Statutes section 1002.33(17) students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the District. The charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. The financing of charter schools imposes a financial burden on the District. Because charter schools are fiscally dependent and create a financial burden on the District, charter schools are considered component units of the District. Audits were performed for each Charter School for the year ended, by independent certified public accountants and are on file at the District's administrative office.

The sixteen component unit charter schools in operation at fiscal year-end are listed below:

Bonita Springs Preparatory and Fitness Academy, Inc. – The school's charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Bonita Springs Charter School – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Cape Coral Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Cape Preparatory and Fitness Academy, Inc. – The school's charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

City of Palms Charter High School, Inc. – The school's charter was granted October 25, 2005, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Coronado High School – The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

DJB Technical Academy, Inc. - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Fort Myers Preparatory and Fitness Academy, Inc. – The school's charter was granted October 23, 2007, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Gateway Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2014, the school was a grade K-4 school. The school is located in Fort Myers, Florida.

Gateway Intermediate Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2014, the school was a grade 5-8 school. The school is located in Fort Myers, Florida.

Gateway Charter High School – The school's charter was granted October 21, 2003, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Goodwill L.I.F.E. Academy – The school's charter was granted October 19, 2004, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

The Island School, Inc. - The school's charter was granted May 2, 2000, for a grade K-8 school. As of June 30, 2014, the school was a grade K-5 school. The school is located on Gasparilla Island in Boca Grande, Florida.

North Nicholas High School - The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

Pivot Charter High School – The school's charter was granted October 20, 2009, for a grade 9-12 school. As of June 30, 2014, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Six Mile Charter Academy – The school's charter was granted August 10, 2004, for a grade K-8 school. As of June 30, 2014, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Change in Reporting Entity

The Component Unit Beginning Net Position has been adjusted for the inclusion of DJB Technical Academy, Inc. This was the first year DJB Technical Academy, Inc operated as a charter school. As a result of this change in reporting, the net position of the component units as a whole has been adjusted as follows:

Net Position- Beginning of year, as previously reported		\$ (368,010)
Adjustment for Effect of Change in Reporting Entity		
Net Position- Beginning of year-DJB Technical Academy, Inc.		(58,587)
Net Position-Beginning of year, adjusted		\$ (426,597)

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (i.e., food service fees, student fees, print fees, and transportation fees), and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function (e.g., Federal food service, transportation, and Public Education Capital Outlay [PECO] grants). Taxes and other items not properly included among program revenues are reported instead as *general revenue*.

The effects of interfund activities have been eliminated from the government-wide financial statements. Interfund transactions include transactions involving the internal service funds. These transactions were eliminated by allocating the change in net position of internal services funds in direct proportion as they were charged as expenses to the various functions/programs.

Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- *Special Revenue Fund – Federal Economic Stimulus* accounts for the resources received and expended under the American Recovery and Reinvestment Act of 2009 for use in key education areas such as instruction of students with disabilities, services for low-income students and the stabilization of local school district funding.
- *Debt Service Fund – Certificates of Participation* accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

- *Debt Service Fund – ARRA Economic Stimulus* accounts for the accumulation of resources for the payment of debt principal, interest and related costs on the Qualified School Construction Bonds.
- *Capital Projects Fund – Local Capital Improvement Tax* accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.
- *Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants* accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.
- *Capital Projects Fund – ARRA Economic Stimulus* includes Qualified School Construction Bonds. This fund is used for capital expenditures related to construction, renovation, and remodeling projects and are authorized by Federal law.

Additionally, the District reports the following fund types:

- *Internal Service Funds* account for the self-insurance programs.
- *Agency Funds* account for resources of the school internal funds that are used to administer money collected at schools in connection with student athletic, class, and club activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. The agency fund is custodial in nature (assets equal liabilities) and uses the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility or expenditure requirements imposed by the provider have been met.

Governmental fund financial statements, which include the General, Special Revenue, Debt Service, and Capital Projects funds, are prepared using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) principal and interest on general long-term debt is recognized as expenditures when due; and (b) claims and judgments and compensated absences are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) nonexchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions are further classified into (a) derived tax revenues, (b) imposed nonexchange revenues, (c) government-mandated nonexchange transactions, and (d) voluntary nonexchange transactions. Derived tax revenues (i.e.: sales tax) are recorded when the exchange transaction occurs. The District currently does not have any derived tax revenues. Imposed nonexchange transactions (i.e.: property taxes) are recorded when use of the resource is required or first permitted by time requirement (for example, for property taxes, the period for which they are levied). Government-mandated and voluntary nonexchange transactions (i.e.: Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The District considers property taxes to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

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

Each of the charter schools, included as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation for Lee County Public Schools, Inc., shown as a discretely presented component unit, is accounted for using the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

Budgetary Basis Accounting

The following procedures, established by State Statutes and State Board of Education rules, are used by the Board in setting up final budget balances reported on the financial statements:

- 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 State Board of Education rules.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

- Appropriations are controlled at the function level (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the Annual Financial Report. This function level is the legal level of budgetary control.
- 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 year-end and encumbrances outstanding are honored from the subsequent year's appropriations. During the fiscal year ended June 30, 2014, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, and other events.

Cash

Banks qualified as public depositories under Florida law hold cash deposits. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes. The Statement of Cash Flows considers cash as those accounts used as demand deposit accounts.

Restricted Cash with Fiscal Agent

Self-insurance funds are required to establish and maintain prescribed amounts of resources (consisting of cash) that can be used only to pay insurance claims.

Investments

Investments are stated at fair value, based on quoted market prices or recognized pricing sources. Investments consist of direct obligations of the United States Treasury, corporate notes, money market funds, amounts placed with the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, and amounts placed for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

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

The District's investments in the Fund B Surplus Funds Trust Fund are accounted for as a fluctuating net asset value pool, with a fair value factor of 1.84438408 at June 30, 2014. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within Florida PRIME.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

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

Inventory

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a weighted-average basis for the central stores, maintenance, transportation, and food service inventories and at last invoice price, which approximates the first-in, first-out basis, for the print shop and media/textbook inventories. United States Department of Agriculture donated foods are stated at their fair market value, as determined at the time of donation to the District's food service program by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services. The costs of inventories are recorded as expenditures when used rather than purchased. The inventories at year-end are reported as non-spendable fund balance.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental funds that financed the acquisition or construction. The capital assets so acquired are reported at cost in the governmental activities column on the government-wide financial statements but are not reported in the governmental fund financial statement. The District defines capital assets as assets with an initial individual cost of \$1,000 or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

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

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

Noncurrent Liabilities and Compensated Absences

In the government-wide financial statements and proprietary fund types in the fund financial statements, noncurrent obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable and Certificates of Participation are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances and payments to refunded bond escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave, including applicable salary-related amounts for Social Security, Medicare, and retirement contributions. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payment and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements.

Changes in noncurrent liabilities for the current year are reported in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as

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restricted, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's procedure to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first followed by unassigned fund balance.

Fund Balance/Net Position

In the fund financial statements, governmental funds report constraints on the use of fund balance for amounts that are not spendable, are legally restricted by outside parties for use for a specific purpose, or have self-imposed constraints for use for a specific purpose.

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, law and regulations of other governments, or imposed by law through State statute.

Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the discretely presented component units financial statements have been reclassified in order to be consistent with the District's presentation.

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 students and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE students and related data. Normally, such adjustments are treated as reductions or additions to revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that educational program revenues be accounted for in the General Fund. For selected programs, funds received that

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are not expended at the fiscal year-end are carried forward into the following year to be expended for the same educational programs. A portion of the fund balance of the General Fund is restricted for the balance of these educational program resources.

The State allocates gross receipts taxes, generally known as public education capital outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received. The District also received a Charter School Capital Outlay appropriation.

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

Property Taxes – Revenue Recognition

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. The Lee County Property Appraiser determines property values and the Lee County Tax Collector's office collects the property taxes.

The Board adopted the 2013 tax levy on September 10, 2013. Taxes become an enforceable lien on property as of January 1. 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 four percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing certificates to satisfy unpaid taxes. These procedures result in the collection of substantially 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 in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Lee County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Board of County Commissioners of Lee County (County) on November 27, 2001. The fee is collected by the County for new residential construction, and can only be used to provide for the acquisition of capital assets or additions to capital assets and expenditures for site acquisition, construction design, site development, necessary off-site

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improvements, and equipment. Educational impact fee revenues are recognized in the government-wide and governmental fund financial statements when the fees are collected by the County.

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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement 25*. GASB 67 improves financial reporting by state and local governmental pension plans. The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. This statement was effective for financial statements for fiscal years beginning after June 15, 2013. The adoption of GASB 67 does not have any impact on the District's financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The statement was effective for fiscal years beginning after June 15, 2013. The adoption of GASB 70 does not have any impact on the District's financial statements.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations (mergers, acquisitions and transfers of operations) and disposals of government operations. The requirements of the statement will improve the decision usefulness of financial reporting by requiring disclosures be made by governments about combination arrangements in which they engage and for disposals of

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government operations. The statement is effective for fiscal years beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68. This statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

NOTE 2: CASH AND INVESTMENTS

2-A. Cash Deposits

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories if the same type as the depository in default. All bank balances of the District are fully insured or collateralized. As of June 30, 2014, the carrying amount of the District's bank deposits was \$102,664,113 and the respective bank balances totaled \$109,677,596. As of June 30, 2014, the carrying amount of the Agency Fund's bank deposits was \$875,440.

2-B. Investments

The District's investment policy permits investments in the SBA Local Government Surplus Funds Trust Fund, Florida Education Investment Trust Fund, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

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

Investment	Fair Value	Investment Maturities (in years)			
		6 Months	1 - 5	6 - 10	10 - 15
Florida PRIME (1)	\$ 139,760,894	\$ 139,760,894	\$ -	\$ -	\$ -
Fund B Surplus Funds Trust Fund (1)	1,632,710	-	1,632,710	-	-
Fidelity Institutional Prime Class I Money Market Fund	42,429,817	42,429,817	-	-	-
First American Government Obligation Class Y Money Market Fund	38	38	-	-	-
First American Treasury Obligation Class Y Money Market Fund	3,634,674	3,634,674	-	-	-
US Treasury – Notes	46,029,617	46,029,617	-	-	-
Corporate Notes	11,812,828	11,812,828	-	-	-
Total Investment, Primary Government	245,300,578	243,667,868	1,632,710	-	-
Agency Fund Florida PRIME	6,076,606	6,076,606	-	-	-
Total Investments, Reporting Entity	\$ 251,377,184	\$ 249,744,474	\$ 1,632,710	\$ -	\$ -

Note (1) At June 30, 2014, investments totaling \$9,369,218 are held under trust agreements in connection with Certificates of Participation, Series 2005A, 2006A, 2008B, 2010, 2011QSCB, 2012B/C and 2013A financing agreements. (See Note 7.)

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy.

2-C. Investments – Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit exposure to fair value losses resulting from increases in interest rates, the District’s Investment Policy limits operating funds to maturities of one year or less. Investments of reserves, project funds, debt proceeds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The maturity of Florida PRIME investment pool is based on the weighted average days to maturity (WAM). A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The WAM of the Florida Prime at June 30, 2014 is 40 days. Due to the nature of the securities in Fund B, the interest rate risk information required by GASB Statement No. 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available. The maturity of the SBA Local Government Fund B Surplus Funds Trust Fund is based on the weighted average life (WAL). A portfolio’s WAL is the dollar weighted average length of time until securities held reach maturity which is estimated at 2.86 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding weighted average life. WAL is based on legal final maturity dates as of June 30, 2014.

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2-D. Investments – Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Investments authorized by District policy are:

- a. Florida Local Government Surplus Trust Funds (Florida PRIME). Investments totaling \$139,760,894 Florida PRIME are rated AAAM by Standard and Poor's and are reported at fair value. Investments totaling \$1,632,710 in the SBA Fund B Surplus Funds Trust Fund are unrated and reported at fair value.
- b. Direct Obligations of U.S. Treasury which are unconditionally guaranteed by the United States Government. The maximum length to maturity for direct obligations of US Treasuries shall be five (5) years from the date of purchase. As of June 30, 2014, the District held \$46,029,617 of US Treasuries of which had an S&P rating of AA+.
- c. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase. As of June 30, 2014, the District held \$11,812,828 of corporate notes of which had an S&P rating between A and AA+.
- d. U.S. Federal Government Agency Securities.
- e. U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- f. Repurchase Agreements fully collateralized at 102 percent of market value by U.S. Treasuries, U.S. Government Agencies, U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- g. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2014, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$38, which were rated AAAM by Standard and Poor's; US Bank First American Treasury Obligation Class Y Money Market Funds with a fair value of \$3,634,674, which were rated AAAM by Standard and Poor's; and Fidelity Institutional Prime Class I Money Market Fund with a fair value of \$42,429,817, which were rated AAAM by Standard and Poor's.
- g. Certificates of Deposit, collateralized at 102 percent of market value, by U.S. Treasuries, U.S. Government Agencies, U. S. Government - Sponsored Agencies/Federal Instrumentalities.
- h. Passbook savings accounts and interest bearing time deposits with banks organized under the laws of the State of Florida or in banks doing business in the State of Florida.

2-E. Investments – 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. The District's investment policy requires that all securities, with the exception of

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certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12, F.S., 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 the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2014, the District's investment portfolio was held with a third-party custodian.

Funds held by US Bank First American Government Obligation Class Y Money Market Fund and US Bank First American Treasury Obligation Class Y Money Market Fund are held pursuant to a trust agreement in connection with the issuance of various Certificates of Participation.

2-F. Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer. Up to 100% of the portfolio may be invested in U.S. Government securities, 75% may be invested in Federal Instrumentalities (US government sponsored agencies) with no more than 25% with a single issuer and 50% may be invested in US government agencies with no more than 10% with a single issuer. Corporate Notes are limited to 20% of the portfolio with no more than 5% with a single issuer.

As of June 30, 2014, all District investments were in compliance with the District's Investment Policy and did not exceed portfolio allocation or issuer maximums.

NOTE 3: DUE FROM OTHER AGENCIES

The majority of receivables are due from other agencies. At June 30, 2014, the District reported a total of \$6,228,886 in due from other agencies. \$5,508,317 is due from Federal, State and local governments for various grant programs, \$572,972 is due from the County for impact fees and \$147,597 is due from other State and local agencies for miscellaneous items. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS

The following is a summary of major construction and other significant contract commitments as of fiscal year-end:

Projects	Contract Amount	Completed to date 6/30/2014	Balance Committed 6/30/2014
Dunbar H Remodel #7044			
Contractor	\$ 15,996,461	\$ 14,238,979	\$ 1,757,482
Others	7,208,943	6,029,970	1,178,973
New Tice Elem #7381			
Contractor	7,599,416	7,599,416	-
Others	2,039,007	1,939,708	99,299
Café EHS #2068			
Others	210,726	114,280	96,446
ROTC Outside Classroom			
Others	230,244	164,224	66,020
Total	\$ 33,284,797	\$ 30,086,577	\$ 3,198,220

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2014, the District has recorded \$16,383,078 in encumbrances as follows: \$1,603,968 for the General Fund; \$10,225,158 for the Capital Projects Fund – Local Capital Improvement Tax; \$2,965,604 for the Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants; and \$1,588,348 for the Nonmajor Governmental Funds.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5: CAPITAL ASSETS

Capital asset balances and activities for the fiscal year ended June 30, 2014, were as follows:

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Governmental Activities				
<i>Capital Assets not being depreciated</i>				
Land	\$ 168,957,526	\$ -	\$ -	\$ 168,957,526
Construction in Progress	10,012,061	20,074,516	-	30,086,577
Total Capital Assets not being depreciated	<u>178,969,587</u>	<u>20,074,516</u>	<u>-</u>	<u>199,044,103</u>
<i>Capital Assets being depreciated</i>				
Improvements Other than Buildings	44,632,458	243,486	(1,805)	44,874,139
Buildings	1,485,688,011	43,305	(315,815)	1,485,415,501
Furniture, Fixtures, and Equipment	79,948,475	7,750,536	(5,057,368)	82,641,643
Motor Vehicles	75,409,820	2,304,989	(411,674)	77,303,135
Audio/Visual Materials	107,910	7,150	-	115,060
Software	37,713,043	551,684	(2,637,909)	35,626,818
Total Capital Assets being depreciated	<u>1,723,499,717</u>	<u>10,901,150</u>	<u>(8,424,571)</u>	<u>1,725,976,296</u>
<i>Less accumulated depreciation for</i>				
Improvements Other than Buildings	13,875,096	1,680,344	-	15,555,440
Buildings	391,087,082	34,801,645	(247,834)	425,640,893
Furniture, Fixtures, and Equipment	55,436,352	7,747,499	(4,106,232)	59,077,619
Motor Vehicles	56,294,285	5,966,755	(339,159)	61,921,881
Audio/Visual Materials	59,246	15,028	-	74,274
Software	19,796,350	1,452,804	(2,349,272)	18,899,882
Total accumulated depreciation	<u>536,548,411</u>	<u>51,664,075</u>	<u>(7,042,497)</u>	<u>581,169,989</u>
<i>Capital Assets being depreciated, Net</i>	<u>1,186,951,306</u>	<u>(40,762,925)</u>	<u>(1,382,074)</u>	<u>1,144,806,307</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,365,920,893</u>	<u>\$ (20,688,409)</u>	<u>\$ (1,382,074)</u>	<u>\$ 1,343,850,410</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Depreciation expense was charged to governmental functions as follows:

Governmental Function	Amount
Instruction	\$ 1,643,701
Student Personnel Services	158,402
Instructional Media Services	30,605
Instruction & Curriculum Development Services	20,189
Instructional Staff Training Services	7,241
Instruction Related Technology	903
General Administration	2,908
School Administration	49,057
Facilities Services	48,172,954
Fiscal Services	2,436
Food Services	526,294
Central Services	107,381
Student Transportation Services	618,410
Operation of Plant	112,749
Maintenance of Plant	114,893
Administrative Technology Services	44,411
Community Services	51,541
Total Depreciation Expense – Governmental Functions	\$ 51,664,075

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Funds	Interfund Receivable	Interfund Payable
Major Funds:		
General	\$ 2,781,390	\$ 13,864,291
Special Revenue:		
Federal Economic Stimulus	40,305	64,976
Capital Projects:		
Local Capital Improvement Tax	170,057	763,699
Certificates of Participation/Impact		
Fees/State Grants	-	149,497
Non-major Governmental Funds	232,057	1,936,495
Proprietary Funds	13,559,529	4,380
Total	<u>\$ 16,783,338</u>	<u>\$ 16,783,338</u>

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

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

Funds	Transfers In	Transfers Out
Major Funds:		
General	\$ 25,642,425	\$ -
Debt Service:		
Certificates of Participation	42,623,623	90,946
ARRA Economic Stimulus	2,022,458	-
Capital Projects:		
Local Capital Improvement Tax	-	60,680,705
Certificates of Participation/Impact		
Fees/State Grants	-	9,516,855
Total	<u>\$ 70,288,506</u>	<u>\$ 70,288,506</u>

The majority of the transfers out of the Capital Projects fund were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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NOTE 7: NONCURRENT LIABILITIES

7-A. Certificates of Participation Payable

The District entered into several financing arrangements, characterized as lease-purchase agreements, with the Florida School Boards Association, Inc. and the Lee County School Board Leasing Corporation (lessors) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance and refunding of several series of Certificates of Participation. Issues with remaining outstanding balances include Series 2005A (original issue: \$107,995,000); Series 2006A (original issue: \$94,790,000); 2008B (original issue: \$60,000,000); 2010A (original issue: \$23,298,000); 2011A-QSCB (original issue: \$27,009,000); Series 2012B (original issue: \$149,015,000); Series 2012C (original issue: \$16,240,000); and Series 2013A (original issue: \$25,287,000) issued November 2013; be repaid from the proceeds of rents paid by the District.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for school districts. The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs or the BABs represent incremental Federal Funding, both must be repaid by the District. In June 2011, the Corporation issued Certificate Series 2011A-QSCB in the amount of \$27,009,000. The Series 2011A-QSCB was issued to finance the cost of construction, installation and equipping educational facilities. The Series 2011A-QSCB Certificates are structured as taxable bonds and the District will receive a direct rebate/subsidy payment from the U.S. Treasury to offset a portion of the interest expense. The interest rate bondholders will receive is 5.48 percent and the federal subsidy is 5.02 percent, therefore the net interest cost to the District is .46 percent. Interest earnings on the proceeds will further offset this expense.

As a condition of the financing arrangement, the District has given a ground lease on District property to the lessors with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 2028.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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The District properties included in the ground leases under these arrangements include:

Series 2005A

One Elementary School
One Middle School
One High School
New Administration Building

Series 2006A

Two Elementary Schools
Seven Additions to Existing Schools

Series 2008A

Six Elementary Schools
One Middle School
One High School

Series 2009A

One Elementary School
One Middle School
One High School

Series 2010A

Two Elementary Schools
One Middle School
One Specialty School
Two Transportation Facilities

Series 2011A-QSCB

One Elementary School
One Middle School

Series 2012B

Five Elementary Schools
Three Middle Schools
Two High Schools
One Specialty School
Two Transportation Facilities
Two Building Conversions
New Administration Building
Vocational School Addition

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Series 2012C

Three Elementary Schools
One Middle School
Two High Schools
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2013A

Four Elementary Schools
One Middle School
Two High Schools
One Specialty School
Two Building Conversions
New Administration Building
Vocational School Addition
Seven Additions to Existing Schools

The lease payments are payable by the District semi-annually on December 31 and June 30 except for the Series 2012C which is payable on December 1 and June 1, at interest rates ranging from 1.91 to 5 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 39,604,545	\$ 23,300,000	\$ 16,304,545
2016	39,601,933	24,193,000	15,408,933
2017	39,604,475	25,041,000	14,563,475
2018	39,580,128	26,074,000	13,506,128
2019	38,282,553	25,854,000	12,428,553
2020-2024	199,874,647	154,421,000	45,453,647
2025-2028	173,440,455	158,769,000	14,671,455
	<hr/>	<hr/>	<hr/>
Total Minimum Lease Payments	569,988,736	437,652,000	132,336,736
Add: Unamortized Premium/Discount, net	3,932,903	3,932,903	-
	<hr/>	<hr/>	<hr/>
Total Certificates of Participation Payable	\$ 573,921,639	\$ 441,584,903	\$ 132,336,736

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2014, there was no arbitrage rebate liability.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

7-B. Notes Payable

Notes payable are comprised of the following:

	Balance at 6/30/14
<u>Bank of America Bank Loan</u>	
\$3,451,257 borrowed 8-21-06, under provisions of Section 1013.23, Florida Statutes. Interest rate of 6.28%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$382,173 during the 2013-14 fiscal year.	\$ 1,264,376
<u>Bank of America Bank Loan</u>	
\$6,306,547 borrowed 9-22-08, under provisions of Section 1013.23, Florida Statutes. Interest rate of 4.46%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$582,112 during the 2013-14 fiscal year.	3,769,782
<u>Bank of America Bank Loan</u>	
\$1,447,460 borrowed 9-27-12, under provisions of Section 1013.23, Florida Statutes. Interest rate of 1.64%. Proceeds used to complete energy efficiency measures at various school sites. The Board repaid \$146,114 during the 2013-14 fiscal year.	1,301,346
Total Notes Payable	\$ 6,335,504

Amounts needed for the planned extended repayment of Section 1013.23, Florida Statutes, bank loans as of June 30, 2014 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
Notes Payable			
2015	\$ 1,389,118	\$ 1,169,709	\$ 219,409
2016	1,403,827	1,231,872	171,955
2017	1,418,831	1,297,021	121,810
2018	1,013,927	937,643	76,284
2019	1,004,308	965,598	38,710
2020-2023	749,836	733,661	16,175
Total Notes Payable	\$ 6,979,847	\$ 6,335,504	\$ 644,343

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2014

7-C. Bonds Payable

The following is a description of bonded debt issues:

State School Bonds: The SBE issued these bonds on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is pledged for all of these SBE Bonds. The original amount of SBE bonds issued was \$17,748,000. The State Board of Education and the SBA administer principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements.

Bonds payable at June 30, 2014, are as follows:

Bond Type	Amount Outstanding	Interest Rate (Percent)	Annual Maturity To
State School Bonds			
Series 2005B	\$ 6,800,000	5.00	2020
Series 2009A	570,000	5.00	2019
Series 2010A	265,000	4.00-5.00	2022
Series 2011A	740,000	3.00-5.00	2023
Series 2014A	998,000	2.00-5.00	2024
Sub-Total	9,373,000		
Add: Unamortized Premium/Discount, Net	420,078		
Total Bonds Payable	\$ 9,793,078		

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

The annual requirements to amortize all bonded debt outstanding as of June 30, 2014, including interest payments, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds			
2015	\$ 2,263,605	\$ 1,822,000	\$ 441,605
2016	2,268,670	1,898,000	370,670
2017	2,279,230	2,002,000	277,230
2018	2,294,900	2,117,000	177,900
2019	438,050	366,000	72,050
2020-2024	1,314,050	1,168,000	146,050
Subtotal Bonds Payable	10,858,505	9,373,000	1,485,505
Add: Unamortized Premium/Discount, net	420,078	420,078	-
Total Bonds Payable	<u>\$ 11,278,583</u>	<u>\$ 9,793,078</u>	<u>\$ 1,485,505</u>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Changes in NonCurrent Liabilities

Noncurrent liability balances and activity for the year ended June 30, 2014, were as follows:

	Balance 06/30/13	Additions	Deductions	Balance 06/30/14*	Amounts Due within One Year
Governmental Activities					
<i>Long-Term Debt</i>					
Bonds Payable	\$ 11,235,000	\$ 998,000	\$ 2,860,000	\$ 9,373,000	\$ 1,822,000
Bond Premium	487,602	-	67,524	420,078	-
Bond Discount	(8,554)	-	(8,554)	-	-
Certificates of Participation Payable	459,936,000	25,287,000	47,571,000	437,652,000	23,300,000
Premium	9,774,812	-	4,097,266	5,677,546	-
Discount	(3,042,724)	-	(1,298,081)	(1,744,643)	-
Notes Payable	7,445,903	-	1,110,399	6,335,504	1,169,709
Total Long-Term Debt	485,828,039	26,285,000	54,399,554	457,713,485	26,291,709
<i>Other Noncurrent Liabilities</i>					
Estimated Early Retirement Payable	1,259,000	44,000	-	1,303,000	5,800
Estimated Insurance Claims Payable	28,859,256	67,637,690	73,290,291	23,206,655	14,066,851
Postemployment Benefits Payable	22,470,040	4,517,036	1,754,239	25,232,837	-
Liability for Compensated Absences	59,486,854	23,719,805	25,290,051	57,916,608	4,814,172
Total Other Liabilities	112,075,150	95,918,531	100,334,581	107,659,100	18,886,823
Total Noncurrent Liabilities	\$ 597,903,189	\$ 122,203,531	\$ 154,734,135	\$ 565,372,585	\$ 45,178,532

**Payments on the bonds and notes payable are made by the Debt Service Funds for the SBE/COBI Bonds and Certificates of Participation. Payments on the estimated insurance claims payable are made by the Internal Service Fund. The early retirement payable and compensated absences liabilities are generally liquidated by the General Fund. The postemployment benefits payable are generally liquidated by the General Fund.*

Internal service funds predominantly serve the governmental funds. Accordingly, noncurrent liabilities are included as part of the above totals for governmental activities. At fiscal year-end, a \$21,730 liability for compensated absences in the Internal Service Fund is included in the above amounts.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 8: DEFEASED DEBT

On May 22, 2014, the Board issued \$998,000 in State Board of Education Bonds, Series 2014-A, with an average interest rate of 4.42 percent, to refund the District's State Board of Education Bonds, Series 2004-A. The Refunding Bonds were issued to refund the \$1,130,000 principal amount of the District's State Board of Education Bonds, Series 2004-A. The net proceeds of \$1,160,147 (after payment of \$6,823 in underwriting fees, insurance, and other issuance costs) were used to refund all outstanding bonds and to pay all accrued interest on the State Board of Education Bonds, Series 2004-A on May 23, 2014. As a result, \$1,130,000 of the 2004-A series bonds are considered to be defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2004-A State Board of Education Bonds were refunded to reduce its total debt service payments over the next ten years by approximately \$139,893 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$131,210.

On November 20, 2013, the Board issued \$25,287,000 in Certificates of Participation, Series 2013A, with an average interest rate of 4.03 percent, to refund the District's Certificates of Participation, Series 2004A and Series 2004C. The Refunding Certificates are being issued to refund the \$24,755,000 principal amount of the District's Certificates of Participation, Series 2004A and 2004C, that mature on or after August 1, 2014. The net proceeds of \$25,200,040, (after payment of \$85,981 in underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to call on February 01, 2014, all outstanding future debt payments on the Certificates of Participation, Series 2004A and 2004C. As a result, \$24,755,000 of the 2004A and 2004C series COPS are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2004A and 2004C Certificates of Participation were refunded to reduce its total debt service payments over the next ten years by approximately \$1,574,455 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,328,807.

NOTE 9: FUND BALANCE REPORTING

The District has adopted GASB Statement No.54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any nonspendable funds related to prepaid items or endowments.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of fund balances, based on a hierarchy of spending constraints.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

- **Restricted:** Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** Fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** Fund balances that contain self imposed constraints of the government to be used for a particular purpose.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories totaling \$2,655,998 that are classified as nonspendable.

The District has classified the remaining fund balances as *Restricted*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding the commitment or assignment of fund balances. As such, the District does not report any committed fund balance. However, certain actions taken by the District qualify as an assignment of fund balance in accordance with GASB Statement No. 54. Included in assigned fund balance is an amount for purchase order obligations outstanding that have not been already included as restricted fund balance.

• **Restricted for State Required Carryover Programs, Food Services, Debt Service, and Capital Projects:**

Federal laws, Florida Statutes and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. These funds have been included in the *Restricted* category of fund balance. The restricted fund balances totaled \$118,035,861 and represented \$12,775,113 in State required carryover programs, \$16,381,049 in food service, \$7,834,188 in debt service and \$81,045,511 in capital projects.

• **Assigned for State and Local Programs:**

The assigned fund balances total \$1,553,091. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$1,553,091, that have not been previously reported as restricted or assigned. Encumbrances are supported by outstanding purchase orders issued through the established Board approved budget process.

• **Unassigned:**

The unassigned fund balance in the General Fund is \$111,046,656.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 10: SCHEDULE OF STATE REVENUE SOURCES

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

Source	Amount
Florida Education Finance Program	\$ 156,318,022
Categorical Educational Programs:	
Class Size Reduction	97,026,663
Workforce Development Program	9,890,385
Charter School Capital Outlay Funding	5,551,748
Motor Vehicle License Tax (Capital Outlay and Debt Service)	3,378,288
Food Service Supplement	569,509
Mobile Home License Tax	487,284
Racing Commission Funds	223,250
Miscellaneous	7,672,378
	<hr/>
Total	\$ 281,117,527

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

NOTE 11: PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2013 tax roll in fiscal year 2013-2014:

	Mills	Amount
<hr/> <u>General Fund:</u>		
Nonvoted School Tax		
Required Local Effort	5.350	\$ 317,943,577
Basic Discretionary Local Effort	0.748	44,452,672
<hr/> <u>-Capital Projects Funds:</u>		
Nonvoted School Tax		
Local Improvements	1.500	89,143,059
		<hr/>
Total	7.598	\$ 451,539,308

NOTE 12: STATE RETIREMENT PROGRAMS

Essentially all regular employees of the District are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services,

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service. There were 2,008 District participants during the 2013-14 fiscal year. Contributions made to the FRS Investment Plan totaled \$7,555,713, which equaled the required contributions.

Benefits described above are in summary form. Accordingly, not all conditions, limitations, and restrictions are mentioned.

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Funding Policy

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

Class	Employee Contribution (Percent of Gross Salary)	Employer Contribution (Percent of Gross Salary)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Elected County Officers	3.00	33.03
Florida Retirement System, Senior Management Service	3.00	18.31
Deferred Retirement Option Program (Applicable to members from all of the above classes)	3.00	12.84
Florida Retirement System, Re-Employed Retiree, Regular	(A)	(A)

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

Note: Employer rates include the post-employment health insurance subsidy of 1.2 percent. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Investment Plan. The District's fiscal year 2013-2014 payrolls subject to FRS employer contributions for all employees totaled \$411,699,254. Required contributions made to the Florida Retirement System for fiscal years June 30, 2012; June 30, 2013; and June 30, 2014, totaled \$29,297,250; \$31,989,415 and \$41,737,128 respectively which were equal to the required contributions, including employee contributions, for each fiscal year.

NOTE 13: EARLY RETIREMENT INCENTIVE PROGRAM

As authorized by Section 1012.685, Part VII, Florida Statutes, the Board implemented Early Retirement Plans (Plans) effective July 1, 1995, July 1, 1997, and July 1, 1999. The plans were offered to eligible employees on a one-time basis until May 15, 1995, May 15, 1997, and May 15, 1999, respectively. The purpose of the Plans was to provide eligible employees, who elect to retire under the retirement provisions of the Florida Retirement System (FRS), described in Note 12, with one of several incentive options which supplement the employee's (participant's) retirement benefits. A summary of the plan eligibility, benefits, and contribution obligations for the 1995 Plan follows. There is no remaining liability reported by the District for the 1997 and 1999 plans as of June 30, 2014.

Eligibility

Participants must be 57 years of age with a minimum of five years of service with the District or 62 years of age with at least ten years of FRS service and a minimum of five years of service with the District or any age with at least thirty years of FRS service and a minimum of five years of service with the District.

Benefits

Incentive option one includes a bonus equal to twenty-five percent of the employee's final annual salary, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Incentive option two includes lifetime monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service and a life insurance benefit of \$10,000.

Incentive option three includes monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

The amount of the bonuses (if applicable) and accumulated leave pay are paid in five annual installments into an Internal Revenue Code 457F deferred compensation plan and directed into an investment fund selected by the participant. Alternatively, the participant may elect to receive twenty-five percent of the annual installments directly with the balance going into the deferred compensation plan.

Contributions

No contributions shall be required or permitted from any participant. The annual amounts contributed by the District are the actual amounts payable to participants or on their behalf for contributions to the 457F deferred compensation plan, retirement benefits, and premiums for health and life insurance coverage.

The District reported a liability in its Statement of Net Position of \$1,303,000 to recognize the present value of its obligation to pay death benefits to, or on behalf of, those retired employees. The Board has purchased life insurance on the participants, with itself as the beneficiary, to recover costs of the 1995 Plan over time.

The District has retained an administrator to handle the receipt of contributions and the disbursements of benefits to Plan participants.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The postemployment healthcare benefits plan is a single-employer defined benefit plan administered by the District. Pursuant to the provision of the Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's health plan for medical and prescription coverage. The District subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at the 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. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The postemployment healthcare plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or other entity.

Funding Policy

The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. For the 2013-14 fiscal year, 459 retirees received health care benefits. The District provided contributions of \$1,754,239 toward the annual OPEB cost,

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

comprised of benefit payments made on behalf of retirees net of retiree contributions totaling \$2,960,138, which represents 0.76 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed twenty years. The following table shows the District’s annual OPEB cost for the year, the amount contributed to the plan, and changes in the District’s net OPEB obligation:

Employer Fiscal Year Ending June 30, 2014	
Normal Cost (service cost for one year)	\$ 2,455,875
Amortization of Unfunded Actuarial Accrued Liability	2,679,088
Annual required Contribution	5,134,963
Interest on Net OPEB Obligation	786,451
Adjustment to ARC	(1,404,378)
Annual OPEB Cost (Expense)	4,517,036
Contribution toward the OPEB cost	(1,754,239)
Increase in Net OPEB Obligation	2,762,797
Net OPEB Obligation, Beginning of year	22,470,040
Net OPEB Obligation, End of year	\$ 25,232,837

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2014, and the two preceding years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	OPEB Obligation
June 30, 2014	\$ 4,517,036	38.8%	\$25,232,837
June 30, 2013	5,022,613	37.5%	22,470,040
June 30, 2012	4,812,395	37.0%	19,330,439

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2014

Funded Status and Funding Progress

The funded status of the plan as of January 01, 2014, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (a)	\$ 42,134,392	
Actuarial Value of Plan Assets (b)	-	
Unfunded Actuarial Accrued Liability (c)=(a-b)	\$ 42,134,392	
Funded Ratio (b/a)	0.0%	
Covered Payroll (Active Plan Members) (d)	\$ 391,118,814	
UALL as a Percentage of Covered Payroll (c/d)	10.8%	

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

Actuarial Methods and Assumptions

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

In the January 1, 2014 OPEB actuarial valuation, the entry age actuarial cost method was used. This method was selected because it produced the lowest OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 3.5 percent rate of return on invested assets, which is the District’s long-term expectation of investment returns under its investment policy. The actuarial assumptions also includes an inflation rate of 3 percent per year, a payroll growth of 3.5 percent per year, and an annual healthcare cost trend rate of 8.5 percent for the 2013-14 fiscal year, reduced by .5 percent per year, to a rate of 5 percent in 2021 and increased to an ultimate level of 5.5 percent in 2028. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at June 30, 2014, is 16 years.

NOTE 15: VESTED INTERESTS IN UTILITY COOPERATIVES

The District has purchased electricity since 1969 from the Lee County Electric Cooperative, Inc. The District’s estimated vested interest in this Cooperative is \$8,039,943 at December 31, 2013 which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2014

payable to the District over a thirty-year period should the District terminate its business relationship with the Cooperative. During the fiscal year, the District recorded the earned capital credits as other local sources revenue in the government-wide statement and recorded general revenues on the governmental fund statements as the District received capital credits. The District would receive capital credits from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc. only in the unlikely event that they were to permanently cease operations. During the fiscal year, the District did not record any general revenue for capital credits earned from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc.

NOTE 16: 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. Property, workers' compensation, automobile liability, and general liability coverage are self-insured up to specified limits. The District purchases policies with various insurance companies to provide coverage in excess of claims amounts above the stated self-insured retention deductible on any individual/aggregate claim. The District has contracted with a third-party administrator to administer the property/casualty program, including the processing, investigation, and payment of claims.

The District provides health coverage through a self-insurance program administered by an outside provider. The District reports the self-insurance programs in the Internal Service Funds. Amounts are transferred from various funds to the Internal Service Funds to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, and to pay the insurance services agent's administrative fees.

There have been no significant reductions in insurance coverage. Settled claims resulting from risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

A liability in the amount of \$13,557,770 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Casualty, Liability and Workers' Compensation Fund, at June 30, 2014. A liability in the amount of \$9,648,885 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance- Health Insurance Fund, at June 30, 2014.

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

Casualty, Liability, Workers' Compensation Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012 -13	\$ 12,268,296	\$ 8,069,860	\$ (6,920,634)	\$ 13,417,522
2013 -14	13,417,522	6,994,188	(6,853,940)	13,557,770

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2014

Health Insurance Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012 –13	\$ 10,013,328	\$ 66,480,523	\$ (61,052,117)	\$ 15,441,734
2013 –14	15,441,734	60,643,502	(66,436,351)	9,648,885

NOTE 17: LITIGATION

The District is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operation. Management believes that any liability arising from such claims would be immaterial to the financial statements.

NOTE 18: SUBSEQUENT EVENT

On September 18, 2014, The District issued \$72.3 million in Certificates of Participation, Series 2014 to refund the Series 2005A Certificates and pay costs associated with the issuance of the Series 2014 Certificates.

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REQUIRED SUPPLEMENTARY
INFORMATION

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
January 1, 2009	\$ -	\$ 49,213,459	\$ 49,213,459	0.0%	\$ 368,603,555	13.4%
January 1, 2012	-	43,272,582	43,272,582	0.0%	354,935,521	12.2%
January 1, 2014	-	42,134,392	42,134,392	0.0%	391,118,814	10.8%

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
June 30, 2012	\$ 5,110,820	34.9%
June 30, 2013	5,376,536	35.0%
June 30, 2014	5,134,963	34.0%

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014

NOTE 1: SCHEDULE OF FUNDING PROGRESS

Compared to the previous valuation, the Unfunded Actuarial Accrued Liability and the Annual OPEB Cost decreased significantly. One factor that contributed to this change was the total cost of coverage for retirees decreased from \$524 per subscriber per month (as expected for the calendar year 2012) to \$520 per subscriber per month for the year beginning January 1, 2014. This is lower than the \$614 per subscriber per month previously projected for this year. This change had a decreasing effect on the cost and liability. Another factor that contributed to this change was the number of retirees currently covered under the health plan decreased from 509 in the last valuation to 459 in the current valuation. This population changes had a decreasing impact on the cost and liability resulting from this valuation. At the same time, the number of active employees increased from 9,397 to 10,060. This population change had an increasing impact on the cost and liability resulting from this valuation.

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OTHER SUPPLEMENTARY
INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

One debt service fund is used to account for the payment of interest and principal of the current portion on long-term debt.

State Board of Education Bonds Fund (SBE/COBI): To account for and report on payment of principal, interest, and related costs on the State School Bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed Motor Vehicles License Tax.

(continued)

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NONMAJOR GOVERNMENTAL FUNDS (continued)

Capital Projects Funds

One 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 are:

Capital Outlay and Debt Service Fund: To account for and report on the excess dollars from the debt service funds, used for construction and maintenance of schools.

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>	
Total Nonmajor Governmental Funds	Contracted Programs	Food Service	SBE/COBI Bonds	Capital Outlay and Debt Service		
ASSETS						
Cash	\$ 3,138,006	\$ 10,845	\$ 1,733,707	\$ -	\$ 1,393,454	
Investments	15,339,857	-	15,098,559	241,298	-	
Accounts Receivable	13,728	-	13,728	-	-	
Due from Other Funds	232,057	232,057	-	-	-	
Due from Other Agencies	2,473,802	2,168,839	304,963	-	-	
Inventory	306,965	-	306,965	-	-	
Total Assets	<u>\$ 21,504,415</u>	<u>\$ 2,411,741</u>	<u>\$ 17,457,922</u>	<u>\$ 241,298</u>	<u>\$ 1,393,454</u>	
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 915,440	\$ 654,545	\$ 260,895	\$ -	\$ -	
Accrued Interest Payable	7,427	-	-	7,427	-	
Construction Contracts Payable	237,600	-	237,600	-	-	
Construction Contracts Payable- Retainage	91,670	-	91,670	-	-	
Deposits Payable	444	444	-	-	-	
Due to Other Funds	1,936,495	1,756,752	179,743	-	-	
Total Liabilities	<u>3,189,076</u>	<u>2,411,741</u>	<u>769,908</u>	<u>7,427</u>	<u>-</u>	
Fund Balance						
Nonspendable						
Inventory	306,965	-	306,965	-	-	
Restricted for:						
Debt Service	233,871	-	-	233,871	-	
Capital Projects	1,393,454	-	-	-	1,393,454	
Food Service	16,381,049	-	16,381,049	-	-	
Total Fund Balances	<u>18,315,339</u>	<u>-</u>	<u>16,688,014</u>	<u>233,871</u>	<u>1,393,454</u>	
Total Liabilities and Fund Balances	<u>\$ 21,504,415</u>	<u>\$ 2,411,741</u>	<u>\$ 17,457,922</u>	<u>\$ 241,298</u>	<u>\$ 1,393,454</u>	

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds	
	Total Nonmajor Governmental Funds	Contracted Programs	Food Service	SBE/COBI Bonds	Capital Outlay and Debt Service
Revenues					
Federal Direct Sources	\$ 15,205,945	\$ 15,205,945	\$ -	\$ -	\$ -
Federal Through State Sources	77,628,569	47,097,753	30,530,816	-	-
State Sources	3,964,330	-	569,509	2,236,654	1,158,167
Local Sources					
Food Service Sales	6,357,981	-	6,357,981	-	-
Miscellaneous	95,889	66,540	29,065	-	284
Total Revenues	103,252,714	62,370,238	37,487,371	2,236,654	1,158,451
EXPENDITURES					
Current					
Instruction	35,925,329	35,925,329	-	-	-
Student Personnel Services	4,952,403	4,952,403	-	-	-
Instructional Media Services	73,140	73,140	-	-	-
Instruction and Curriculum					
Development Services	10,202,123	10,202,123	-	-	-
Instructional Staff Training Services	6,174,897	6,174,897	-	-	-
Instruction Related Technology	666	666	-	-	-
Board	576	576	-	-	-
General Administration	2,354,664	2,354,664	-	-	-
School Administration	172,660	172,660	-	-	-
Facilities Services	119,682	119,682	-	-	-
Fiscal Services	10,023	10,023	-	-	-
Food Service	37,477,013	-	37,477,013	-	-
Central Services	262,116	262,116	-	-	-
Student Transportation Services	526,514	526,514	-	-	-
Operation of Plant	79,790	79,790	-	-	-
Community Services	14,321	14,321	-	-	-
Capital Outlay					
Facilities Acquisition and Construction	1,140,081	187,858	952,223	-	-
Other Capital Outlay	3,458,058	1,313,476	2,144,582	-	-
Debt Service					
Principal	1,730,000	-	-	1,730,000	-
Interest and Fiscal Charges	581,829	-	-	578,402	3,427
Total Expenditures	105,255,885	62,370,238	40,573,818	2,308,402	3,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,003,171)	-	(3,086,447)	(71,748)	1,155,024
OTHER FINANCING SOURCES (USES)					
Issuance of Refunding Bonds	998,000	-	-	998,000	-
Premium on Refunding Bonds	161,543	-	-	161,543	-
Payments to Refunded Bond Escrow Agent	(1,160,147)	-	-	(1,160,147)	-
Total Other Financing Sources (Uses)	(604)	-	-	(604)	-
Net Change in Fund Balance	(2,003,775)	-	(3,086,447)	(72,352)	1,155,024
Fund Balance, Beginning	20,319,114	-	19,774,461	306,223	238,430
Fund Balance, Ending	<u>\$ 18,315,339</u>	<u>\$ -</u>	<u>\$ 16,688,014</u>	<u>\$ 233,871</u>	<u>\$ 1,393,454</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - CERTIFICATES OF PARTICIPATION (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Certificates of Participation			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ 269	\$ 64,459	\$ (64,190)
Total Local Sources	-	269	64,459	(64,190)
Total Revenues	-	269	64,459	(64,190)
EXPENDITURES				
Debt Service				
Principal	25,197,000	23,926,400	23,926,399	1
Interest and Fiscal Charges	17,664,700	16,932,932	16,917,836	15,096
Total Expenditures	42,861,700	40,859,332	40,844,235	15,097
Deficiency of Revenues Over Expenditures	<u>(42,861,700)</u>	<u>(40,859,063)</u>	<u>(40,779,776)</u>	<u>(79,287)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	42,861,700	40,772,372	42,623,623	(1,851,251)
Certificates of Participation Issued	-	25,287,000	25,287,000	-
Payments to Refunded COPS Escrow Agent	-	(25,200,040)	(25,200,040)	-
Transfer Out	-	(90,946)	(90,946)	-
Total Other Financing Sources (Uses)	42,861,700	40,768,386	42,619,637	(1,851,251)
Net Change in Fund Balance	-	(90,677)	1,839,861	(1,930,538)
Fund Balance, Beginning	3,956,370	350,505	350,505	-
Fund Balance, Ending	<u>\$ 3,956,370</u>	<u>\$ 259,828</u>	<u>\$ 2,190,366</u>	<u>\$ (1,930,538)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - ARRA ECONOMIC STIMULUS (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	ARRA Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 6,219	\$ (6,219)
Total Local Sources	-	-	6,219	(6,219)
Total Revenues	-	-	6,219	(6,219)
EXPENDITURES				
Debt Service				
Principal	-	1,800,600	-	1,800,600
Interest and Fiscal Charges	-	256,042	224,591	31,451
Total Expenditures	-	2,056,642	224,591	1,832,051
Deficiency of Revenues Under Expenditures	-	(2,056,642)	(218,372)	(1,838,270)
OTHER FINANCING SOURCES				
Transfer In	-	2,056,642	2,022,458	34,184
Total Other Financing Sources	-	2,056,642	2,022,458	34,184
Net Change in Fund Balance	-	-	1,804,086	(1,804,086)
Fund Balance, Beginning	-	3,605,865	3,605,865	-
Fund Balance, Ending	\$ -	\$ 3,605,865	\$ 5,409,951	\$ (1,804,086)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT TAX (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Local Capital Improvement Tax			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Ad Valorem Taxes	\$ 85,577,337	\$ 85,577,337	\$ 86,208,685	\$ (631,348)
Interest Income	420,000	420,000	127,588	292,412
Total Local Sources	<u>85,997,337</u>	<u>85,997,337</u>	<u>86,336,273</u>	<u>(338,936)</u>
 Total Revenues	 <u>85,997,337</u>	 <u>85,997,337</u>	 <u>86,336,273</u>	 <u>(338,936)</u>
EXPENDITURES				
Current				
Facilities Services	-	52,062,115	41,578,321	10,483,794
Capital Outlay				
Facilities Acquisition and Construction	74,948,834	20,679,718	17,993,927	2,685,791
Other Capital Outlay	-	4,400,564	2,916,439	1,484,125
Debt Service				
Interest and Fiscal Charges	-	421	243	178
 Total Expenditures	 <u>74,948,834</u>	 <u>77,142,818</u>	 <u>62,488,930</u>	 <u>14,653,888</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,048,503</u>	<u>8,854,519</u>	<u>23,847,343</u>	<u>(14,992,824)</u>
OTHER FINANCING USES				
Transfer Out	(62,861,700)	(60,678,953)	(60,680,705)	1,752
 Total Other Financing Uses	 <u>(62,861,700)</u>	 <u>(60,678,953)</u>	 <u>(60,680,705)</u>	 <u>1,752</u>
 Net Change in Fund Balance	 <u>(51,813,197)</u>	 <u>(51,824,434)</u>	 <u>(36,833,362)</u>	 <u>(14,991,072)</u>
Fund Balance, Beginning	<u>77,900,897</u>	<u>77,900,898</u>	<u>77,900,898</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 26,087,700</u>	<u>\$ 26,076,464</u>	<u>\$ 41,067,536</u>	<u>\$ (14,991,072)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CERTIFICATES OF PARTICIPATION/IMPACT FEES/STATE GRANTS
(MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Certificates of Participation/Impact Fees/State Grants</u>			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources:				
Charter School Capital Outlay	\$ 4,590,000	\$ 5,553,500	\$ 5,551,748	\$ 1,752
State Grants and Other State Sources	300,000	300,000	415,129	(115,129)
Total State Sources	<u>4,890,000</u>	<u>5,853,500</u>	<u>5,966,877</u>	<u>(113,377)</u>
Local Sources				
Interest Income	143,000	143,000	35,413	107,587
Impact Fees	800,000	800,000	1,807,460	(1,007,460)
Local Grants and Other Local Sources	-	-	36,682	(36,682)
Total Local Sources	<u>943,000</u>	<u>943,000</u>	<u>1,879,555</u>	<u>(936,555)</u>
Total Revenues	<u>5,833,000</u>	<u>6,796,500</u>	<u>7,846,432</u>	<u>(1,049,932)</u>
EXPENDITURES				
Current				
Facilities Services	-	10,923,161	6,650,476	4,272,685
Capital Outlay				
Facilities Acquisition and Construction	9,712,052	2,119,608	998,933	1,120,675
Other Capital Outlay	-	925,000	182,127	742,873
Debt Service				
Interest and Fiscal Charges	-	31,848	31,848	-
Total Expenditures	<u>9,712,052</u>	<u>13,999,617</u>	<u>7,863,384</u>	<u>6,136,233</u>
Deficiency of Revenues Under Expenditures	<u>(3,879,052)</u>	<u>(7,203,117)</u>	<u>(16,952)</u>	<u>(7,186,165)</u>
OTHER FINANCING USES				
Transfer Out	<u>(4,590,000)</u>	<u>(9,518,607)</u>	<u>(9,516,855)</u>	<u>(1,752)</u>
Total Other Financing Uses	<u>(4,590,000)</u>	<u>(9,518,607)</u>	<u>(9,516,855)</u>	<u>(1,752)</u>
Net Change in Fund Balance	<u>(8,469,052)</u>	<u>(16,721,724)</u>	<u>(9,533,807)</u>	<u>(7,187,917)</u>
Fund Balance, Beginning	<u>48,118,328</u>	<u>48,118,328</u>	<u>48,118,328</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 39,649,276</u>	<u>\$ 31,396,604</u>	<u>\$ 38,584,521</u>	<u>\$ (7,187,917)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - ARRA ECONOMIC STIMULUS
(MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	ARRA Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ 76	\$ 76	\$ -
Total Local Sources	-	76	76	-
Total Revenues	-	76	76	-
EXPENDITURES				
Current				
Facilities Services	-	11,859	11,859	-
Capital Outlay				
Facilities Acquisition and Construction	1,915	-	-	-
Other Capital Outlay	-	2,416	2,416	-
Total Expenditures	1,915	14,275	14,275	-
Deficiency of Revenues Under Expenditures	(1,915)	(14,199)	(14,199)	-
Net Change in Fund Balance	(1,915)	(14,199)	(14,199)	-
Fund Balance, Beginning	14,199	14,199	14,199	-
Fund Balance, Ending	<u>\$ 12,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - CONTRACTED PROGRAMS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Contracted Programs			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ 26,949,724	\$ 28,480,709	\$ 15,205,945	\$ 13,274,764
Total Federal Direct Sources	<u>26,949,724</u>	<u>28,480,709</u>	<u>15,205,945</u>	<u>13,274,764</u>
Federal Through State Sources:				
Other Federal Through State Grants	33,973,180	57,328,580	47,097,753	10,230,827
Total Federal Through State Sources	<u>33,973,180</u>	<u>57,328,580</u>	<u>47,097,753</u>	<u>10,230,827</u>
Local Sources:				
Child Care and Adult Course Fees	-	66,540	66,540	-
Total Local Sources	<u>-</u>	<u>66,540</u>	<u>66,540</u>	<u>-</u>
Total Revenues	<u>60,922,904</u>	<u>85,875,829</u>	<u>62,370,238</u>	<u>23,505,591</u>
EXPENDITURES				
Current				
Instruction	31,351,914	46,826,346	35,925,329	10,901,017
Student Personnel Services	2,852,194	6,108,723	4,952,403	1,156,320
Instructional Media Services	97,484	79,130	73,140	5,990
Instruction and Curriculum Development Services	15,104,441	16,457,023	10,202,123	6,254,900
Instructional Staff Training Services	5,296,506	9,553,344	6,174,897	3,378,447
Instruction Related Technology	-	666	666	-
Board	-	576	576	-
General Administration	2,258,522	3,198,614	2,354,664	843,950
School Administration	246,579	720,721	172,660	548,061
Facilities Services	131,780	441,716	119,682	322,034
Fiscal Services	-	10,023	10,023	-
Central Services	116,927	280,631	262,116	18,515
Student Transportation Services	589,444	557,028	526,514	30,514
Operation of Plant	96,271	84,758	79,790	4,968
Community Services	14,321	14,321	14,321	-
Capital Outlay				
Facilities Acquisition and Construction	-	228,733	187,858	40,875
Other Capital Outlay	-	1,313,476	1,313,476	-
Total Expenditures	<u>58,156,383</u>	<u>85,875,829</u>	<u>62,370,238</u>	<u>23,505,591</u>
Excess of Revenues Over Expenditures				
	<u>2,766,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance				
	<u>2,766,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ 2,766,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Food Service			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State Sources:				
Food Service	\$ 31,920,448	\$ 32,115,367	\$ 30,251,849	\$ 1,863,518
Donated Foods and Cash in Lieu of	350,000	350,000	278,967	71,033
Total Federal Through State Sources	<u>32,270,448</u>	<u>32,465,367</u>	<u>30,530,816</u>	<u>1,934,551</u>
State Sources:				
Food Services	560,784	560,784	569,509	(8,725)
Total State Sources	<u>560,784</u>	<u>560,784</u>	<u>569,509</u>	<u>(8,725)</u>
Local Sources				
Interest Income	30,000	30,000	28,661	1,339
Gifts, Grants and Bequests	-	404	404	-
Food Service Sales	7,344,920	7,344,920	6,357,981	986,939
Total Local Sources	<u>7,374,920</u>	<u>7,375,324</u>	<u>6,387,046</u>	<u>988,278</u>
 Total Revenues	 <u>40,206,152</u>	 <u>40,401,475</u>	 <u>37,487,371</u>	 <u>2,914,104</u>
EXPENDITURES				
Current				
Food Service	46,813,859	48,027,582	37,477,013	10,550,569
Capital Outlay				
Facilities Acquisition and Construction	-	952,223	952,223	-
Other Capital Outlay	-	2,658,267	2,144,582	513,685
 Total Expenditures	 <u>46,813,859</u>	 <u>51,638,072</u>	 <u>40,573,818</u>	 <u>11,064,254</u>
Deficiency of Revenues Under Expenditures	<u>(6,607,707)</u>	<u>(11,236,597)</u>	<u>(3,086,447)</u>	<u>(8,150,150)</u>
 Net Change in Fund Balance	 <u>(6,607,707)</u>	 <u>(11,236,597)</u>	 <u>(3,086,447)</u>	 <u>(8,150,150)</u>
Fund Balance, Beginning	19,774,461	19,774,461	19,774,461	-
Fund Balance, Ending	<u>\$ 13,166,754</u>	<u>\$ 8,537,864</u>	<u>\$ 16,688,014</u>	<u>\$ (8,150,150)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - SBE/COBI BONDS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	SBE/COBI Bonds			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources:				
CO & DS withheld for SBE/COBI Bonds	\$ -	\$ 2,236,557	\$ 2,236,557	\$ -
SBE/COBI Bond Interest	-	97	97	-
Total State Sources	-	2,236,654	2,236,654	-
Total Revenues	-	2,236,654	2,236,654	-
EXPENDITURES				
Debt Service				
Principal	-	1,730,000	1,730,000	-
Interest and Fiscal Charges	-	578,402	578,402	-
Total Expenditures	-	2,308,402	2,308,402	-
Deficiency of Revenues Under Expenditures	-	(71,748)	(71,748)	-
OTHER FINANCIAL SOURCES (USES)				
Issuance of Refunding Bonds	-	998,000	998,000	-
Premium on Refunding Bonds	-	161,543	161,543	-
Payments to Refunded Bond Escrow Agent	-	(1,160,147)	(1,160,147)	-
Total Other Financial Sources (Uses)	-	(604)	(604)	-
Net Change in Fund Balance	-	(72,352)	(72,352)	-
Fund Balance, Beginning	306,223	306,223	306,223	-
Fund Balance, Ending	\$ 306,223	\$ 233,871	\$ 233,871	\$ -

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Capital Outlay & Debt Service (CO and DS)</u>			Variance with Final Budget - Under (Over)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Sources:				
CO and DS Distributed to Districts	\$ 972,000	\$ 972,000	\$ 1,141,731	\$ (169,731)
Interest on Undistributed CO and DS	-	16,436	16,436	-
Total State Sources	<u>972,000</u>	<u>988,436</u>	<u>1,158,167</u>	<u>(169,731)</u>
Local Sources				
Interest Income	2,000	2,000	284	1,716
Total Local Sources	<u>2,000</u>	<u>2,000</u>	<u>284</u>	<u>1,716</u>
Total Revenues	<u>974,000</u>	<u>990,436</u>	<u>1,158,451</u>	<u>(168,015)</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	-	3,520	3,427	93
Total Expenditures	<u>-</u>	<u>3,520</u>	<u>3,427</u>	<u>93</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>974,000</u>	<u>986,916</u>	<u>1,155,024</u>	<u>(168,108)</u>
Net Change in Fund Balance	974,000	986,916	1,155,024	(168,108)
Fund Balance, Beginning	<u>238,430</u>	<u>238,430</u>	<u>238,430</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,212,430</u>	<u>\$ 1,225,346</u>	<u>\$ 1,393,454</u>	<u>\$ (168,108)</u>

Internal Service Funds

Internal service funds 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:

Health: To account for and report on funds received for and used to pay for medical benefits issued under the District's self-insured health program.

Other (Casualty, Liability, and Worker's Compensation): To account for and report on funds received for and used by the District's self-insured property, casualty, liability, and worker's compensation program.

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
ASSETS			
Current Assets			
Cash	\$ 19,164,867	\$ 19,164,867	\$ -
Investments	45,078,500	45,078,500	-
Accounts Receivable	247,322	247,322	-
Due from Governmental Funds	13,559,529	-	13,559,529
Total Current Assets	<u>78,050,218</u>	<u>64,490,689</u>	<u>13,559,529</u>
Noncurrent Assets			
Restricted Cash With Fiscal Agent	300,000	-	300,000
Furniture, Fixtures and Equipment	1,498	1,498	-
Less Accumulated Depreciation	(1,498)	(1,498)	-
Total Noncurrent Assets	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total Assets	<u>78,350,218</u>	<u>64,490,689</u>	<u>13,859,529</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	17,881	17,510	371
Due to Government Funds	4,380	4,380	-
Advanced Revenue	8,396,756	8,396,756	-
Estimated Insurance Claims Payable	14,066,851	9,637,485	4,429,366
Liability for Compensated Absences	21,730	20,342	1,388
Total Current Liabilities	<u>22,507,598</u>	<u>18,076,473</u>	<u>4,431,125</u>
Long-Term Liabilities			
Estimated Insurance Claims Payable	9,139,804	11,400	9,128,404
Total Liabilities	<u>31,647,402</u>	<u>18,087,873</u>	<u>13,559,529</u>
NET POSITION			
Restricted for Claims	300,000	-	300,000
Unrestricted	46,402,816	46,402,816	-
Total Net Position	<u>\$ 46,702,816</u>	<u>\$ 46,402,816</u>	<u>\$ 300,000</u>

THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
OPERATING REVENUES			
Premium Revenue	\$ 88,415,832	\$ 73,149,652	\$ 15,266,180
Total Operating Revenues	<u>88,415,832</u>	<u>73,149,652</u>	<u>15,266,180</u>
OPERATING EXPENSE			
Salaries	223,311	160,752	62,559
Employee Benefits	73,849	41,651	32,198
Purchased Services	12,985,810	4,808,557	8,177,253
Materials and Supplies	19,382	19,382	-
Noncapitalized Equipment	5,610	5,610	-
Insurance Claims	67,637,690	60,643,502	6,994,188
Total Operating Expenses	<u>80,945,652</u>	<u>65,679,454</u>	<u>15,266,198</u>
Operating Income (Loss)	<u>7,470,180</u>	<u>7,470,198</u>	<u>(18)</u>
NONOPERATING REVENUES			
Interest Income	82,592	82,592	-
Total Nonoperating Revenues	<u>82,592</u>	<u>82,592</u>	<u>-</u>
Changes in Net Position	7,552,772	7,552,790	(18)
Net Position - July 1, 2013	<u>39,150,044</u>	<u>38,850,026</u>	<u>300,018</u>
Net Position - June 30, 2014	<u>\$ 46,702,816</u>	<u>\$ 46,402,816</u>	<u>\$ 300,000</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2014**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers, Users and Participants	\$ 105,451,691	\$ 90,289,142	\$ 15,162,549
Cash Payments to Suppliers for Goods and Services	(13,024,781)	(4,811,658)	(8,213,123)
Cash Payments to Employees for Services	(302,074)	(206,588)	(95,486)
Cash Payments for Insurance Claims	(73,290,291)	(66,436,351)	(6,853,940)
Net Cash provided by Operating Activities	18,834,545	18,834,545	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Pooled Investments	(75,067)	(75,067)	-
Interest on Investments	82,592	82,592	-
Net Cash provided by Investing Activities	7,525	7,525	-
Net Increase in Cash and Cash Equivalents	18,842,070	18,842,070	-
Cash and Cash Equivalents, Beginning	622,797	322,797	300,000
Cash and Cash Equivalents, Ending	<u>\$ 19,464,867</u>	<u>\$ 19,164,867</u>	<u>\$ 300,000</u>
Reconciliation of Operating Income to Net Cash provided by Operating Activities			
Operating Income (Loss)	\$ 7,470,180	\$ 7,470,198	\$ (18)
Adjustments to Reconcile Operating Income to Net Cash provided (used) by Operating Activities:			
Change in Assets and Liabilities:			
Increase in Accounts Receivable	(247,322)	(247,322)	-
Increase (Decrease) in Due from Governmental Funds	16,055,373	16,159,005	(103,632)
Increase (Decrease) in Accounts Payable	(18,360)	17,510	(35,870)
Increase in Due to Governmental Funds	4,380	4,380	-
Increase in Advanced Revenue	1,227,808	1,227,808	-
Increase (Decrease) in Estimated Insurance Claims Payable	(5,652,601)	(5,792,849)	140,248
Decrease in Liability for Compensated Absences	(4,913)	(4,185)	(728)
Total Adjustments	11,364,365	11,364,347	18
Net Cash provided by Operating Activities	<u>\$ 18,834,545</u>	<u>\$ 18,834,545</u>	<u>\$ -</u>

Fiduciary Funds

Agency Funds: To account for resources of the schools' internal funds that are used to administer monies collected at the schools for student, athletic, class, and club activities, etc.

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

	Internal Accounts			
	July 1, 2013	Additions	Deletions	June 30, 2014
ASSETS				
Cash	\$ 1,144,555	\$ 22,032,412	\$ 22,301,527	\$ 875,440
Investments	6,175,915	1,297,344	1,396,653	6,076,606
Accounts Receivable	216,211	19,544	-	235,755
Inventory	349,313	622,040	615,010	356,343
	<u>349,313</u>	<u>622,040</u>	<u>615,010</u>	<u>356,343</u>
Total Assets	<u>\$ 7,885,994</u>	<u>\$ 23,971,340</u>	<u>\$ 24,313,190</u>	<u>\$ 7,544,144</u>
LIABILITIES				
Accounts Payable and Other Current Liabilities	\$ 270,031	\$ 22,088,029	\$ 22,140,831	\$ 217,229
Due to Student Organizations and Other Agencies	7,615,963	1,288,667	1,577,715	7,326,915
	<u>7,615,963</u>	<u>1,288,667</u>	<u>1,577,715</u>	<u>7,326,915</u>
Total Liabilities	<u>\$ 7,885,994</u>	<u>\$ 23,376,696</u>	<u>\$ 23,718,546</u>	<u>\$ 7,544,144</u>

Discretely Presented Component Units

The component units' columns in the basic financial statements, pages 33 through 34, include the financial data of the District's discretely presented component units. The District's discretely presented component units consist of the following entities:

Charter Schools: Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Bonita Springs Preparatory & Fitness Academy, Inc., Bonita Springs Charter School, Cape Coral Charter School, Cape Preparatory & Fitness Academy, Inc., City of Palms Charter High School Inc., Coronado High School, DJB Technical Academy, Inc., Ft. Myers Preparatory & Fitness Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, Goodwill L.I.F.E. Academy, The Island School, Inc., North Nicholas High School, Pivot Charter High School, and Six Mile Charter Academy.

The Foundation for Lee County Public Schools, Inc: The Foundation is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District.

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 June 30, 2014

	Charter Schools			
	Bonita Springs Preparatory & Fitness Academy, Inc.	Bonita Springs Charter School	Cape Coral Charter School	Cape Preparatory & Fitness Academy, Inc.
ASSETS				
Cash and cash equivalents	\$ -	\$ 531,843	\$ 62,959	\$ -
Accounts Receivable	-	33,580	463,364	138,164
Due from Other Agencies	-	2,124	4,711	-
Due from Fiduciary Funds	-	-	-	-
Prepaid Expenses	75,007	29,501	14,876	91,632
Capital assets:				
Improvements other than Buildings	50,000	117,585	72,397	-
Less Accumulated Depreciation	(47,060)	(117,585)	(31,436)	-
Buildings	-	-	17,721,743	19,700
Less Accumulated Depreciation	-	-	(3,212,066)	(1,159)
Furniture, Fixtures and Equipment	-	1,737,365	471,521	-
Less Accumulated Depreciation	-	(1,529,830)	(399,558)	-
Software	-	-	-	-
Less Accumulated Amortization	-	-	-	-
Total Assets	77,947	804,583	15,168,511	248,337
LIABILITIES				
Salaries and Wages Payable	-	363,631	198,663	-
Accounts Payable	168,409	50,380	247,823	688,798
Advanced Revenue	-	-	-	-
Due to Other Agencies	-	364	-	-
Noncurrent liabilities:				
Portion due within one year:				
Notes Payable	-	-	-	-
Obligations under Capital Lease	-	-	413,634	-
Liability for Compensated Absences	-	17,973	5,829	-
Portion due after one year:				
Notes Payable	-	-	-	-
Obligations under Capital Lease	-	-	17,416,391	-
Liability for Compensated Absences	-	5,991	1,943	-
Total Liabilities	168,409	438,339	18,284,283	688,798
DEFERRED INFLOW OF RESOURCES	-	-	-	158,200
NET POSITION				
Net Investment in Capital Assets	2,940	207,535	(1,490,614)	18,541
Restricted for:				
Capital Projects	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(93,402)	158,709	(1,625,158)	(617,202)
Total Net Position- Component Units	\$ (90,462)	\$ 366,244	\$ (3,115,772)	\$ (598,661)

Charter Schools

	City of Palms Charter High School, Inc.	Coronado High School	DJB Technical Academy, Inc.	Ft. Myers Preparatory & Fitness Academy, Inc.	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School
\$	563,515	\$ 717,651	\$ 84,775	\$ -	\$ 700,832	\$ 1,575,178	\$ 176,724
	18,280	-	29	-	1,481,404	676,156	402,944
	-	-	12,029	-	5,392	8,444	-
	-	-	-	-	37,468	-	9,110
	46,214	-	9,320	86,782	42,918	13,403	38,918
	10,804	-	-	-	104,915	-	206,737
	(5,618)	-	-	-	(88,498)	-	(183,562)
	-	-	37,509	1,506,461	27,869,053	-	13,338,119
	-	-	(2,932)	(286,520)	(4,188,248)	-	(2,417,534)
	41,230	140,958	9,546	-	1,189,686	430,171	1,266,826
	(8,680)	(140,958)	(677)	-	(1,057,684)	(326,843)	(1,173,032)
	111,717	-	-	-	-	-	-
	(95,184)	-	-	-	-	-	-
	<u>682,278</u>	<u>717,651</u>	<u>149,599</u>	<u>1,306,723</u>	<u>26,097,238</u>	<u>2,376,509</u>	<u>11,665,250</u>
	-	-	40,278	-	546,138	-	182,376
	35,628	175,231	43,727	465,512	58,181	766,446	401,233
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	38,750	-	-	-	-
	-	-	-	-	588,892	-	308,682
	-	-	-	-	10,555	7,485	4,344
	-	-	116,250	-	-	-	-
	-	-	-	-	26,876,633	-	12,997,306
	-	-	-	-	3,519	2,495	1,448
	<u>35,628</u>	<u>175,231</u>	<u>239,005</u>	<u>465,512</u>	<u>28,083,918</u>	<u>776,426</u>	<u>13,895,389</u>
	-	-	-	1,195,040	-	-	-
	54,269	-	43,446	1,219,941	(1,891,602)	103,328	(1,089,922)
	71,263	462,961	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>521,118</u>	<u>79,459</u>	<u>(132,852)</u>	<u>(1,573,770)</u>	<u>(95,078)</u>	<u>1,496,755</u>	<u>(1,140,217)</u>
\$	<u>646,650</u>	<u>\$ 542,420</u>	<u>\$ (89,406)</u>	<u>\$ (353,829)</u>	<u>\$ (1,986,680)</u>	<u>\$ 1,600,083</u>	<u>\$ (2,230,139)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2014**

	Charter Schools		
	Goodwill L.I.F.E. Academy	The Island School, Inc.	North Nicholas High School
ASSETS			
Cash and cash equivalents	\$ 9,583	\$ 451,527	\$ 337,079
Accounts Receivable	-	-	-
Due from Other Agencies	20,000	-	-
Due from Fiduciary Funds	-	-	-
Prepaid Expenses	1,121	800	-
Capital assets:			
Improvements other than Buildings	-	-	-
Less Accumulated Depreciation	-	-	-
Buildings and Fixed Equipment	-	2,945,972	-
Less Accumulated Depreciation	-	(372,764)	-
Furniture, Fixtures and Equipment	-	263,380	140,957
Less Accumulated Depreciation	-	(232,648)	(140,957)
Computer Software	-	-	-
Less Accumulated Amortization	-	-	-
Total Assets	30,704	3,056,267	337,079
LIABILITIES			
Salaries and Wages Payable	17,340	7,938	-
Accounts Payable	11,575	1,303	293,927
Unearned Revenue	-	-	-
Due to Other Agencies	-	-	-
Noncurrent liabilities:			
Portion due within one year:			
Notes Payable	-	7,140	-
Obligations under Capital Lease	-	-	-
Liability for Compensated Absences	-	-	-
Portion due after one year:			
Notes Payable	-	-	-
Obligations under Capital Lease	-	-	-
Liability for Compensated Absences	-	-	-
Total Liabilities	28,915	16,381	293,927
DEFERRED INFLOW OF RESOURCES	-	25,913	-
NET POSITION			
Net Investment in Capital Assets	-	2,603,940	-
Restricted for:			
Capital Projects	-	-	9,588
Other Purposes	-	94,950	-
Unrestricted	1,789	315,083	33,564
Total Net Position- Component Units	\$ 1,789	\$ 3,013,973	\$ 43,152

Charter Schools				
Pivot Charter High School	Six Mile Charter Academy	Total Charter Schools	The Foundation for Lee County Public Schools, Inc.	Total Component Units
\$ 425,161	\$ 330,795	\$ 5,967,622	\$ 1,116,955	\$ 7,084,577
432,268	692,335	4,338,524	64,266	4,402,790
-	470	53,170	-	53,170
-	1,150	47,728	-	47,728
14,133	22,162	486,787	1,645,138	2,131,925
497,027	69,007	1,128,472	-	1,128,472
(65,435)	(27,449)	(566,643)	-	(566,643)
-	17,929,083	81,367,640	-	81,367,640
-	(3,249,647)	(13,730,870)	-	(13,730,870)
561,326	607,324	6,860,290	102,412	6,962,702
(142,978)	(431,378)	(5,585,223)	(69,718)	(5,654,941)
-	-	111,717	-	111,717
-	-	(95,184)	-	(95,184)
<u>1,721,502</u>	<u>15,943,852</u>	<u>80,384,030</u>	<u>2,859,053</u>	<u>83,243,083</u>
15,754	303,196	1,675,314	-	1,675,314
17,274	48,647	3,474,094	23,185	3,497,279
-	1,400	1,400	-	1,400
-	-	364	-	364
-	-	45,890	-	45,890
-	413,644	1,724,852	-	1,724,852
-	21,074	67,260	-	67,260
-	-	116,250	-	116,250
-	17,416,383	74,706,713	-	74,706,713
-	7,025	22,421	-	22,421
<u>33,028</u>	<u>18,211,369</u>	<u>81,834,558</u>	<u>23,185</u>	<u>81,857,743</u>
-	-	1,379,153	-	1,379,153
849,940	(1,404,798)	(773,056)	32,694	(740,362)
-	-	543,812	-	543,812
-	-	94,950	2,615,521	2,710,471
<u>838,534</u>	<u>(862,719)</u>	<u>(2,695,387)</u>	<u>187,653</u>	<u>(2,507,734)</u>
<u>\$ 1,688,474</u>	<u>\$ (2,267,517)</u>	<u>\$ (2,829,681)</u>	<u>\$ 2,835,868</u>	<u>\$ 6,187</u>

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2014

	Charter Schools			
	Bonita Springs Preparatory & Fitness Academy, Inc.	Bonita Springs Charter School	Cape Coral Charter School	Cape Preparatory & Fitness Academy, Inc.
Governmental activities				
Expenses				
Instruction	\$ 1,438,463	\$ 4,176,285	\$ 2,124,826	\$ 940,830
Student Personnel Services	57,606	159,535	138,081	278,911
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Services	-	14,477	17,504	-
Instructional Staff Training Services	-	17,965	11,171	-
Instruction Related Technology	-	96,055	43,981	-
Board	2,143	15,808	16,357	1,938
General Administration	-	-	-	-
School Administration	98,055	544,530	383,743	91,938
Facilities Services	-	-	-	-
Fiscal Services	88,443	1,089,075	4,078	62,030
Food Services	136,532	432,863	259,563	141,112
Central Services	81,337	12,098	9,580	80,219
Student Transportation Services	146,536	784,052	326,993	87,200
Operation of Plant	551,636	2,122,126	931,644	511,744
Maintenance of Plant	25,241	171,997	124,927	15,251
Community Services	-	50,309	47,370	-
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	1,000,182	-
Unallocated Depreciation Expense *	11,765	-	-	1,159
Total Expenses	\$ 2,637,757	\$ 9,687,175	\$ 5,440,000	\$ 2,212,332
Program Revenues				
Charges for Services				
Student Personnel Services	\$ -	\$ -	\$ -	\$ -
Food Services	17,196	118,481	31,237	68,100
Community Services	-	165,281	53,209	-
Total Charges for Services	17,196	283,762	84,446	68,100
Operating Grants and Contributions				
Instruction	-	26,765	1,766	-
Student Personnel Services	-	-	-	210,590
Instruction and Curriculum Development Services	-	16	-	-
Instructional Staff Training Services	-	7,958	6,050	-
Instruction Related Technology	-	35,219	14,598	-
Board	-	-	-	-
School Administration	-	3,344	1,684	-
Food Services	-	298,440	224,481	-
Student Transportation Services	-	-	-	-
Operation of Plant	-	-	-	-
Maintenance of Plant	-	-	-	-
Community Services	-	-	4,805	-
Total Operating Grants and Contributions	-	371,742	253,384	210,590
Capital Grants and Contributions				
Facilities Services	-	-	-	-
Operation of Plant	-	560,604	-	-
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	260,276	-
Total Capital Grants and Contributions	-	560,604	260,276	-
Total Program Revenues	17,196	1,216,108	598,106	278,690
Net Program Revenues	(2,620,561)	(8,471,067)	(4,841,894)	(1,933,642)
General Revenues				
Other Federal Sources not restricted to specific programs	101,002	-	-	66,819
Other State Sources not restricted to specific programs	2,398,907	8,491,662	4,712,247	1,391,822
Other Miscellaneous Sources Not Restricted to Specific Programs	15,485	37,323	137,717	3,473
Unrestricted Investment Earnings	-	-	-	-
Total General Revenues	2,515,394	8,528,985	4,849,964	1,462,114
Changes in Net Position	(105,167)	57,918	8,070	(471,528)
Net Position - July 1, 2013	14,705	308,326	(3,123,842)	(127,133)
Adjustment to Beginning Net Assets	-	-	-	-
Net Assets - July 1, 2013, Restated	14,705	308,326	(3,123,842)	(127,133)
Net Position-June 30, 2014	\$ (90,462)	\$ 366,244	\$ (3,115,772)	\$ (598,661)

* This amount excludes the depreciation that is included in the direct expenses of the various functions.

Charter Schools

City of Palms Charter High School, Inc.	Coronado High School	DJB Technical Academy, Inc.	Ft. Myers Preparatory & Fitness Academy, Inc.	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School
\$ 445,255	\$ 677,851	\$ 313,574	\$ 848,926	\$ 3,529,953	\$ 2,960,998	\$ 2,372,721
165,822	231,625	49,061	56,014	187,906	101,764	151,718
-	-	-	-	1,547	-	938
-	-	-	-	9,138	2,374	5,940
-	-	800	-	24,758	9,873	11,597
-	-	30,625	-	83,438	74,423	55,198
28,217	73,104	127,638	1,506	65,587	25,010	20,105
-	470,570	-	-	-	-	-
668,833	-	211,368	99,710	364,076	292,345	298,326
-	2,932	88,010	-	-	-	-
-	1,204,008	40,549	71,009	1,841,822	1,043,136	85,237
-	3,723	-	235,899	475,349	109	397,600
-	-	-	84,670	14,485	5,417	8,070
27,682	-	53,935	211,973	525,776	522,701	522,897
173,603	380,721	53,144	377,178	1,185,773	410,760	720,762
2,796	-	4,161	25,889	140,552	97,815	119,261
-	-	-	-	92,095	839	780
-	-	-	-	1,627,942	-	760,820
-	-	3,334	143,495	-	-	-
<u>\$ 1,512,208</u>	<u>\$ 3,044,534</u>	<u>\$ 976,199</u>	<u>\$ 2,156,269</u>	<u>\$ 10,170,197</u>	<u>\$ 5,547,564</u>	<u>\$ 5,531,970</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	117,832	77,251	-	81,044
-	-	-	-	163,359	-	-
-	-	-	117,832	240,610	-	81,044
-	55,107	64,790	-	15,071	13,772	10,134
-	-	-	-	-	-	-
-	-	-	-	23	-	32
-	-	800	-	10,264	5,041	5,672
-	-	1,522	-	27,497	26,573	24,678
-	-	3,276	-	-	-	-
-	-	15,298	-	7,582	6,220	2,880
-	-	-	-	468,778	-	340,213
-	-	-	-	-	-	-
-	-	-	-	6,571	-	-
-	-	139	-	-	-	-
-	-	-	-	-	-	-
-	55,107	85,825	-	535,786	51,606	383,609
-	-	-	-	-	-	-
101,509	299,770	-	-	-	488,478	-
-	-	-	-	489,622	-	447,321
101,509	299,770	-	-	489,622	488,478	447,321
101,509	354,877	85,825	117,832	1,266,018	540,084	911,974
<u>(1,410,699)</u>	<u>(2,689,657)</u>	<u>(890,374)</u>	<u>(2,038,437)</u>	<u>(8,904,179)</u>	<u>(5,007,480)</u>	<u>(4,619,996)</u>
-	-	-	106,324	-	-	-
1,741,124	2,946,712	856,961	1,546,342	8,351,250	5,069,910	4,427,698
4,000	-	2,594	8,839	45,948	-	54,993
-	-	-	-	637	-	260
<u>1,745,124</u>	<u>2,946,712</u>	<u>859,555</u>	<u>1,661,505</u>	<u>8,397,835</u>	<u>5,069,910</u>	<u>4,482,951</u>
334,425	257,055	(30,819)	(376,932)	(506,344)	62,430	(137,045)
312,225	285,365	-	23,103	(1,480,336)	1,537,653	(2,093,094)
-	-	(58,587)	-	-	-	-
<u>312,225</u>	<u>285,365</u>	<u>(58,587)</u>	<u>23,103</u>	<u>(1,480,336)</u>	<u>1,537,653</u>	<u>(2,093,094)</u>
<u>\$ 646,650</u>	<u>\$ 542,420</u>	<u>\$ (30,819)</u>	<u>\$ (353,829)</u>	<u>\$ (1,986,680)</u>	<u>\$ 1,600,083</u>	<u>\$ (2,230,139)</u>

(Continued)

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2014

	Charter Schools			
	Goodwill			
	L.I.F.E. Academy	The Island School, Inc.	North Nicholas High School	Pivot Charter High School
Governmental activities				
Expenses				
Instruction	\$ 318,195	\$ 412,039	\$ 607,032	\$ 549,110
Student Personnel Services	-	38,706	212,590	-
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Services	-	3,100	-	-
Instructional Staff Training Services	-	-	-	-
Instruction Related Technology	-	-	-	-
Board	55,747	-	70,510	240
General Administration	-	215,197	466,137	-
School Administration	133,761	-	-	184,813
Facilities Services	48,361	-	3,416	284,130
Fiscal Services	-	18,349	631,397	111,245
Food Services	6,702	-	4,922	-
Central Services	-	-	-	-
Student Transportation Services	135,934	-	-	94,455
Operation of Plant	26,240	126,622	391,146	29,563
Maintenance of Plant	1,000	-	-	1,500
Community Services	-	-	-	1,671
Interest and Fiscal Charges on Long-term Debt	-	-	-	-
Unallocated Depreciation Expense *	-	-	-	114,602
Total Expenses	\$ 725,940	\$ 814,013	\$ 2,387,150	\$ 1,371,329
Program Revenues				
Charges for Services				
Student Personnel Services	\$ -	\$ 17,109	\$ -	\$ -
Food Services	1,619	-	-	-
Community Services	-	-	-	-
Total Charges for Services	1,619	17,109	-	-
Operating Grants and Contributions				
Instruction	-	-	58,555	-
Student Personnel Services	-	21,597	-	-
Instruction and Curriculum Development Services	-	-	-	-
Instructional Staff Training Services	-	-	-	-
Instruction Related Technology	-	-	-	-
Board	-	-	-	-
School Administration	-	-	-	-
Food Services	-	-	-	-
Student Transportation Services	12,570	-	-	-
Operation of Plant	-	-	-	-
Maintenance of Plant	-	-	-	-
Community Services	-	-	-	-
Total Operating Grants and Contributions	12,570	21,597	58,555	-
Capital Grants and Contributions				
Facilities Services	19,975	-	-	156,985
Operation of Plant	-	-	217,586	-
Unallocated Interest and Fiscal Charges on Long-term Debt	-	-	-	-
Total Capital Grants and Contributions	19,975	-	217,586	156,985
Total Program Revenues	34,164	38,706	276,141	156,985
Net Program Revenues	(691,776)	(775,307)	(2,111,009)	(1,214,344)
General Revenues				
Other Federal Sources not restricted to specific programs	-	-	-	-
Other State Sources not restricted to specific programs	414,036	268,959	2,078,759	1,653,663
Other Miscellaneous Sources Not Restricted to Specific Program	262,174	603,487	-	828,569
Unrestricted Investment Earnings	-	7,178	-	-
Total General Revenues	676,210	879,624	2,078,759	2,482,232
Changes in Net Position	(15,566)	104,317	(32,250)	1,267,888
Net Position - July 1, 2013	17,355	2,909,656	75,402	420,586
Adjustment to Beginning Net Assets	-	-	-	-
Net Assets - July 1, 2013, Restated	17,355	2,909,656	75,402	420,586
Net Position-June 30, 2014	\$ 1,789	\$ 3,013,973	\$ 43,152	\$ 1,688,474

Six Mile Charter Academy	Total Charter Schools	The Foundation for Lee County Public Schools, Inc.	Total Component Units
\$ 3,809,381	\$ 25,525,439	\$ -	\$ 25,525,439
149,272	1,978,611	-	1,978,611
-	2,485	-	2,485
30,323	82,856	-	82,856
27,181	103,345	-	103,345
79,209	462,929	-	462,929
19,267	523,177	-	523,177
-	1,151,904	-	1,151,904
418,412	3,789,910	-	3,789,910
-	426,849	-	426,849
1,604,413	7,894,791	-	7,894,791
332,184	2,426,558	-	2,426,558
19,628	315,504	-	315,504
653,377	4,093,511	-	4,093,511
983,253	8,975,915	-	8,975,915
133,532	863,922	-	863,922
78,817	271,881	2,408,293	2,680,174
1,026,171	4,415,115	-	4,415,115
-	274,355	-	274,355
<u>\$ 9,364,420</u>	<u>\$ 63,579,057</u>	<u>\$ 2,408,293</u>	<u>\$ 65,987,350</u>
\$ -	\$ 17,109	\$ -	\$ 17,109
53,420	566,180	-	566,180
274,818	656,667	-	656,667
328,238	1,239,956	-	1,239,956
15,591	261,551	-	261,551
-	232,187	-	232,187
235	306	-	306
12,184	47,969	-	47,969
27,523	157,610	-	157,610
-	3,276	-	3,276
-	37,008	-	37,008
310,254	1,642,166	-	1,642,166
-	12,570	-	12,570
-	6,571	-	6,571
-	139	-	139
-	4,805	2,563,828	2,568,633
365,787	2,406,158	2,563,828	4,969,986
-	176,960	-	176,960
-	1,667,947	-	1,667,947
519,299	1,716,518	-	1,716,518
519,299	3,561,425	-	3,561,425
1,213,324	7,207,539	2,563,828	9,771,367
<u>(8,151,096)</u>	<u>(56,371,518)</u>	<u>155,535</u>	<u>(56,215,983)</u>
-	274,145	-	274,145
7,976,959	54,327,011	-	54,327,011
33,229	2,037,831	-	2,037,831
-	8,075	1,705	9,780
8,010,188	56,647,062	1,705	56,648,767
(140,908)	275,544	157,240	432,784
(2,126,609)	(3,046,638)	2,678,628	(368,010)
-	(58,587)	-	(58,587)
<u>(2,126,609)</u>	<u>(3,105,225)</u>	<u>2,678,628</u>	<u>(426,597)</u>
<u>\$ (2,267,517)</u>	<u>\$ (2,829,681)</u>	<u>\$ 2,835,868</u>	<u>\$ 6,187</u>

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STATISTICAL SECTION

This part of the School District of Lee 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 School District's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

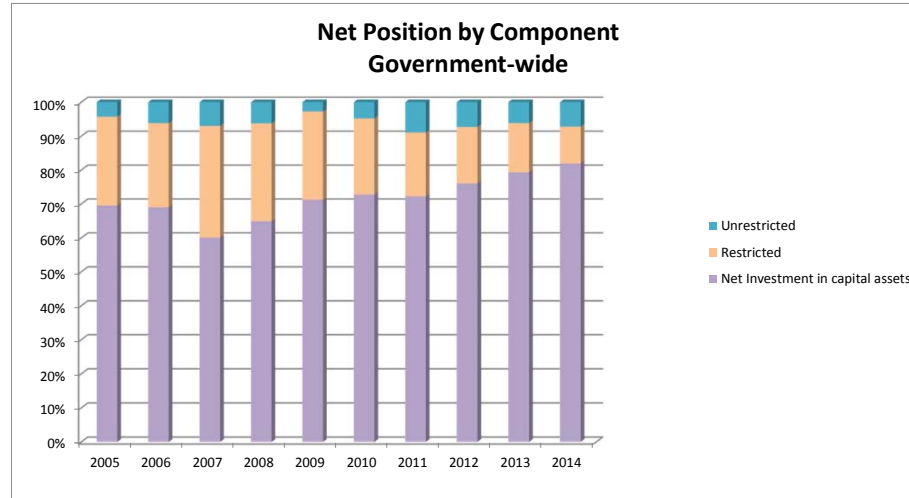
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**THE SCHOOL DISTRICT OF LEE COUNTY
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)**

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Primary Government:										
Net Investment in capital assets	\$ 477,062,455	\$ 571,920,963	\$ 647,961,848	\$ 802,535,660	\$ 889,658,611	\$ 903,539,567	\$ 896,693,252	\$ 903,860,005	\$ 887,783,551	\$ 892,757,501
Restricted	179,684,870	205,860,866	354,926,564	357,035,293	325,524,131	278,364,305	233,649,374	197,520,171	162,026,667	118,642,826
Unrestricted	29,609,049	51,326,732	75,881,940	77,204,138	34,495,460	59,858,412	110,911,102	86,954,265	69,149,197	78,560,813
Total Primary Government net position	\$ 686,356,374	\$ 829,108,561	\$ 1,078,770,352	\$ 1,236,775,091	\$ 1,249,678,202	\$ 1,241,762,284	\$ 1,241,253,728	\$ 1,188,334,441	\$ 1,118,959,415	\$ 1,089,961,140

Source: District Records

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THE SCHOOL DISTRICT OF LEE COUNTY
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Expenses										
Primary Government Activities										
Instruction	\$ 293,672,876	\$ 325,920,739	\$ 381,883,870	\$ 415,766,690	\$ 425,450,532	\$ 417,050,879	\$ 433,180,316	\$ 417,291,563	\$ 441,261,156	\$ 452,139,428
Student Personnel Services	22,894,724	23,553,147	25,863,197	28,665,777	27,907,162	26,709,653	27,024,831	26,014,869	27,552,396	27,234,115
Instructional Media Services	7,421,619	6,455,204	6,872,270	7,306,522	6,438,815	6,827,097	4,318,165	5,077,074	4,284,720	4,101,178
Instruction and Curriculum Development Services	15,097,751	15,186,450	18,749,869	16,110,826	15,031,956	13,444,598	12,894,502	11,750,555	11,989,193	15,671,169
Instructional Staff Training Services	6,864,314	8,732,316	7,597,640	11,870,616	9,933,041	11,214,029	11,204,173	10,421,863	11,579,277	10,992,855
Instruction Related Technology	-	3,593,376	3,913,016	4,451,217	4,679,712	4,619,892	4,658,335	5,687,487	6,217,478	6,635,241
Board	684,010	757,351	865,352	939,760	902,082	790,180	787,388	831,526	790,767	895,721
General Administration	4,471,999	4,163,236	4,547,581	4,725,583	3,918,822	4,216,080	4,763,156	4,836,325	4,946,220	5,266,987
School Administration	32,829,271	34,964,147	39,619,562	42,946,103	43,869,820	41,351,915	42,405,924	40,490,378	42,187,249	43,152,176
Facilities Services	38,276,578	41,874,153	75,106,103	77,705,092	81,289,058	106,859,204	90,701,253	96,214,772	109,543,317	104,076,826
Fiscal Services	2,913,495	3,239,333	3,924,042	3,771,067	3,803,339	3,741,286	3,580,452	3,179,971	3,435,563	3,375,399
Food Services	25,328,599	27,827,908	30,743,683	30,718,899	28,478,537	27,578,058	29,423,128	31,281,911	33,937,724	37,849,286
Central Services	11,591,711	7,520,547	8,069,623	10,198,141	8,371,211	9,077,173	8,087,084	8,466,790	8,017,845	8,215,908
Student Transportation Services	36,570,000	42,699,046	45,328,068	51,400,897	47,032,022	46,101,766	47,477,640	47,107,688	49,342,732	51,962,891
Operation of Plant	51,262,690	51,606,094	66,065,161	69,654,630	66,649,955	64,865,149	63,872,675	63,592,099	65,138,670	63,425,409
Maintenance of Plant	16,953,377	15,421,087	15,329,782	16,736,525	15,777,536	15,418,759	14,989,305	14,223,106	14,556,120	14,992,123
Administrative Technology Services	-	3,548,397	3,747,997	4,067,658	4,768,118	4,751,386	5,378,856	5,410,542	5,443,779	5,951,380
Community Services	5,859,463	7,175,904	7,603,677	7,120,486	5,939,533	4,249,023	4,139,953	4,098,516	3,982,902	4,177,873
Unallocated Interest and Fiscal Charges on Long-term Debt	22,821,849	24,545,582	27,053,512	26,334,501	25,284,293	23,191,205	21,910,292	20,057,378	18,583,298	14,923,957
Unallocated Depreciation Expense	12,582,801	13,915,710	79,880	-	-	-	-	-	-	-
Total Primary Government Expenses	<u>\$ 608,097,127</u>	<u>\$ 662,699,727</u>	<u>\$ 772,963,885</u>	<u>\$ 830,490,990</u>	<u>\$ 825,525,544</u>	<u>\$ 830,057,332</u>	<u>\$ 830,797,428</u>	<u>\$ 816,034,413</u>	<u>\$ 862,790,406</u>	<u>\$ 875,039,922</u>
Program Revenues										
Primary Government Activities										
Charges for Services										
Student Fees	\$ 6,957,739	\$ 8,317,797	\$ 8,876,779	\$ 9,086,860	\$ 7,995,165	\$ 7,419,332	\$ 8,229,276	\$ 7,999,884	\$ 8,734,131	\$ 9,041,924
Food Service	9,315,873	10,501,769	11,304,422	10,998,127	8,786,416	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981
Bus Trips	703,561	677,493	689,674	568,513	452,847	511,233	446,533	432,515	463,553	614,533
Operating Grants & Contributions	32,254,708	32,261,688	36,121,186	39,718,603	40,955,538	24,381,950	26,990,829	28,624,862	29,944,986	31,100,325
Capital Grants & Contributions	11,796,757	15,324,949	96,832,779	66,398,496	18,544,595	7,283,648	9,461,466	7,425,368	7,434,727	5,476,977
Total Primary Government Program Revenues	<u>\$ 61,028,638</u>	<u>\$ 67,083,696</u>	<u>\$ 153,824,840</u>	<u>\$ 126,770,599</u>	<u>\$ 76,644,561</u>	<u>\$ 47,035,417</u>	<u>\$ 51,907,186</u>	<u>\$ 51,158,392</u>	<u>\$ 53,053,251</u>	<u>\$ 52,591,740</u>
Net Expense										
Total Primary Government Net Expense	<u>\$ (547,068,489)</u>	<u>\$ (595,616,031)</u>	<u>\$ (619,139,045)</u>	<u>\$ (703,720,391)</u>	<u>\$ (748,880,983)</u>	<u>\$ (783,021,915)</u>	<u>\$ (778,890,242)</u>	<u>\$ (764,876,021)</u>	<u>\$ (809,737,155)</u>	<u>\$ (822,448,182)</u>
General Revenues and Other Changes in Net Assets										
Primary Government Activities										
Property Taxes:										
Levied for Operational Purposes	\$ 295,318,760	\$ 364,324,060	\$ 435,984,501	\$ 467,802,060	\$ 436,127,971	\$ 395,734,805	\$ 383,037,327	\$ 348,605,113	\$ 334,067,478	\$ 349,879,204
Levied for Capital Projects	96,817,831	123,590,249	172,756,021	185,018,539	149,125,429	99,477,337	70,064,384	82,284,982	82,363,776	86,208,685
Florida Education Finance Program	65,473,086	38,161,114	31,362,109	16,024,448	17,817,292	55,848,837	80,355,668	89,072,529	130,152,064	156,318,022
Other Federal Sources	46,403,656	51,226,095	51,243,486	49,627,333	50,670,296	92,253,295	117,412,700	65,032,017	63,855,649	71,540,533
Other State Sources	58,687,273	76,511,242	100,540,492	118,906,905	118,863,779	110,419,837	115,357,177	116,012,704	117,511,539	120,560,479
Other Miscellaneous Sources	60,162,359	65,140,507	49,112,891	7,751,265	9,386,766	15,859,537	8,762,613	8,832,209	9,616,539	7,784,746
Unrestricted Investment Earnings	10,628,240	20,213,157	27,801,337	16,594,580	(1,329,696)	5,512,349	3,391,817	2,117,178	2,795,084	1,158,238
Total Primary Government	<u>\$ 633,491,205</u>	<u>\$ 739,166,424</u>	<u>\$ 868,800,837</u>	<u>\$ 861,725,130</u>	<u>\$ 780,661,837</u>	<u>\$ 775,105,997</u>	<u>\$ 778,381,686</u>	<u>\$ 711,956,732</u>	<u>\$ 740,362,129</u>	<u>\$ 793,449,907</u>
Changes in Net Position										
Total Primary Government	<u>\$ 86,422,716</u>	<u>\$ 143,550,393</u>	<u>\$ 249,661,792</u>	<u>\$ 158,004,739</u>	<u>\$ 31,780,854</u>	<u>\$ (7,915,918)</u>	<u>\$ (508,556)</u>	<u>\$ (52,919,289)</u>	<u>\$ (69,375,026)</u>	<u>\$ (28,998,275)</u>

Source: District Records

Table 3

THE SCHOOL DISTRICT OF LEE COUNTY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	Post-GASB 54	Post-GASB 54	Post-GASB 54	Post-GASB 54		
	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>		
General Fund						
Nonspendable	\$ 1,689,456	\$ 2,187,723	\$ 2,256,156	\$ 2,349,033		
Restricted	6,379,538	14,139,594	11,662,553	12,775,113		
Assigned	69,938,055	11,022,864	17,117,748	1,553,091		
Unassigned	<u>87,579,373</u>	<u>116,160,720</u>	<u>93,861,720</u>	<u>111,046,656</u>		
Total General Fund	<u>\$ 165,586,422</u>	<u>\$ 143,510,901</u>	<u>\$ 124,898,177</u>	<u>\$ 127,723,893</u>		
All Other Governmental Funds						
Nonspendable	\$ 274,957	\$ 344,491	\$ 314,978	\$ 306,965		
Restricted	259,742,244	190,494,828	149,993,931	105,260,748		
Assigned	<u>2,067,004</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Total All Other Governmental Funds	<u>\$ 262,084,205</u>	<u>\$ 190,839,319</u>	<u>\$ 150,308,909</u>	<u>\$ 105,567,713</u>		
	Pre-GASB 54					
	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
General Fund						
Reserved	\$ 20,724,388	\$ 18,740,247	\$ 21,222,681	\$ 31,899,552	\$ 20,908,431	\$ 20,137,618
Unreserved	<u>51,650,203</u>	<u>76,247,129</u>	<u>94,778,869</u>	<u>90,266,253</u>	<u>89,167,603</u>	<u>113,530,351</u>
Total General Fund	<u>\$ 72,374,591</u>	<u>\$ 94,987,376</u>	<u>\$ 116,001,550</u>	<u>\$ 122,165,805</u>	<u>\$ 110,076,034</u>	<u>\$ 133,667,969</u>
All Other Governmental Funds						
Reserved	\$ 96,531,606	\$ 161,847,818	\$ 85,490,784	\$ 54,516,378	\$ 46,280,105	\$ 11,456,547
Unreserved, reported in:						
Special Revenue Funds	5,878,751	3,583,549	2,296,648	3,144,941	5,385,865	10,427,742
Capital Projects Funds	<u>223,163,264</u>	<u>185,290,413</u>	<u>249,575,746</u>	<u>284,647,817</u>	<u>262,856,930</u>	<u>247,955,414</u>
Total All Other Governmental Funds	<u>\$ 325,573,621</u>	<u>\$ 350,721,780</u>	<u>\$ 337,363,178</u>	<u>\$ 342,309,136</u>	<u>\$ 314,522,900</u>	<u>\$ 269,839,703</u>

Source: District Records

THE SCHOOL DISTRICT OF LEE COUNTY
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 574,126	\$ 668,825	\$ 844,945	\$ 776,072	\$ 912,913	\$ 979,958	\$ 1,089,726	\$ 1,260,711	\$ 1,436,160	\$ 1,487,186
Impact Aid	12,109	70,334	11,298	9,444	4,925	2,355	20,234	20,178	35,179	33,670
Pell Grants	-	-	-	-	-	-	-	-	-	2,087,527
Miscellaneous Federal Direct	7,022,559	6,689,249	5,826,108	6,886,362	6,910,777	8,974,884	9,946,147	9,821,818	11,552,855	15,205,945
Total Federal Direct	7,608,794	7,428,408	6,682,351	7,671,878	7,828,615	9,957,197	11,056,107	11,102,707	13,024,194	18,814,328
Federal Through State Sources:										
Medicaid	-	1,052,361	1,725,959	1,099,769	1,313,278	2,420,605	2,057,558	2,196,690	2,078,730	2,771,182
Food Service	14,773,056	14,170,041	16,371,623	18,854,635	20,430,332	23,858,206	26,464,668	27,986,673	29,379,199	30,251,849
Donated Foods and Cash in Lieu of	-	-	-	-	-	-	-	-	-	278,967
Other Federal Through State Grants	38,747,148	42,745,326	42,835,175	40,855,686	41,528,403	79,887,323	104,305,269	51,800,689	48,752,725	49,955,023
Total Federal Through State Sources	53,520,204	57,967,728	60,932,757	60,810,090	63,272,013	106,166,134	132,827,495	81,984,052	80,210,654	83,257,021
State Sources:										
Florida Education Finance Program (FEFP)	76,199,675	49,123,084	42,769,721	16,024,448	17,817,291	65,517,716	80,355,668	89,072,529	130,152,064	156,318,022
Workforce Development Program	-	-	-	11,122,931	10,531,771	-	9,473,074	10,159,251	10,064,375	9,890,385
Categorical Education Programs	56,354,762	75,703,562	100,898,152	119,464,388	36,533,686	5,911,240	-	-	-	-
Discretionary Lottery Funds	3,908,953	3,646,788	3,173,946	3,910,457	1,984,085	227,084	312,199	275,950	-	876,119
CO & DS Distributed to Districts	563,131	749,074	873,572	936,036	929,162	916,066	965,172	1,032,414	1,108,525	1,141,731
Interest on Undistributed CO & DS	36,273	41,026	79,789	77,087	32,368	35,937	37,441	35,202	32,007	16,436
CO & DS withheld for SBE/COBI Bonds	2,392,947	2,396,075	2,342,805	2,348,095	2,323,540	2,336,563	2,253,026	2,251,424	2,284,729	2,288,003
State License Tax	527,359	533,549	504,472	497,288	491,382	496,031	500,399	472,464	486,672	487,284
Food Services	411,087	436,038	432,956	447,046	478,189	511,914	528,273	582,536	565,787	569,509
SBE/COBI Bond Interest	5,258	19,590	17,735	20,385	678	1,333	326	(256)	9,760	97
Racing Commission Funds	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Public Education Capital Outlay	4,691,102	8,010,480	19,614,456	21,475,040	8,973,242	1,088,067	3,152,602	-	-	-
Class Size Reduction Program	3,876,785	3,885,454	73,681,172	35,776,033	85,279,249	88,741,650	92,645,707	94,203,723	96,629,891	97,026,663
Charter School Capital Outlay	1,227,211	1,290,088	2,974,782	3,351,654	4,732,956	4,891,005	4,540,302	4,167,303	3,554,080	5,551,748
State Grants and Other State Sources	656,397	2,030,894	898,136	977,110	854,470	483,948	7,926,158	6,771,605	6,776,521	6,728,280
Total State Sources	151,074,190	148,088,952	248,484,944	216,651,248	171,185,319	171,381,804	202,913,597	209,247,395	251,887,661	281,117,527
Taxes and Miscellaneous Sources:										
Ad Valorem Taxes	390,394,480	486,575,782	606,161,475	644,663,900	585,253,400	495,212,142	453,101,711	430,890,095	416,431,254	436,087,889
Rent	650,417	391,540	367,553	448,144	507,120	719,824	670,210	611,901	543,515	519,193
Child Care and Adult Course Fees	6,957,739	8,317,797	8,876,778	9,086,860	7,905,165	7,419,332	8,229,276	7,999,884	8,734,131	9,041,924
Food Service Sales	9,315,873	10,501,769	11,304,422	10,998,127	8,786,415	7,439,254	6,779,082	6,675,763	6,475,854	6,357,981
Interest Income	10,254,366	19,285,614	26,907,286	15,129,178	(1,829,571)	5,417,498	3,299,367	2,009,650	2,687,846	1,075,646
Gifts, Grants and Bequests	102,356	185,326	393,628	467,990	456,611	1,481,048	367,002	530,916	566,264	890,387
Impact Fees	37,996,060	56,667,317	33,188,509	5,542,570	2,565,553	4,682,432	2,780,641	3,833,326	3,776,456	1,807,460
Local Grants and Other Local Sources	10,834,658	6,663,748	5,761,414	8,221,756	7,664,193	13,044,107	7,447,942	7,574,976	8,506,497	6,474,001
Total Taxes and Miscellaneous Sources	466,505,949	588,588,893	692,961,065	694,558,525	611,308,886	535,415,637	482,675,231	460,126,511	447,721,817	462,254,481
Total Revenues	678,709,137	802,073,981	1,009,061,117	979,691,741	853,594,833	822,920,772	829,472,430	762,460,665	792,844,326	845,443,357

Expenditures

Instruction	289,282,020	322,291,632	381,370,770	409,764,188	417,694,474	414,895,169	436,605,401	418,281,865	438,716,531	455,149,280
Student Personnel Services	22,730,938	23,479,190	26,156,154	28,287,538	27,370,767	26,407,874	27,247,673	25,036,041	25,876,049	27,269,545
Instructional Media Services	7,409,275	6,375,896	6,935,178	7,230,806	6,279,903	4,684,420	4,287,385	5,073,542	4,293,740	4,076,432
Instruction & Curriculum Development Services	14,737,999	15,017,594	18,574,977	16,291,484	14,716,327	13,218,730	13,173,766	11,693,445	12,042,091	15,812,284
Instructional Staff Training Services	6,347,554	8,552,490	7,351,042	11,389,286	9,722,620	11,235,522	11,311,146	10,415,053	11,633,055	11,075,716
Instruction Related Technology	-	3,565,431	3,895,081	4,333,682	4,557,907	4,547,890	4,663,130	5,694,277	6,181,095	6,634,614
Board	680,046	736,654	888,663	945,379	879,726	781,919	793,839	832,635	859,492	899,374
General Administration	4,548,490	4,094,353	4,525,851	4,702,827	4,009,500	4,233,091	4,869,615	4,846,909	4,954,413	5,303,008
School Administration	32,558,185	34,910,408	39,277,753	42,485,096	43,017,294	41,321,862	42,700,204	40,590,505	41,995,343	43,276,063
Facilities Services	27,784,748	1,787,259	5,717,109	4,813,660	7,853,475	8,817,426	43,208,252	47,008,796	58,086,153	56,932,333
Fiscal Services	2,869,438	3,176,344	3,881,913	3,804,122	3,695,355	3,776,784	3,662,302	3,291,652	3,384,349	3,377,986
Food Service	24,620,487	27,036,052	30,150,633	29,819,922	27,258,408	26,979,027	29,239,256	31,095,080	33,419,140	37,477,013
Central Services	11,407,026	7,319,497	7,794,367	8,615,915	8,077,238	8,978,113	8,072,928	8,353,079	7,876,731	8,217,089
Student Transportation Services	34,963,032	41,099,415	44,478,650	49,678,515	45,234,651	44,890,196	47,435,530	47,114,585	48,546,573	51,612,381
Operation of Plant	52,132,987	47,669,147	65,724,126	68,526,588	65,270,390	64,305,699	64,057,630	63,523,851	64,779,091	63,491,054
Maintenance of Plant	16,582,061	15,301,821	15,084,733	16,286,982	15,104,396	15,192,197	14,998,770	14,260,930	14,340,708	15,017,778
Administrative Technology Services	-	3,469,726	3,717,669	3,899,495	4,476,119	4,623,126	5,294,441	5,318,278	5,400,395	5,966,705
Community Services	5,826,939	7,130,498	7,535,488	7,048,162	5,875,016	4,186,572	4,080,235	4,039,122	3,924,482	4,126,238
Capital Outlay										
Facilities Acquisition & Construction	223,642,359	220,832,552	277,280,326	195,721,540	133,685,326	87,643,545	4,534,128	57,570,549	12,354,082	20,295,567
Other Capital Outlay	6,692,519	7,184,287	5,188,432	5,195,361	4,125,633	3,302,752	12,034,365	8,394,998	13,097,011	8,594,674
Debt Service										
Principal	20,090,000	24,440,000	23,075,000	24,291,083	85,622,580	26,944,446	28,046,604	22,778,439	23,640,078	25,656,399
Interest and Fiscal Charges	23,009,991	24,867,240	27,248,784	26,310,451	25,501,216	23,406,338	22,549,742	20,467,619	19,167,501	17,756,347
Total Expenditures	827,916,094	850,337,486	1,005,852,699	969,442,082	960,028,321	844,372,698	832,866,342	855,681,250	854,568,103	888,017,880
Excess of Revenues										
Over (under) Expenditures	(149,206,957)	(48,263,505)	3,208,418	10,249,659	(106,433,488)	(21,451,926)	(3,393,912)	(93,220,585)	(61,723,777)	(42,574,523)
Other Financing Sources (Uses)										
Bonds Issued	1,805,000	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	14,360,000	-	-	-	1,285,000	310,000	795,000	-	998,000
Premium on Refunding Bonds	-	1,397,799	-	-	-	1,926,424	50,206	122,041	-	161,543
Premium on Sale of Bonds	2,290	-	-	-	-	-	-	-	-	-
Issuance of Loans	-	-	3,451,257	-	6,306,547	-	-	-	1,447,460	-
Certificates of Participation Issued	107,995,000	94,790,000	-	21,215,000	60,000,000	26,950,000	50,307,000	165,255,000	-	25,287,000
Premium on Certificates of Participation	2,687,060	1,156,875	-	-	-	-	-	14,774,075	-	-
Loss Recoveries	7,258,762	821,753	895,542	351,198	250,934	330,126	454,093	747,891	188,710	572,687
Sale of Capital Assets	32,000	-	100,355	430,380	-	-	-	-	944,473	-
Transfer In	59,484,414	58,029,450	58,690,081	64,038,245	72,505,380	75,685,066	93,557,964	71,440,656	65,531,189	70,288,506
Payments to Refunded COPS/Bond Escrow Agent	-	(15,703,771)	-	(21,136,024)	-	(30,130,886)	(23,564,432)	(181,793,829)	-	(26,360,187)
Transfer Out	(58,945,507)	(58,029,450)	(58,690,081)	(64,038,245)	(72,505,380)	(75,685,066)	(93,557,964)	(71,440,656)	(65,531,189)	(70,288,506)
Total Other Financing Sources (Uses)	120,319,019	96,822,656	4,447,154	860,554	66,557,481	360,664	27,556,867	(99,822)	2,580,643	659,043
Net Change in Fund Balances	\$ (28,887,938)	\$ 48,559,151	\$ 7,655,572	\$ 11,110,213	\$ (39,876,007)	\$ (21,091,262)	\$ 24,162,955	\$ (93,320,407)	\$ (59,143,134)	\$ (41,915,480)
Debt Service as a percentage of noncapital expenditures	7.2%	7.6%	6.6%	6.3%	13.0%	6.2%	6.2%	5.5%	5.2%	5.0%

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST 10 FISCAL YEARS
 (UNAUDITED)
 (amounts expressed in thousands)**

Fiscal Year	Real Property			Personal Property	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a percentage of Actual Value ¹
	Residential	Commercial	Other						
2005	40,146,873	6,101,600	758,194	3,248,635	13,644,616	36,610,686	8.07	64,109,276	78.39%
2006	51,598,837	7,988,437	1,021,789	3,455,695	18,280,190	45,784,568	7.88	82,578,117	77.58%
2007	73,753,174	11,065,933	990,847	3,850,680	28,459,057	61,201,577	7.01	118,369,446	75.75%
2008	78,264,100	12,649,523	1,212,764	4,122,676	28,724,259	67,524,804	6.96	125,483,375	76.70%
2009	66,592,240	12,757,889	1,250,737	3,927,562	25,496,141	59,032,287	6.87	110,753,036	76.32%
2010	50,045,073	10,106,431	750,756	4,022,513	16,818,192	48,106,581	7.51	82,498,303	78.70%
2011	42,678,718	8,659,204	545,540	3,844,518	13,841,212	41,886,768	8.02	70,351,061	79.21%
2012	41,682,602	7,543,635	588,772	3,450,443	14,089,660	39,175,792	7.85	68,116,399	78.20%
2013	41,893,822	7,314,284	545,034	3,147,143	14,947,716	37,952,567	7.58	68,644,339	77.06%
2014	43,666,928	7,270,867	534,598	3,147,804	17,060,361	37,559,836	7.60	72,497,286	75.34%

Source: Lee County Tax Collector

¹ Includes tax-exempt property

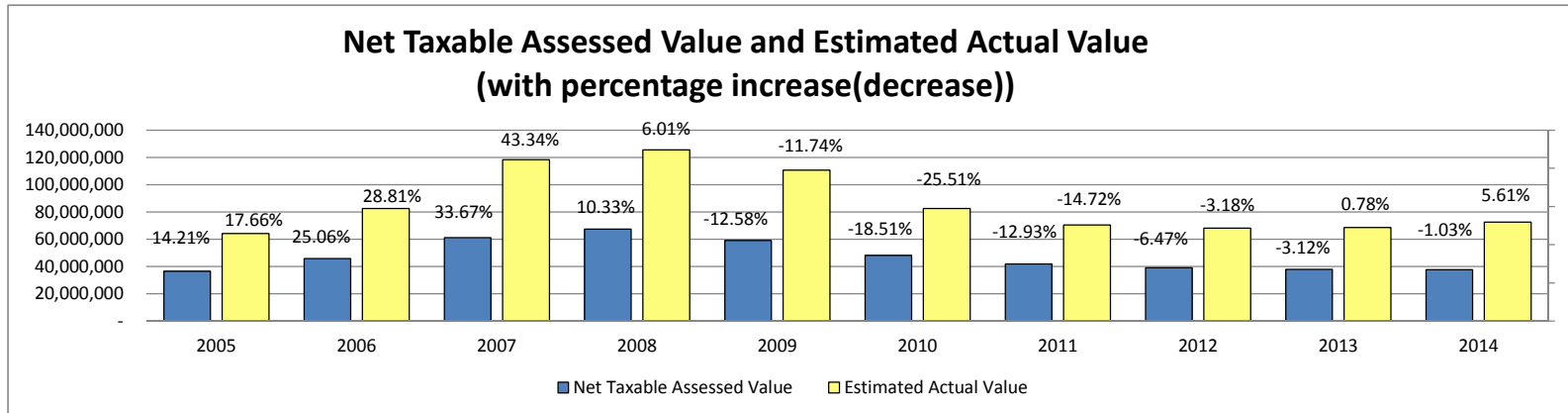


Table 6

**THE SCHOOL DISTRICT OF LEE COUNTY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST 10 FISCAL YEARS
(UNAUDITED)
(PER \$ 1,000 Assessed Valuation)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Lee County										
General Revenue	4.334	4.007	3.595	3.720	3.720	3.720	3.720	3.720	3.720	4.220
Capital Improvements	1.012	1.012	0.954	0.500	0.500	0.500	0.500	0.000	0.000	0.000
Total Lee County Millage	5.346	5.019	4.549	4.220	4.220	4.220	4.220	3.720	3.720	4.220
School District	8.065	7.882	7.012	6.960	6.868	7.508	8.015	7.854	7.584	7.598
Municipalities										
Cape Coral	5.760	5.391	4.941	4.833	4.833	7.970	7.970	7.957	7.957	7.707
Sanibel	2.790	2.802	2.898	2.578	2.611	2.615	2.591	2.526	2.557	2.531
Fort Myers	7.210	7.210	6.800	6.256	7.163	7.400	8.400	8.400	8.776	8.776
Fort Myers Beach	0.850	0.750	0.610	0.605	0.709	0.819	0.914	0.814	0.769	0.753
Bonita Springs	0.998	0.998	0.792	0.724	0.827	0.827	0.827	0.827	0.817	0.817
Total Municipalities Millage	17.608	17.151	16.041	14.996	16.143	19.631	20.702	20.524	20.876	20.584
Lee County Special Districts										
Lee County Hyacinth Control	0.030	0.030	0.022	0.021	0.021	0.028	0.310	0.310	0.030	0.029
Lee County Mosquito Control	0.272	0.225	0.170	0.164	0.164	0.213	0.239	0.239	0.230	0.252
South Fl. Water Management Dist.	0.697	0.697	0.697	0.624	0.624	0.624	0.624	0.436	0.429	0.411
West Coast Inland Waterway	0.040	0.040	0.040	0.039	0.039	0.039	0.039	0.039	0.039	0.039
MSTU (Unincorporated)	1.211	1.003	0.930	0.840	0.840	0.840	0.840	0.840	0.840	0.840
Lee County Library	0.947	1.077	1.300	1.241	1.179	1.258	1.312	1.229	1.229	1.428
Total Special Districts Millage	3.197	3.072	3.159	2.929	2.867	3.002	3.364	3.093	2.797	2.999
Other Special Districts ¹	.001-6.000	.001-6.000	.027-6.000	.025-3.000	.025-3.000	.015-3.500	.041-4.000	.010-4.000	.066-4.700	.0076-4.500
Total Direct and Overlapping Rates ²	34.216	33.124	30.761	29.105	30.098	34.361	36.301	35.191	34.977	35.401

¹ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

² Does not include Other Special Districts since reported as a range. Overlapping rates are those of Lee County that apply to property owners within Lee County. Not all overlapping rates apply to all Lee County property owners (e.g. special assessments only apply to the property owners located in that district).

Source: Lee County Property Appraiser

**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
FI Power & Light	\$ 866,339,393	1	1.586%	\$ 803,463,340	1	1.598%
Lee County Electric Coop	390,728,499	2	0.715%	216,609,660	3	0.431%
Christian & Missionary Alliance, Inc.	187,878,622	3	0.344%	87,683,080	4	0.174%
Embarq Florida, Inc	165,510,434	4	0.303%	411,215,460	2	0.818%
Coconut Point Developers, LLC	160,408,842	5	0.294%			
Miromar Outlet West LLC	112,129,375	6	0.205%	49,995,970	9	0.099%
Gulf Coast Town Center CMBS	92,892,062	7	0.170%			
Edison Mall Business Trust	76,961,298	8	0.141%	86,898,820	5	0.173%
Federal National Mortgage	71,522,748	9	0.131%			
Bell Tower Shops LLC	53,659,898	10	0.098%			
Long Bay Partners LLC				55,963,450	6	0.111%
AT & T Communications				80,230,730	7	0.160%
Centex Homes				50,390,840	8	0.100%
Comcast				46,845,800	10	0.093%
	<u>\$ 2,178,031,171</u>		<u>3.987%</u>	<u>\$ 1,889,297,150</u>		<u>3.757%</u>

Source: Lee County Property Appraiser

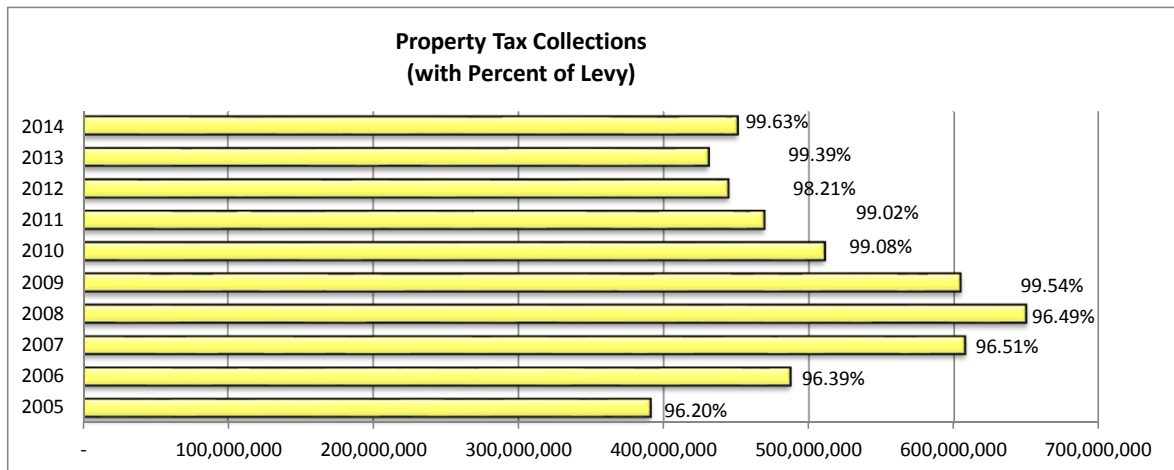
Table 8

**THE SCHOOL DISTRICT OF LEE COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	405,400,523	389,510,642	96.08%	483,299	389,993,941	96.20%
2006	504,308,781	485,410,803	96.25%	667,810	486,078,613	96.39%
2007	628,825,980	605,730,088	96.33%	1,128,598	606,858,686	96.51%
2008	673,008,222	644,484,413	95.76%	4,870,826	649,355,239	96.49%
2009	606,574,530	599,212,175	98.79%	4,571,469	603,783,644	99.54%
2010	514,468,676	506,573,323	98.47%	3,180,559	509,753,882	99.08%
2011	472,729,944	465,862,569	98.55%	2,212,172	468,074,741	99.02%
2012	451,523,332	442,322,541	97.96%	1,104,774	443,427,315	98.21%
2013	432,674,296	429,593,960	99.29%	453,592	430,047,552	99.39%
2014	451,539,308	449,874,457	99.63%	-	449,874,457	99.63%

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

Source: Lee County Tax Collector



**THE SCHOOL DISTRICT OF LEE COUNTY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS
(UNAUDITED)**

Other Governmental Activities Debt								
Fiscal Year	State Board of Education Bonds ¹	Certificates of Participation ¹	Section 1013.23 Loans	Total Primary Government	Percentage of Net Taxable Assessed Value of Property ²	Percentage of Personal Income ³	Per Capita ³	
2005	\$ 23,642,044	\$ 527,066,293	\$ 3,000,000	\$ 553,708,337	1.51%	3.24%	1,030.77	
2006	22,350,494	602,610,421	-	624,960,915	1.37%	3.43%	1,089.00	
2007	21,006,615	580,514,651	3,568,840	605,090,106	0.99%	2.53%	982.29	
2008	19,602,736	557,931,791	3,343,042	580,877,569	0.86%	2.27%	919.50	
2009	18,158,856	533,914,940	9,337,009	561,410,805	0.95%	2.28%	912.68	
2010	16,635,256	508,946,484	8,567,563	534,149,303	1.11%	2.32%	857.52	
2011	15,063,679	509,959,310	7,766,959	532,789,948	1.27%	2.20%	852.04	
2012	13,424,854	488,321,129	6,908,520	508,654,503	1.30%	1.99%	805.69	
2013	11,714,048	466,668,088	7,445,903	485,828,039	1.28%	1.79%	752.88	
2014	9,793,078	441,584,903	6,335,504	457,713,485	1.22%	1.64%	692.34	

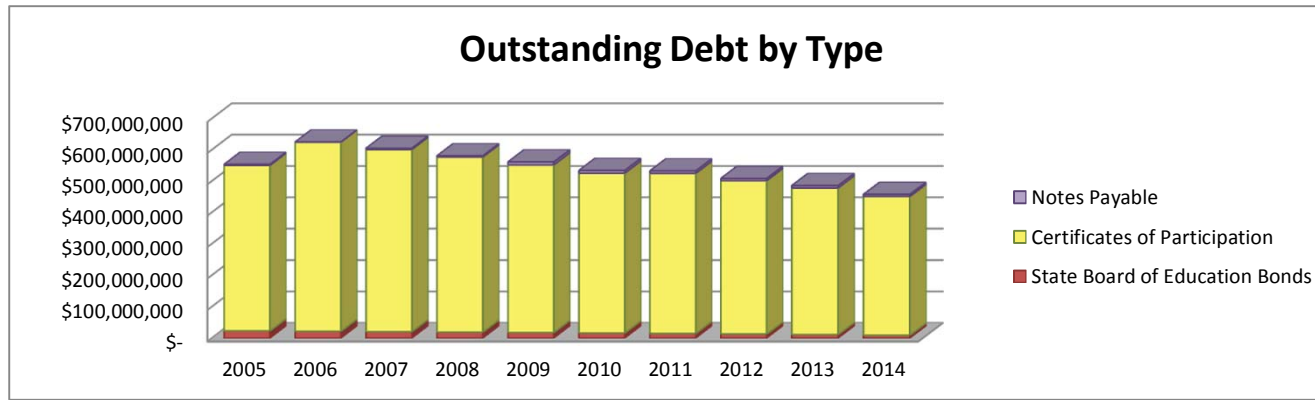
Note: Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

¹ The district refinanced \$1.1 million of State Board of Education Bonds and \$24.8 million of Certificates of Participation during 2014.

² See Table 5 for property value data.

³ Population and personal income data can be found in Table 13.

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$ 3,661,068,600	\$ 4,578,456,800	\$ 6,120,157,700	\$ 6,752,480,400	\$ 5,903,228,700	\$ 4,810,658,100	\$ 4,188,676,800	\$ 3,917,579,200	\$ 3,795,256,700	\$ 3,755,983,600
Total bonded debt	23,655,000	21,805,000	20,500,000	19,135,000	17,730,000	16,120,000	14,560,000	12,885,000	11,235,000	9,373,000
Less amount available in Debt Service Funds	<u>586,392</u>	<u>580,837</u>	<u>550,407</u>	<u>523,435</u>	<u>473,143</u>	<u>438,473</u>	<u>401,473</u>	<u>363,704</u>	<u>306,223</u>	<u>233,871</u>
Total amount applicable to debt limit	<u>23,068,608</u>	<u>21,224,163</u>	<u>19,949,593</u>	<u>18,611,565</u>	<u>17,256,857</u>	<u>15,681,527</u>	<u>14,158,527</u>	<u>12,521,296</u>	<u>10,928,777</u>	<u>9,139,129</u>
Legal debt margin on bonded debt	<u>\$ 3,637,999,992</u>	<u>\$ 4,557,232,637</u>	<u>\$ 6,100,208,107</u>	<u>\$ 6,733,868,835</u>	<u>\$ 5,885,971,843</u>	<u>\$ 4,794,976,573</u>	<u>\$ 4,174,518,273</u>	<u>\$ 3,905,057,904</u>	<u>\$ 3,784,327,923</u>	<u>\$ 3,746,844,471</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.37%</u>	<u>99.54%</u>	<u>99.67%</u>	<u>99.72%</u>	<u>99.71%</u>	<u>99.67%</u>	<u>99.66%</u>	<u>99.68%</u>	<u>99.71%</u>	<u>99.76%</u>

Note: The State of Florida does not have a limit on the amount of voter approved (General Obligation) debt.

Source: District Records

THE SCHOOL DISTRICT OF LEE COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2014
(UNAUDITED)

<u>FINANCIAL PARAMETERS</u>	
Direct debt:	
State Board of Education Bonds ⁽¹⁾	\$ 9,793,078
Section 1013.23 Loans	6,335,504
Certificates of Participation	<u>441,584,903</u>
Total Direct Debt	457,713,485
Overlapping debt ⁽²⁾	
Lee County ⁽³⁾	<u>240,258,000</u>
Total Direct and Overlapping debt	<u><u>\$697,971,485</u></u>
Population	661,115
Assessed property valuation (in thousands)	\$ 72,497,286
Net Assessed taxable property valuation (in thousands)	\$ 37,559,836

<u>DEBT RATIOS</u>	
Percent of assessed property valuation	
Direct debt	0.63%
Overlapping debt	0.33%
Direct and overlapping debt	0.96%
Percent of net assessed taxable property valuation	
Direct debt	1.22%
Overlapping debt	0.64%
Direct and overlapping debt	1.86%
Per Capita	
Direct debt	\$ 692
Overlapping debt	\$ 363
Direct and overlapping debt	\$ 1,056

(1) State Board of Education debt is payable from motor vehicle and gross receipt taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of June 30, 2014.

(3) Because the county and the school district coincide, the percentage of overlap is 100%.

Sources: District Records; Table 5; and Table 13
Lee County Clerk of Court

**THE SCHOOL DISTRICT OF LEE COUNTY
PLEGGED-REVENUE COVERAGE
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Special Revenue Bond				State Board of Education Bonds			
	Race Track Commission ¹	Principal	Interest	Coverage	Motor Vehicle Tax ¹	Principal	Interest	Coverage
2005	\$ 223,250	\$ 210,000	\$ 6,510	1.03	\$ 2,356,616	\$ 1,180,000	\$ 1,173,729	1.00
2006	-	-	-	-	2,348,899	1,310,000	1,062,192	0.99
2007	-	-	-	-	2,294,560	1,305,000	1,036,000	0.98
2008	-	-	-	-	2,298,127	1,365,000	978,596	0.98
2009	-	-	-	-	2,275,455	1,405,000	919,671	0.98
2010	-	-	-	-	2,287,774	1,485,000	837,160	0.99
2011	-	-	-	-	2,253,026	1,515,000	769,621	0.99
2012	-	-	-	-	2,251,424	1,585,000	702,626	0.98
2013	-	-	-	-	2,233,830	1,650,000	627,328	0.98
2014	-	-	-	-	2,236,557	1,730,000	548,498	0.98

Note 1: The above revenues do not include interest earnings which are also available for debt service.

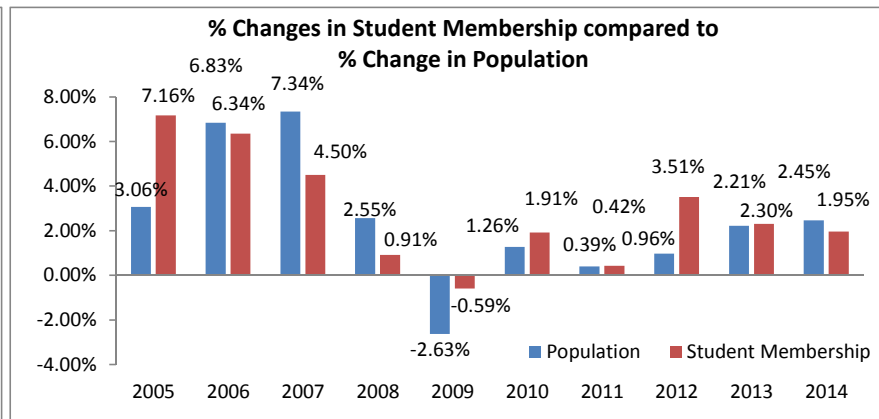
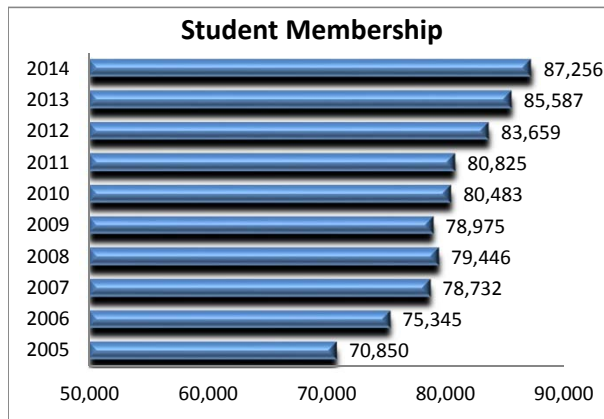
Note 2: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
DEMOGRAPHIC STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Estimated Population¹	Personal Income (thousands of dollars)¹	Per Capita Personal Income⁴	Median Age⁴	Average Daily School Membership (K through Grade 12)³	Unemployment Rate %²
2005	537,180	17,094,160	34,760	44.2	70,850	3.8%
2006	573,885	18,221,460	35,411	43.7	75,345	2.8%
2007	615,999	23,906,240	39,410	43.2	78,732	4.7%
2008	631,733	25,605,040	41,864	42.7	79,446	8.4%
2009	615,124	24,674,348	41,954	42.7	78,975	13.9%
2010	622,900	22,983,593	39,160	42.7	80,483	13.0%
2011	625,310	24,271,330	30,363	44.0	80,825	11.7%
2012	631,330	25,496,678	29,445	45.7	83,659	9.3%
2013	645,293	27,161,256	43,022	45.6	85,587	7.4%
2014	661,115	27,856,374	43,169	45.5	87,256	6.1%

¹ University of Florida, Bureau of Economic and Business Research.
² Florida Research and Economic Database
³ District records
⁴ Factfinder.census.gov



**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2013 ¹			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Memorial Health System	10,779	1	3.64%	4,526	2	1.99%
Lee County School Board	10,684	2	3.61%	8,558	1	3.77%
Publix Super Markets	4,554	3	1.54%	2,365	4	1.04%
Lee County Government	2,438	4	0.82%	2,047	5	0.90%
Wal-Mart Stores, Inc.	2,034	5	0.69%	2,518	3	1.11%
Chico's FAS, Inc	1,761	6	0.59%	-	-	0.00%
Lee County Sheriff's Office	1,587	7	0.54%	-	-	0.00%
U.S Postal Service	1,527	8	0.52%	1,137	10	0.50%
FGCU, Office of the President	1,368	9	0.46%	-	-	0.00%
City of Cape Coral	1,238	10	0.42%	1,198	9	0.53%
SWFL Regional Medical Center	-	-	0.00%	1,500	6	0.66%
Interstate Hotels & Resorts	-	-	0.00%	1,413	7	0.62%
Bonita Bay Group	-	-	0.00%	1,400	8	0.62%
Total	37,969		12.83%	26,662		11.74%

Note: The labor force figure for 2013 is 286,397. This number was used to calculate the percentage of total county employment.

Source: Lee County Office of Economic Development, and Florida Research and Economic Database. Principal employers and county employment are based on a calendar year.

¹ Information for 2014 is not available, so this schedule was prepared with the data of 2013.

**THE SCHOOL DISTRICT OF LEE COUNTY
NUMBER OF FULL-TIME PERSONNEL
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(A) Full-time Instructional	(B) Full-time Administrative	(C) Full-time Support Services	Total
2005	4,352	261	3,329	7,942
2006	4,658	305	3,540	8,503
2007	5,258	329	3,787	9,374
2008	5,131	324	3,666	9,121
2009	5,096	316	3,644	9,056
2010	4,908	316	3,415	8,639
2011	4,965	322	3,419	8,706
2012	5,108	325	3,447	8,880
2013	5,281	328	3,525	9,134
2014	5,169	341	3,597	9,107

- (A) Full-Time Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialist, Other Professional Instructional Staff
- (B) Full-Time Principals, Assistant Principals, Superintendent, Chief Academic Officer, Chief Business Officer, Administrators on Assignment, Directors, Coordinators
- (C) Full-Time Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

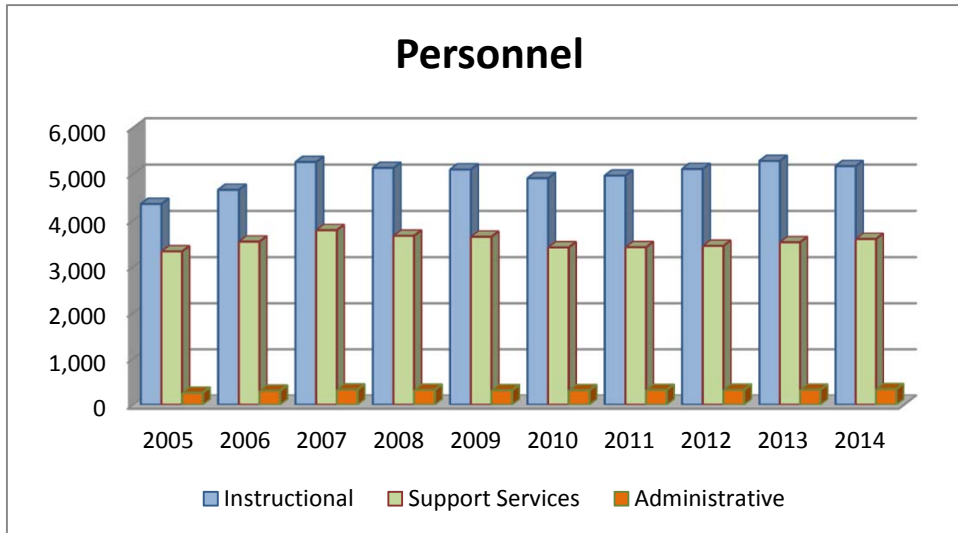
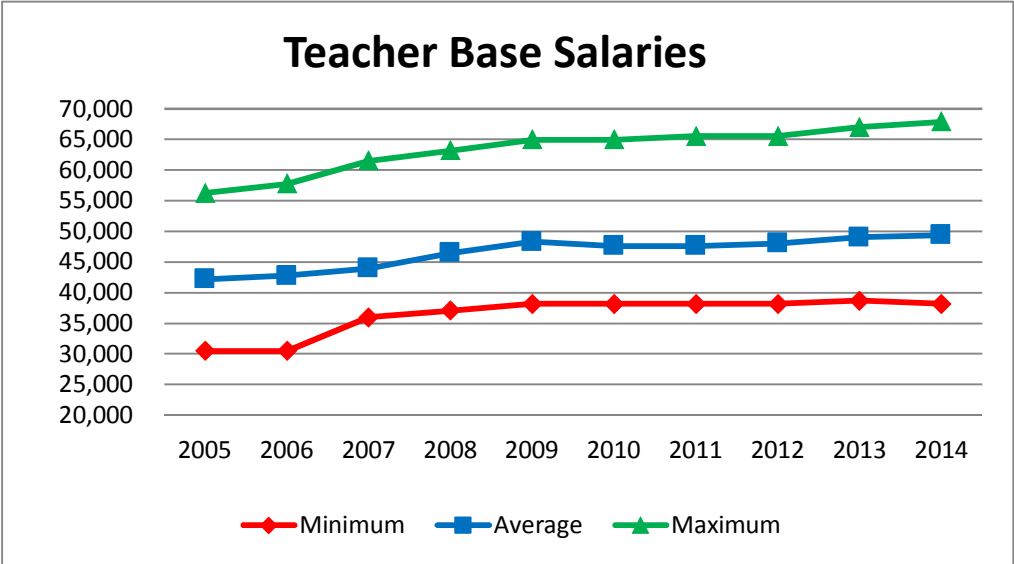


Table 16

**THE SCHOOL DISTRICT OF LEE COUNTY
TEACHERS' BASE SALARIES (10 MONTHS)
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2005	30,473	56,233	42,186
2006	30,473	57,773	42,768
2007	36,000	61,500	43,995
2008	37,080	63,195	46,499
2009	38,192	64,941	48,282
2010	38,192	64,941	47,628
2011	38,192	65,563	47,628
2012	38,192	65,563	48,056
2013	38,701	66,984	49,028
2014	38,192	67,869	49,377

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
OPERATING STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Expenditures	Enrollment	Cost per Student	Percentage Change	Instructional Personnel	Ratio of Students to Instructional Personnel	School Attendance Percentage
2005	\$ 827,916,094	70,850	\$ 11,685	16.38%	4,352	16.28	93.40%
2006	850,337,486	75,345	11,286	-3.42%	4,658	16.18	93.52%
2007	1,005,852,699	78,732	12,776	13.20%	5,258	14.97	93.79%
2008	969,442,082	79,446	12,203	-4.49%	5,131	15.48	94.08%
2009	960,028,321	78,975	12,156	-0.38%	5,096	15.50	94.07%
2010	844,372,698	80,483	10,491	-13.70%	4,908	16.40	93.68%
2011	832,866,342	80,825	10,305	-1.78%	4,965	16.28	93.62%
2012	855,681,250	83,659	10,228	-0.74%	5,108	16.38	93.92%
2013	854,568,103	85,587	9,985	-2.38%	5,281	16.21	93.82%
2014	888,017,880	87,256	10,177	1.93%	5,169	16.88	93.84%

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
FOOD SERVICE OPERATING DATA
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Days Meals were Served	174	175	180	180	180	180	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	35,267	35,041	36,134	40,188	44,936	51,626	57,503	59,417	59,771	60,856
Number of Free and Reduced Meals Served	6,136,428	6,132,154	6,504,061	7,233,770	8,088,525	9,292,739	10,350,523	10,695,067	10,758,865	10,954,113
Average Daily Subsidy Received	\$ 75,563	\$ 77,581	\$ 82,948	\$ 107,233	\$ 116,196	\$ 132,221	\$ 148,255	\$ 156,203	\$ 164,343	\$ 172,780
Total Subsidy Received	\$ 13,147,990	\$ 13,576,759	\$ 14,930,654	\$ 19,301,862	\$ 20,915,264	\$ 23,799,702	\$ 26,685,835	\$ 28,116,617	\$ 29,581,719	\$ 31,100,325
Average Number of Meals Served Daily	50,139	53,458	56,854	57,903	58,527	62,589	70,205	71,237	70,972	72,297
Number of Full Paid Meals Served	2,587,743	3,222,954	3,729,634	3,188,694	2,446,286	1,973,355	2,286,294	2,127,621	2,016,051	2,059,262
Average Daily Revenues	\$ 141,253	\$ 144,616	\$ 156,900	\$ 168,783	\$ 165,280	\$ 176,881	\$ 187,805	\$ 196,119	\$ 202,706	\$ 208,263
Total Revenues	\$ 24,577,941	\$ 25,307,791	\$ 28,241,984	\$ 30,380,852	\$ 29,750,388	\$ 31,838,517	\$ 33,804,923	\$ 35,301,408	\$ 36,487,013	\$ 37,487,371
Average Daily Costs	\$ 149,239	\$ 159,031	\$ 170,248	\$ 165,969	\$ 151,613	\$ 150,316	\$ 162,882	\$ 180,511	\$ 192,739	\$ 225,410
Total Costs	\$ 25,967,632	\$ 27,830,499	\$ 30,644,647	\$ 29,874,457	\$ 27,290,385	\$ 27,056,893	\$ 29,318,801	\$ 32,491,974	\$ 34,693,021	\$ 40,573,818

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Elementary Schools										
Allen Park ES (1957)										
Square Feet	83,390	108,181	108,181	112,165	112,165	112,662	123,105	129,052	129,052	129,052
Capacity (students)	683	732	1,061	1,056	1,056	1,028	1,028	1,028	1,028	1,028
Enrollment	936	904	882	889	900	932	940	954	935	920
Alva ES (1886)										
Square Feet	46,524	46,524	46,524	47,774	47,774	47,774	53,572	56,092	56,092	56,791
Capacity (students)	267	321	303	391	391	391	391	391	391	441
Enrollment	480	482	485	441	409	394	381	382	401	383
Baysshore ES (1966)										
Square Feet	56,931	82,271	82,271	85,873	85,873	85,873	86,380	87,182	87,182	91,368
Capacity (students)	337	359	693	693	693	693	693	693	693	693
Enrollment	653	620	641	615	552	583	590	620	621	639
Bonita Springs ES (1916)										
Square Feet	47,480	51,746	51,746	51,746	51,746	53,595	50,352	50,352	50,352	50,352
Capacity (students)	375	401	389	405	405	396	396	396	396	396
Enrollment	384	410	430	434	434	470	436	448	422	464
Caloosa ES (2000)										
Square Feet	110,310	135,538	136,458	141,632	141,632	141,632	143,029	133,604	133,604	133,604
Capacity (students)	701	741	1,075	1,075	1,075	1,085	1,085	1,085	1,085	1,085
Enrollment	1,090	990	1,014	1,061	1,017	981	939	940	920	912
Cape Coral ES (1963)										
Square Feet	89,769	76,540	101,435	114,054	114,054	114,054	113,774	112,871	112,871	112,871
Capacity (students)	677	723	878	916	898	898	898	898	898	898
Enrollment	973	912	878	800	752	769	739	713	739	735
Colonial ES (1978)										
Square Feet	89,226	108,334	108,334	109,524	109,524	109,524	114,769	114,769	114,769	114,983
Capacity (students)	658	79	965	965	965	922	922	922	922	922
Enrollment	791	761	804	755	695	774	799	743	761	799
Diplomat ES (1991)										
Square Feet	91,185	116,525	116,525	117,267	117,267	117,267	119,233	119,533	119,533	119,533
Capacity (students)	663	762	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
Enrollment	1,002	927	930	936	939	906	902	913	915	923
Edgewood Renaissance (1924)										
Square Feet	92,356	92,356	92,356	105,524	105,524	105,524	110,849	113,208	113,208	113,208
Capacity (students)	609	741	741	741	741	741	741	741	741	741
Enrollment	724	749	729	471	434	432	481	553	464	561
Edison Park ES (1926)										
Square Feet	70,956	70,956	70,956	70,956	70,956	70,956	74,381	72,843	72,843	72,843
Capacity (students)	457	449	449	449	449	457	455	455	455	455
Enrollment	468	418	366	381	387	383	365	360	371	374
Franklin Park ES (1954)										
Square Feet	82,723	82,723	82,723	94,148	94,148	94,148	93,245	89,228	89,228	89,228
Capacity (students)	538	579	579	579	579	579	579	579	579	579
Enrollment	623	574	542	527	506	499	479	505	435	442
Ft Myers Beach ES (1938)										
Square Feet	27,020	27,020	27,020	27,020	27,020	27,723	30,278	30,634	30,634	30,634
Capacity (students)	190	200	200	200	200	221	220	220	220	220
Enrollment	209	194	194	174	150	143	134	148	126	134

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	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Elementary Schools										
G. Weaver Hipps ES (2009)										
Square Feet	-	-	-	-	108,076	106,076	106,711	106,693	106,693	106,693
Capacity (students)	-	-	-	-	-	758	758	758	758	758
Enrollment	-	-	-	-	-	561	619	717	749	768
Gateway ES (1991)										
Square Feet	111,893	111,893	111,893	111,466	111,466	111,466	113,567	114,113	114,113	114,113
Capacity (students)	713	758	758	758	758	758	758	736	736	736
Enrollment	1,007	968	946	771	747	694	679	675	691	712
Gulf Elementary (1982)										
Square Feet	94,690	156,247	156,247	156,012	156,012	156,012	162,360	158,586	158,586	158,586
Capacity (students)	1,225	1,294	1,396	1,396	1,347	1,347	1,293	1,275	1,275	1,275
Enrollment	1,567	1,475	1,357	1,266	1,207	1,159	1,175	1,104	1,059	996
Hancock Creek ES (1992)										
Square Feet	118,197	143,537	143,537	145,890	145,890	145,890	146,342	145,802	145,802	145,802
Capacity (students)	676	720	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044
Enrollment	1,004	958	953	903	883	874	883	878	837	804
Hams Marsh Elementary (2005)										
Square Feet	-	116,612	122,125	120,419	120,419	120,419	122,700	124,793	124,793	124,793
Capacity (students)	-	963	930	916	912	912	912	912	912	912
Enrollment	-	936	956	871	914	932	925	927	945	995
Hector Caferata Jr. Elementary (2006)										
Square Feet	-	69,380	69,380	71,199	71,199	71,199	74,726	74,927	74,927	74,927
Capacity (students)	-	883	883	883	883	883	883	883	883	883
Enrollment	-	694	758	739	736	717	757	752	757	744
Heights ES (1963)										
Square Feet	75,704	75,704	75,384	154,099	154,099	154,099	158,152	158,152	158,152	158,152
Capacity (students)	634	695	695	695	1,306	1,306	1,306	1,306	1,306	1,306
Enrollment	839	754	643	639	826	889	961	988	1,083	1,136
J. Colin English ES (1929)										
Square Feet	91,658	91,658	91,658	96,778	96,778	96,778	98,734	98,193	98,193	98,193
Capacity (students)	560	589	597	597	601	601	601	601	601	601
Enrollment	848	734	626	459	386	310	364	393	397	427
James Stephens Int'l Academy (K-8) (1958) c										
Square Feet	-	-	-	-	-	168,406	171,775	175,579	175,579	175,579
Capacity (students)	-	-	-	-	-	1,077	1,073	1,095	1,095	1,095
Enrollment	-	-	-	-	-	664	870	777	756	697
Lehigh ES (1958)										
Square Feet	79,533	79,533	79,533	79,533	149,735	149,735	149,855	146,199	146,199	146,199
Capacity (students)	654	764	764	764	758	1,056	1,056	1,056	1,056	1,056
Enrollment	929	1,006	1,024	890	802	834	875	1,021	1,048	1,104
Littleton ES (1991)										
Square Feet	108,424	108,424	108,424	118,279	118,279	118,279	120,545	120,545	120,545	120,545
Capacity (students)	694	738	738	738	738	738	738	738	738	738
Enrollment	982	881	772	701	621	593	538	531	523	535
Manatee ES (2008)										
Square Feet	-	-	-	127,358	127,358	127,358	128,642	128,557	128,557	128,557
Capacity (students)	-	-	-	1,070	1,042	1,042	1,042	1,042	1,042	1,042
Enrollment	-	-	-	785	757	781	952	922	877	880

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Elementary Schools										
Michigan Montessori (K-8) (1964) ^c										
Square Feet	83,627	83,627	83,627	83,627	83,627	83,627	-	-	-	-
Capacity (students)	658	618	737	663	663	-	-	-	-	-
Enrollment	639	646	694	527	475	-	-	-	-	-
Mirror Lakes ES (1998)										
Square Feet	99,954	131,223	131,223	133,702	133,702	133,702	141,301	143,470	143,470	143,470
Capacity (students)	592	619	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,071
Enrollment	843	957	1,105	1,078	1,070	983	1,059	1,123	1,079	1,093
North Ft Myers Academy (K-8) (1973)										
Square Feet	193,071	197,630	197,630	205,425	205,425	205,425	232,632	200,855	200,855	200,855
Capacity (students)	878	1,459	1,509	1,358	1,315	1,417	1,409	1,409	1,409	1,409
Enrollment	1,403	1,258	1,255	993	1,016	1,005	1,012	992	976	1,054
Orange River ES (1957)										
Square Feet	75,305	93,586	93,586	97,883	97,883	97,883	98,124	100,794	100,794	100,799
Capacity (students)	570	619	817	817	817	817	817	817	817	817
Enrollment	812	834	875	850	790	795	807	830	827	804
Orangewood ES (1954)										
Square Feet	86,249	86,249	86,249	86,249	86,249	87,104	90,199	91,612	91,612	91,612
Capacity (students)	602	637	637	637	637	614	614	614	614	614
Enrollment	846	807	719	720	724	704	608	597	593	583
Patriot ES (2008)										
Square Feet	-	-	-	125,295	125,295	125,295	126,217	125,887	125,887	125,887
Capacity (students)	-	-	-	1,070	1,046	1,046	1,046	1,042	1,046	1,046
Enrollment	-	-	-	767	757	744	743	695	675	673
Pelican ES (1978)										
Square Feet	90,047	140,290	143,026	154,885	154,885	154,885	151,841	151,740	151,740	151,740
Capacity (students)	655	694	1,342	1,362	1,352	1,362	1,362	1,388	1,388	1,388
Enrollment	997	992	1,187	1,107	1,134	1,063	1,017	975	934	925
Pine Island ES (1955)										
Square Feet	54,379	54,379	54,379	54,391	54,391	54,391	54,635	54,153	54,153	54,153
Capacity (students)	353	391	391	391	391	391	391	391	391	391
Enrollment	474	413	356	318	302	294	284	246	242	236
Pinewoods ES (1992)										
Square Feet	107,408	132,170	132,170	126,864	126,864	127,328	145,979	145,752	145,752	145,752
Capacity (students)	676	720	1,044	1,044	1,044	1,060	1,060	1,060	1,060	1,060
Enrollment	993	917	952	969	954	904	898	931	950	967
Ray V. Pottorf Elementary (2005)										
Square Feet	-	116,566	122,162	121,475	121,453	121,453	122,936	124,900	124,900	124,900
Capacity (students)	-	963	930	912	882	864	864	864	864	864
Enrollment	-	664	679	644	602	616	642	643	649	702
Rayma Page Elementary (2004)										
Square Feet	-	112,365	122,162	113,591	118,093	117,936	119,637	119,637	119,637	119,637
Capacity (students)	-	856	836	836	846	846	846	846	846	846
Enrollment	-	563	663	642	647	720	736	777	798	831
River Hall Elementary (2006)										
Square Feet	-	-	118,394	124,040	124,040	124,040	124,525	124,525	124,525	124,525
Capacity (students)	-	-	1,076	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Enrollment	-	-	841	867	903	915	942	915	934	975

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Elementary Schools										
San Carlos Park ES (1978)										
Square Feet	89,614	114,496	114,496	120,186	120,186	120,186	118,053	120,672	120,672	120,672
Capacity (students)	688	747	1,081	1,081	1,062	1,026	1,026	1,026	1,026	1,026
Enrollment	986	865	863	864	858	827	845	859	898	876
Skyline ES (1987)										
Square Feet	87,295	136,686	136,686	142,322	142,322	142,322	145,678	145,961	145,961	145,961
Capacity (students)	644	692	1,350	1,380	1,380	1,380	1,380	1,412	1,412	1,412
Enrollment	983	969	1,143	1,064	1,012	966	881	838	859	882
Spring Creek ES (1981)										
Square Feet	90,737	90,737	90,737	98,328	98,328	98,328	99,049	95,575	95,575	95,575
Capacity (students)	679	753	753	753	753	753	753	735	735	735
Enrollment	788	812	787	745	694	706	713	710	672	721
Sunshine ES (1986)										
Square Feet	90,997	122,267	122,078	126,484	126,484	126,484	128,990	129,061	129,061	129,061
Capacity (students)	653	777	1,209	1,191	1,191	1,191	1,191	1,108	1,108	1,108
Enrollment	1,016	1,066	1,135	1,148	1,132	1,118	1,133	1,143	1,124	1,168
Tanglewood Riverside ES (1970)										
Square Feet	76,598	94,870	94,870	94,870	98,639	98,639	107,392	108,195	108,195	108,195
Capacity (students)	491	561	789	793	773	786	786	786	786	786
Enrollment	750	712	710	722	710	751	712	714	725	749
The Sanibel School (K-8) (1962)										
Square Feet	55,241	55,777	55,777	73,577	73,577	73,577	70,792	80,981	80,981	80,981
Capacity (students)	428	418	395	395	395	439	439	423	423	423
Enrollment	420	402	386	367	372	368	337	342	337	338
Three Oaks ES (1987)										
Square Feet	86,694	86,694	86,694	91,616	91,616	91,616	92,483	93,886	93,886	93,886
Capacity (students)	644	738	738	738	738	731	731	731	731	731
Enrollment	1,024	952	865	776	762	745	808	798	810	845
Tice ES (1927)										
Square Feet	70,443	70,443	70,443	70,443	70,443	70,443	70,247	69,451	114,593	106,028
Capacity (students)	595	587	587	587	587	587	587	587	679	616
Enrollment	698	710	685	578	554	495	480	451	485	475
Tortuga Preserve ES (2012)										
Square Feet	-	-	-	-	-	-	-	129,114	129,936	129,936
Capacity (students)	-	-	-	-	-	-	-	1,050	1,056	1,056
Enrollment	-	-	-	-	-	-	-	-	723	911
Trafalgar ES (2004)										
Square Feet	69,608	86,988	86,988	91,577	91,577	91,577	92,367	92,377	92,377	92,377
Capacity (students)	523	959	977	977	1,036	1,036	998	998	998	998
Enrollment	579	897	894	873	828	817	844	844	833	834
Treeline ES (2008)										
Square Feet	-	-	-	101,574	125,155	125,155	128,983	129,597	129,597	129,597
Capacity (students)	-	-	-	758	1,029	1,029	1,029	1,029	1,029	1,029
Enrollment	-	-	-	672	896	872	914	952	1,014	999
Tropic Isles ES (1959)										
Square Feet	85,250	110,590	110,590	110,590	110,590	110,590	109,921	117,098	117,098	117,098
Capacity (students)	676	727	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,089	1,101	1,047	936	875	931	933	972	973	925

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Elementary Schools										
Veterans Park Academy K-8 (2004)										
Square Feet	152,716	196,574	196,574	196,821	196,821	196,821	202,802	247,972	247,972	247,972
Capacity (students)	1,145	1,734	1,767	1,767	1,768	1,964	1,967	1,945	1,945	1,945
Enrollment	857	1,421	1,483	1,547	1,439	1,392	1,448	1,482	1,428	1,497
Villas ES (1961)										
Square Feet	86,531	104,802	104,802	112,453	112,453	112,453	114,894	115,515	115,515	115,515
Capacity (students)	658	727	942	943	881	881	881	881	881	881
Enrollment	897	892	885	844	805	784	785	788	809	811

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Middle Schools										
Alva MS (1927)										
Square Feet	81,299	81,826	81,826	83,208	83,208	83,208	83,882	87,563	87,563	87,563
Capacity (students)	544	514	513	514	514	571	556	556	556	648
Enrollment	574	521	524	580	531	562	506	534	549	549
Bonita Springs MS (1976)										
Square Feet	120,723	120,723	120,723	126,497	126,497	126,497	123,971	129,498	129,498	129,498
Capacity (students)	912	876	875	876	888	988	982	990	990	990
Enrollment	864	628	576	599	652	625	641	696	779	779
Caloosa MS (2000)										
Square Feet	132,060	132,060	132,060	132,111	132,111	132,111	136,609	166,253	166,253	166,253
Capacity (students)	1,032	1,005	1,005	1,005	1,013	1,126	1,137	1,159	1,159	1,159
Enrollment	1,205	1,126	1,063	886	852	876	886	895	901	901
Challenger MS (2008)										
Square Feet	-	-	-	162,113	162,113	162,113	161,941	161,808	161,808	161,808
Capacity (students)	-	-	-	1,257	1,230	1,367	1,366	1,366	1,366	1,366
Enrollment	-	-	-	863	970	1,024	1,088	1,083	1,079	1,079
Cypress Lake MS (1961)										
Square Feet	137,171	137,171	137,171	137,171	137,171	137,175	139,611	137,523	137,523	137,523
Capacity (students)	880	880	880	880	880	896	941	941	941	941
Enrollment	1,236	965	822	742	717	715	713	731	774	774
Diplomat MS (1999)										
Square Feet	138,827	138,827	138,827	139,855	139,855	139,855	146,584	171,107	171,107	171,107
Capacity (students)	1,027	974	973	974	974	1,082	1,072	1,094	1,094	1,094
Enrollment	1,239	1,103	1,043	862	818	842	841	841	849	849
Ft Myers Middle Academy (1951)										
Square Feet	125,734	125,734	125,734	125,734	125,675	125,675	125,676	128,511	128,511	128,511
Capacity (students)	825	858	857	858	858	954	952	952	952	952
Enrollment	771	737	694	613	702	536	617	522	488	488
Gulf Middle (1981)										
Square Feet	126,599	126,599	126,599	129,821	129,821	129,821	131,988	131,834	131,834	131,834
Capacity (students)	955	918	1,024	923	943	1,048	1,046	1,024	1,024	1,024
Enrollment	1,274	1,140	1,109	975	838	798	826	778	769	769
Hames Marsh MS (2012)										
Square Feet	-	-	-	-	-	-	-	163,814	164,662	164,662
Capacity (students)	-	-	-	-	-	-	-	1,345	1,325	1,325
Enrollment	-	-	-	-	-	-	-	-	1,066	1,066
Leo MS (1958) ^c										
Square Feet	145,535	145,535	145,535	148,002	168,406	-	-	-	-	-
Capacity (students)	876	926	1,029	926	926	-	-	-	-	-
Enrollment	639	614	685	585	472	-	-	-	-	-
Lehigh Acres MS (1982)										
Square Feet	126,595	126,595	126,595	127,054	127,054	127,054	130,421	130,421	130,421	130,421
Capacity (students)	1,079	1,057	1,129	1,057	1,058	1,175	1,177	1,177	1,177	1,177
Enrollment	900	942	1,006	1,049	1,012	988	1,034	1,134	1,084	1,045
Lexington Middle School (2005)										
Square Feet	160,706	160,706	160,706	175,499	175,499	175,499	169,591	172,672	172,672	172,672
Capacity (students)	-	1,045	1,141	1,027	1,031	1,147	1,146	1,146	1,146	1,146
Enrollment	-	771	867	828	859	909	899	896	914	933

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Middle Schools										
Mariner MS (2004)										
Square Feet	102,009	134,668	134,668	135,183	135,183	135,183	149,247	151,198	151,198	151,198
Capacity (students)	706	1,141	1,268	1,141	1,141	1,268	1,270	1,294	1,294	1,294
Enrollment	731	1,278	963	910	1,078	942	866	849	911	919
Oak Hammock MS (2009)										
Square Feet	-	-	-	-	153,490	153,490	160,262	160,246	160,246	160,246
Capacity (students)	-	-	-	-	1,224	1,360	1,360	1,360	1,360	1,360
Enrollment	-	-	-	-	826	1,165	1,224	1,260	1,071	1,088
Paul Laurence Dunbar MS (1962)										
Square Feet	163,548	163,548	163,548	163,548	163,548	163,548	161,250	157,828	157,828	157,828
Capacity (students)	1,004	1,013	1,126	1,013	1,013	1,126	1,124	1,124	1,124	1,124
Enrollment	1,137	972	881	946	837	879	806	848	933	969
Three Oaks MS (1991)										
Square Feet	137,880	137,880	137,880	144,127	144,127	144,127	145,838	152,119	152,119	152,119
Capacity (students)	930	987	987	987	986	1,097	1,096	1,096	1,096	1,096
Enrollment	1,053	862	825	776	771	795	817	851	900	938
Trafalgar MS (1989)										
Square Feet	143,128	143,128	143,128	143,159	143,159	143,159	141,307	145,346	145,346	145,346
Capacity (students)	1,002	1,034	1,034	1,034	1,034	1,092	1,092	1,092	1,092	1,092
Enrollment	1,416	1,323	1,240	1,067	898	819	855	832	847	843
Varsity Lakes MS (2004)										
Square Feet	118,017	118,017	150,722	160,893	160,890	160,890	160,998	160,998	160,998	160,998
Capacity (students)	981	1,024	1,024	1,024	1,044	1,162	1,209	1,209	1,209	1,209
Enrollment	724	884	953	958	841	912	1,000	1,097	956	998

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
High Schools										
Cape Coral Sr HS (1978)										
Square Feet	262,475	262,475	262,475	262,945	263,353	263,353	270,155	272,847	272,847	272,847
Capacity (students)	1,758	1,821	1,821	1,821	1,759	1,855	1,853	1,843	1,843	1,843
Enrollment	2,274	2,031	2,107	1,907	1,699	1,556	1,493	1,444	1,519	1,577
Cypress Lake Sr HS (1967)										
Square Feet	268,538	268,538	276,380	276,380	276,380	276,380	270,449	269,521	269,521	269,521
Capacity (students)	1,589	1,703	1,712	1,727	1,643	1,706	1,700	1,700	1,700	1,700
Enrollment	2,025	1,597	1,423	1,321	1,261	1,532	1,442	1,447	1,481	1,369
Dunbar HS (2000)										
Square Feet	202,324	202,324	202,324	202,802	210,097	210,097	210,611	234,470	121,018	121,018
Capacity (students)	1,229	1,242	1,176	1,242	1,186	1,249	1,254	1,225	697	712
Enrollment	1,055	897	808	814	842	716	737	861	875	1,058
East HS (2006)										
Square Feet	-	99,628	100,741	313,853	313,853	313,853	318,740	312,333	312,333	312,333
Capacity (students)	-	809	1,102	1,938	1,947	2,049	2,057	2,057	2,057	2,057
Enrollment	-	377	756	1,417	1,447	1,499	1,530	1,597	1,593	1,644
Estero Sr HS (1985)										
Square Feet	273,777	273,777	273,777	268,042	268,042	267,550	270,953	272,710	272,710	272,710
Capacity (students)	1,671	1,695	1,932	1,695	1,639	1,710	1,704	1,704	1,704	1,704
Enrollment	2,050	1,616	1,534	1,438	1,360	1,424	1,434	1,480	1,573	1,667
Ft Myers Sr HS (1921)										
Square Feet	244,883	244,883	276,931	276,931	276,931	276,928	274,864	264,335	264,335	264,335
Capacity (students)	1,679	1,743	2,067	1,954	1,869	1,960	1,963	1,963	1,963	1,963
Enrollment	2,280	2,024	1,911	1,804	1,645	1,728	1,802	1,790	1,853	1,857
Ida S. Baker HS (2005)										
Square Feet	36,480	299,696	299,696	313,582	313,559	313,559	314,162	309,507	309,507	309,507
Capacity (students)	570	2,066	2,137	2,030	1,941	1,995	1,991	1,991	1,991	1,991
Enrollment	613	1,444	1,914	1,973	1,814	1,832	1,704	1,710	1,659	1,683
Island Coast HS (2008)										
Square Feet	-	-	-	42,300	266,259	266,259	264,356	269,599	269,599	269,599
Capacity (students)	-	-	-	391	1,968	2,060	2,059	2,059	2,059	2,059
Enrollment	-	-	-	391	1,125	1,444	1,517	1,522	1,480	1,386
Lehigh Sr HS (1994)										
Square Feet	283,299	283,299	283,299	286,602	286,602	286,602	308,610	289,278	289,278	289,278
Capacity (students)	1,739	1,864	1,962	1,864	1,733	1,825	1,824	1,824	1,824	1,824
Enrollment	2,068	2,184	1,979	1,529	1,363	1,321	1,414	1,575	1,775	1,689
Mariner Sr HS (1986)										
Square Feet	253,905	253,905	253,905	253,905	253,905	253,905	256,523	258,181	258,181	258,181
Capacity (students)	1,740	1,721	1,812	1,721	1,636	1,724	1,725	1,725	1,725	1,725
Enrollment	2,195	1,925	1,913	1,805	1,559	1,402	1,361	1,436	1,437	1,485
North Ft Myers Sr HS (1960)										
Square Feet	254,877	254,877	254,877	254,877	254,877	254,877	257,992	258,399	258,399	258,399
Capacity (students)	1,768	1,849	1,946	1,849	1,763	1,859	1,858	1,804	1,804	1,804
Enrollment	2,216	1,983	1,972	1,863	1,596	1,512	1,517	1,578	1,585	1,572
Riverdale High 6-12 (1972)										
Square Feet	223,595	238,328	238,328	250,474	250,474	250,474	246,290	250,303	250,303	250,303
Capacity (students)	1,796	1,540	1,944	2,053	1,927	2,028	2,029	2,040	2,040	2,040
Enrollment	1,968	1,452	2,074	1,908	1,501	1,541	1,594	1,758	1,901	1,830

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
High Schools										
South HS (2008)										
Square Feet	-	300,310	300,310	312,519	312,519	312,519	313,589	309,136	309,136	309,136
Capacity (students)	-	2,086	2,050	1,926	1,925	2,054	2,057	2,077	2,077	2,077
Enrollment	-	939	1,187	1,205	1,358	1,473	1,651	1,676	1,758	1,711

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Special Schools										
ALC West (2008)										
Square Feet	-	-	-	22,566	22,566	22,566	22,566	22,566	22,566	22,566
Capacity (students)	-	-	-	265	265	265	265	265	265	265
Enrollment	-	-	-	194	175	163	177	141	97	110
Buckingham Exceptional Ctr (1984)										
Square Feet	26,383	26,383	26,383	27,880	27,880	27,880	28,551	32,552	32,552	32,552
Capacity (students)	84	100	100	100	100	100	100	100	100	100
Enrollment	113	111	108	103	110	109	105	99	98	87
Cape Coral Institute of Technology (1991) ^f										
Square Feet	61,927	61,927	61,927	61,927	61,927	61,927	64,842	64,798	64,798	64,798
Capacity (students)	391	334	324	324	324	324	324	324	324	324
Enrollment ^g	57	76	44	67	50	28	28	27	-	-
Ft Myers Sr HS (Edison Ctr) (1921) ^b										
Square Feet	22,786	22,786	-	-	-	-	-	-	-	-
Capacity (students)	130	141	-	-	-	-	-	-	-	-
Enrollment	87	44	-	-	-	-	-	-	-	-
Ft. Myers Institute of Technology (1966) ^f										
Square Feet	181,289	181,289	181,289	182,684	182,684	182,684	184,153	184,255	184,255	184,255
Capacity (students)	834	695	695	695	648	648	649	654	654	654
Enrollment ^g	119	143	63	74	91	55	62	53	-	-
Lee County Public Service Academy (1964) ^d										
Square Feet	-	-	-	-	-	83,627	85,846	106,068	106,068	106,068
Capacity (students)	-	-	-	-	-	737	741	270	270	270
Enrollment	-	-	-	-	-	-	-	-	-	-
New Directions School (1993)										
Square Feet	141,483	141,483	141,483	141,483	141,483	141,483	147,758	145,027	145,027	145,027
Capacity (students)	561	665	665	665	645	615	614	636	636	636
Enrollment	868	521	833	608	505	490	462	360	374	353
Royal Palm Exceptional (1994)										
Square Feet	59,332	59,332	59,332	59,332	59,332	59,332	59,484	60,347	60,347	60,347
Capacity (students)	189	230	230	230	230	230	230	230	230	230
Enrollment	207	206	202	196	174	165	173	161	170	152

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)**

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Ancillary Facilities										
Adams Building (1974) ^o										
Square Feet	64,320	64,320	64,320	64,320	64,320	64,320	64,320	64,320	64,320	-
Dunbar Community (1910)										
Square Feet	34,783	35,237	35,237	22,301	22,301	22,301	21,465	21,153	21,153	21,153
Food Service Warehouse (1980)										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Gwynne Building (1911)										
Square Feet	19,692	19,692	19,692	19,692	19,692	19,692	20,395	20,395	20,395	20,395
Hipps Building (1955) ^o										
Square Feet	40,222	40,222	40,222	40,222	40,222	40,222	39,184	39,184	39,184	-
Maintenance (1972)										
Square Feet	65,419	65,419	65,419	65,419	63,801	63,801	62,762	62,762	62,762	62,762
New Administrative Complex (1986) ^a										
Square Feet	330,000	330,000	298,859	298,859	298,859	298,859	288,475	309,577	309,577	309,577
R&R Building (1975)										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Supply (1980)										
Square Feet	17,393	18,308	18,308	18,308	18,308	18,308	18,417	18,417	18,417	18,417
Transportation Central (1960)										
Square Feet	12,456	12,456	12,456	28,307	28,307	28,307	28,852	28,909	28,909	28,909
Transportation East (2004)										
Square Feet	1,500	6,568	6,568	6,568	6,568	6,568	6,351	9,361	9,361	9,361
Transportation Leonard (2009)										
Square Feet	-	-	-	-	25,124	25,124	25,125	24,699	24,699	24,699
Transportation West (1995)										
Square Feet	34,826	34,826	34,826	20,492	20,492	20,492	22,602	28,685	28,685	28,685
Transportation 6 Mile Cypress (2004)										
Square Feet	8,000	26,965	26,965	26,965	26,965	26,965	25,540	39,729	39,729	39,729

Source: District Facilities Office

Note: Year of construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

^a New administrative complex was purchased in 2005 but was originally built in 1986.

^b Fort Myers Sr HS (Edison Center) is included with Fort Myers Sr HS totals beginning 2007.

^c Michigan Montessori (K-8) was moved to Lee Middle and renamed James Stephens Int'l Academy beginning 2010.

^d Lee County Public Service Academy was housed at Ft. Myers Institute of Technology prior to 2011, then moved to the old Michigan Montessori facility in 2011.

^e Students reported under home high school beginning 2013.

^f Lee County High Tech Central was renamed Ft. Myers Institute of Technology and North Vo-Tech was renamed Cape Coral Institute of Technology during 2014.

^g Building was sold July 2013.

OTHER INDEPENDENT AUDITOR'S
REPORTS, SCHEDULES, AND
OTHER INFORMATION



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

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

Report on the Financial Statements

We have audited, 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 financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lee County District School Board, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2014, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate 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 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 District's financial statements will not be prevented, or

detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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*.

We noted certain matters that we reported to District management in our operational audit report No. 2015-069.

Purpose of this Report

The purpose of the **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 12, 2014

Audit Report No. 2015-070



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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Report on Compliance for Each Major Federal Program

We have audited the Lee County District School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 12, 2014

Audit Report No. 2015-070

SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

<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 & Consumer Services:			
School Breakfast Program	10.553	13002	\$ 6,957,347
National School Lunch Program	10.555 ⁽²⁾	13001, 13003	22,878,969
Summer Food Service Program for Children	10.559	13006, 13007	495,590
Total Child Nutrition Cluster			30,331,906
Florida Department of Agriculture & Consumer Services:			
Specialty Crop Block Grant Program - Farm Bill	10.170	019844	992
Team Nutrition Grants	10.574	None	1,556
Fresh Fruit and Vegetable Program	10.582	13004	198,909
Total United States Department of Agriculture			30,533,363
 United States Department of Commerce			
Direct:			
Congressionally Identified Awards and Projects	11.469	N/A	4,661
 National Science Foundation			
Indirect:			
New York University			
Education and Human Resources	47.076	F6989-01	102,797
 United States Department Of Education:			
Direct:			
Impact Aid	84.041	N/A	33,670
Federal Pell Grant Program	84.063	N/A	2,087,527
Magnet Schools Assistance	84.165	N/A	1,491,770
Fund for the Improvement of Education	84.215	N/A	221,693
Arts in Education	84.351	N/A	192,539
Teacher Incentive Fund	84.374	N/A	6,358,240
Total Direct			10,385,439
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education-Grants To States	84.027	262, 263	18,367,568
Special Education-Preschool Grants	84.173	266, 267	475,649
Total Special Education Cluster			18,843,217

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	Catalog of Federal Domestic Assistance Number	Pass Through Grantor Number	Amount of Expenditures (1)
United States Department of Education (continued):			
Florida Department of Education:			
Adult Ed -Basic Grants to States	84.002	191,193	993,350
Title I Grants to Local Educational Agencies	84.010	212,223,226	22,572,588
Migrant Education - State Grant Program	84.011	217	361,518
Career and Technical Education - Basic Grants to States	84.048	161	915,687
Education for Homeless Children and Youth	84.196	127	82,971
Charter Schools	84.282	298	375,516
Twenty-First Century Community Learning Centers	84.287	244	37,393
English Language Acquisition Grants	84.365	102	697,850
Improving Teacher Quality State Grants	84.367	224	2,283,269
Race to the Top - LEA Formula Subgrants, Recovery Act	84.395	RL111, RD211, RG311, RG411	2,857,270
Total Indirect			<u>50,020,629</u>
Total United States Department of Education			<u>60,406,068</u>
United States Department Of Health & Human Services:			
Direct:			
Head Start	93.600 ⁽³⁾	NA	<u>6,935,486</u>
Department of Homeland Security			
Indirect:			
Florida Department of Education:			
Homeland Security Grant Program	97.004	532	<u>935</u>
United States Department Of Defense:			
Direct:			
Army Junior Reserve Officers Training Corps	None	N/A	<u>1,487,186</u>
Total Expenditures of Federal Awards			<u>\$ 99,470,496</u>

(1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance: Represents the amount of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(3) Head Start: For CFDA 93.600, expenditures include \$6,575,464 for grant number/program year 04CH3269/48 and \$360,022 for grant number/program year 04CH3269/47.

**LEE COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.374	Teacher Incentive Fund
84.395	ARRA- State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Funds, Recovery Act
93.600	Head Start
Dollar threshold used to distinguish between Type A and Type B programs:	\$2,984,115
Auditee qualified as low-risk auditee?	Yes

*LEE COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014*

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
Maudlin & Jenkins, LLC 13-02	Career and Technical Education - Basic Grants to States (CFDA No. 84.048) and State Fiscal Stabilization Fund (SFSF) Race- to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) - Suspension and Debarment	The District did not implement controls to verify that vendors were not suspended or debarred from receiving Federal funds prior to entering into procurement contracts.	Corrected.	District added a debarment and suspension clause to purchase orders. In addition vendors are required to submit a page as part of the requests for proposals/bids verifying that they are not debarred or suspended.

The School District of Lee County

Thomas Scott
Chairman, District 5

Cathleen O'Daniel Morgan
Vice Chairman, District 3

Mary Fischer
District 1

Jeanne S. Dozier
District 2

Don H. Armstrong
District 4

Nancy J. Graham, Ed.D
Superintendent of Schools



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