

Comprehensive Annual Financial Report

For the Year Ended June 30, 2017



THE SCHOOL DISTRICT OF LEE COUNTY
FORT MYERS, FLORIDA

VISION

To be a world-class
school system

The School District of Lee County
Fort Myers, Florida

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR
FISCAL YEAR ENDED
JUNE 30, 2017**

Prepared by:
Financial Accounting Department

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2017**

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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF LEE COUNTY

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

December 14, 2017

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

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

CATHLEEN O'DANIEL MORGAN
CHAIRMAN, DISTRICT 7
PAMELA H. LARIVIERE
VICE CHAIRMAN, DISTRICT 5
MARY FISCHER
DISTRICT 1
MELISA W. GIOVANNELLI
DISTRICT 2
CHRIS N. PATRICCA
DISTRICT 3
STEVEN K. TEUBER
DISTRICT 4
JANE E. KUCKEL, PHD
DISTRICT 6
GREGORY K. ADKINS, ED. D.
SUPERINTENDENT
KEITH B. MARTIN, ESQ.
BOARD ATTORNEY

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, 2017.

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, 2017. 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, 2017, 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, 2017. 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 Title 2 *U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report 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 seven 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 2017 is 722,336 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 21 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 2016-17 fiscal year, the District operated 95 schools and programs comprised of 49 elementary schools, 16 middle schools, 13 high schools, 17 specialized schools and programs, and reported student enrollment of 92,665. The District plans to open one new high school in the 2017-18 fiscal year. In addition, the District sponsored 21 charter schools that are component units of the District and does not plan to sponsor any additional charter schools during the 2017-18 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 2.9 percent. The County's population has increased from 615,999 in 2007 to 722,336 in 2017, an increase of 17.3 percent. This compares to a 9.9 percent increase for Florida overall and a 7.1 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 754,000 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 and has become an attractive location for business expansion. In fact, the 20-54 age group is projected to grow faster than the rest of the State, increasing by up to 9 percent by 2020.

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 continues to grow. This year marked the eighth straight year of solid student growth for the District (between 1.5 and 2.5 percent) making the District one of the most consistent and fastest growing District's in the state in terms of student growth. State and District projections indicate that approximately 900 more students will be served in the next fiscal year. This growth is projected to increase the student population up to 3.3 percent each year bringing the estimated student population to approximately 112,200, 118,600 and 137,900 over the next 5, 10 and 20 years, respectively. The mainstay of the County's economy are 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 88 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 13,267 full and part-time employees, including 5,604 instructional personnel.

Ranked in the top 10 in student population in the state and in the top 40 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 15 schools in the next 10 years. In order to meet this demand, the District will continue to seek additional revenue sources. There are 85 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 40 new or additions to schools over the past 10 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 5 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

Capital Outlay Program

During the fiscal year 2018, the District is planning to start the construction of one middle school and one high school and to complete the construction of one high school. For fiscal year 2019, the District is planning to start the construction of one elementary school and to complete the construction of one middle school and one high school.

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, 2016. This was the fourteenth 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 has 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,



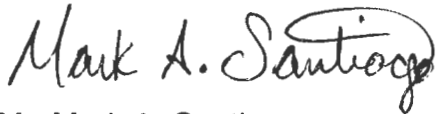
Dr. Gregory K. Adkins
Superintendent



Dr. Ami Desamours
Chief Financial Officer



Ms. Susan Malay
Executive Director of Financial Services



Mr. Mark A. Santiago
Director of Financial Accounting & Property Records

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



Mary Fischer
Chairman, District 1



Chris N. Patricca
District 3



Jane E. Kuckel, Ph. D.
Vice Chairman, District 6



Steven K Teuber
District 4



Cathleen O'Daniel Morgan
District 7



Melisa W. Giovannelli
District 2



Pamela H. LaRiviere
District 5

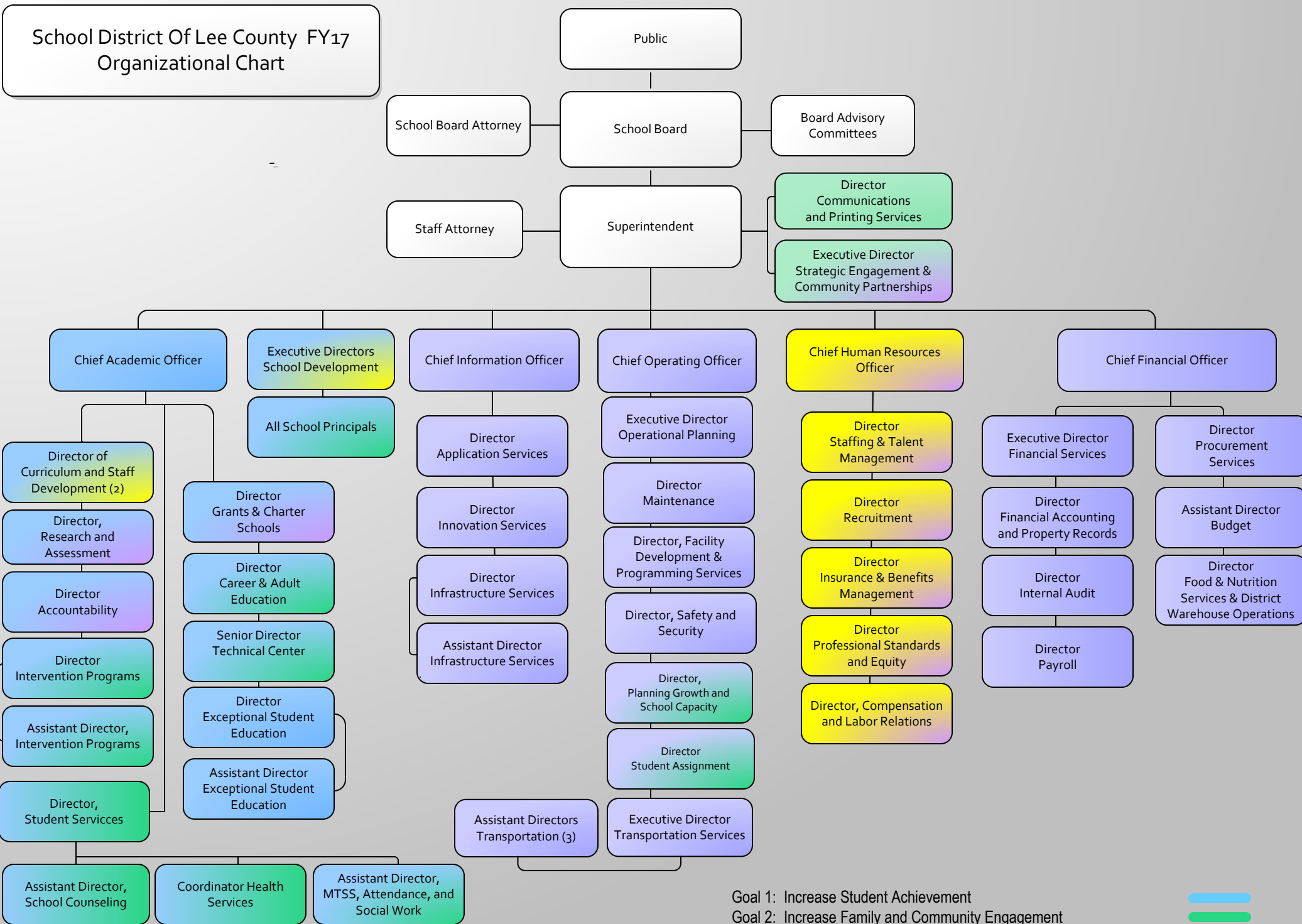


Gregory K. Adkins, Ed. D.
Superintendent

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

| | |
|-----------------------|--|
| Dr. Gregory K. Adkins | Superintendent |
| Mr. William Law | Chief Operating Officer |
| Dr. Ami Desamours | Chief Financial Officer |
| Ms. Soretta Ralph | Chief Academic Officer |
| Mr. Trey Davis | Chief Information Officer |
| Dr. Angela Pruitt | Chief Human Resources Officer |
| Mr. Gerald Demming | Executive Director School Development |
| Ms. Shanna Flecha | Executive Director School Development |
| Dr. Douglas Santini | Executive Director School Development |
| Dr. Denise Carlin | Executive Director Strategic Engagement and Community Partnerships |
| Mr. Marc Mora | Executive Director Operational Planning |
| Mr. Robert Codie | Executive Director Transportation Services |
| Mr. Susan Malay | Executive Director Financial Services |
| Mr. Robert Brown | Director Internal Audit |
| Mr. Henry Stelmacki | Director Food & Nutrition Services & District Warehouse Operations |
| Mr. Fredrick Ross | Director Procurement Services |
| Ms. Rita Zazzaro | Director Payroll |
| Mr. Mark Santiago | Director Financial Accounting & Property Records |

School District Of Lee County FY17 Organizational Chart



- Goal 1: Increase Student Achievement █
- Goal 2: Increase Family and Community Engagement █
- Goal 3: Increase Retention of Effective and Highly Effective Employees █
- Goal 4: Become a Model Continuous Improvement Organization █



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



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

School District of Lee County

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
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, 2016

Executive Director/CEO

FINANCIAL SECTION



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



Phone: (850) 412-2722
Fax: (850) 488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lee County District School Board, as of and for the fiscal year ended June 30, 2017, 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 statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 of the Lee County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund 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, Schedule of District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of District Contributions – Health Insurance Subsidy Pension Plan, 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 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**, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the accompanying **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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules and the accompanying **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 dated December 13, 2017, 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 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 the effectiveness of the District's 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 13, 2017
Audit Report No. 2018-064

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, 2017. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$806,032,265 at fiscal year ending June 30, 2017.
- Net position of the District decreased by \$31,965,440, in comparison to the 2015-16 fiscal year.
- The District's Government-wide revenues totaled \$955,133,523, comprised of general revenues of \$886,444,097 or 92.8 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$68,689,426 or 7.2 percent of the total revenues.
- Expenses incurred by the District totaled \$987,098,963 for governmental related activities. Program specific revenues offset these expenses by \$68,689,426, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$325,262,817 or an increase of \$61,245,569 or 23.2 percent in 2016-17 fiscal year in comparison with the 2015-16 fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$97,908,901, at June 30, 2017, or 13.5 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2017, totaled \$136,951,707, a 2.3 percent decrease in comparison to the 2015-16 fiscal year total of \$140,178,961. The decrease in total fund balance of the General Fund is mainly attributed to the implementation of several classroom curriculum initiatives in the current year using prior year resources.

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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 to Actual* is presented for the primary operating fund of the District.
- 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 to 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-1

Organization of the District's Comprehensive Annual Financial Report

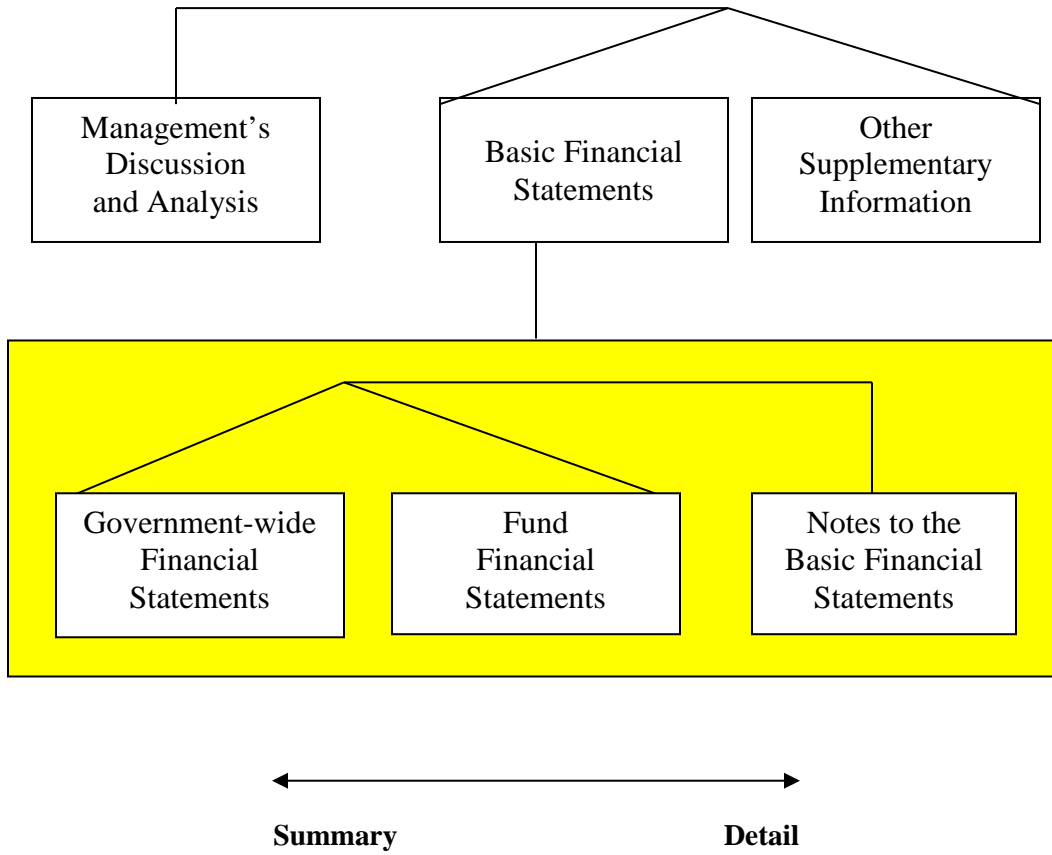


Figure A-2 summarizes the major features of the District’s Basic Financial Statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 22 other entities in its report – The Foundation for Lee County Public Schools, Inc., Accelerated Educational Services, Inc., Bonita Springs Charter School, Cape Coral Charter School, City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, Goodwill L.I.F.E. Academy, The Heights Charter School, Island Park Charter High School, Inc., The Island School, Inc., Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., Pivot Charter High School, Six Mile Charter Academy, Unity Charter School of Cape Coral, Inc., and Unity Charter School of Fort Myers, Inc. 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, 2017, than the previous fiscal year; decreasing \$32.0 million to \$806.0 million (see Figure A-3) primarily due to an increase in pension expense. By far, the largest portion of the District's net position, \$793.9 million (98.5 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.

The restricted portion of the District's net position, \$220.8 million (27.4 percent), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, a deficit amount of \$208.7 million ((25.9) percent), was the result of accruing \$402.8 million in net pension liability.

Figure A-3

Condensed Statement of Net Position (in millions of dollars)

| | Governmental Activities | | Total Percentage Change |
|----------------------------------|----------------------------|-----------------|----------------------------|
| | 2016 | 2017 | |
| Current and Other Assets | \$ 420.7 | \$ 482.1 | 14.6% |
| Capital Assets | 1,252.3 | 1,252.7 | (0.0)% |
| Total Assets | 1,673.0 | 1,734.8 | 3.7% |
| Deferred Outflows of Resources | 66.8 | 155.4 | 132.6% |
| Long-Term Liabilities | 777.7 | 974.5 | 25.3% |
| Other Liabilities | 80.9 | 91.1 | 12.6% |
| Total Liabilities | 858.6 | 1,065.6 | 24.1% |
| Deferred Inflows of Resources | 43.2 | 18.6 | (56.9)% |
| Net Position | | | |
| Net Investment in Capital Assets | 851.5 | 793.9 | (6.8)% |
| Restricted | 143.9 | 220.8 | 53.4% |
| Unrestricted (Deficit) | (157.4) | (208.7) | 32.6% |
| Total Net Position | \$ 838.0 | \$ 806.0 | (3.8)% |

The District's decline in financial position is the product of many factors, but the most significant factors are due to:

- An increase in Florida Retirement System pension expense; and
- An increase in instructional expenses due to classroom curriculum initiatives.

Changes in Net Position. The District's total revenue increased 3.3 percent to \$955.1 million (see Figure A-4). Property taxes, FEFP funding, and federal and state sources, accounted for most of the District's revenue, contributing about 91 cents of every dollar raised (see Figure A-5). The remainder came from capital grants and contributions, operating grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services increased 9.6 percent to \$987.1 million. Approximately 89 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 11 percent of total costs. The \$30.8 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 \$32.0 million and contributing to the District's decline in financial condition.

Figure A-4

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

| | Governmental Activities | | Total Percentage Change |
|---|----------------------------|----------|-------------------------------|
| | 2016 | 2017 | |
| <i>Revenues</i> | | | |
| <i>Program Revenues</i> | | | |
| Charges for Services | \$ 13.2 | \$ 13.9 | 5.3% |
| Operating Grants and Contributions | 38.8 | 42.3 | 9.0% |
| Capital Grants and Contributions | 11.3 | 12.5 | 10.6% |
| <i>General Revenues</i> | | | |
| Property Taxes | 485.2 | 509.8 | 5.1% |
| Florida Education Finance Program | 165.8 | 163.8 | (1.2)% |
| Other Federal Sources | 74.7 | 76.9 | 2.9% |
| Other State Sources | 120.7 | 122.0 | 1.1% |
| Other Local Sources | 11.5 | 10.8 | (6.1)% |
| Investment Earnings | 3.4 | 3.1 | (8.8)% |
| Total Revenues | 924.6 | 955.1 | 3.3% |
| <i>Expenses</i> | | | |
| Instruction | 478.0 | 508.8 | 6.4% |
| Student Support Services | 29.6 | 32.7 | 10.5% |
| Instructional Media Services | 4.2 | 4.2 | 0.0% |
| Instruction & Curriculum Development Services | 20.2 | 24.9 | 23.3% |
| Instructional Staff Training Services | 10.9 | 10.6 | (2.8)% |
| Instruction Related Technology | 7.4 | 8.2 | 10.8% |
| Board | 0.9 | 1.1 | 22.2% |
| General Administration | 5.9 | 6.7 | 13.6% |
| School Administration | 44.8 | 50.9 | 13.6% |
| Facilities Services | 90.9 | 108.6 | 19.5% |
| Fiscal Services | 3.7 | 4.1 | 10.8% |
| Food Services | 39.7 | 44.4 | 11.8% |
| Central Services | 8.8 | 10.6 | 20.5% |
| Student Transportation Services | 51.5 | 57.2 | 11.1% |
| Operation of Plant | 64.7 | 68.4 | 5.7% |
| Maintenance of Plant | 15.6 | 17.1 | 9.6% |
| Administrative Technology Services | 5.5 | 6.1 | 10.9% |
| Community Services | 5.1 | 6.1 | 19.6% |
| Unallocated Interest on Long-Term Debt | 13.6 | 16.4 | 20.6% |
| Total Expenses | 901.0 | 987.1 | 9.6% |
| Increase (Decrease) in Net Position | 23.6 | (32.0) | (235.6)% |
| Net Position, Beginning | 814.4 | 838.0 | 2.9% |
| Net Position, Ending | \$ 838.0 | \$ 806.0 | (3.8)% |

Figure A-5

Sources of Revenues for Fiscal Year 2017

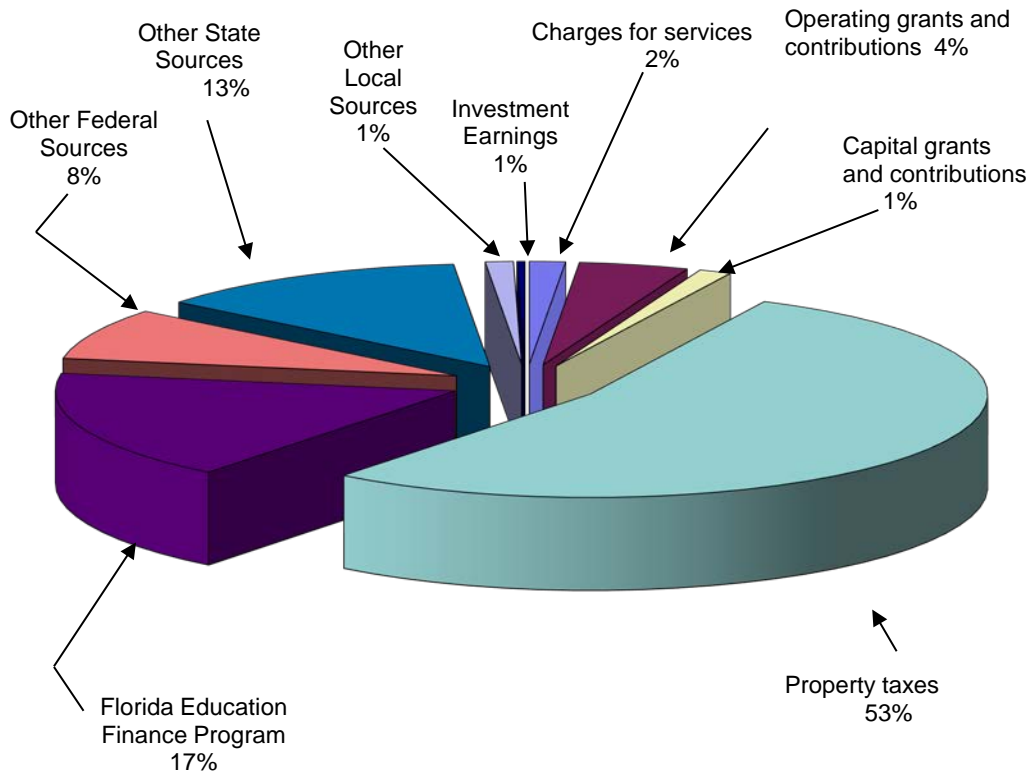
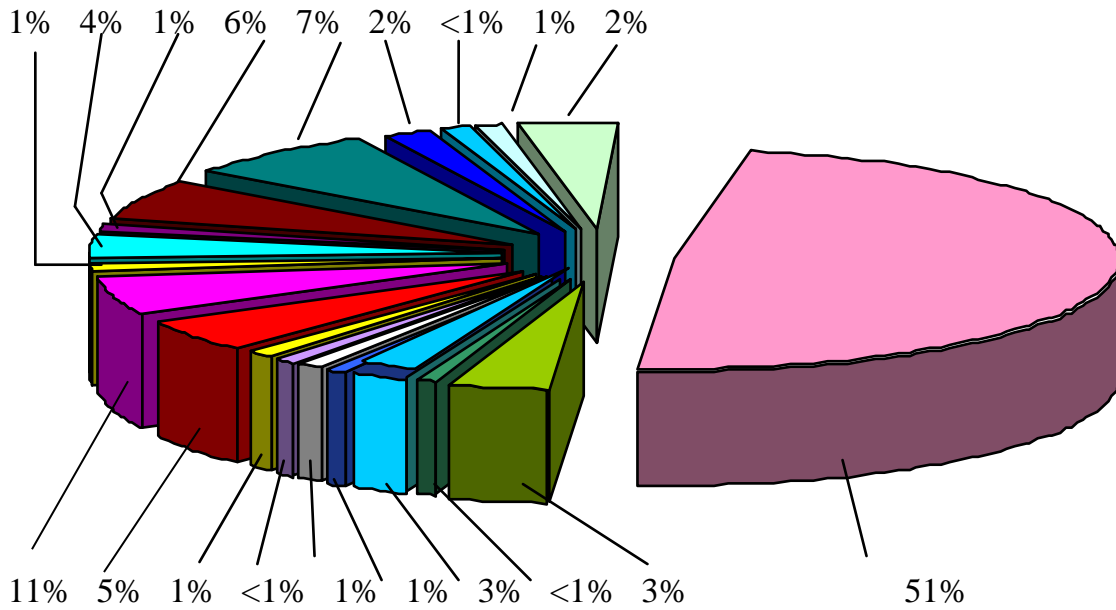


Figure A-6

Expenses for Fiscal Year 2017



- Instruction - 51%
- Student Support Services - 3%
- Instructional Media Services - <1%
- Instruction and Curriculum Development Services - 3%
- Instructional Staff Training Services - 1%
- Instruction Related Technology - 1%
- Board <1%
- General Administration - 1%
- School Administration - 5%
- Facilities Services - 11%
- 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 3.3 percent, while expenses increased 9.6 percent. The decrease in net position for governmental activities was \$32.0 million in 2017. The major impact to revenue was the increase in property tax revenue of \$24.6 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 |
|---|------------------------|----------|------------|----------------------|------------|------------|
| | 2016 | 2017 | Change | 2016 | 2017 | Change |
| Instruction | \$ 478.0 | \$ 508.8 | 6.4% | \$ (468.1) | \$ (498.0) | 6.4% |
| Student Support Services | 29.6 | 32.7 | 10.5% | (29.6) | (32.7) | 10.5% |
| Instructional Media Services | 4.2 | 4.2 | 0.0% | (4.2) | (4.2) | 0.0% |
| Instruction & Curriculum Development Services | 20.2 | 24.9 | 23.3% | (20.2) | (24.9) | 23.3% |
| Instructional Staff Training Services | 10.9 | 10.6 | (2.8)% | (10.9) | (10.6) | (2.8)% |
| Instruction Related Technology | 7.4 | 8.2 | 10.8% | (7.4) | (8.2) | 10.8% |
| Board | 0.9 | 1.1 | 22.2% | (0.9) | (1.1) | 22.2% |
| General Administration | 5.9 | 6.7 | 13.6% | (5.9) | (6.7) | 13.6% |
| School Administration | 44.8 | 50.9 | 13.6% | (44.8) | (50.9) | 13.6% |
| Facilities Services | 90.9 | 108.6 | 19.5% | (81.6) | (98.1) | 20.2% |
| Fiscal Services | 3.7 | 4.1 | 10.8% | (3.7) | (4.1) | 10.8% |
| Food Services | 39.7 | 44.4 | 11.8% | 2.0 | 0.4 | (80.0)% |
| Central Services | 8.8 | 10.6 | 20.5% | (8.8) | (10.6) | 20.5% |
| Student Transportation Services | 51.5 | 57.2 | 11.1% | (51.0) | (56.6) | 11.0% |
| Operation of Plant | 64.7 | 68.4 | 5.7% | (64.7) | (68.4) | 5.7% |
| Maintenance of Plant | 15.6 | 17.1 | 9.6% | (15.6) | (17.1) | 9.6% |
| Administrative Technology Services | 5.5 | 6.1 | 10.9% | (5.5) | (6.1) | 10.9% |
| Community Services | 5.1 | 6.1 | 19.6% | (5.1) | (6.1) | 19.6% |
| Unallocated Interest on Long-Term Debt | 13.6 | 16.4 | 20.6% | (11.6) | (14.4) | 24.1% |
| Total | \$ 901.0 | \$ 987.1 | 9.6% | \$ (837.6) | \$ (918.4) | 9.6% |

The cost of all governmental activities this year was \$987.1 million.

Part of the cost was financed by the users of the District's programs (\$13.9 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$54.8 million).

However, most of the District's costs (\$918.4 million) were financed by District and State taxpayers. This portion of governmental activities was financed with \$509.8 million from property taxes and \$373.5 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 \$325.3 million, which is above last fiscal year's ending fund balances of \$264.0 million. Unassigned fund balance of \$97.9 million represents 28.1 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 \$3.0 million; 2) restricted by Federal law, State statute and local ordinance of \$219.6 million; and 3) assigned for State and Local programs of \$4.8 million.

Eight of the ten Governmental Funds had more revenue and other financing sources than expenditures and other financing uses in 2017, thereby contributing to the increase in total fund balance. Most significantly, \$41.7 million of the Capital Projects Fund Certificates of Participation/Impact Fees/State Grants fund balance increased due to the issuance of a new Certificate of Participation and \$17.8 million of the Capital Projects Fund Local Capital Improvement Tax fund balance increased because current year resources were not expended in the current year due to conservative spending. Some funds reflect decreases (\$3.3 million) in fund balance. The General Fund fund balance decreased \$3.2 million due to the implementation of several classroom curriculum initiatives in the current year using prior year resources.

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 \$97.9 million, while total fund balance reached \$137.0 million. During the current fiscal year, the fund balance of the General Fund decreased by \$3.2 million. A key factor in this decrease was the implementation of several classroom curriculum initiatives in the current year using prior year resources.

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 2017 was \$0.6 million, an increase of \$0.3 million from the prior fiscal year. The increase is related to debt service payments the District will need to make in early fiscal year 2018.

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 2017 was \$10.9 million, an increase of \$1.9 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, 2017, the total fund balance was \$72 million, an increase of \$17.8 million from the prior fiscal year due to conservative spending.

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 \$79.5 million, an increase of \$41.7 million from the prior fiscal year. The primary reason for this change was the issuance of a new Certificate of Participation.

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 less than the final amended budget by \$53,000 due to a lower 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 \$3.8 million from the original budget to the final amended budget primarily due to the rise in transportation and facility maintenance costs.

- Although the District's final budget for the General Fund anticipated that expenditures would exceed revenues and other financing sources by approximately \$100.9 million, the actual results for the fiscal year show that expenditures exceeded revenues and other financing sources by \$3.2 million.
- The actual expenditures were \$93.9 million below budgeted levels. Actual expenditures for instruction were more than \$58.3 million below budgeted levels due to conservative spending at the schools.
- Actual expenditures for transportation and operation of plant were \$15.9 million below budgeted levels due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

By the end of the 2016-17 fiscal year, the District had an investment of \$1,252.7 million, net of accumulated depreciation, in a broad range of assets, including land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment, motor vehicles, audio visual material and software (see Figure A-8). This amount represents a net increase of \$0.4 million, or 0.0 percent, from the 2015-16 fiscal year. Additions to land, furniture, fixtures and equipment and motor vehicles, amounted to \$39.6 million for the fiscal year. Total depreciation expense for the year was \$48.7 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>2016</u> | <u>2017</u> | |
| Land | \$ 169.0 | \$ 180.1 | 6.6% |
| Construction in Progress | 0.0 | 8.7 | 870.0% |
| Improvements Other Than Buildings | 27.3 | 26.6 | (2.6)% |
| Buildings | 1,008.6 | 973.9 | (3.4)% |
| Furniture, Fixtures and Equipment | 20.3 | 18.2 | (10.3)% |
| Motor Vehicles | 10.7 | 30.5 | 185.0% |
| Audio Visual Materials and Software | 16.4 | 14.7 | (10.4)% |
| Total | <u>\$ 1,252.3</u> | <u>\$ 1,252.7</u> | 0.0% |

The District's approved five-year Capital Outlay Plan includes the construction of two new high schools, three new middle schools and two new elementary schools over the next five years. The District's student enrollment has grown over the last several years, 8.3 percent since 2013 for a present enrollment of 92,665 students.

The District's capital projects budget shows spending another \$254.4 million in the 2017-18 fiscal year for capital projects, principally in four areas:

- 1) \$19.7 million to purchase new school buses.
- 2) \$22.7 million to continue the upgrade of technology equipment.
- 3) \$40.4 million to continue the maintenance of existing schools.
- 4) \$75.4 million to begin the construction of one new high school and one new middle school and to complete the construction of one new high school.

Long-Term Debt

At fiscal year-end, the District had \$453.6 million in SBE bonds, Certificates of Participation and Notes outstanding, an increase of 16.0 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>2016</u> | <u>2017</u> | |
| Certificates of Participation and Note Payables (financed with property taxes) | \$ 385.1 | \$ 449.8 | 16.8% |
| State School Bonds (financed with specific taxes & fee revenues) | 5.8 | 3.8 | (34.5)% |
| Total | \$ 390.9 | \$ 453.6 | 16.0% |

During the fiscal year, the District issued \$61.1 million in COPS bonds and \$60 million in old debt was refunded. In addition, the District issued \$20 million in Notes Payable to finance the purchase of 190 school busses.

The District continues to retire its outstanding debt as it becomes due, retiring \$28.3 million of outstanding certificates of participation, notes, and bonds during the 2016-17 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 four existing circumstances that could significantly affect its financial health in the future:

- Property tax roll increased over 8 percent for 2018, a positive economic indicator for our county. This increase was the fifth increase in the tax roll since 2008, and indicates a strong trend. While we expect these increases to be more modest in the future, continued increases signal economic growth for our county and state, and is a predictor for budget stability.
- Local property taxes are currently the lone substantial source of funding in the capital plan. Despite the increase in the tax roll, the previous losses 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 does not meet the current need. The District is actively working to creatively identify and obtain revenue from other sources to supplement current revenue.
- Our School Board voted in July 2017 to bring a lawsuit against the state of Florida regarding House Bill 7069. This law was passed in the legislative session during the 2017 session, and contains provisions that, in our opinion, are detrimental to public education. One of the provisions in HB 7069 calls for sharing capital revenue with charter schools. Given the information above related to capital funding, this is of particular concern from a financial perspective. In addition, other provisions affect the educational program and usurp our authority to carry out our fundamental responsibility of providing a high quality education to all students. Ten school districts in Florida have joined this lawsuit, more are expected to join, and we expect this to be ongoing for some time.
- Several major instructional and salary initiatives have been planned that will mean a planned reduction of fund balance over the next several years. Our assigned and unassigned fund balance as a percentage of operating revenues is higher than the state average. We fully expect that our financial position will remain strong after this planned reduction.

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.

BASIC FINANCIAL STATEMENTS

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
June 30, 2017

| | Primary Government | Component |
|---|---------------------------|---------------------|
| | Governmental | Units |
| ASSETS | Activities | Units |
| Cash | \$ 37,572,894 | \$ 10,729,404 |
| Investments | 420,840,060 | 1,598,631 |
| Accounts Receivable | 117,354 | 3,002,986 |
| Deposits Receivable | - | 103,871 |
| Taxes Receivable | 139,505 | - |
| Due from Other Agencies | 11,424,866 | 273,021 |
| Due from Fiduciary Funds | - | 10,994 |
| Inventory | 2,703,859 | 31,295 |
| Prepaid Expenses | 306,839 | 1,951,343 |
| Capital Credits Receivable | 8,569,556 | - |
| Restricted assets: | | |
| Cash with Fiscal Agent | 389,342 | - |
| Capital assets: | | |
| Non-depreciable | 188,888,152 | - |
| Depreciable, net | 1,063,846,832 | 82,093,391 |
| Total Assets | 1,734,799,259 | 99,794,936 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Deferred amount on refunding | 281,859 | - |
| Deferred amount on pension | 155,127,112 | 125,908 |
| Total Deferred Outflow of Resources | 155,408,971 | 125,908 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | |
| LIABILITIES | | |
| Salaries and Wages Payable | 19,725,451 | 2,027,656 |
| Payroll Deductions and Withholdings | 5,951,685 | - |
| Accounts Payable | 9,529,872 | 5,653,907 |
| Construction Contracts Payable | 1,885,572 | - |
| Construction Contracts Payable - Retainage | 942,236 | - |
| Matured Principal and Interest Payable | 33,234,741 | - |
| Accrued Interest Payable | 259,721 | - |
| Deposits Payable | 20,793 | 5,363 |
| Unearned Revenue | 10,849,815 | - |
| Due to Other Agencies | 8,691,895 | 49,060 |
| Noncurrent liabilities: | | |
| Portion due within one year: | | |
| Notes Payable | 4,769,643 | 43,017 |
| Bonds Payable | 1,885,000 | 115,000 |
| Obligations under Capital Lease | - | 2,123,753 |
| Liability for Compensated Absences | 6,062,339 | 128,171 |
| Certificates of Participation Payable | 26,284,000 | - |
| Estimated Early Retirement Payable | 2,000 | - |
| Estimated Insurance Claims Payable | 11,617,278 | - |
| Net Pension Liability | 4,735,888 | - |
| Portion due after one year: | | |
| Notes Payable | 17,867,258 | 409,359 |
| Bonds Payable | 1,915,530 | 20,067,418 |
| Obligations under Capital Lease | - | 69,198,185 |
| Liability for Compensated Absences | 56,659,784 | 42,724 |
| Certificates of Participation Payable | 400,852,137 | - |
| Estimated Early Retirement Payable | 1,252,000 | - |
| Estimated Insurance Claims Payable | 11,019,711 | - |
| Postemployment Benefits Payable | 31,443,019 | - |
| Net Pension Liability | 398,099,164 | 320,552 |
| Total Liabilities | 1,065,556,532 | 100,184,165 |
| DEFERRED INFLOW OF RESOURCES | | |
| Deferred amount on refunding | 8,179,586 | - |
| Deferred amount on pension | 10,439,847 | 22,065 |
| Total Deferred Inflow of Resources | 18,619,433 | 22,065 |
| NET POSITION | | |
| Net Investment in Capital Assets | 793,900,590 | (4,116,780) |
| Restricted for: | | |
| State Required Carryover Programs | 20,263,769 | - |
| Debt Service | 11,674,226 | 1,598,631 |
| Capital Projects | 155,266,785 | 7,197 |
| Food Service: Expendable | 20,754,624 | - |
| Food Service: Nonexpendable | 615,475 | - |
| Other Purposes | 12,242,511 | 3,575,001 |
| Unrestricted | (208,685,715) | (1,349,435) |
| Total Net Position | \$ 806,032,265 | \$ (285,386) |

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, 2017

| FUNCTIONS | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|---|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component Units |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| Instruction | \$ 508,830,499 | \$ 10,822,584 | \$ - | \$ - | \$ (498,007,915) | \$ - |
| Student Support Services | 32,730,160 | - | - | - | (32,730,160) | - |
| Instructional Media Services | 4,229,828 | - | - | - | (4,229,828) | - |
| Instruction and Curriculum Development Services | 24,935,745 | - | - | - | (24,935,745) | - |
| Instructional Staff Training Services | 10,571,419 | - | - | - | (10,571,419) | - |
| Instruction Related Technology | 8,159,250 | - | - | - | (8,159,250) | - |
| Board | 1,133,922 | - | - | - | (1,133,922) | - |
| General Administration | 6,658,948 | - | - | - | (6,658,948) | - |
| School Administration | 50,889,724 | - | - | - | (50,889,724) | - |
| Facilities Services | 108,581,681 | - | - | 10,458,296 | (98,123,385) | - |
| Fiscal Services | 4,121,395 | - | - | - | (4,121,395) | - |
| Food Services | 44,410,500 | 2,528,141 | 42,282,889 | - | 400,530 | - |
| Central Services | 10,630,643 | - | - | - | (10,630,643) | - |
| Student Transportation Services | 57,211,045 | 583,876 | - | - | (56,627,169) | - |
| Operation of Plant | 68,390,472 | - | - | - | (68,390,472) | - |
| Maintenance of Plant | 17,083,172 | - | - | - | (17,083,172) | - |
| Administrative Technology Services | 6,047,231 | - | - | - | (6,047,231) | - |
| Community Services | 6,098,631 | - | - | - | (6,098,631) | - |
| Unallocated Interest and Fiscal Charges on Long-term Debt | 16,384,698 | - | - | 2,013,640 | (14,371,058) | - |
| Total Governmental Activities | 987,098,963 | 13,934,601 | 42,282,889 | 12,471,936 | (918,409,537) | |
| Total Primary Government | \$ 987,098,963 | \$ 13,934,601 | \$ 42,282,889 | \$ 12,471,936 | (918,409,537) | |
| Component Units: | | | | | | |
| Charter Schools/Foundation | \$ 71,780,293 | \$ 1,118,122 | \$ 6,270,520 | \$ 2,320,632 | | (62,071,019) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for Operational Purposes | | | | 399,499,006 | - | - |
| Property Taxes, Levied for Capital Projects | | | | 110,255,520 | - | - |
| Florida Education Finance Program | | | | 163,848,436 | - | - |
| Other Federal Sources Not Restricted to Specific Programs | | | | 76,935,631 | - | - |
| Other State Sources Not Restricted to Specific Programs | | | | 122,024,361 | | 58,441,128 |
| Other Miscellaneous Sources Not Restricted to Specific Programs | | | | 10,815,979 | | 2,132,271 |
| Unrestricted Investment Earnings | | | | 3,065,164 | | 3,230 |
| Total General Revenues | | | | 886,444,097 | | 60,576,629 |
| Change in Net Position | | | | (31,965,440) | | (1,494,390) |
| Net Position - July 1, 2016 | | | | 837,997,705 | | (548,847) |
| Adjustment to Beginning Net Position | | | | - | | 1,757,851 |
| Net Position - July 1, 2016, Restated | | | | 837,997,705 | | 1,209,004 |
| Net Position - June 30, 2017 | | | | \$ 806,032,265 | | \$ (285,386) |

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, 2017**

| | General Fund | 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 | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-----------------------|--|---|---|--|-----------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ 25,340,958 | \$ 4,957 | \$ 2,728 | \$ 1,314,478 | \$ 3,308,364 | \$ 5,738,341 | \$ 35,709,826 |
| Investments | 156,294,617 | 33,571,483 | 10,942,543 | 73,192,585 | 76,710,041 | 19,380,656 | 370,091,925 |
| Accounts Receivable | 110,437 | - | - | - | - | 6,916 | 117,353 |
| Taxes Receivable | 109,331 | - | - | 30,174 | - | - | 139,505 |
| Due from Other Funds | 6,480,813 | - | - | - | - | 258,011 | 6,738,824 |
| Due from Other Agencies | 2,182,307 | - | - | - | 2,300,750 | 6,941,809 | 11,424,866 |
| Restricted Cash with Fiscal Agent | 89,342 | - | - | - | - | - | 89,342 |
| Inventory | 2,088,384 | - | - | - | - | 615,475 | 2,703,859 |
| Prepaid Items | - | 306,839 | - | - | - | - | 306,839 |
| Total Assets | \$ 192,696,189 | \$ 33,883,279 | 10,945,271 | \$ 74,537,237 | \$ 82,319,155 | \$ 32,941,208 | \$ 427,322,339 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Salaries and Wages Payable | \$ 19,725,451 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,725,451 |
| Payroll Deductions and Withholdings | 5,951,685 | - | - | - | - | - | 5,951,685 |
| Accounts Payable | 5,314,064 | 4,957 | 2,728 | 1,974,971 | 560,948 | 1,239,864 | 9,097,532 |
| Matured Principal Payable | - | 25,176,000 | - | - | - | - | 25,176,000 |
| Matured Interest Payable | - | 8,058,741 | - | - | - | - | 8,058,741 |
| Construction Contracts Payable | - | - | - | 259,883 | 1,166,626 | 459,063 | 1,885,572 |
| Construction Contracts Payable - Retainage | - | - | - | 344,757 | 509,886 | 87,593 | 942,236 |
| Deposits Payable | 20,793 | - | - | - | - | - | 20,793 |
| Due to Other Agencies | 8,691,895 | - | - | - | - | - | 8,691,895 |
| Due to Other Funds | 16,040,594 | - | - | - | 619,106 | 5,849,917 | 22,509,617 |
| Total Liabilities | 55,744,482 | 33,239,698 | 2,728 | 2,579,611 | 2,856,566 | 7,636,437 | 102,059,522 |
| Fund Balance | | | | | | | |
| Nonspendable | | | | | | | |
| Inventory | 2,088,384 | - | - | - | - | 615,475 | 2,703,859 |
| Prepaid Items | - | 306,839 | - | - | - | - | 306,839 |
| Restricted for: | | | | | | | |
| State Required Carryover Programs | 20,263,769 | - | - | - | - | - | 20,263,769 |
| Other Purposes | 11,942,511 | - | - | - | - | - | 11,942,511 |
| Debt Service | - | 336,742 | 10,942,543 | - | - | 88,102 | 11,367,387 |
| Capital Projects | - | - | - | 71,957,626 | 79,462,589 | 3,846,570 | 155,266,785 |
| Food Service | - | - | - | - | - | 20,754,624 | 20,754,624 |
| Assigned to: | | | | | | | |
| Purchase Order Obligations | 4,748,142 | - | - | - | - | - | 4,748,142 |
| Unassigned | 97,908,901 | - | - | - | - | - | 97,908,901 |
| Total Fund Balances | 136,951,707 | 643,581 | 10,942,543 | 71,957,626 | 79,462,589 | 25,304,771 | 325,262,817 |
| Total Liabilities and Fund Balances | \$ 192,696,189 | \$ 33,883,279 | \$ 10,945,271 | \$ 74,537,237 | \$ 82,319,155 | \$ 32,941,208 | \$ 427,322,339 |

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, 2017**

Total Fund Balance - Governmental Funds \$ 325,262,817

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 | \$ 1,943,306,259 | |
| Accumulated depreciation | <u>(690,571,275)</u> | |
| | | 1,252,734,984 |

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. 155,408,971

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. 8,569,556

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 | (259,721) | |
| Bonds payable | (3,800,530) | |
| Certificates of participation payable | (427,136,137) | |
| Notes payable | (22,636,901) | |
| Estimated early retirement payable | (1,254,000) | |
| Net pension liability | (402,835,052) | |
| Estimated insurance claims payable | (22,636,989) | |
| Postemployment benefits payable | (31,443,019) | |
| Liability for compensated absences | <u>(62,722,123)</u> | |
| Subtotal, long-term liabilities | | (974,724,472) |

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on pensions and refundings in the statement of net position. (18,619,433)

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 \$34,757,875. This includes \$6,011 in capital assets, \$10,987 in compensated absences and \$22,636,989 in estimated unpaid claims included above. The net amount is as follows:

57,399,842

Total net position - governmental activities \$ 806,032,265

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, 2017

| | General Fund | 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 | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---|--|---|--|-----------------------------|--------------------------|
| REVENUES | | | | | | | |
| Federal Direct Sources | \$ 1,702,332 | \$ - | \$ - | \$ - | \$ - | \$ 19,272,370 | \$ 20,974,702 |
| Federal Through State Sources | 2,247,950 | - | - | - | - | 95,432,245 | 97,680,195 |
| State Sources | 282,227,993 | - | - | - | 3,922,172 | 6,103,576 | 292,253,741 |
| Local Sources | | | | | | | |
| Taxes | 399,499,006 | - | - | 110,255,520 | - | - | 509,754,526 |
| Food Service Sales | - | - | - | - | - | 2,528,141 | 2,528,141 |
| Impact Fees | - | - | - | - | 6,654,615 | - | 6,654,615 |
| Miscellaneous | 23,012,115 | 8,234 | 86,618 | 481,124 | 612,098 | 245,025 | 24,445,214 |
| Total Revenues | 708,689,396 | 8,234 | 86,618 | 110,736,644 | 11,188,885 | 123,581,357 | 954,291,134 |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| Instruction | 447,980,314 | - | - | - | - | 40,026,192 | 488,006,506 |
| Student Support Services | 25,551,136 | - | - | - | - | 5,702,802 | 31,253,938 |
| Instructional Media Services | 3,899,569 | - | - | - | - | 76,975 | 3,976,544 |
| Instruction and Curriculum Development Services | 8,689,455 | - | - | - | - | 15,053,499 | 23,742,954 |
| Instructional Staff Training Services | 4,489,847 | - | - | - | - | 5,796,104 | 10,285,951 |
| Instruction Related Technology | 7,680,760 | - | - | - | - | 110,273 | 7,791,033 |
| Board | 1,036,170 | - | - | - | - | 11,863 | 1,048,033 |
| General Administration | 3,269,546 | - | - | - | - | 3,192,611 | 6,462,157 |
| School Administration | 47,517,795 | - | - | - | - | 416,280 | 47,934,075 |
| Facilities Services | 8,446,335 | - | - | 49,335,802 | 2,208,689 | 1,940,121 | 61,930,947 |
| Fiscal Services | 3,951,176 | - | - | - | - | - | 3,951,176 |
| Food Service | - | - | - | - | - | 42,253,373 | 42,253,373 |
| Central Services | 9,845,161 | - | - | - | - | 253,082 | 10,098,243 |
| Student Transportation Services | 53,985,585 | - | - | - | - | 875,320 | 54,860,905 |
| Operation of Plant | 66,901,688 | - | - | - | - | 149,943 | 67,051,631 |
| Maintenance of Plant | 16,192,001 | - | - | - | - | - | 16,192,001 |
| Administrative Technology Services | 5,690,703 | - | - | - | - | - | 5,690,703 |
| Community Services | 5,420,543 | - | - | - | - | 503,290 | 5,923,833 |
| Capital Outlay | | | | | | | |
| Facilities Acquisition and Construction | 546,828 | - | - | 1,392,658 | 18,883,074 | 278,383 | 21,100,943 |
| Other Capital Outlay | 2,044,236 | - | - | 5,731,203 | 19,701,774 | 2,123,152 | 29,600,365 |
| Debt Service | | | | | | | |
| Principal | - | 26,548,021 | - | - | - | 1,794,000 | 28,342,021 |
| Interest and Fiscal Charges | - | 17,201,693 | 220,524 | - | - | 266,860 | 17,689,077 |
| Total Expenditures | 723,138,848 | 43,749,714 | 220,524 | 56,459,663 | 40,793,537 | 120,824,123 | 985,186,409 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,449,452) | (43,741,480) | (133,906) | 54,276,981 | (29,604,652) | 2,757,234 | (30,895,275) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Issuance of Refunding Bonds | - | 60,177,000 | - | - | - | - | 60,177,000 |
| Certificates of Participation Issued | - | 702,060 | - | - | 60,377,940 | - | 61,080,000 |
| Premium on Certificates of Participation Issued | - | - | - | - | 10,557,060 | - | 10,557,060 |
| Issuance of Loans | - | 35,000 | - | - | 19,965,000 | - | 20,000,000 |
| Loss Recoveries | 326,784 | - | - | - | - | - | 326,784 |
| Transfer In | 10,895,414 | 43,148,019 | 2,021,082 | - | - | - | 56,064,515 |
| Payments to Refunded COPS Escrow Agent | - | (60,000,000) | - | - | - | - | (60,000,000) |
| Transfer Out | - | (152) | - | (36,490,155) | (19,574,208) | - | (56,064,515) |
| Total Other Financing Sources (Uses) | 11,222,198 | 44,061,927 | 2,021,082 | (36,490,155) | 71,325,792 | - | 92,140,844 |
| Net Change in Fund Balance | (3,227,254) | 320,447 | 1,887,176 | 17,786,826 | 41,721,140 | 2,757,234 | 61,245,569 |
| Fund Balance, Beginning | 140,178,961 | 323,134 | 9,055,367 | 54,170,800 | 37,741,449 | 22,547,537 | 264,017,248 |
| Fund Balance, Ending | \$ 136,951,707 | \$ 643,581 | \$ 10,942,543 | \$ 71,957,626 | \$ 79,462,589 | \$ 25,304,771 | \$ 325,262,817 |

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, 2017**

Net change in fund balances- governmental funds \$ 61,245,569

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 capital outlays exceeds depreciation expense, net of noncapitalized outlays, and other additions in the current period.

| | | |
|----------------------|---------------------|-----------|
| Capital outlays | \$ 49,762,506 | |
| Depreciation expense | <u>(48,724,136)</u> | 1,038,370 |

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. (594,909)

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 | (141,257,000) | |
| Payment to escrow agent | 60,000,000 | |
| Deferred In/Outflows- Refunding | (10,557,060) | |
| Amortization-net | 674,575 | |
| Amortization-net | 827,981 | |
| Repayments | <u>28,342,021</u> | (61,969,483) |

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. 252,894

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. 25,000

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. (198,177)

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 earned in excess of the amount paid in the current period. (1,847,582)

The net change in the liability for postemployment health benefits is reported in the government-wide statements, but not in the governmental fund statements. (2,028,068)

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

| | | |
|--------------------------|---------------------|--------------|
| FRS Pension contribution | 24,667,586 | |
| HIS Pension contribution | 7,485,238 | |
| FRS Pension expense | (35,192,820) | |
| HIS Pension expense | <u>(13,937,760)</u> | (16,977,756) |

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 \$10,904,331 is reported with governmental activities. This includes \$801 in depreciation, and \$7,771 in compensated absences included above. The net amount is as follows: (10,911,298)

Change in net position of governmental activities \$ (31,965,440)

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, 2017**

| | General Fund | | | Variance with Final Budget - Under (Over) |
|--|----------------------|----------------------|-----------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Federal Direct Sources | \$ 1,333,000 | \$ 1,333,000 | \$ 1,702,332 | \$ (369,332) |
| Federal Through State Sources | 2,350,000 | 2,350,000 | 2,247,950 | 102,050 |
| State Sources | 288,470,046 | 282,405,179 | 282,227,993 | 177,186 |
| Local Sources | | | | |
| Taxes | 399,551,963 | 399,551,963 | 399,499,006 | 52,957 |
| Miscellaneous | 15,656,079 | 18,700,374 | 23,012,115 | (4,311,741) |
| Total Revenues | <u>707,361,088</u> | <u>704,340,516</u> | <u>708,689,396</u> | <u>(4,348,880)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 508,575,517 | 506,245,706 | 447,980,314 | 58,265,392 |
| Student Support Services | 26,020,530 | 26,770,925 | 25,551,136 | 1,219,789 |
| Instructional Media Services | 4,178,135 | 4,376,104 | 3,899,569 | 476,535 |
| Instruction and Curriculum Development Services | 9,247,654 | 9,197,038 | 8,689,455 | 507,583 |
| Instructional Staff Training Services | 6,130,719 | 6,266,234 | 4,489,847 | 1,776,387 |
| Instruction Related Technology | 7,973,673 | 8,041,434 | 7,680,760 | 360,674 |
| Board | 1,126,943 | 1,133,952 | 1,036,170 | 97,782 |
| General Administration | 3,156,493 | 3,695,621 | 3,269,546 | 426,075 |
| School Administration | 50,459,485 | 51,043,677 | 47,517,795 | 3,525,882 |
| Facilities Services | 10,186,588 | 9,426,245 | 8,446,335 | 979,910 |
| Fiscal Services | 4,095,493 | 4,240,471 | 3,951,176 | 289,295 |
| Central Services | 11,759,727 | 12,312,855 | 9,845,161 | 2,467,694 |
| Student Transportation Services | 57,851,297 | 58,984,833 | 53,985,585 | 4,999,248 |
| Operation of Plant | 77,089,944 | 77,818,205 | 66,901,688 | 10,916,517 |
| Maintenance of Plant | 17,487,420 | 17,175,933 | 16,192,001 | 983,932 |
| Administrative Technology Services | 6,345,158 | 6,339,933 | 5,690,703 | 649,230 |
| Community Services | 11,546,220 | 6,563,199 | 5,420,543 | 1,142,656 |
| Capital Outlay | | | | |
| Facilities Acquisition and Construction | - | 825,355 | 546,828 | 278,527 |
| Other Capital Outlay | - | 6,548,525 | 2,044,236 | 4,504,289 |
| Total Expenditures | <u>813,230,996</u> | <u>817,006,245</u> | <u>723,138,848</u> | <u>93,867,397</u> |
| Deficiency of Revenues Under Expenditures | <u>(105,869,908)</u> | <u>(112,665,729)</u> | <u>(14,449,452)</u> | <u>(98,216,277)</u> |
| OTHER FINANCING SOURCES | | | | |
| Loss Recoveries | 12,156 | 215,433 | 326,784 | (111,351) |
| Transfer In | 9,659,817 | 11,534,619 | 10,895,414 | 639,205 |
| Total Other Financing Sources | <u>9,671,973</u> | <u>11,750,052</u> | <u>11,222,198</u> | <u>527,854</u> |
| Net Change in Fund Balance | <u>(96,197,935)</u> | <u>(100,915,677)</u> | <u>(3,227,254)</u> | <u>(97,688,423)</u> |
| Fund Balance, Beginning | <u>140,254,723</u> | <u>140,178,961</u> | <u>140,178,961</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 44,056,788</u> | <u>\$ 39,263,284</u> | <u>\$ 136,951,707</u> | <u>\$ (97,688,423)</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, 2017

| | Governmental Activities- Internal Service Funds |
|------------------------------------|--|
| | |
| ASSETS | |
| Current Assets | |
| Cash | \$ 1,863,068 |
| Investments | 50,748,135 |
| Due from Governmental Funds | 15,772,071 |
| Total Current Assets | 68,383,274 |
| Noncurrent Assets | |
| Restricted Cash with Fiscal Agent | 300,000 |
| Furniture, Fixtures and Equipment | 7,999 |
| Less Accumulated Depreciation | (1,988) |
| Total Noncurrent Assets | 306,011 |
| Total Assets | 68,689,285 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 432,341 |
| Due to Governmental Funds | 1,278 |
| Unearned Revenue | 10,849,815 |
| Estimated Insurance Claims Payable | 11,617,278 |
| Liability for Compensated Absences | 10,987 |
| Total Current Liabilities | 22,911,699 |
| Long-Term Liabilities | |
| Estimated Insurance Claims Payable | 11,019,711 |
| Total Liabilities | 33,931,410 |
| NET POSITION | |
| Invested in Capital Assets | 6,011 |
| Restricted for Claims | 300,000 |
| Unrestricted | 34,451,864 |
| Total Net Position | \$ 34,757,875 |

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, 2017**

| | Governmental Activities- Internal Service Funds |
|------------------------------|--|
| | |
| OPERATING REVENUES | |
| Premium Revenue | \$ 89,556,748 |
| Other Operating Revenues | 280,138 |
| | 89,836,886 |
| OPERATING EXPENSE | |
| Salaries | 341,504 |
| Employee Benefits | 112,066 |
| Purchased Services | 13,615,026 |
| Materials and Supplies | 2,002 |
| Noncapitalized Equipment | 81,522 |
| Insurance Claims | 87,012,583 |
| Depreciation | 801 |
| | 101,165,504 |
| Operating Loss | (11,328,618) |
| NONOPERATING REVENUES | |
| Interest Income | 424,287 |
| | 424,287 |
| Changes in Net Position | (10,904,331) |
| Net Position - July 1, 2016 | 45,662,206 |
| Net Position - June 30, 2017 | \$ 34,757,875 |

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, 2017**

| | | Governmental Activities- Internal Service Funds |
|--|----|--|
| | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers, Users and Participants | \$ | 89,869,294 |
| Cash Payments to Suppliers for Goods and Services | | (13,696,580) |
| Cash Payments to Employees for Services | | (461,340) |
| Cash Payments for Insurance Claims | | (86,173,548) |
| | | (10,462,174) |
| Net Cash used by Operating Activities | | (10,462,174) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Pooled Investments | | (423,993) |
| Interest on Investments | | 424,287 |
| | | 294 |
| Net Cash provided by Investing Activities | | 294 |
| Net Decrease in Cash | | (10,461,880) |
| Cash, Beginning | | 12,624,948 |
| Cash, Ending | \$ | 2,163,068 |
| Reconciliation of Operating Loss to Net Cash used by Operating Activities | | |
| Operating Loss | \$ | (11,328,618) |
| Adjustments to Reconcile Operating Income to Net Cash used by Operating Activities: | | |
| Depreciation | | 801 |
| Change in Assets and Liabilities: | | |
| Increase in Due from Governmental Funds | | (675,081) |
| Increase in Accounts Payable | | 693 |
| Increase in Due to Governmental Funds | | 1,278 |
| Increase in Advanced Revenue | | 707,489 |
| Increase in Estimated Insurance Claims Payable | | 839,035 |
| Decrease in Liability for Compensated Absences | | (7,771) |
| Total Adjustments | | 866,444 |
| Net Cash used by Operating Activities | \$ | (10,462,174) |

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, 2017

| | Fiduciary Funds |
|---|------------------------|
| | Agency Funds |
| ASSETS | |
| Cash | \$ 1,232,646 |
| Investments | 6,539,848 |
| Accounts Receivable | 396,896 |
| Inventory | 351,039 |
| Total Assets | \$ 8,520,429 |
| LIABILITIES | |
| Accounts Payable and Other Current Liabilities | \$ 410,239 |
| Due to Student Organizations and Other Agencies | 8,110,190 |
| Total Liabilities | \$ 8,520,429 |

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, 2017

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 seven 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 Nos. 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: Florida Southwestern Collegiate High School, Oasis Elementary School, Oasis Middle School, Christa McAuliffe Elementary School, and Oasis 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.

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

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 twenty-one 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.

During fiscal year 2017, Goodwill L.I.F.E. Academy ceased operations at year-end. The District recovered all the assets of the charter school at the time of the closure. The charter school has submitted an audit of their operations and that information has been reported.

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

Accelerated Educational Services, Inc. - The school's charter was granted March 11, 2014, for a grade 6-8 school. As of June 30, 2017, the school was a grade 6-8 school. The school is located in Fort Myers, Florida.

Bonita Springs Charter School – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2017, 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, 2017, 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, 2017, 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, 2017, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

DJB Technical Academy, Inc. - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2017, the school was a grade 9-12 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, 2017, the school was a grade K-4 school. The school is located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

Gateway Intermediate Charter School – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2017, 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, 2017, 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, 2017, the school ceased operations. The school was located in Fort Myers, Florida.

The Heights Charter School – The school’s charter was granted December 08, 2015, for a grade K-3 school. As of June 30, 2017, the school was a grade K-3 school. The school is located in Fort Myers, Florida.

Island Park Charter High School, Inc. – The school’s charter was granted April 01, 2014, for a grade 9-12 school. As of June 30, 2017, 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, 2017, the school was a grade K-5 school. The school is located in Boca Grande, Florida.

Northern Palms Charter High School - The school’s charter was granted April 28, 2015, for a grade 9-12 school. As of June 30, 2017, the school was a grade 9-12 school. The school is located in North Fort Myers, Florida.

North Nicholas High School - The school’s charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2017, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

Oak Creek Charter School of Bonita Springs, Inc. – The school’s charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2017, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Palm Acres Charter High School, Inc. – The school’s charter was granted March 11, 2014, for a grade 9-12 school. As of June 30, 2017, the school was a grade 9-12 school. The school is located in Lehigh Acres, Florida.

Pivot Charter High School – The school’s charter was granted October 20, 2009, for a grade 9-12 school. As of June 30, 2017, 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, 2017, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Unity Charter School of Cape Coral, Inc. – The school’s charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2017, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Unity Charter School of Fort Myers, Inc. – The school’s charter was granted October 23, 2007, for a grade K-8 school. As of June 30, 2017, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

Change in Reporting Entity

The Component Unit Beginning Net Position has been adjusted for the inclusion of The Heights Charter School. This was the first year The Heights Charter School operated as a charter school. There have also been adjustments to the beginning net position due to accounting changes for the following charter schools: Accelerated Educational Services, Inc, Northern Palms Charter High School, Oak Creek Charter School of Bonita Springs, Inc., Unity Charter School of Cape Coral, Inc., and Unity Charter School of Fort Myers, Inc. As a result of these changes 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: | \$ | (548,847) |
| Adjustment for Effect of Change in Reporting Entity | | |
| Net Position, Beginning of year- | | |
| Accelerated Educational Services, Inc. | | 68 |
| The Heights Charter School | | 80,694 |
| Northern Palms Charter High School | | 41,208 |
| Oak Creek Charter School of Bonita Springs, Inc. | | (150,454) |
| Unity Charter School of Cape Coral, Inc. | | 1,135,784 |
| Unity Charter School of Fort Myers, Inc. | | 650,551 |
| Net Position-Beginning of year, adjusted | \$ | 1,209,004 |

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.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

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.
- *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.
- *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.

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.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

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.

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.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

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.
- 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, 2017, 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, municipal obligations, 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, Florida Cooperative Liquid Asset Security System (FLCLASS), Florida Education Investment Trust Fund (FEITF) and Florida Fixed Income Trust (FL-FIT) 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 SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

The District's investments in Florida PRIME and FEITF which are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2017, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

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

Fair Value Measurement

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

Inventory

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost using the average cost method 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 recorded at the value established by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services using the average cost method. The costs of inventories are recorded as expenditures when used (the consumption method) 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 estimated acquisition 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.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose the net pension liability is measured using the FRS Comprehensive Annual Financial Report for the 2016 fiscal year. Investments are reported at fair value.

The District's retirement plans and related amounts are 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 premiums or discounts.

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 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 net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will *not* be recognized as an outflow of resources (expense) until then. The District has two items that qualifies for reporting in this category. The first is the deferred amount on refunding. 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

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refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first is the deferred amount on refunding. 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. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years.

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 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.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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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 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.

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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 2016 tax levy on September 13, 2016. 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 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.

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."

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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, 2017, the carrying amount of the District's bank deposits was \$37,962,236 and the respective bank balances totaled \$40,986,626. As of June 30, 2017, the carrying amount of the Agency Fund's bank deposits was \$1,232,646.

2-B. Investments

The District's investment policy permits investments in the Florida PRIME, FL CLASS, FEITF, FL-FIT, 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.

FEITF and Florida PRIME are external investment pools that are not registered with the Securities Exchange Commission (SEC), but do operate in a manner consistent with the SEC's Rule 2a7 off the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District's investments in both FEIFT and Florida PRIME are reported at the account balance which is amortized cost. There are no restrictions or fees to withdrawal from either of these pools.

All of the District's recurring fair value measurements as of June 30, 2017 are valued using a matrix pricing model (Level 2 inputs).

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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As of June 30, 2017, the District had the following investments:

| | Amount | Fair Value Measurements Using | | |
|--|-----------------------|---|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by fair value level | | | | |
| External Investment Pool: | | | | |
| Florida Fixed Income Trust | \$ 35,140,054 | \$ - | \$ 35,140,054 | \$ - |
| Florida Cooperative Liquid Assets Security System | 89,420,513 | - | 89,420,513 | - |
| United States Treasury Securities | 79,948,263 | - | 79,948,263 | - |
| Obligations of United States Government | | | | |
| Agencies and Instrumentalities | 5,388,835 | - | 5,388,835 | - |
| Bonds and Notes | 17,534,528 | - | 17,534,528 | - |
| Total investments by fair value level | <u>\$ 227,432,193</u> | <u>\$ -</u> | <u>\$ 227,432,193</u> | <u>\$ -</u> |
| Investments measured at amortized cost | | | | |
| External Investment Pool: | | | | |
| Florida PRIME ¹ | \$ 124,261,785 | | | |
| Florida Education Investment Trust Fund | 35,233,960 | | | |
| Money Market Funds | <u>33,912,122</u> | | | |
| Total investments measured at amortized cost | <u>193,407,867</u> | | | |
| Total District Investments, Governmental Activities | <u>\$ 420,840,060</u> | | | |
| Agency Fund | | | | |
| Florida PRIME | <u>\$ 6,539,848</u> | | | |

Note (1) At June 30, 2017, investments totaling \$98,701,273 were held under trust agreements in connection with Certificates of Participation, Series 2010, 2011A-QSCB, 2012B/C, 2013A, 2014A/B, 2016A and 2017A 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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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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, FLCLASS, FEITF, and FL-FIT investment pools are 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. As of June 30, 2017, the WAM for Florida PRIME is 39 days, FLCLASS is 67 days, FEITF is 37 days, FL-FIT Cash Pool is 90 days, and FL-FIT Enhanced Cash is 186 days.

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 Florida PRIME 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 Funds Trust Funds. As of June 30, 2017, the District had investments totaling \$124,261,785 in Florida PRIME which had an AAAM rating by Standard and Poor's and are reported at amortized cost; \$89,420,513 in FLCLASS which had an AAAM rating by Standard and Poor's and are reported at fair value; \$35,233,960 in FEITF which had an AAAM rating by Standard and Poor's and are reported at amortized cost; and \$35,140,054 in FL-FIT which had an AAAF rating by Standard and Poor's and are 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, 2017, the District held \$79,948,263 of US Treasuries of which had an S&P rating between AA and 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, 2017, the District held \$16,040,820 of corporate notes of which had an S&P rating between A and AA+.
- d. Municipal Obligations purchased for investment is a general obligation or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities, 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 municipal obligations shall be five (5) years from the date of purchase. As of June 30, 2017, the District held \$5,388,835 of municipal obligations of which had an S&P rating between AA and AAA.
- e. Commercial Paper purchased for investment must be rated, at the time of purchase, in the highest 308 tier (A-1, P-1 or F-1 or higher) by a minimum of two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be two hundred seventy (270) days from the

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date of purchase. As of June 30, 2017, the District held \$1,493,708 of commercial paper of which had an S&P rating of A1+.

- f. U.S. Federal Government Agency Securities and U.S. Government - Sponsored Agencies/Federal Instrumentalities.
- g. 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.
- h. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2017, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$33,243,503, which were rated AAAM by Standard and Poor's; and Fidelity Institutional Government Class I Money Market Fund with a fair value of \$668,619, which were rated AAAM by Standard and Poor's.
- i. 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.
- j. 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 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, 2017, 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 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 percent of the portfolio may be invested in U.S. Government securities, 75 percent may be invested in Federal Instrumentalities (US government sponsored agencies) with no more than 25 percent with a single issuer and 50 percent may be invested in US government agencies with no more than 10 percent with a single issuer. Corporate Notes are limited to 20 percent

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of the portfolio with no more than 5 percent with a single issuer. Commercial Paper is limited to 25 percent of the portfolio with no more than 5 percent with a single issuer.

As of June 30, 2017, 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. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded. At June 30, 2017, the District has recorded due from other agencies as follows:

| | General Fund | Capital Projects Fund- Certificates of Participation/ Impact Fees/ State Grants | Nonmajor Governmental Funds | Total |
|----------------------------------|---------------------|---|-----------------------------------|----------------------|
| Federal and State Sources | | | | |
| Charter School Capital Outlay | \$ - | \$ 287,171 | \$ - | \$ 287,171 |
| Florida Retirement System | 256,297 | - | - | 256,297 |
| Fuel Tax | - | 43,262 | - | 43,262 |
| Grants and Entitlements | 549,263 | - | 6,345,273 | 6,894,536 |
| Medicaid | 1,189,670 | - | - | 1,189,670 |
| Motor Vehicle License Tax | - | - | 32,575 | 32,575 |
| ROTC | 78,562 | - | - | 78,562 |
| State License Tax | 66,756 | - | - | 66,756 |
| Meal Claims | - | - | 563,961 | 563,961 |
| Local Sources | | | | |
| Impact fees | - | 1,970,317 | - | 1,970,317 |
| Other | 41,759 | - | - | 41,759 |
| Total | \$ 2,182,307 | \$ 2,300,750 | \$ 6,941,809 | \$ 11,424,866 |

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 NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS

Construction Commitments

The following is a summary of major construction commitments as of June 30, 2017.

| <u>PROJECTS</u> | Original Contract | Completed to date 6/30/2017 | Balance Committed 6/30/2017 |
|------------------|----------------------|-----------------------------------|-----------------------------------|
| New HS LLL #7045 | | | |
| Contractor | \$ 14,253,800 | \$ 4,149,450 | \$ 10,104,350 |
| Others | 26,475,401 | 4,506,522 | 21,968,879 |
| Playground | 23,358 | 19,247 | 4,111 |
| Shade Structure | 43,000 | 18,000 | 25,000 |
| Covered Walkway | 5,327 | 5,235 | 92 |
| Walking Track | 57,860 | 31,485 | 26,375 |
| Total | <u>\$ 40,858,746</u> | <u>\$ 8,729,939</u> | <u>\$ 32,128,807</u> |

Encumbrances

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, 2017, the District has recorded encumbrances as follows:

| <u>Funds</u> | <u>Encumbrances</u> |
|--------------------------------------|----------------------|
| Major Funds: | |
| General | \$ 5,180,452 |
| Capital Projects: | |
| Local Capital Improvements Tax | 13,292,283 |
| Certificates of Participation/Impact | |
| Fees/State Grants | 13,741,147 |
| Non-major Governmental Funds | <u>3,351,962</u> |
| Total | <u>\$ 35,565,844</u> |

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, 2017, were as follows:

| | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|-------------------------|----------------------|------------------------|--------------------------|
| Governmental activities: | | | | |
| <i>Capital Assets not being depreciated</i> | | | | |
| Land | \$ 168,957,526 | \$ 11,200,687 | \$ - | \$ 180,158,213 |
| Construction in Progress | 63,128 | 19,880,059 | (11,213,248) | 8,729,939 |
| Total Capital Assets not being depreciated | <u>169,020,654</u> | <u>31,080,746</u> | <u>(11,213,248)</u> | <u>188,888,152</u> |
| <i>Capital Assets being depreciated</i> | | | | |
| Improvements other than Buildings | 46,141,461 | 892,808 | - | 47,034,269 |
| Buildings | 1,497,214,215 | 332,384 | - | 1,497,546,599 |
| Furniture, Fixtures and Equipment | 84,989,203 | 3,802,325 | (9,657,980) | 79,133,548 |
| Motor Vehicles | 80,199,192 | 24,550,902 | (3,948,910) | 100,801,184 |
| Audio Visual Materials | 117,959 | - | (14,795) | 103,164 |
| Software | 29,990,706 | 316,589 | (507,952) | 29,799,343 |
| Total Capital Assets being depreciated | <u>1,738,652,736</u> | <u>29,895,008</u> | <u>(14,129,637)</u> | <u>1,754,418,107</u> |
| <i>Less accumulated depreciation for:</i> | | | | |
| Improvements other than Buildings | 18,797,864 | 1,657,568 | - | 20,455,432 |
| Buildings | 488,582,849 | 35,079,406 | - | 523,662,255 |
| Furniture, Fixtures and Equipment | 64,730,606 | 5,487,831 | (9,252,894) | 60,965,543 |
| Motor Vehicles | 69,552,924 | 4,481,789 | (3,780,190) | 70,254,523 |
| Audio Visual Materials | 97,415 | 10,381 | (14,566) | 93,230 |
| Software | 13,620,209 | 2,007,161 | (487,078) | 15,140,292 |
| Total accumulated depreciation | <u>655,381,867</u> | <u>48,724,136</u> | <u>(13,534,728)</u> | <u>690,571,275</u> |
| Capital Assets being depreciated, Net | <u>1,083,270,869</u> | <u>(18,829,128)</u> | <u>(594,909)</u> | <u>1,063,846,832</u> |
| Governmental Activities Capital Assets, Net: | <u>\$ 1,252,291,523</u> | <u>\$ 12,251,618</u> | <u>\$ (11,808,157)</u> | <u>\$ 1,252,734,984</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 | \$ 1,509,076 |
| Student Support Services | 59,731 |
| Instructional Media Services | 14,018 |
| Instruction and Curriculum Development Services | 11,842 |
| Instructional Staff Training Services | 4,908 |
| Instruction Related Technology | 2,777 |
| General Administration | 8,068 |
| School Administration | 72,067 |
| Facilities Services | 45,494,309 |
| Fiscal Services | 2,673 |
| Food Services | 766,078 |
| Central Services | 93,678 |
| Student Transportation Services | 222,749 |
| Operation of Plant | 58,502 |
| Maintenance of Plant | 259,648 |
| Administrative Technology Services | 115,629 |
| Community Services | 28,383 |
| Total Depreciation Expense- Governmental Functions | \$ 48,724,136 |

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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June 30, 2017

NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

| <u>Funds</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------------------------------|---------------------------------|------------------------------|
| Major Funds | | |
| General | \$ 6,480,813 | \$ 16,040,594 |
| Capital Projects: | | |
| Certificates of Participation/Impact | | |
| Fees/State Grants | - | 619,106 |
| Non-major Governmental Funds | 258,011 | 5,849,917 |
| Proprietary Funds | 15,772,071 | 1,278 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 22,510,895</u> | <u>\$ 22,510,895</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:

| <u>Funds</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------------|-----------------------------|-----------------------------|
| Major Funds | | |
| General | \$ 10,895,414 | \$ - |
| Debt Service Fund: | | |
| Certificates of Participation | 43,148,019 | 152 |
| ARRA Economic Stimulus | 2,021,082 | - |
| Capital Projects: | | |
| Local Capital Improvement Tax | - | 36,490,155 |
| Certificates of Participation/Impact | | |
| Fees/State Grants | - | 19,574,208 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 56,064,515</u> | <u>\$ 56,064,515</u> |

The majority of the transfers out of the Capital Projects funds 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2017

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 2010 (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); Series 2013A (original issue: \$25,287,000); Series 2014A (original issue: \$72,340,000); Series 2014B (original issue: \$60,220,000); Series 2016A (original issue: \$61,080,000) issued September 20, 2016 and Series 2017A (original issue: \$60,177,000) issued March 15, 2017 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 0.46 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 2036.

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

Series 2010

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

Series 2011A-QSCB

One Elementary School
One Middle School

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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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

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

Series 2014A

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

Series 2014B

Two Elementary Schools
Seven Additions to Existing Schools

Series 2016A

One High School

Series 2017A

Six Elementary Schools
One Middle School

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One High School

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 4.75 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> |
|---|-----------------------|-----------------------|-----------------------|
| 2018 | \$ 42,432,833 | \$ 26,284,000 | \$ 16,148,833 |
| 2019 | 41,136,908 | 26,084,000 | 15,052,908 |
| 2020 | 29,725,290 | 15,815,000 | 13,910,290 |
| 2021 | 57,386,541 | 44,320,000 | 13,066,541 |
| 2022 | 42,782,440 | 31,203,000 | 11,579,440 |
| 2023-2027 | 232,850,730 | 193,594,000 | 39,256,730 |
| 2028-2032 | 64,163,588 | 53,265,000 | 10,898,588 |
| 2033-2036 | 28,073,550 | 25,370,000 | 2,703,550 |
| Total Minimum Lease Payments | 538,551,880 | 415,935,000 | 122,616,880 |
| Add: Unamortized Premium/Discount, net | 11,201,137 | 11,201,137 | |
| Total Certificates of Participation Payable | <u>\$ 549,753,017</u> | <u>\$ 427,136,137</u> | <u>\$ 122,616,880</u> |

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2017, there was no arbitrage rebate liability.

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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7-B. Notes Payable

Notes payable are comprised of the following:

Note Payables

Balance at 6/30/17

Bank of America Bank Loan

\$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 \$431,161 during the 2016-17 fiscal year.

\$ 21,196

Capital One Bank Loan

\$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 \$712,383 during the 2016-17 fiscal year.

1,767,350

Bank of America Bank Loan

\$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 \$153,478 during the 2016-17 fiscal year.

848,355

Bank of America Bank Loan

\$20,000,000 borrowed 9-30-16, under provisions of Section 1013.23, Florida statutes. Interest rate of 1.33%. Proceeds used to purchase 190 school buses. The Board was not required to make any repayments during the 2016-17 fiscal year.

20,000,000

Total Notes Payable

\$ 22,636,901

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Amounts needed for the planned extended repayment of Section 1013.23, Florida Statutes, bank loans as of June 30, 2017 are as follows:

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|-------------------------------|----------------------|----------------------|-------------------|
| Notes Payable | | | |
| 2018 | \$ 5,112,596 | \$ 4,769,643 | \$ 342,953 |
| 2019 | 5,146,287 | 4,892,598 | 253,689 |
| 2020 | 4,534,892 | 4,363,124 | 171,768 |
| 2021 | 4,360,309 | 4,245,877 | 114,432 |
| 2022 | 4,381,033 | 4,323,585 | 57,448 |
| 2023 | 42,189 | 42,074 | 115 |
| Total Notes Payable | <u>\$ 23,577,306</u> | <u>\$ 22,636,901</u> | <u>\$ 940,405</u> |

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 \$8,281,000. 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, 2017, are as follows:

| Bond Type | Amount Outstanding | Interest Rate (Percent) | Annual Maturity to |
|---|-----------------------|----------------------------|-----------------------|
| State School Bonds | | | |
| Series 2009A | \$ 215,000 | 5.00 | 2019 |
| Series 2010A | 185,000 | 4.00-5.00 | 2022 |
| Series 2011A | 555,000 | 3.00-5.00 | 2023 |
| Series 2014A | 766,000 | 4.00-5.00 | 2024 |
| Series 2014B | <u>1,980,000</u> | 2.00-5.00 | 2020 |
| Sub-total | 3,701,000 | | |
| Add: Unamortized Premium/Discount, net | <u>99,530</u> | | |
| Total Bonds Payable | <u>\$ 3,800,530</u> | | |

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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The annual requirements to amortize all bonded debt outstanding as of June 30, 2017, including interest payments, are as follows:

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|--|---------------------|---------------------|-------------------|
| State School Bonds | | | |
| 2018 | \$ 2,059,550 | \$ 1,885,000 | \$ 174,550 |
| 2019 | 583,300 | 503,000 | 80,300 |
| 2020 | 475,500 | 420,000 | 55,500 |
| 2021 | 288,350 | 248,000 | 40,350 |
| 2022 | 294,950 | 267,000 | 27,950 |
| 2023-2024 | 401,650 | 378,000 | 23,650 |
| Sub-total Bonds Payable | 4,103,300 | 3,701,000 | 402,300 |
| Add: Unamortized Premium/Discount, net | 99,530 | 99,530 | - |
| Total Bonds Payable | <u>\$ 4,202,830</u> | <u>\$ 3,800,530</u> | <u>\$ 402,300</u> |

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Changes in NonCurrent Liabilities

Noncurrent liability balances and activity for the year ended June 30, 2017, were as follows:

| | Balance 6/30/2016 | Additions | Deductions | Balance 6/30/2017 * | Amounts Due Within One Year |
|--|----------------------|----------------|----------------|------------------------|-----------------------------------|
| Governmental Activities | | | | | |
| <i>Long-Term Debt</i> | | | | | |
| Bonds Payable | \$ 5,495,000 | \$ - | \$ 1,794,000 | \$ 3,701,000 | \$ 1,885,000 |
| Bond Premium | 287,782 | - | 188,252 | 99,530 | - |
| Certificates of Participation Payable | 379,929,000 | 121,257,000 | 85,251,000 | 415,935,000 | 26,284,000 |
| Certificates of Participation Premium | 2,518,397 | 10,557,060 | 894,754 | 12,180,703 | - |
| Certificates of Participation Discount | (1,234,591) | - | (255,025) | (979,566) | - |
| Notes Payable | 3,933,923 | 20,000,000 | 1,297,022 | 22,636,901 | 4,769,643 |
| Total Long-Term Debt | 390,929,511 | 151,814,060 | 89,170,003 | 453,573,568 | 32,938,643 |
| <i>Other Noncurrent Liabilities</i> | | | | | |
| Estimated Early Retirement Payable | 1,279,000 | - | 25,000 | 1,254,000 | 2,000 |
| Net Pension Liability | 273,361,754 | 206,358,756 | 76,885,458 | 402,835,052 | 4,735,888 |
| Estimated Insurance Claims Payable | 21,797,954 | 87,012,583 | 86,173,548 | 22,636,989 | 11,617,278 |
| Postemployment Benefits Payable | 29,414,951 | 5,747,060 | 3,718,992 | 31,443,019 | - |
| Liability for Compensated Absences | 60,874,541 | 25,794,914 | 23,947,332 | 62,722,123 | 6,062,339 |
| Total Other Liabilities | 386,728,200 | 324,913,313 | 190,750,330 | 520,891,183 | 22,417,505 |
| Total Noncurrent Liabilities | \$ 777,657,711 | \$ 476,727,373 | \$ 279,920,333 | \$ 974,464,751 | \$ 55,356,148 |

* Payments on the bonds and notes payable are made by the debt service fund. Payments on the estimated insurance claims payable are made by the Internal Service Fund. The early retirement payable, net pension liability and compensated absences liabilities will be liquidated by several of the governmental funds. Other postemployment benefits payable represents an implicit subsidy under GASB Statement No. 45 and will be included in future health insurance premiums charged to all funds that have personnel costs.

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 \$10,987 liability for compensated absences in the Internal Service Fund is included in the above amounts.

NOTE 8: DEFEASED DEBT

On March 15, 2017, the Board issued \$60,177,000 in Certificates of Participation, Series 2017A, with an average interest rate of 2.69 percent, to refund the District's Certificates of Participation, Series 2008B. The Refunding Certificates are being issued to refund the \$60,000,000 principal amount of the District's Certificates of Participation, Series 2008B, that mature on or after August 1, 2017. The net proceeds of \$60,140,067, (after payment of \$177,000 in underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to call on March 15, 2017, all outstanding future debt payments on the Certificates of Participation, Series 2008B. As a result, \$60,000,000 of the 2008B series COPS are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

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The interest rate on the Series 2008B Certificates of Participation was re-negotiable every five years and the Series 2008B Certificates of Participation were refunded in order to stabilize and manage future interest costs due to the potential of escalations in interest rates, thus increasing its total debt service payments over the next ten years by approximately \$3,827,248 and to obtain an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$3,373,536.

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 and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to 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.

- **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 \$2,703,859 that are classified as nonspendable. Additionally, the District has \$306,839 in prepaid items that are also 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

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totaled \$219,595,076 and represented \$20,263,769 in State required carryover programs, \$11,942,511 in other externally restricted grants and donations, \$20,754,624 in food service, \$11,367,387 in debt service and \$155,266,785 in capital projects.

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

The assigned fund balances total \$4,748,142. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$4,748,142, 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 \$97,908,901.

NOTE 10: SCHEDULE OF STATE REVENUE SOURCES

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

| Source | Amount |
|---|--------------------|
| Florida Education Finance Program | \$ 163,848,436 |
| Categorical Educational Programs: | |
| Class Size Reduction | 100,383,530 |
| Voluntary Prekindergaarten Program | 2,053,965 |
| Florida School Recognition Funds | 1,490,006 |
| Workforce Development Program | 10,064,226 |
| Motor Vehicle License Tax (Capital Outlay and Debt Service) | 3,667,609 |
| Charter School Capital Outlay Funding | 3,489,966 |
| Public Education Capital Outlay (PECO) | 1,926,462 |
| District Discretionary Lottery Funds | 1,544,033 |
| Food Service Supplement | 563,623 |
| State License Tax | 532,402 |
| Sales Tax Distribution | 223,250 |
| Miscellaneous | 2,466,233 |
| Total | \$ 292,253,741 |

NOTE 11: PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2016 tax roll in fiscal year 2016-2017:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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| | Mills | Amount |
|------------------------------------|-----------|--------------------|
| <u>General Fund:</u> | | |
| Nonvoted School Tax | | |
| Required Local Effort | 4.741 | \$ 358,915,007 |
| Basic Discretionary Local Effort | 0.748 | 56,626,962 |
| <u>Capital Projects Funds:</u> | | |
| Nonvoted School Tax | | |
| Local Improvements | 1.500 | 113,556,741 |
| Total | 6.989 | \$ 529,098,710 |

NOTE 12: RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS

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

General Information about the FRS

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

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

The District’s FRS and HIS pension expense totaled \$49,130,580 for the fiscal year ended June 30, 2017.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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FRS Defined Benefit Pension Plan

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

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

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

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

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

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| <u>Class, Initial Enrollment, and Retirement Age/Years of Service</u> | <u>% Value</u> |
|---|----------------|
| <i>Regular Class members initially enrolled before July 1, 2011</i> | |
| Retirement up to age 62 or up to 30 years of service | 1.60 |
| Retirement at age 63 or with 31 years of service | 1.63 |
| Retirement at age 64 or with 32 years of service | 1.65 |
| Retirement at age 65 or with 33 or more years of service | 1.68 |
| <i>Regular Class members initially enrolled on or after July 1, 2011</i> | |
| Retirement up to age 65 or up to 33 years of service | 1.60 |
| Retirement at age 66 or with 34 years of service | 1.63 |
| Retirement at age 67 or with 35 years of service | 1.65 |
| Retirement at age 68 or with 36 or more years of service | 1.68 |
| <i>Elected County Officers</i> | 3.00 |
| <i>Senior Management Service Class</i> | 2.00 |

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

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

| Class | Employee Contribution (Percent of Gross Salary) | Employer Contribution (Percent of Gross Salary) |
|--|--|--|
| FRS, Regular | 3.00 | 7.52 |
| FRS, Elected County Officers | 3.00 | 42.47 |
| FRS, Senior Management Service | 3.00 | 21.77 |
| Deferred Retirement Option Program (Applicable to member from all of the above classes) | 0.00 | 12.99 |
| FRS, Re-employed Retiree | (A) | (A) |

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

Note: Employer rates include the post-employment health insurance subsidy of 1.66 percent. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The District's contributions to the Plan totaled \$24,667,586 for the fiscal year ended June 30, 2017. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$238,563,597 for its

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportion was 0.944803387 percent, which was a decrease of 0.065474117 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized the Plan pension expense of \$35,192,820. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 18,266,264 | \$ 2,221,188 |
| Change of assumptions | 14,432,384 | - |
| Net difference between projected and actual earnings on pension plan investments | 61,665,782 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,056,073 | 7,781,639 |
| District contributions subsequent to the measurement date | 24,667,586 | - |
| Total | \$ 120,088,089 | \$ 10,002,827 |

The deferred outflows of resources related to pensions, totaling \$24,667,586, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Amount</u> |
|-----------------------------------|----------------------|
| 2018 | \$ 11,780,453 |
| 2019 | 11,780,453 |
| 2020 | 35,821,603 |
| 2021 | 23,354,943 |
| 2022 | 2,154,789 |
| Thereafter | 525,435 |
| Total | \$ 85,417,676 |

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

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale BB.

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

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

| <u>Asset Class</u> | <u>Target Allocation¹</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|--------------------------|--|---|---|-------------------------------|
| Cash | 1% | 3.0% | 3.0% | 1.7% |
| Fixed Income | 18% | 4.6% | 4.6% | 4.6% |
| Global Equity | 53% | 8.1% | 6.8% | 17.2% |
| Real estate (Property) | 10% | 6.4% | 5.8% | 12.0% |
| Private Equity | 6% | 11.5% | 7.8% | 30.0% |
| Strategic Investments | 12% | 6.1% | 5.6% | 11.1% |
| Total | <u>100%</u> | | | |
| Assumed inflation - Mean | | | 2.6% | 1.9% |

¹ As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.60 percent, a decrease from the prior year of 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

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| | 1% Decrease 6.60% | Current Discount Rate 7.60% | 1% Increase 8.60% |
|--|-------------------------|-----------------------------------|-------------------------|
| District's proportionate share of the net pension liability | \$ 439,211,733 | \$ 238,563,597 | \$ 71,550,522 |

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$4,236,713 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2017.

HIS Defined Benefit Pension Plan

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

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

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

The District's contributions to the HIS Plan totaled \$7,485,238 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$164,271,455 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was

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determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportion was 1.409500592 percent, which was an increase of 0.008589795 from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$13,937,760 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 374,150 |
| Change of assumptions | 25,778,368 | - |
| Net difference between projected and actual earnings on HIS pension plan investments | 83,059 | - |
| Changes in proportion and differences between District HIS contributions and proportionate share of contributions | 1,692,358 | 62,870 |
| District contributions subsequent to the measurement date | 7,485,238 | - |
| Total | \$ 35,039,023 | \$ 437,020 |

The deferred outflows of resources relating to pensions, totaling \$7,485,238, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Amount</u> |
|-----------------------------------|----------------------|
| 2018 | \$ 4,983,848 |
| 2019 | 4,983,848 |
| 2020 | 4,971,410 |
| 2021 | 4,419,390 |
| 2022 | 4,192,033 |
| Thereafter | 3,566,236 |
| Total | \$ 27,116,765 |

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

| | |
|---------------------|--|
| Inflation | 2.60 percent |
| Salary Increases | 3.25 percent, average, including inflation |
| Municipal bond rate | 2.85 percent |

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability decreased from 3.80 percent from the prior measurement date.

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

| | 1% Decrease 1.85% | Current Discount Rate 2.85% | 1% Increase 3.85% |
|--|-------------------------|-----------------------------------|-------------------------|
| District's proportionate share of the net pension liability | \$ 188,456,680 | \$ 164,271,455 | \$ 144,199,038 |

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

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$1,275,834 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2017.

NOTE 13: RETIREMENT PLANS – DEFINED CONTRIBUTION PENSION PLANS

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit

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terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member's accounts during the 2016-17 fiscal year were as follows:

| Class | Employer Contribution (Percent of Gross Salary) |
|--------------------------------|--|
| FRS, Regular | 6.30 |
| FRS, Elected County Officers | 11.34 |
| FRS, Senior Management Service | 7.67 |

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$2,889,187 for the fiscal year ended June 30, 2017.

Payables to the Investment Plan. At June 30, 2017, the District reported a payable of \$497,078 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2017.

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NOTE 14: 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 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, 2017.

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.

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 \$1,254,000 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.

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NOTE 15: 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 2016-17 fiscal year, 488 retirees received health care benefits. The District provided contributions of \$3,718,992 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees net of retiree contributions totaling \$3,325,566, which represents 0.80 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 Ended June 30, 2017 | |
|--|---------------|
| Normal cost (service cost for one year) | \$ 2,874,938 |
| Amortization of Unfunded Actuarial Accrued Liability | 4,105,288 |
| Annual required Contribution | 6,980,226 |
| Interest on Net OPEB Obligation | 1,029,523 |
| Adjustment to ARC | (2,262,689) |
| Annual OPEB Cost (Expense) | 5,747,060 |
| Contribution toward the OPEB cost | (3,718,992) |
| Increase in Net OPEB Obligation | 2,028,068 |
| Net OPEB Obligation, Beginning of year | 29,414,951 |
| Net OPEB Obligation, End of year | \$ 31,443,019 |

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

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | OPEB Obligation |
|----------------------|---------------------|---|--------------------|
| June 30, 2017 | \$ 5,747,060 | 64.7% | \$ 31,443,019 |
| June 30, 2016 | \$ 5,703,192 | 66.2% | \$ 29,414,951 |
| June 30, 2015 | \$ 4,694,215 | 52.0% | \$ 27,486,824 |

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2016, the most recent actuarial valuation date, was as follows:

| | |
|--|----------------------|
| Actuarial Accrued Liability (a) | \$ 54,583,462 |
| Actuarial Value of Plan Assets (b) | - |
| Unfunded Actuarial Accrued Liability (c)=(a-b) | <u>\$ 54,583,462</u> |
| Funded Ratio (b/a) | 0.0% |
| Covered Payroll (Active Plan Members) (d) | \$ 403,769,889 |
| UALL as a Percentage of Covered Payroll (c/d) | 13.5% |

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, 2016 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

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long-term expectation of investment returns under its investment policy. The actuarial assumptions also includes an inflation rate of 2.5 percent per year, a payroll growth of 3.5 percent per year, and an annual healthcare cost trend rate of 6.5 percent for the 2016-17 fiscal year, and decreased to an ultimate level of 4.65 percent in 2040. 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, 2017, is 13 years.

NOTE 16: 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 \$8,569,556 at December 31, 2016, which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be 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 17: 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 \$15,707,567 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, 2017. A liability in the amount of \$6,929,422 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, 2017.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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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 |
|-----------|--|---|--------------------|----------------------------------|
| 2015-2016 | \$ 14,158,307 | \$ 8,165,315 | \$ (7,226,632) | \$ 15,096,990 |
| 2016-2017 | 15,096,990 | 9,301,483 | (8,690,906) | 15,707,567 |

Health Insurance Self Insurance Fund:

| | Beginning of Fiscal Year Liability | Current-Year Claims and Changes in Estimates | Claims Payments | Balance at Fiscal Year End |
|-----------|--|---|--------------------|----------------------------------|
| 2015-2016 | \$ 4,350,635 | \$ 71,168,404 | \$ (68,818,075) | \$ 6,700,964 |
| 2016-2017 | 6,700,964 | 77,711,100 | (77,482,642) | 6,929,422 |

NOTE 18: 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 19: SUBSEQUENT EVENT

On September 10, 2017, Hurricane Irma (a Catastrophic Category 4 hurricane) slammed into Southwest Florida leaving 82 dead, thousands homeless, and causing an estimated \$50 billion in statewide damage. Every school in the District received some damage, many had major damage. Early estimates place the damage to the Lee County School District at \$25 million. The District will apply for Federal Disaster Funds with the Federal Emergency Management Agency (FEMA) and will be filing claims with the District's insurance carriers.

The District also received a waiver from the U.S. Department of Agriculture and Consumer Services to offer free meals to all students after Hurricane Irma through November 30, 2017. It is estimated schools will serve an additional 130,257 free meals during the waiver period. The District estimates it will receive approximately \$420,000 in reimbursement from the U.S. Department of Agriculture and Consumer Services Office.

On December 15, 2017, the District issued \$46.2 million in Certificates of Participation, Series 2017B, with an interest rates of 2.32% and final maturity on August 1, 2027. \$32.1 million is to advance refund the 2012B Certificates, \$14.1 is for the continued construction of a new high school and the balance is to pay costs associated with the issuance of the Series 2017B 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% |
| January 1, 2016 | - | 54,583,462 | 54,583,462 | 0.0% | 403,736,889 | 13.5% |

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

| Fiscal Year Ending | Annual Required Contribution | Percentage Contributed |
|-----------------------|------------------------------------|---------------------------|
| June 30, 2013 | \$ 5,376,536 | 35.0% |
| June 30, 2014 | 5,134,963 | 34.0% |
| June 30, 2015 | 5,388,118 | 45.0% |
| June 30, 2016 | 6,704,498 | 56.3% |
| June 30, 2017 | 6,980,226 | 53.3% |

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹

| | 2013 | 2014 | 2015 | 2016 |
|---|----------------|----------------|----------------|----------------|
| District's proportion of the FRS net pension liability (asset) | 1.000061253% | 1.002008482% | 1.010277504% | 0.944803387% |
| District's proportionate share of the FRS net pension liability (asset) | \$ 172,155,051 | \$ 61,137,253 | \$ 130,490,889 | \$ 238,563,597 |
| District's covered-employee payroll | \$ 402,982,342 | \$ 411,699,254 | \$ 425,054,736 | \$ 435,635,339 |
| District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll | 42.72% | 14.85% | 30.70% | 54.76% |
| FRS Plan fiduciary net position as a percentage of the FRS total pension liability | 88.54% | 96.09% | 92.00% | 84.88% |

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹: 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
 SCHEDULE OF DISTRICT CONTRIBUTIONS -
 FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹

| | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|----------------|
| Contractually required FRS contribution | \$ 21,948,238 | \$ 24,631,424 | \$ 23,040,537 | \$ 24,667,586 |
| FRS contributions in relation to the contractually required FRS contribution | 21,948,238 | 24,631,424 | 23,040,537 | 24,667,586 |
| FRS Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 411,699,254 | \$ 425,054,736 | \$ 435,635,339 | \$ 450,935,762 |
| FRS contributions as a percentage of covered-employee payroll | 5.33% | 5.79% | 5.29% | 5.47% |

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-
 HEALTH INSURANCE SUBSIDY PENSION PLAN ¹

| | 2013 | 2014 | 2015 | 2016 |
|---|----------------|----------------|----------------|----------------|
| District's proportion of the HIS net pension liability (asset) | 1.386820766% | 1.385582848% | 1.400910797% | 1.409500592% |
| District's proportionate share of the HIS net pension liability (asset) | \$ 120,740,982 | \$ 129,555,377 | \$ 142,870,865 | \$ 164,271,455 |
| District's covered-employee payroll | \$ 402,982,342 | \$ 411,699,254 | \$ 425,054,736 | \$ 435,635,339 |
| District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll | 29.96% | 31.47% | 33.61% | 37.71% |
| HIS Plan fiduciary net position as a percentage of the HIS total pension liability | 1.78% | 0.99% | 0.50% | 0.97% |

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY
 SCHEDULE OF DISTRICT CONTRIBUTIONS-
 HEALTH INSURANCE SUBSIDY PENSION PLAN ¹

| | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|----------------|
| Contractually required HIS contribution | \$ 4,746,541 | \$ 5,355,153 | \$ 7,224,589 | \$ 7,485,238 |
| HIS contributions in relation to the contractually required HIS contribution | 4,746,541 | 5,355,153 | 7,224,589 | 7,485,238 |
| HIS Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ 411,699,254 | \$ 425,054,736 | \$ 435,635,339 | \$ 450,935,762 |
| HIS contributions as a percentage of covered-employee payroll | 1.15% | 1.26% | 1.66% | 1.66% |

Note 1: The amounts presented for each fiscal year were determined as of June 30.

¹ 2014 was the first year of reporting net pension liability (GASB 68).

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1: SCHEDULE OF FUNDING PROGRESS-OTHER POSTEMPLOYMENT BENEFIT PLAN

Compared to the previous valuation, the Unfunded Actuarial Accrued Liability and the Annual OPEB Cost increased significantly. One factor that contributed to this change was the total cost of coverage for retirees increased from \$565 per subscriber per month (as expected for the calendar year 2014) to \$617 per subscriber per month for the year beginning January 1, 2016. This is slightly lower than the \$625 per subscriber per month previously projected for this year. This change had an increasing effect on the cost and liability. Another factor that contributed to this change was the number of retirees currently covered under the health plan increased from 459 in the last valuation to 488 in the current valuation. This population changes had an increasing impact on the cost and liability resulting from this valuation. At the same time, the number of active employees increased from 10,060 to 10,389. This population change had an increasing impact on the cost and liability resulting from this valuation.

NOTE 2: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.6 percent, and the active member mortality assumption was updated.

NOTE 3: SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.8 percent to 2.85 percent.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

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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

Two 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:

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

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, 2017

| | <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 | Public Education Capital Outlay | Capital Outlay and Debt Service |
| | | | | | | |
| ASSETS | | | | | | |
| Cash | \$ 5,738,341 | \$ - | \$ 1,924,346 | \$ - | \$ - | \$ 3,813,995 |
| Investments | 19,380,656 | - | 19,292,554 | 88,102 | - | - |
| Accounts Receivable | 6,916 | 1,601 | 5,315 | - | - | - |
| Due from Other Funds | 258,011 | 258,011 | - | - | - | - |
| Due from Other Agencies | 6,941,809 | 6,345,273 | 563,961 | - | - | 32,575 |
| Inventory | 615,475 | - | 615,475 | - | - | - |
| Total Assets | \$ 32,941,208 | \$ 6,604,885 | \$ 22,401,651 | \$ 88,102 | \$ - | \$ 3,846,570 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 1,239,864 | \$ 755,895 | \$ 483,969 | \$ - | \$ - | \$ - |
| Construction Contracts Payable | 459,063 | - | 459,063 | - | - | - |
| Construction Contracts Payable - Retainage | 87,593 | - | 87,593 | - | - | - |
| Due to Other Funds | 5,849,917 | 5,848,990 | 927 | - | - | - |
| Total Liabilities | 7,636,437 | 6,604,885 | 1,031,552 | - | - | - |
| Fund Balance | | | | | | |
| Nonspendable | | | | | | |
| Inventory | 615,475 | - | 615,475 | - | - | - |
| Restricted for: | | | | | | |
| Debt Service | 88,102 | - | - | 88,102 | - | - |
| Capital Projects | 3,846,570 | - | - | - | - | 3,846,570 |
| Food Service | 20,754,624 | - | 20,754,624 | - | - | - |
| Total Fund Balances | 25,304,771 | - | 21,370,099 | 88,102 | - | 3,846,570 |
| Total Liabilities and Fund Balances | \$ 32,941,208 | \$ 6,604,885 | \$ 22,401,651 | \$ 88,102 | \$ - | \$ 3,846,570 |

**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, 2017**

| | Special Revenue Funds | | Debt Service Fund | Capital Projects Funds | | |
|--|--|------------------------|-------------------|------------------------|---------------------------------------|---------------------------------------|
| | Total Nonmajor Governmental Funds | Contracted Programs | Food Service | SBE/COBI Bonds | Public Education Capital Outlay | Capital Outlay and Debt Service |
| Revenues | | | | | | |
| Federal Direct Sources | \$ 19,272,370 | \$ 19,272,370 | \$ - | \$ - | \$ - | \$ - |
| Federal Through State Sources | 95,432,245 | 53,712,979 | 41,719,266 | - | - | - |
| State Sources | 6,103,576 | - | 563,623 | 2,013,640 | 1,926,462 | 1,599,851 |
| Local Sources | | | | | | |
| Food Service Sales | 2,528,141 | - | 2,528,141 | - | - | - |
| Miscellaneous | 245,025 | 109,356 | 134,833 | - | - | 836 |
| Total Revenues | 123,581,357 | 73,094,705 | 44,945,863 | 2,013,640 | 1,926,462 | 1,600,687 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | 40,026,192 | 40,026,192 | - | - | - | - |
| Student Support Services | 5,702,802 | 5,702,802 | - | - | - | - |
| Instructional Media Services | 76,975 | 76,975 | - | - | - | - |
| Instruction and Curriculum | | | | | | |
| Development Services | 15,053,499 | 15,053,499 | - | - | - | - |
| Instructional Staff Training Services | 5,796,104 | 5,796,104 | - | - | - | - |
| Instruction Related Technology | 110,273 | 110,273 | - | - | - | - |
| Board | 11,863 | 11,863 | - | - | - | - |
| General Administration | 3,192,611 | 3,192,611 | - | - | - | - |
| School Administration | 416,280 | 416,280 | - | - | - | - |
| Facilities Services | 1,940,121 | 13,659 | - | - | 1,926,462 | - |
| Food Service | 42,253,373 | - | 42,253,373 | - | - | - |
| Central Services | 253,082 | 253,082 | - | - | - | - |
| Student Transportation Services | 875,320 | 875,320 | - | - | - | - |
| Operation of Plant | 149,943 | 149,943 | - | - | - | - |
| Community Services | 503,290 | 503,290 | - | - | - | - |
| Capital Outlay | | | | | | |
| Facilities Acquisition and Construction | 278,383 | 10,164 | 268,219 | - | - | - |
| Other Capital Outlay | 2,123,152 | 902,648 | 1,220,504 | - | - | - |
| Debt Service | | | | | | |
| Principal | 1,794,000 | - | - | 1,794,000 | - | - |
| Interest and Fiscal Charges | 266,860 | - | - | 264,115 | - | 2,745 |
| Total Expenditures | 120,824,123 | 73,094,705 | 43,742,096 | 2,058,115 | 1,926,462 | 2,745 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,757,234 | - | 1,203,767 | (44,475) | - | 1,597,942 |
| Net Change in Fund Balance | 2,757,234 | - | 1,203,767 | (44,475) | - | 1,597,942 |
| Fund Balance, Beginning | 22,547,537 | - | 20,166,332 | 132,577 | - | 2,248,628 |
| Fund Balance, Ending | \$ 25,304,771 | \$ - | \$ 21,370,099 | \$ 88,102 | \$ - | \$ 3,846,570 |

**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, 2017**

| | Certificates of Participation | | | Variance with Final Budget - Under (Over) |
|--|-------------------------------|---------------------|---------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources | | | | |
| Interest Income | \$ - | \$ 151 | \$ 8,234 | \$ (8,083) |
| Total Local Sources | - | 151 | 8,234 | (8,083) |
| | | | | |
| Total Revenues | - | 151 | 8,234 | (8,083) |
| | | | | |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 25,553,023 | 26,553,023 | 26,548,021 | 5,002 |
| Interest and Fiscal Charges | 13,870,412 | 17,219,720 | 17,201,693 | 18,027 |
| | | | | |
| Total Expenditures | 39,423,435 | 43,772,743 | 43,749,714 | 23,029 |
| | | | | |
| Deficiency of Revenues Under Expenditures | (39,423,435) | (43,772,592) | (43,741,480) | (31,112) |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of Refunding Bonds | - | 60,177,000 | 60,177,000 | - |
| Certificates of Participation Issued | - | 702,060 | 702,060 | - |
| Issuance of Loans | - | 35,000 | 35,000 | - |
| Transfer In | 39,423,435 | 43,165,673 | 43,148,019 | 17,654 |
| Payments to Refunded COPS Escrow Agent | - | (60,000,000) | (60,000,000) | - |
| Transfer Out | - | (152) | (152) | - |
| | | | | |
| Total Other Financing Sources (Uses) | 39,423,435 | 44,079,581 | 44,061,927 | 17,654 |
| | | | | |
| Net Change in Fund Balance | - | 306,989 | 320,447 | (13,458) |
| | | | | |
| Fund Balance, Beginning | 323,134 | 323,134 | 323,134 | - |
| | | | | |
| Fund Balance, Ending | <u>\$ 323,134</u> | <u>\$ 630,123</u> | <u>\$ 643,581</u> | <u>\$ (13,458)</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, 2017**

| | ARRA Economic Stimulus | | | Variance with Final Budget - Under (Over) |
|--|------------------------|--------------------|------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources | | | | |
| Interest Income | \$ - | \$ - | \$ 86,618 | \$ (86,618) |
| Total Local Sources | - | - | 86,618 | (86,618) |
| Total Revenues | - | - | 86,618 | (86,618) |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 1,800,600 | 1,800,600 | - | 1,800,600 |
| Interest and Fiscal Charges | 227,219 | 227,219 | 220,524 | 6,695 |
| Total Expenditures | 2,027,819 | 2,027,819 | 220,524 | 1,807,295 |
| Deficiency of Revenues Under Expenditures | (2,027,819) | (2,027,819) | (133,906) | (1,893,913) |
| OTHER FINANCING SOURCES | | | | |
| Transfer In | 2,027,819 | 2,027,819 | 2,021,082 | 6,737 |
| Total Other Financing Sources | 2,027,819 | 2,027,819 | 2,021,082 | 6,737 |
| Net Change in Fund Balance | - | - | 1,887,176 | (1,887,176) |
| Fund Balance, Beginning | 9,055,367 | 9,055,367 | 9,055,367 | - |
| Fund Balance, Ending | \$ 9,055,367 | \$ 9,055,367 | \$ 10,942,543 | \$ (1,887,176) |

**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, 2017**

| | Local Capital Improvement Tax | | | Variance with Final Budget - Under (Over) |
|--|-------------------------------|----------------------|----------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources | | | | |
| Ad Valorem Taxes | \$ 109,187,092 | \$ 109,187,092 | \$ 110,255,520 | \$ (1,068,428) |
| Interest Income | 437,000 | 437,000 | 480,355 | (43,355) |
| Local Grants and Other Local Sources | - | - | 769 | (769) |
| Total Local Sources | <u>109,624,092</u> | <u>109,624,092</u> | <u>110,736,644</u> | <u>(1,112,552)</u> |
| Total Revenues | <u>109,624,092</u> | <u>109,624,092</u> | <u>110,736,644</u> | <u>(1,112,552)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Facilities Services | - | 68,376,682 | 49,335,802 | 19,040,880 |
| Capital Outlay | | | | |
| Facilities Acquisition and Construction | 83,244,416 | 1,392,658 | 1,392,658 | - |
| Other Capital Outlay | - | 17,266,108 | 5,731,203 | 11,534,905 |
| Total Expenditures | <u>83,244,416</u> | <u>87,035,448</u> | <u>56,459,663</u> | <u>30,575,785</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>26,379,676</u> | <u>22,588,644</u> | <u>54,276,981</u> | <u>(31,688,337)</u> |
| OTHER FINANCING USES | | | | |
| Transfer Out | (47,197,719) | (36,514,547) | (36,490,155) | (24,392) |
| Total Other Financing Uses | <u>(47,197,719)</u> | <u>(36,514,547)</u> | <u>(36,490,155)</u> | <u>(24,392)</u> |
| Net Change in Fund Balance | <u>(20,818,043)</u> | <u>(13,925,903)</u> | <u>17,786,826</u> | <u>(31,712,729)</u> |
| Fund Balance, Beginning | <u>54,170,800</u> | <u>54,170,800</u> | <u>54,170,800</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 33,352,757</u> | <u>\$ 40,244,897</u> | <u>\$ 71,957,626</u> | <u>\$ (31,712,729)</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, 2017**

| | <u>Certificates of Participation/Impact Fees/State Grants</u> | | | Variance with Final Budget - Under (Over) |
|--|---|----------------------|-----------------------|--|
| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | |
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| State Sources: | | | | |
| Charter School Capital Outlay | \$ 3,500,000 | \$ 3,842,000 | \$ 3,489,966 | \$ 352,034 |
| State Grants and Other State Sources | 364,000 | 364,000 | 432,206 | (68,206) |
| Total State Sources | <u>3,864,000</u> | <u>4,206,000</u> | <u>3,922,172</u> | <u>283,828</u> |
| Local Sources | | | | |
| Impact Fees | 4,725,000 | 4,725,000 | 6,654,615 | (1,929,615) |
| Interest Income | 130,000 | 130,000 | 578,330 | (448,330) |
| Gifts, Grants and Bequests | - | 10,592 | 10,592 | - |
| Local Grants and Other Local Sources | - | - | 23,176 | (23,176) |
| Total Local Sources | <u>4,855,000</u> | <u>4,865,592</u> | <u>7,266,713</u> | <u>(2,401,121)</u> |
| Total Revenues | <u>8,719,000</u> | <u>9,071,592</u> | <u>11,188,885</u> | <u>(2,117,293)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Facilities Services | - | 3,019,392 | 2,208,689 | 810,703 |
| Capital Outlay | | | | |
| Facilities Acquisition and Construction | 13,198,267 | 64,458,134 | 18,883,074 | 45,575,060 |
| Other Capital Outlay | - | 25,210,161 | 19,701,774 | 5,508,387 |
| Total Expenditures | <u>13,198,267</u> | <u>92,687,687</u> | <u>40,793,537</u> | <u>51,894,150</u> |
| Deficiency of Revenues Under Expenditures | <u>(4,479,267)</u> | <u>(83,616,095)</u> | <u>(29,604,652)</u> | <u>(54,011,443)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Certificates of Participation Issued | - | 60,377,940 | 60,377,940 | - |
| Premium on Certificates of Participation Issued | - | 10,557,060 | 10,557,060 | - |
| Issuance of Loans | 70,935,000 | 19,965,000 | 19,965,000 | - |
| Transfer Out | (3,913,352) | (20,213,413) | (19,574,208) | (639,205) |
| Total Other Financing Sources (Uses) | <u>67,021,648</u> | <u>70,686,587</u> | <u>71,325,792</u> | <u>(639,205)</u> |
| Net Change in Fund Balance | <u>62,542,381</u> | <u>(12,929,508)</u> | <u>41,721,140</u> | <u>(54,650,648)</u> |
| Fund Balance, Beginning | <u>37,741,449</u> | <u>37,741,449</u> | <u>37,741,449</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 100,283,830</u> | <u>\$ 24,811,941</u> | <u>\$ 79,462,589</u> | <u>\$ (54,650,648)</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, 2017**

| | Contracted Programs | | | Variance with Final Budget - Under (Over) |
|---|---------------------|---------------|----------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Federal Direct Sources: | | | | |
| Miscellaneous Federal Direct | \$ 22,164,776 | \$ 30,894,790 | \$ 19,272,370 | \$ 11,622,420 |
| Total Federal Direct Sources | 22,164,776 | 30,894,790 | 19,272,370 | 11,622,420 |
| Federal Through State Sources: | | | | |
| Other Federal Through State Grants | 32,347,314 | 63,167,769 | 53,712,979 | 9,454,790 |
| Total Federal Through State Sources | 32,347,314 | 63,167,769 | 53,712,979 | 9,454,790 |
| Local Sources: | | | | |
| Child Care and Adult Course Fees | - | 109,356 | 109,356 | - |
| Total Local Sources | - | 109,356 | 109,356 | - |
| Total Revenues | 54,512,090 | 94,171,915 | 73,094,705 | 21,077,210 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 28,912,869 | 49,248,128 | 40,026,192 | 9,221,936 |
| Student Support Services | 3,662,975 | 6,377,995 | 5,702,802 | 675,193 |
| Instructional Media Services | 108,913 | 78,322 | 76,975 | 1,347 |
| Instruction and Curriculum Development Services | 14,488,900 | 21,824,690 | 15,053,499 | 6,771,191 |
| Instructional Staff Training Services | 2,055,404 | 7,872,484 | 5,796,104 | 2,076,380 |
| Instruction Related Technology | 315 | 111,875 | 110,273 | 1,602 |
| Board | 23,833 | 13,043 | 11,863 | 1,180 |
| General Administration | 2,053,966 | 3,731,981 | 3,192,611 | 539,370 |
| School Administration | 960,286 | 1,387,255 | 416,280 | 970,975 |
| Facilities Services | 130,099 | 168,918 | 13,659 | 155,259 |
| Central Services | 23,573 | 261,945 | 253,082 | 8,863 |
| Student Transportation Services | 799,423 | 949,568 | 875,320 | 74,248 |
| Operation of Plant | 175,298 | 152,684 | 149,943 | 2,741 |
| Maintenance of Plant | 3,562 | 3,250 | - | 3,250 |
| Community Services | 1,112,674 | 646,432 | 503,290 | 143,142 |
| Capital Outlay | | | | |
| Facilities Acquisition and Construction | - | 58,772 | 10,164 | 48,608 |
| Other Capital Outlay | - | 1,284,573 | 902,648 | 381,925 |
| Total Expenditures | 54,512,090 | 94,171,915 | 73,094,705 | 21,077,210 |
| Excess of Revenues Over Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning | - | - | - | - |
| Fund Balance, Ending | \$ - | \$ - | \$ - | \$ - |

**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, 2017**

| | Food Service | | | Variance with Final Budget - Under (Over) |
|--|----------------------|---------------------|----------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| Federal Through State Sources: | | | | |
| Food Service | \$ 40,398,892 | \$ 40,761,982 | \$ 41,517,823 | \$ (755,841) |
| Donated Foods and Cash in Lieu of | 350,000 | 351,000 | 201,443 | 149,557 |
| Total Federal Through State Sources | <u>40,748,892</u> | <u>41,112,982</u> | <u>41,719,266</u> | <u>(606,284)</u> |
| State Sources: | | | | |
| Food Services | 625,414 | 625,414 | 563,623 | 61,791 |
| Total State Sources | <u>625,414</u> | <u>625,414</u> | <u>563,623</u> | <u>61,791</u> |
| Local Sources | | | | |
| Food Service Sales | 6,595,107 | 6,598,725 | 2,528,141 | 4,070,584 |
| Interest Income | 30,000 | 30,000 | 89,804 | (59,804) |
| Gifts, Grants and Bequests | - | 750 | 750 | - |
| Local Grants and Other Local Sources | - | - | 44,279 | (44,279) |
| Total Local Sources | <u>6,625,107</u> | <u>6,629,475</u> | <u>2,662,974</u> | <u>3,966,501</u> |
| Total Revenues | <u>47,999,413</u> | <u>48,367,871</u> | <u>44,945,863</u> | <u>3,422,008</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Food Service | 51,320,827 | 56,784,222 | 42,253,373 | 14,530,849 |
| Capital Outlay | | | | |
| Facilities Acquisition and Construction | - | 268,219 | 268,219 | - |
| Other Capital Outlay | - | 2,191,110 | 1,220,504 | 970,606 |
| Total Expenditures | <u>51,320,827</u> | <u>59,243,551</u> | <u>43,742,096</u> | <u>15,501,455</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,321,414)</u> | <u>(10,875,680)</u> | <u>1,203,767</u> | <u>(12,079,447)</u> |
| Net Change in Fund Balance | (3,321,414) | (10,875,680) | 1,203,767 | (12,079,447) |
| Fund Balance, Beginning | <u>20,533,755</u> | <u>20,533,868</u> | <u>20,166,332</u> | <u>367,536</u> |
| Fund Balance, Ending | <u>\$ 17,212,341</u> | <u>\$ 9,658,188</u> | <u>\$ 21,370,099</u> | <u>\$ (11,711,911)</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, 2017**

| | 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 | \$ 2,058,080 | \$ 2,058,080 | \$ 2,013,091 | \$ 44,989 |
| SBE/COBI Bond Interest | 400 | 400 | 549 | (149) |
| Total State Sources | <u>2,058,480</u> | <u>2,058,480</u> | <u>2,013,640</u> | <u>44,840</u> |
| Total Revenues | <u>2,058,480</u> | <u>2,058,480</u> | <u>2,013,640</u> | <u>44,840</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 1,794,000 | 1,794,000 | 1,794,000 | - |
| Interest and Fiscal Charges | <u>264,480</u> | <u>264,480</u> | <u>264,115</u> | <u>365</u> |
| Total Expenditures | <u>2,058,480</u> | <u>2,058,480</u> | <u>2,058,115</u> | <u>365</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>(44,475)</u> | <u>44,475</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>(44,475)</u> | <u>44,475</u> |
| Fund Balance, Beginning | <u>132,577</u> | <u>132,577</u> | <u>132,577</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 132,577</u> | <u>\$ 132,577</u> | <u>\$ 88,102</u> | <u>\$ 44,475</u> |

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | Public Education Capital Outlay | | | Variance with Final Budget - Under (Over) |
|---|---------------------------------|------------------|------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| State Sources: | | | | |
| Public Education Capital Outlay | \$ 1,789,160 | \$ 1,926,462 | \$ 1,926,462 | \$ - |
| Total State Sources | <u>1,789,160</u> | <u>1,926,462</u> | <u>1,926,462</u> | <u>-</u> |
| Total Revenues | <u>1,789,160</u> | <u>1,926,462</u> | <u>1,926,462</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Facilities Services | - | 1,926,462 | 1,926,462 | - |
| Total Expenditures | <u>-</u> | <u>1,926,462</u> | <u>1,926,462</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>1,789,160</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 1,789,160 | - | - | - |
| Fund Balance, Beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 1,789,160</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
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | Capital Outlay & Debt Service (CO and DS) | | | Variance with Final Budget - Under (Over) |
|--|--|---------------------|-----------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| REVENUES | | | | |
| State Sources: | | | | |
| CO and DS Distributed to Districts | \$ 1,062,000 | \$ 1,474,009 | \$ 1,540,677 | \$ (66,668) |
| Interest on Undistributed CO and DS | - | - | 59,174 | (59,174) |
| Total State Sources | <u>1,062,000</u> | <u>1,474,009</u> | <u>1,599,851</u> | <u>(125,842)</u> |
| Local Sources | | | | |
| Interest Income | 5,000 | 5,000 | 836 | 4,164 |
| Total Local Sources | <u>5,000</u> | <u>5,000</u> | <u>836</u> | <u>4,164</u> |
| Total Revenues | <u>1,067,000</u> | <u>1,479,009</u> | <u>1,600,687</u> | <u>(121,678)</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Interest and Fiscal Charges | - | 2,750 | 2,745 | 5 |
| Total Expenditures | <u>-</u> | <u>2,750</u> | <u>2,745</u> | <u>5</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,067,000</u> | <u>1,476,259</u> | <u>1,597,942</u> | <u>(121,683)</u> |
| Net Change in Fund Balance | 1,067,000 | 1,476,259 | 1,597,942 | (121,683) |
| Fund Balance, Beginning | <u>2,248,628</u> | <u>2,248,628</u> | <u>2,248,628</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 3,315,628</u> | <u>\$ 3,724,887</u> | <u>\$ 3,846,570</u> | <u>\$ (121,683)</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, 2017

| | Internal Service Funds | | |
|------------------------------------|------------------------|----------------------|-------------------|
| | Total | Self Insurance | |
| | | Health | Other |
| ASSETS | | | |
| Current Assets | | | |
| Cash | \$ 1,863,068 | \$ 1,863,068 | \$ - |
| Investments | 50,748,135 | 50,748,135 | - |
| Due from Governmental Funds | 15,772,071 | - | 15,772,071 |
| Total Current Assets | <u>68,383,274</u> | <u>52,611,203</u> | <u>15,772,071</u> |
| Noncurrent Assets | | | |
| Restricted Cash With Fiscal Agent | 300,000 | - | 300,000 |
| Furniture, Fixtures and Equipment | 7,999 | 7,999 | - |
| Less Accumulated Depreciation | (1,988) | (1,988) | - |
| Total Noncurrent Assets | <u>306,011</u> | <u>6,011</u> | <u>300,000</u> |
| Total Assets | <u>68,689,285</u> | <u>52,617,214</u> | <u>16,072,071</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 432,341 | 432,341 | - |
| Due to Government Funds | 1,278 | 1,278 | - |
| Unearned Revenue | 10,849,815 | 10,849,815 | - |
| Estimated Insurance Claims Payable | 11,617,278 | 6,872,630 | 4,744,648 |
| Liability for Compensated Absences | 10,987 | 10,987 | - |
| Total Current Liabilities | <u>22,911,699</u> | <u>18,167,051</u> | <u>4,744,648</u> |
| Long-Term Liabilities | | | |
| Estimated Insurance Claims Payable | <u>11,019,711</u> | <u>56,792</u> | <u>10,962,919</u> |
| Total Liabilities | <u>33,931,410</u> | <u>18,223,843</u> | <u>15,707,567</u> |
| NET POSITION | | | |
| Investment in Capital Assets | 6,011 | 6,011 | - |
| Restricted for Claims | 300,000 | - | 300,000 |
| Unrestricted | <u>34,451,864</u> | <u>34,387,360</u> | <u>64,504</u> |
| Total Net Position | <u>\$ 34,757,875</u> | <u>\$ 34,393,371</u> | <u>\$ 364,504</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, 2017**

| | Internal Service Funds | | |
|------------------------------------|------------------------|----------------------|-------------------|
| | Total | Self Insurance | |
| | | Health | Other |
| OPERATING REVENUES | | | |
| Premium Revenue | \$ 89,556,748 | \$ 72,399,281 | \$ 17,157,467 |
| Other Operating Revenues | 280,138 | 280,138 | - |
| Total Operating Revenues | 89,836,886 | 72,679,419 | 17,157,467 |
| OPERATING EXPENSE | | | |
| Salaries | 341,504 | 241,304 | 100,200 |
| Employee Benefits | 112,066 | 67,237 | 44,829 |
| Purchased Services | 13,615,026 | 5,968,575 | 7,646,451 |
| Materials and Supplies | 2,002 | 2,002 | - |
| Noncapitalized Equipment | 81,522 | 81,522 | - |
| Insurance Claims | 87,012,583 | 77,711,100 | 9,301,483 |
| Depreciation | 801 | 801 | - |
| Total Operating Expenses | 101,165,504 | 84,072,541 | 17,092,963 |
| Operating Income (Loss) | (11,328,618) | (11,393,122) | 64,504 |
| NONOPERATING REVENUES | | | |
| Interest Income | 424,287 | 424,287 | - |
| Total Nonoperating Revenues | 424,287 | 424,287 | - |
| Changes in Net Position | (10,904,331) | (10,968,835) | 64,504 |
| Net Position - July 1, 2016 | 45,662,206 | 45,362,206 | 300,000 |
| Net Position - June 30, 2017 | \$ 34,757,875 | \$ 34,393,371 | \$ 364,504 |

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017**

| | Internal Service Funds | | |
|--|-------------------------------|------------------------|-------------------|
| | Total | Self Insurance | |
| | | Health | Other |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Received from Customers, Users and Participants | \$ 89,869,294 | \$ 73,386,908 | \$ 16,482,386 |
| Cash Payments to Suppliers for Goods and Services | (13,696,580) | (6,050,128) | (7,646,452) |
| Cash Payments to Employees for Services | (461,340) | (316,312) | (145,028) |
| Cash Payments for Insurance Claims | (86,173,548) | (77,482,642) | (8,690,906) |
| Net Cash used by Operating Activities | <u>(10,462,174)</u> | <u>(10,462,174)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of Pooled Investments | (423,993) | (423,993) | - |
| Interest on Investments | 424,287 | 424,287 | - |
| Net Cash provided by Investing Activities | <u>294</u> | <u>294</u> | <u>-</u> |
| Net decrease in Cash | (10,461,880) | (10,461,880) | - |
| Cash, Beginning | 12,624,948 | 12,324,948 | 300,000 |
| Cash, Ending | <u>\$ 2,163,068</u> | <u>\$ 1,863,068</u> | <u>\$ 300,000</u> |
| Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities | | | |
| Operating Income (Loss) | \$ (11,328,618) | \$ (11,393,122) | \$ 64,504 |
| Adjustments to Reconcile Operating Income to Net Cash provided (used) by Operating Activities: | | | |
| Depreciation | 801 | 801 | - |
| Change in Assets and Liabilities: | | | |
| Increase in Due from Governmental Funds | (675,081) | - | (675,081) |
| Increase in Accounts Payable | 693 | 693 | - |
| Increase in Due to Governmental Funds | 1,278 | 1,278 | - |
| Increase in Advanced Revenue | 707,489 | 707,489 | - |
| Increase in Estimated Insurance Claims Payable | 839,035 | 228,458 | 610,577 |
| Decrease in Liability for Compensated Absences | (7,771) | (7,771) | - |
| Total Adjustments | <u>866,444</u> | <u>930,948</u> | <u>(64,504)</u> |
| Net Cash used by Operating Activities | <u>\$ (10,462,174)</u> | <u>\$ (10,462,174)</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, 2017

| | Internal Accounts | | | June 30, 2017 |
|---|---------------------|----------------------|----------------------|---------------------|
| | July 1, 2016 | Additions | Deletions | |
| ASSETS | | | | |
| Cash | \$ 1,309,631 | \$ 26,562,300 | \$ 26,639,285 | \$ 1,232,646 |
| Investments | 6,300,927 | 1,042,469 | 803,548 | 6,539,848 |
| Accounts Receivable | 310,191 | 86,705 | - | 396,896 |
| Inventory | 388,864 | 873,965 | 911,790 | 351,039 |
| | <u>8,309,613</u> | <u>28,565,439</u> | <u>28,354,623</u> | <u>8,520,429</u> |
| Total Assets | <u>\$ 8,309,613</u> | <u>\$ 28,565,439</u> | <u>\$ 28,354,623</u> | <u>\$ 8,520,429</u> |
| LIABILITIES | | | | |
| Accounts Payable and Other Current Liabilities | \$ 432,762 | \$ 24,772,187 | \$ 24,794,710 | \$ 410,239 |
| Due to Student Organizations and Other Agencies | 7,876,851 | 1,454,693 | 1,221,354 | 8,110,190 |
| | <u>8,309,613</u> | <u>26,226,880</u> | <u>26,016,064</u> | <u>8,520,429</u> |
| Total Liabilities | <u>\$ 8,309,613</u> | <u>\$ 26,226,880</u> | <u>\$ 26,016,064</u> | <u>\$ 8,520,429</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: Accelerated Educational Services, Inc., Bonita Springs Charter School, Cape Coral Charter School, City of Palms Charter High School Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, Goodwill L.I.F.E. Academy, The Heights Charter School, Island Park Charter High School, Inc., The Island School, Inc., Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., Pivot Charter High School, Six Mile Charter Academy, Unity Charter School of Cape Coral, Inc., and Unity Charter School of Fort Myers, Inc.

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, 2017**

| | Charter Schools | | | | |
|---|--|-------------------------------------|---------------------------------|---|-------------------------|
| | Accelerated Educational Services, Inc. | Bonita Springs Charter School | Cape Coral Charter School | City of Palms Charter High School, Inc. | Coronado High School |
| ASSETS | | | | | |
| Cash | \$ 281,147 | \$ 845,614 | \$ 644,332 | \$ 219,510 | \$ 253,605 |
| Investments | - | 1,598,631 | - | - | - |
| Accounts Receivable | 4,199 | 79,540 | 404,189 | 226,150 | - |
| Deposits Receivable | - | 18,466 | 2,339 | - | - |
| Due from Other Agencies | - | 32,488 | 62,220 | - | 4,821 |
| Due from Fiduciary Funds | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Prepaid Expenses | - | 59,848 | 14,250 | 60,733 | - |
| Capital assets: | | | | | |
| Improvements other than Buildings | - | 264,444 | 106,643 | - | - |
| Less Accumulated Depreciation | - | (172,421) | (58,392) | - | - |
| Buildings | - | 18,237,000 | 17,721,743 | - | - |
| Less Accumulated Depreciation | - | (67,544) | (4,541,197) | - | - |
| Furniture, Fixtures and Equipment | 34,520 | 2,383,247 | 1,039,683 | 71,279 | 397,828 |
| Less Accumulated Depreciation | (15,051) | (2,053,007) | (810,219) | (58,349) | (248,914) |
| Software | - | - | - | 25,000 | - |
| Less Accumulated Amortization | - | - | - | (25,000) | - |
| Total Assets | 304,815 | 21,226,306 | 14,585,591 | 519,323 | 407,340 |
| DEFERRED OUTFLOW OF RESOURCES | | | | | |
| Deferred Amount on Pension | - | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - | - |
| LIABILITIES | | | | | |
| Salaries and Wages Payable | - | 280,907 | 183,302 | - | - |
| Accounts Payable | 7,507 | 254,852 | 509,331 | 42,304 | 143,482 |
| Deposits Payable | - | - | - | - | - |
| Due to Other Agencies | - | - | 1,494 | - | - |
| Noncurrent liabilities: | | | | | |
| Portion due within one year: | | | | | |
| Bonds Payable | - | 115,000 | - | - | - |
| Notes Payable | 5,114 | - | - | - | - |
| Obligations under Capital Lease | - | - | 483,185 | - | - |
| Liability for Compensated Absences | - | 40,747 | 16,588 | - | - |
| Portion due after one year: | | | | | |
| Bonds Payable | - | 20,067,418 | - | - | - |
| Notes Payable | 8,587 | - | - | - | - |
| Obligations under Capital Lease | - | - | 16,038,948 | - | - |
| Net Pension Liability | - | - | - | - | - |
| Liability for Compensated Absences | - | 13,582 | 5,529 | - | - |
| Total Liabilities | 21,208 | 20,772,506 | 17,238,377 | 42,304 | 143,482 |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Deferred Amount on Pension | - | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - | - |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 19,469 | (1,590,699) | (1,470,513) | 12,930 | 148,914 |
| Restricted for: | | | | | |
| Debt Service | - | 1,598,631 | - | - | - |
| Capital Projects | - | - | - | - | 7,197 |
| Other Purposes | - | - | - | - | - |
| Unrestricted | 264,138 | 445,868 | (1,182,273) | 464,089 | 107,747 |
| Total Net Position - Component Units | \$ 283,607 | \$ 453,800 | \$ (2,652,786) | \$ 477,019 | \$ 263,858 |

| Charter Schools | | | | | | |
|-----------------------------|------------------------|-------------------------------------|-----------------------------|---------------------------|----------------------------|---------------------------------------|
| DJB Technical Academy, Inc. | Gateway Charter School | Gateway Intermediate Charter School | Gateway Charter High School | Goodwill L.I.F.E. Academy | The Heights Charter School | Island Park Charter High School, Inc. |
| \$ 39,841 | \$ 2,097,763 | \$ 1,301,450 | \$ 731,402 | \$ - | \$ 7,335 | \$ 323,347 |
| - | - | - | - | - | - | - |
| - | 521,255 | 268,712 | 285,708 | - | - | - |
| - | 30,928 | - | 32,310 | - | - | - |
| 2,389 | 26,040 | 20,894 | 37,546 | 23,867 | - | 11,052 |
| - | 6,412 | 2,223 | - | - | - | - |
| - | - | - | - | - | - | - |
| 7,417 | 38,310 | - | 17,968 | 888 | - | - |
| - | 249,128 | 4,625 | 879,327 | - | - | - |
| - | (115,250) | (2,467) | (324,737) | - | - | - |
| 38,534 | 27,869,053 | - | 13,338,119 | - | - | - |
| (14,432) | (6,278,424) | - | (3,417,893) | - | - | - |
| 38,210 | 1,651,968 | 830,637 | 1,580,113 | - | 51,060 | 275,391 |
| (19,638) | (1,433,698) | (655,390) | (1,422,035) | - | (4,770) | (123,778) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>92,321</u> | <u>24,663,485</u> | <u>1,770,684</u> | <u>11,737,828</u> | <u>24,755</u> | <u>53,625</u> | <u>486,012</u> |
| - | - | - | - | 125,908 | - | - |
| - | - | - | - | 125,908 | - | - |
| 28,141 | 421,243 | 219,181 | 166,544 | 9,823 | - | - |
| 8,491 | 676,096 | 546,570 | 743,147 | 14,294 | 21,887 | 304,533 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 25,094 | - | - | - | - | - | - |
| 9,810 | 696,935 | - | 450,639 | - | - | - |
| - | 17,476 | 16,944 | 13,822 | - | - | - |
| - | - | - | - | - | - | - |
| 111,781 | - | - | - | - | - | - |
| 6,019 | 24,932,565 | - | 12,181,702 | - | - | - |
| - | - | - | - | 320,552 | - | - |
| - | 5,826 | 5,649 | 4,607 | - | - | - |
| <u>189,336</u> | <u>26,750,141</u> | <u>788,344</u> | <u>13,560,461</u> | <u>344,669</u> | <u>21,887</u> | <u>304,533</u> |
| - | - | - | - | 22,065 | - | - |
| - | - | - | - | 22,065 | - | - |
| (110,030) | (2,066,992) | 177,405 | (905,512) | - | 46,290 | 151,613 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>13,015</u> | <u>(19,664)</u> | <u>804,935</u> | <u>(917,121)</u> | <u>(216,071)</u> | <u>(14,552)</u> | <u>29,866</u> |
| <u>\$ (97,015)</u> | <u>\$ (2,086,656)</u> | <u>\$ 982,340</u> | <u>\$ (1,822,633)</u> | <u>\$ (216,071)</u> | <u>\$ 31,738</u> | <u>\$ 181,479</u> |

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 June 30, 2017

| | Charter Schools | | | | |
|---|----------------------------|--|-------------------------------|--|---|
| | The Island School, Inc. | Northern Palms Charter High School | North Nicholas High School | Oak Creek Charter School of Bonita Springs, Inc. | Palm Acres Charter High School, Inc |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 862,615 | \$ 168,367 | \$ 357,489 | \$ 100,634 | \$ 266,944 |
| Investments | - | - | - | - | - |
| Accounts Receivable | 3,432 | - | - | - | 500,899 |
| Deposits Receivable | - | - | - | - | - |
| Due from Other Agencies | - | - | 8,915 | - | - |
| Due from Fiduciary Funds | - | - | - | - | - |
| Inventory | - | - | - | 1,985 | - |
| Prepaid Expenses | 1,682 | 2,983 | - | 12,287 | 8,315 |
| Capital assets: | | | | | |
| Improvements other than Buildings | - | - | - | 33,896 | - |
| Less Accumulated Depreciation | - | - | - | (3,390) | - |
| Buildings | 2,945,969 | - | - | 222,053 | - |
| Less Accumulated Depreciation | (596,688) | - | - | (14,803) | - |
| Furniture, Fixtures and Equipment | 208,175 | 144,639 | 140,957 | 130,836 | 254,672 |
| Less Accumulated Depreciation | (236,729) | - | (140,957) | (13,084) | (122,929) |
| Software | - | 8,862 | - | - | 21,805 |
| Less Accumulated Amortization | - | - | - | - | (3,651) |
| Total Assets | <u>3,188,456</u> | <u>324,851</u> | <u>366,404</u> | <u>470,414</u> | <u>926,055</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | | |
| Deferred Amount on Pension | - | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| LIABILITIES | | | | | |
| Salaries and Wages Payable | 13,979 | - | - | 124,372 | - |
| Accounts Payable | - | 708,113 | 280,541 | 90,274 | 5,857 |
| Deposits Payable | - | 5,363 | - | - | - |
| Due to Other Agencies | - | - | - | 35,459 | - |
| Noncurrent liabilities: | | | | | |
| Portion due within one year: | | | | | |
| Bonds Payable | - | - | - | - | - |
| Notes Payable | 7,140 | - | - | 5,669 | - |
| Obligations under Capital Lease | - | - | - | - | - |
| Liability for Compensated Absences | - | - | - | - | - |
| Portion due after one year: | | | | | |
| Bonds Payable | - | - | - | - | - |
| Notes Payable | - | - | - | 288,991 | - |
| Obligations under Capital Lease | - | - | - | - | - |
| Net Pension Liability | - | - | - | - | - |
| Liability for Compensated Absences | - | - | - | - | - |
| Total Liabilities | <u>21,119</u> | <u>713,476</u> | <u>280,541</u> | <u>544,765</u> | <u>5,857</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Deferred Amount on Pension | - | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 2,320,727 | 153,501 | - | 60,848 | 149,897 |
| Restricted for: | | | | | |
| Debt Service | - | - | - | - | - |
| Capital Projects | - | - | - | - | - |
| Other Purposes | 635,676 | - | - | - | - |
| Unrestricted | <u>210,934</u> | <u>(542,126)</u> | <u>85,863</u> | <u>(135,199)</u> | <u>770,301</u> |
| Total Net Position - Component Units | <u>\$ 3,167,337</u> | <u>\$ (388,625)</u> | <u>\$ 85,863</u> | <u>\$ (74,351)</u> | <u>\$ 920,198</u> |

| Charter Schools | | | |
|------------------------------|--------------------------------|--|--|
| Pivot Charter High School | Six Mile Charter Academy | Unity Charter School of Cape Coral, Inc. | Unity Charter School of Fort Myers, Inc. |
| \$ 41,265 | \$ 658,079 | \$ 15,372 | \$ 31,497 |
| - | - | - | - |
| 68,857 | 390,762 | 24,834 | 193,358 |
| - | 8,841 | - | 10,987 |
| 2,699 | 26,590 | 6,478 | 7,022 |
| - | 2,359 | - | - |
| - | - | - | - |
| 28,564 | 63,434 | 1,846 | 1,398 |
| 497,027 | 236,791 | - | - |
| (497,027) | (83,641) | - | - |
| - | 17,929,083 | 20,920 | 21,414 |
| - | (4,594,329) | (2,092) | (2,141) |
| 567,202 | 1,231,234 | - | - |
| (468,417) | (981,386) | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>240,170</u> | <u>14,887,817</u> | <u>67,358</u> | <u>263,535</u> |
| - | - | - | - |
| - | - | - | - |
| - | 252,454 | 120,734 | 206,976 |
| 170,912 | 651,770 | 302,665 | 163,532 |
| - | - | - | - |
| - | - | 5,629 | 6,478 |
| - | - | - | - |
| - | - | - | - |
| - | 483,184 | - | - |
| - | 22,594 | - | - |
| - | - | - | - |
| - | - | - | - |
| - | 16,038,951 | - | - |
| - | - | - | - |
| - | 7,531 | - | - |
| <u>170,912</u> | <u>17,456,484</u> | <u>429,028</u> | <u>376,986</u> |
| - | - | - | - |
| - | - | - | - |
| 98,785 | (1,365,688) | 18,828 | 19,273 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>(29,527)</u> | <u>(1,202,979)</u> | <u>(380,498)</u> | <u>(132,724)</u> |
| <u>\$ 69,258</u> | <u>\$ (2,568,667)</u> | <u>\$ (361,670)</u> | <u>\$ (113,451)</u> |

THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2017

| | <u>Total Charter Schools</u> | <u>The Foundation for Lee County Public Schools, Inc.</u> | <u>Total Component Units</u> |
|---|--------------------------------------|---|--------------------------------------|
| ASSETS | | | |
| Cash | \$ 9,247,608 | \$ 1,481,796 | \$ 10,729,404 |
| Investments | 1,598,631 | - | 1,598,631 |
| Accounts receivable | 2,971,895 | 31,091 | 3,002,986 |
| Deposits Receivable | 103,871 | - | 103,871 |
| Due from other Agencies | 273,021 | - | 273,021 |
| Due from Fiduciary Funds | 10,994 | - | 10,994 |
| Inventory | 1,985 | 29,310 | 31,295 |
| Prepaid Expenses | 319,923 | 1,631,420 | 1,951,343 |
| Capital assets: | | | |
| Improvements other than Buildings | 2,271,881 | - | 2,271,881 |
| Less Accumulated Depreciation | (1,257,325) | - | (1,257,325) |
| Buildings | 98,343,888 | - | 98,343,888 |
| Less Accumulated Depreciation | (19,529,543) | - | (19,529,543) |
| Furniture, Fixtures and Equipment | 11,031,651 | 102,412 | 11,134,063 |
| Less Accumulated Depreciation | (8,808,351) | (88,238) | (8,896,589) |
| Software | 55,667 | - | 55,667 |
| Less Accumulated Amortization | (28,651) | - | (28,651) |
| Total Assets | <u>96,607,145</u> | <u>3,187,791</u> | <u>99,794,936</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred Amount on Pension | 125,908 | - | 125,908 |
| Total Deferred Inflows of Resources | <u>125,908</u> | <u>-</u> | <u>125,908</u> |
| LIABILITIES | | | |
| Salaries and Wages Payable | 2,027,656 | - | 2,027,656 |
| Accounts Payable | 5,646,158 | 7,749 | 5,653,907 |
| Deposits Payable | 5,363 | - | 5,363 |
| Due to other Agencies | 49,060 | - | 49,060 |
| Noncurrent liabilities: | | | |
| Portion due within one year: | | | |
| Bonds Payable | 115,000 | - | 115,000 |
| Notes Payable | 43,017 | - | 43,017 |
| Obligations under Capital Lease | 2,123,753 | - | 2,123,753 |
| Liability for Compensated Absences | 128,171 | - | 128,171 |
| Portion due after one year: | | | |
| Bonds Payable | 20,067,418 | - | 20,067,418 |
| Notes Payable | 409,359 | - | 409,359 |
| Obligations under Capital Lease | 69,198,185 | - | 69,198,185 |
| Net Pension Liability | 320,552 | - | 320,552 |
| Liability for Compensated Absences | 42,724 | - | 42,724 |
| Total Liabilities | <u>100,176,416</u> | <u>7,749</u> | <u>100,184,165</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Amount on Pension | 22,065 | - | 22,065 |
| Total Deferred Inflows of Resources | <u>22,065</u> | <u>-</u> | <u>22,065</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | (4,130,954) | 14,174 | (4,116,780) |
| Restricted for: | | | |
| Debt Service | 1,598,631 | - | 1,598,631 |
| Capital Projects | 7,197 | - | 7,197 |
| Other Purposes | 635,676 | 2,939,325 | 3,575,001 |
| Unrestricted | <u>(1,575,978)</u> | <u>226,543</u> | <u>(1,349,435)</u> |
| Total net position - Component Units | <u>\$ (3,465,428)</u> | <u>\$ 3,180,042</u> | <u>\$ (285,386)</u> |

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THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2017

| | Charter Schools | | |
|---|--|-------------------------------------|---------------------------------|
| | Accelerated Educational Services, Inc. | Bonita Springs Charter School | Cape Coral Charter School |
| Governmental activities | | | |
| Expenses | | | |
| Instruction | \$ 339,352 | \$ 4,481,193 | \$ 2,258,378 |
| Student Support Services | - | 210,227 | 205,944 |
| Instructional Media Services | - | - | - |
| Instruction and Curriculum Development Services | 52,314 | 12,529 | 6,186 |
| Instructional Staff Training Services | 1,115 | 22,531 | 16,162 |
| Instruction Related Technology | 12,480 | 136,782 | 79,944 |
| Board | 16,086 | 22,349 | 20,935 |
| General Administration | 40,186 | - | - |
| School Administration | 170,589 | 535,448 | 304,569 |
| Facilities Services | - | - | - |
| Fiscal Services | 13,920 | 779,399 | 207,357 |
| Food Services | 59,739 | 358,328 | 227,651 |
| Central Services | - | 112,266 | 89,034 |
| Student Transportation Services | 85,631 | 765,513 | 316,198 |
| Operation of Plant | 166,481 | 2,132,460 | 952,445 |
| Maintenance of Plant | - | 198,079 | 143,360 |
| Community Services | 21,488 | 90,096 | 43,676 |
| Unallocated Interest and Fiscal Charges on Long-term Debt | 1,005 | 464,354 | 940,169 |
| Unallocated Depreciation Expense * | - | - | - |
| Total Expenses | \$ 980,386 | \$ 10,321,554 | \$ 5,812,008 |
| Program Revenues | | | |
| Charges for Services | \$ - | \$ 336,436 | \$ 195,929 |
| Operating Grants and Contributions | 65,239 | 589,239 | 578,434 |
| Capital Grants and Contributions | - | 360,486 | 178,018 |
| Total Program Revenues | 65,239 | 1,286,161 | 952,381 |
| Net Program Revenues | (915,147) | (9,035,393) | (4,859,627) |
| General Revenues | | | |
| Other Federal Sources not restricted to specific programs | - | - | - |
| Other State Sources not restricted to specific programs | 852,266 | 8,556,685 | 4,945,306 |
| Other Miscellaneous Sources Not Restricted to Specific Programs | 1,953 | 19,468 | 5,926 |
| Unrestricted Investment Earnings | - | - | - |
| Total General Revenues | 854,219 | 8,576,153 | 4,951,232 |
| Changes in Net Position | (60,928) | (459,240) | 91,605 |
| Net Position - July 1, 2016 | 344,467 | 913,040 | (2,744,391) |
| Adjustment to Beginning Net Position | 68 | - | - |
| Net Position - July 1, 2016, Restated | <u>344,535</u> | <u>913,040</u> | <u>(2,744,391)</u> |
| Net Position-June 30, 2017 | <u>\$ 283,607</u> | <u>\$ 453,800</u> | <u>\$ (2,652,786)</u> |

* 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. | Gateway Charter School | Gateway Intermediate Charter School | Gateway Charter High School |
|--|---------------------------------|--|---------------------------------------|--|--|
| \$ 387,805 | \$ 413,070 | \$ 282,709 | \$ 3,715,728 | \$ 2,730,555 | \$ 2,390,973 |
| - | 171,551 | - | 209,727 | 141,513 | 155,470 |
| - | - | - | - | - | - |
| 108,255 | - | - | 20,993 | 93 | 2,159 |
| - | - | - | 12,983 | 14,725 | 9,512 |
| - | - | 30,396 | 146,640 | 91,409 | 88,245 |
| 24,978 | 55,960 | 75,801 | 23,617 | 15,302 | 24,953 |
| - | - | - | - | - | - |
| 468,006 | 457,494 | 156,465 | 394,715 | 236,231 | 193,005 |
| - | - | 50,004 | - | - | - |
| - | 247,469 | 23,177 | 1,569,925 | 1,068,861 | 8,599 |
| - | 1,593 | - | 425,089 | 3,283 | 307,481 |
| - | - | - | 105,285 | 93,881 | 93,467 |
| 10,650 | - | 83,933 | 510,633 | 505,917 | 501,422 |
| 160,144 | 441,258 | 48,767 | 1,273,632 | 503,818 | 920,644 |
| 1,687 | - | 5,098 | 159,025 | 71,697 | 142,689 |
| - | - | 311 | 21,890 | 10,441 | 5,473 |
| - | - | 1,819 | 1,535,917 | - | 744,777 |
| - | - | 11,319 | - | - | - |
| <u>\$ 1,161,525</u> | <u>\$ 1,788,395</u> | <u>\$ 769,799</u> | <u>\$ 10,125,799</u> | <u>\$ 5,487,726</u> | <u>\$ 5,590,869</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ 240,442 | \$ - | \$ 59,743 |
| 12,276 | 28,384 | 11,292 | 672,540 | 211,344 | 502,480 |
| 63,800 | 60,569 | 34,294 | 327,734 | 273,284 | 180,412 |
| 76,076 | 88,953 | 45,586 | 1,240,716 | 484,628 | 742,635 |
| <u>(1,085,449)</u> | <u>(1,699,442)</u> | <u>(724,213)</u> | <u>(8,885,083)</u> | <u>(5,003,098)</u> | <u>(4,848,234)</u> |
| | | | | | |
| - | - | - | - | - | - |
| 1,139,097 | 1,471,597 | 626,426 | 8,503,274 | 4,654,567 | 4,214,541 |
| 27,615 | 131,478 | 17,589 | 57,010 | 372 | 865,266 |
| - | - | - | - | - | - |
| <u>1,166,712</u> | <u>1,603,075</u> | <u>644,015</u> | <u>8,560,284</u> | <u>4,654,939</u> | <u>5,079,807</u> |
| 81,263 | (96,367) | (80,198) | (324,799) | (348,159) | 231,573 |
| | | | | | |
| 395,756 | 360,225 | (16,817) | (1,761,857) | 1,330,499 | (2,054,206) |
| - | - | - | - | - | - |
| <u>395,756</u> | <u>360,225</u> | <u>(16,817)</u> | <u>(1,761,857)</u> | <u>1,330,499</u> | <u>(2,054,206)</u> |
| <u>\$ 477,019</u> | <u>\$ 263,858</u> | <u>\$ (97,015)</u> | <u>\$ (2,086,656)</u> | <u>\$ 982,340</u> | <u>\$ (1,822,633)</u> |

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2017**

| | Charter Schools | | |
|---|---------------------|-------------------------------|------------------------------|
| | Goodwill | | Island Park |
| | L.I.F.E. Academy | The Heights Charter School | Charter High School, Inc. |
| Governmental activities | | | |
| Expenses | | | |
| Instruction | \$ 491,235 | \$ 246,802 | \$ 435,940 |
| Student Support Services | - | - | 176,895 |
| Instructional Media Services | - | - | - |
| Instruction and Curriculum Development Services | - | - | - |
| Instructional Staff Training Services | - | - | - |
| Instruction Related Technology | - | 2,448 | - |
| Board | 50,122 | 6,274 | 43,032 |
| General Administration | - | - | - |
| School Administration | 142,100 | 161,958 | 471,023 |
| Facilities Services | 48,000 | - | 1,738 |
| Fiscal Services | - | - | 658,400 |
| Food Services | 9,894 | 30,854 | 687 |
| Central Services | - | - | - |
| Student Transportation Services | 122,555 | - | - |
| Operation of Plant | 25,086 | 115,382 | 340,458 |
| Maintenance of Plant | 137 | - | - |
| Community Services | - | - | - |
| Unallocated Interest and Fiscal Charges on Long-term Debt | - | - | - |
| Unallocated Depreciation Expense * | - | - | - |
| Total Expenses | \$ 889,129 | \$ 563,718 | \$ 2,128,173 |
| Program Revenues | | | |
| Charges for Services | \$ 3,406 | \$ 809 | \$ - |
| Operating Grants and Contributions | 18,164 | - | 27,338 |
| Capital Grants and Contributions | 18,067 | - | 107,647 |
| Total Program Revenues | 39,637 | 809 | 134,985 |
| Net Program Revenues | (849,492) | (562,909) | (1,993,188) |
| General Revenues | | | |
| Other Federal Sources not restricted to specific programs | - | - | - |
| Other State Sources not restricted to specific programs | 640,971 | 513,076 | 1,965,243 |
| Other Miscellaneous Sources Not Restricted to Specific Programs | 166,162 | 877 | - |
| Unrestricted Investment Earnings | - | - | - |
| Total General Revenues | 807,133 | 513,953 | 1,965,243 |
| Changes in Net Position | (42,359) | (48,956) | (27,945) |
| Net Position - July 1, 2016 | (173,712) | - | 209,424 |
| Adjustment to Beginning Net Position | - | 80,694 | - |
| Net Position - July 1, 2016, Restated | (173,712) | 80,694 | 209,424 |
| Net Position-June 30, 2017 | \$ (216,071) | \$ 31,738 | \$ 181,479 |

Charter Schools

| The Island School, Inc. | Northern Palms Charter High School | North Nicholas High School | Oak Creek Charter School of Bonita Springs, Inc. | Palm Acres Charter High School, Inc | Pivot Charter High School |
|--------------------------------|---|-----------------------------------|---|--|----------------------------------|
| \$ 581,326 | \$ 503,071 | \$ 625,331 | \$ 1,328,211 | \$ 541,080 | \$ 422,221 |
| - | - | 163,197 | 29,460 | - | - |
| - | - | - | - | - | - |
| 4,248 | 96,220 | - | - | 126,543 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 28,049 | 47,399 | 250 | 27,365 | 429 |
| 215,143 | - | - | - | - | 21,031 |
| - | 381,946 | 456,689 | 238,589 | 752,608 | 376,467 |
| - | - | - | - | - | 387,140 |
| 53,904 | - | 582,646 | 550,972 | - | 62,755 |
| - | - | 1,630 | 185,231 | - | - |
| - | 48,228 | - | 24,804 | 78,891 | - |
| - | 7,275 | - | 177,132 | 17,610 | 50,171 |
| 127,880 | 111,609 | 399,474 | 693,634 | 169,910 | 15,530 |
| - | 8,457 | - | - | 9,101 | - |
| 60,275 | - | - | 30,637 | - | - |
| - | - | - | 17,855 | - | - |
| - | - | - | - | - | - |
| <u>\$ 1,042,776</u> | <u>\$ 1,184,855</u> | <u>\$ 2,276,366</u> | <u>\$ 3,276,775</u> | <u>\$ 1,723,108</u> | <u>\$ 1,335,744</u> |
| | | | | | |
| \$ 30,646 | \$ - | \$ - | \$ 40,031 | \$ - | \$ - |
| - | 382,637 | 23,614 | 153,055 | 126,621 | - |
| - | - | 120,612 | 130,382 | - | - |
| <u>30,646</u> | <u>382,637</u> | <u>144,226</u> | <u>323,468</u> | <u>126,621</u> | <u>-</u> |
| <u>(1,012,130)</u> | <u>(802,218)</u> | <u>(2,132,140)</u> | <u>(2,953,307)</u> | <u>(1,596,487)</u> | <u>(1,335,744)</u> |
| | | | | | |
| - | - | - | - | - | - |
| 429,411 | 964,556 | 2,152,768 | 2,811,964 | 2,091,139 | 986,302 |
| 677,183 | 5,000 | - | 66,992 | 5,000 | 808 |
| 671 | - | - | - | - | - |
| <u>1,107,265</u> | <u>969,556</u> | <u>2,152,768</u> | <u>2,878,956</u> | <u>2,096,139</u> | <u>987,110</u> |
| 95,135 | 167,338 | 20,628 | (74,351) | 499,652 | (348,634) |
| | | | | | |
| 3,072,202 | (597,171) | 65,235 | 150,454 | 420,546 | 417,892 |
| - | 41,208 | - | (150,454) | - | - |
| <u>3,072,202</u> | <u>(555,963)</u> | <u>65,235</u> | <u>-</u> | <u>420,546</u> | <u>417,892</u> |
| <u>\$ 3,167,337</u> | <u>\$ (388,625)</u> | <u>\$ 85,863</u> | <u>\$ (74,351)</u> | <u>\$ 920,198</u> | <u>\$ 69,258</u> |

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2017**

| | Charter Schools | | |
|---|--------------------------------|--|--|
| | Six Mile Charter Academy | Unity Charter School of Cape Coral, Inc. | Unity Charter School of Fort Myers, Inc. |
| Governmental activities | | | |
| Expenses | | | |
| Instruction | \$ 3,959,406 | \$ 565,419 | \$ 808,034 |
| Student Support Services | 187,876 | 10,910 | 19,711 |
| Instructional Media Services | 854 | - | - |
| Instruction and Curriculum Development Services | 22,766 | - | - |
| Instructional Staff Training Services | 17,428 | - | - |
| Instruction Related Technology | 138,939 | - | - |
| Board | 19,718 | - | 200 |
| General Administration | - | - | - |
| School Administration | 479,578 | 214,814 | 283,929 |
| Facilities Services | - | - | - |
| Fiscal Services | 1,408,108 | 455 | 1,750 |
| Food Services | 325,398 | 68,471 | 149,756 |
| Central Services | 104,445 | 28,596 | 36,269 |
| Pupil Transportation Services | 610,175 | 115,418 | 243,830 |
| Operation of Plant | 1,128,754 | 547,295 | 584,725 |
| Maintenance of Plant | 192,252 | - | - |
| Community Services | 113,568 | 14,213 | 7,383 |
| Unallocated Interest and Fiscal Charges on Long-term Debt | 970,961 | - | - |
| Unallocated Depreciation Expense * | - | - | - |
| Total Expenses | \$ 9,680,226 | \$ 1,565,591 | \$ 2,135,587 |
| Program Revenues | | | |
| Charges for Services | \$ 204,458 | \$ 4,792 | \$ 1,430 |
| Operating Grants and Contributions | 536,064 | 104,807 | 193,891 |
| Capital Grants and Contributions | 341,515 | 47,806 | 76,006 |
| Total Program Revenues | 1,082,037 | 157,405 | 271,327 |
| Net Program Revenues | (8,598,189) | (1,408,186) | (1,864,260) |
| General Revenues | | | |
| Other Federal Sources not restricted to specific programs | - | - | - |
| Other State Sources not restricted to specific programs | 8,233,207 | 1,021,355 | 1,667,377 |
| Other Miscellaneous Sources Not Restricted to Specific Programs | 12,479 | 25,161 | 45,932 |
| Unrestricted Investment Earnings | - | - | - |
| Total General Revenues | 8,245,686 | 1,046,516 | 1,713,309 |
| Changes in Net Position | (352,503) | (361,670) | (150,951) |
| Net Position - July 1, 2016 | (2,216,164) | (1,135,784) | (613,051) |
| Adjustment to Beginning Net Position | - | 1,135,784 | 650,551 |
| Net Position - July 1, 2016, Restated | (2,216,164) | - | 37,500 |
| Net Position-June 30, 2017 | \$ (2,568,667) | \$ (361,670) | \$ (113,451) |

| Total Charter Schools | The Foundation for Lee County Public Schools, Inc. | Total Component Units |
|-----------------------------|--|-----------------------------|
| \$ 27,507,839 | \$ - | \$ 27,507,839 |
| 1,682,481 | - | 1,682,481 |
| 854 | - | 854 |
| 452,306 | - | 452,306 |
| 94,456 | - | 94,456 |
| 727,283 | - | 727,283 |
| 502,819 | - | 502,819 |
| 276,360 | - | 276,360 |
| 6,876,223 | - | 6,876,223 |
| 486,882 | - | 486,882 |
| 7,237,697 | - | 7,237,697 |
| 2,155,085 | - | 2,155,085 |
| 817,166 | - | 817,166 |
| 4,124,063 | - | 4,124,063 |
| 10,859,386 | - | 10,859,386 |
| 931,582 | - | 931,582 |
| 419,451 | 1,940,184 | 2,359,635 |
| 4,676,857 | - | 4,676,857 |
| 11,319 | - | 11,319 |
| <u>\$ 69,840,109</u> | <u>\$ 1,940,184</u> | <u>\$ 71,780,293</u> |
| | | |
| \$ 1,118,122 | \$ - | \$ 1,118,122 |
| 4,237,419 | 2,033,101 | 6,270,520 |
| 2,320,632 | - | 2,320,632 |
| <u>7,676,173</u> | <u>2,033,101</u> | <u>9,709,274</u> |
| <u>(62,163,936)</u> | <u>92,917</u> | <u>(62,071,019)</u> |
| | | |
| - | - | - |
| 58,441,128 | - | 58,441,128 |
| 2,132,271 | - | 2,132,271 |
| 671 | 2,559 | 3,230 |
| <u>60,574,070</u> | <u>2,559</u> | <u>60,576,629</u> |
| <u>(1,589,866)</u> | <u>95,476</u> | <u>(1,494,390)</u> |
| | | |
| (3,633,413) | 3,084,566 | (548,847) |
| 1,757,851 | - | 1,757,851 |
| <u>(1,875,562)</u> | <u>3,084,566</u> | <u>1,209,004</u> |
| <u>\$ (3,465,428)</u> | <u>\$ 3,180,042</u> | <u>\$ (285,386)</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.

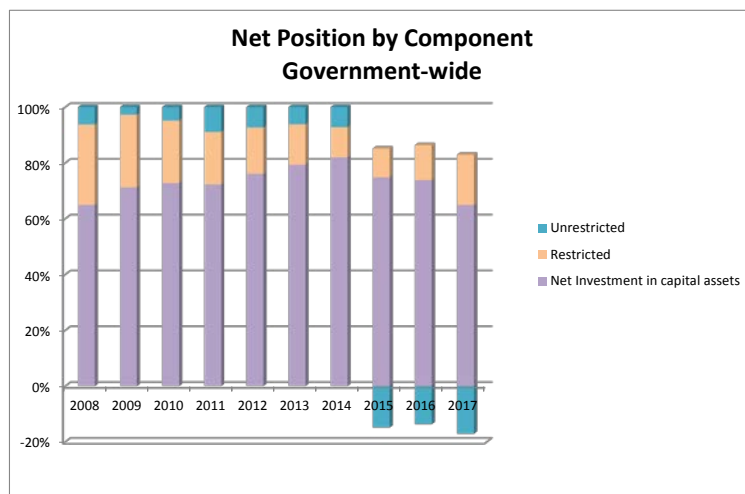
Operating Information

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)**

| | <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> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Primary Government: | | | | | | | | | | |
| Net Investment in capital assets | \$ 802,535,660 | \$ 889,658,611 | \$ 903,539,567 | \$ 896,693,252 | \$ 903,860,005 | \$ 887,783,551 | \$ 892,757,501 | \$ 866,637,441 | \$ 851,527,173 | \$ 793,990,590 |
| Restricted | 357,035,293 | 325,524,131 | 278,364,305 | 233,649,374 | 197,520,171 | 162,026,667 | 118,642,826 | 120,085,063 | 143,874,783 | 220,727,390 |
| Unrestricted | <u>77,204,138</u> | <u>34,495,460</u> | <u>59,858,412</u> | <u>110,911,102</u> | <u>86,954,265</u> | <u>69,149,197</u> | <u>78,560,813</u> | <u>(172,351,864)</u> | <u>(157,404,251)</u> | <u>(208,685,715)</u> |
| Total Primary Government net position | <u>\$ 1,236,775,091</u> | <u>\$ 1,249,678,202</u> | <u>\$ 1,241,762,284</u> | <u>\$ 1,241,253,728</u> | <u>\$ 1,188,334,441</u> | <u>\$ 1,118,959,415</u> | <u>\$ 1,089,961,140</u> | <u>\$ 814,370,640</u> | <u>\$ 837,997,705</u> | <u>\$ 806,032,265</u> |

Source: District Records



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

| | <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> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|---|-----------------------|----------------------|-----------------------|----------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|------------------------|
| Expenses | | | | | | | | | | |
| Primary Government Activities | | | | | | | | | | |
| Instruction | \$ 415,766,690 | \$ 425,450,532 | \$ 417,050,879 | \$ 433,180,316 | \$ 417,291,563 | \$ 441,261,156 | \$ 452,139,428 | \$ 463,560,816 | \$ 477,957,931 | \$ 508,830,499 |
| Student Support Services | 28,665,777 | 27,907,162 | 26,709,653 | 27,024,831 | 26,014,869 | 27,552,396 | 27,234,115 | 27,780,981 | 29,628,657 | 32,730,160 |
| Instructional Media Services | 7,306,522 | 6,438,815 | 4,827,097 | 4,318,165 | 5,077,074 | 4,284,720 | 4,101,178 | 3,938,948 | 4,170,590 | 4,229,828 |
| Instruction and Curriculum Development Services | 16,110,826 | 15,031,956 | 13,444,598 | 12,894,502 | 11,750,555 | 11,989,193 | 15,671,169 | 16,966,982 | 20,256,522 | 24,935,745 |
| Instructional Staff Training Services | 11,870,616 | 9,933,041 | 11,214,029 | 11,204,173 | 10,421,863 | 11,579,277 | 10,992,855 | 10,936,643 | 10,877,081 | 10,571,419 |
| Instruction Related Technology | 4,451,217 | 4,679,712 | 4,619,892 | 4,658,335 | 5,687,487 | 6,217,478 | 6,635,241 | 6,473,494 | 7,361,597 | 8,159,250 |
| Board | 939,760 | 902,082 | 790,180 | 787,388 | 831,526 | 790,767 | 895,721 | 881,699 | 927,293 | 1,133,922 |
| General Administration | 4,725,583 | 3,918,822 | 4,216,080 | 4,763,156 | 4,836,325 | 4,946,220 | 5,266,987 | 5,254,912 | 5,868,836 | 6,658,948 |
| School Administration | 42,946,103 | 43,869,820 | 41,351,915 | 42,405,924 | 40,490,378 | 42,187,249 | 43,152,176 | 43,733,268 | 44,847,942 | 50,889,724 |
| Facilities Services | 77,705,092 | 81,289,058 | 106,859,204 | 90,701,253 | 96,214,772 | 109,543,317 | 104,076,826 | 105,714,698 | 90,933,729 | 108,581,681 |
| Fiscal Services | 3,771,067 | 3,803,339 | 3,741,286 | 3,580,452 | 3,179,971 | 3,435,563 | 3,375,399 | 3,499,445 | 3,738,706 | 4,121,395 |
| Food Services | 30,718,899 | 28,478,537 | 27,578,058 | 29,423,128 | 31,281,911 | 33,937,724 | 37,849,286 | 36,079,447 | 39,628,416 | 44,410,500 |
| Central Services | 10,198,141 | 8,371,211 | 9,077,173 | 8,087,084 | 8,466,790 | 8,017,845 | 8,215,908 | 9,169,918 | 8,807,231 | 10,630,643 |
| Student Transportation Services | 51,400,897 | 47,032,022 | 46,101,766 | 47,477,640 | 47,107,688 | 49,342,732 | 51,962,891 | 51,464,810 | 51,487,889 | 57,211,045 |
| Operation of Plant | 69,654,630 | 66,649,955 | 64,865,149 | 63,872,675 | 63,592,099 | 65,138,670 | 63,425,409 | 65,998,561 | 64,678,201 | 68,390,472 |
| Maintenance of Plant | 16,736,525 | 15,777,536 | 15,418,759 | 14,989,305 | 14,223,106 | 14,556,120 | 14,992,123 | 15,054,885 | 15,577,105 | 17,083,172 |
| Administrative Technology Services | 4,067,658 | 4,768,118 | 4,751,386 | 5,378,856 | 5,410,542 | 5,443,779 | 5,951,380 | 5,813,682 | 5,537,292 | 6,047,231 |
| Community Services | 7,120,486 | 5,939,533 | 4,249,023 | 4,139,953 | 4,098,516 | 3,982,902 | 4,177,873 | 4,387,938 | 5,089,352 | 6,098,631 |
| Unallocated Interest and Fiscal Charges on Long-term Debt | 26,334,501 | 25,284,293 | 23,191,205 | 21,910,292 | 20,057,378 | 18,583,298 | 14,923,957 | 13,560,901 | 13,580,969 | 16,384,698 |
| Total Primary Government Expenses | <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> | <u>890,272,028</u> | <u>900,955,339</u> | <u>987,098,963</u> |
| Program Revenues | | | | | | | | | | |
| Primary Government Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Student Fees | 9,086,860 | 7,905,165 | 7,419,332 | 8,229,276 | 7,999,884 | 8,734,131 | 9,041,924 | 9,450,322 | 9,875,087 | 10,822,584 |
| Food Service | 10,998,127 | 8,786,416 | 7,439,254 | 6,779,082 | 6,675,763 | 6,475,854 | 6,357,981 | 5,853,663 | 2,830,891 | 2,528,141 |
| Bus Trips | 568,513 | 452,847 | 511,233 | 446,533 | 432,515 | 463,553 | 614,533 | 452,662 | 517,086 | 583,876 |
| Operating Grants & Contributions | 39,718,603 | 40,955,538 | 24,381,950 | 26,990,829 | 28,624,862 | 29,944,986 | 31,100,325 | 32,719,648 | 38,758,768 | 42,282,889 |
| Capital Grants & Contributions | 66,398,496 | 18,544,595 | 7,283,648 | 9,461,466 | 7,425,368 | 7,434,727 | 5,476,977 | 8,151,917 | 11,335,181 | 12,471,936 |
| Total Primary Government Program Revenues | <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> | <u>56,628,212</u> | <u>63,317,013</u> | <u>68,689,426</u> |
| Net Expense | | | | | | | | | | |
| Total Primary Government Net Expense | <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> | <u>(833,643,816)</u> | <u>(837,638,326)</u> | <u>(918,409,537)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Primary Government Activities | | | | | | | | | | |
| Property Taxes: | | | | | | | | | | |
| Levied for Operational Purposes | 467,802,060 | 436,127,971 | 395,734,805 | 383,037,327 | 348,605,113 | 334,067,478 | 349,879,204 | 366,770,645 | 385,303,457 | 399,499,006 |
| Levied for Capital Projects | 185,018,539 | 149,125,429 | 99,477,337 | 70,064,384 | 82,284,982 | 82,363,776 | 86,208,685 | 92,989,838 | 99,905,824 | 110,255,520 |
| Florida Education Finance Program | 16,024,448 | 17,817,292 | 55,848,837 | 80,355,668 | 89,072,529 | 130,152,064 | 156,318,022 | 157,108,682 | 165,767,538 | 163,848,436 |
| Other Federal Sources | 49,627,333 | 50,670,296 | 92,253,295 | 117,412,700 | 65,032,017 | 63,855,649 | 71,540,533 | 73,829,346 | 74,666,159 | 76,935,631 |
| Other State Sources | 118,906,905 | 118,863,779 | 110,419,837 | 115,357,177 | 116,012,704 | 117,511,539 | 120,560,479 | 121,137,837 | 120,690,788 | 122,024,361 |
| Other Miscellaneous Sources | 7,751,265 | 9,386,766 | 15,859,537 | 8,762,613 | 8,832,209 | 9,616,539 | 7,784,746 | 10,833,883 | 11,582,589 | 10,815,979 |
| Unrestricted Investment Earnings | 16,594,580 | (1,329,696) | 5,512,349 | 3,391,817 | 2,117,178 | 2,795,084 | 1,158,238 | 1,584,339 | 3,349,036 | 3,065,164 |
| Total Primary Government | <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> | <u>824,254,570</u> | <u>861,265,391</u> | <u>886,444,097</u> |
| Changes in Net Position | | | | | | | | | | |
| Total Primary Government | <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> | <u>\$ (9,389,246)</u> | <u>\$ 23,627,065</u> | <u>\$ (31,965,440)</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)

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Federal Direct Sources: | | | | | | | | | | |
| Reserve Officers Training Corps (ROTC) | \$ 776,072 | \$ 912,913 | \$ 979,958 | \$ 1,089,726 | \$ 1,260,711 | \$ 1,436,160 | \$ 1,487,186 | \$ 1,550,039 | \$ 1,693,731 | \$ 1,678,367 |
| Impact Aid | 9,444 | 4,925 | 2,355 | 20,234 | 20,178 | 35,179 | 33,670 | 35,649 | 33,010 | 23,965 |
| Pell Grants | - | - | - | - | - | - | 2,087,527 | - | - | - |
| Miscellaneous Federal Direct | 6,886,362 | 6,910,777 | 8,974,884 | 9,946,147 | 9,821,818 | 11,552,855 | 15,205,945 | 19,506,514 | 19,619,329 | 19,272,370 |
| Total Federal Direct | 7,671,878 | 7,828,615 | 9,957,197 | 11,056,107 | 11,102,707 | 13,024,194 | 18,814,328 | 21,092,202 | 21,346,070 | 20,974,702 |
| Federal Through State Sources: | | | | | | | | | | |
| Medicaid | 1,099,769 | 1,313,278 | 2,420,605 | 2,057,558 | 2,196,690 | 2,078,730 | 2,771,182 | 2,559,473 | 2,408,004 | 2,247,950 |
| Food Service | 18,854,635 | 20,430,332 | 23,858,206 | 26,464,668 | 27,986,673 | 29,379,199 | 30,251,849 | 31,694,451 | 37,899,971 | 41,517,823 |
| Donated Foods and Cash in Lieu of | - | - | - | - | - | - | 278,967 | 460,867 | 295,922 | 201,443 |
| Other Federal Through State Grants | 40,855,686 | 41,528,403 | 79,887,323 | 104,305,269 | 51,800,689 | 48,752,725 | 49,955,023 | 50,177,671 | 50,912,085 | 53,712,979 |
| Total Federal Through State Sources | 60,810,090 | 63,272,013 | 106,166,134 | 132,827,495 | 81,984,052 | 80,210,654 | 83,257,021 | 84,892,462 | 91,515,982 | 97,680,195 |
| State Sources: | | | | | | | | | | |
| Florida Education Finance Program (FEFP) | 16,024,448 | 17,817,291 | 65,517,716 | 80,355,668 | 89,072,529 | 130,152,064 | 156,318,022 | 157,108,682 | 165,767,538 | 163,848,436 |
| Workforce Development Program | 11,122,931 | 10,531,771 | - | 9,473,074 | 10,159,251 | 10,064,375 | 9,890,385 | 9,889,670 | 10,026,007 | 10,064,226 |
| Categorical Education Programs | 119,464,388 | 36,533,686 | 5,911,240 | - | - | - | - | - | - | - |
| Discretionary Lottery Funds | 3,910,457 | 1,984,085 | 227,084 | 312,199 | 275,950 | - | 876,119 | 323,400 | - | 1,544,033 |
| CO & DS Distributed to Districts | 936,036 | 929,162 | 916,066 | 965,172 | 1,032,414 | 1,108,525 | 1,141,731 | 1,167,484 | 1,629,782 | 1,540,677 |
| Interest on Undistributed CO & DS | 77,087 | 32,368 | 35,937 | 37,441 | 35,202 | 32,007 | 16,436 | 22,936 | 10,635 | 59,174 |
| CO & DS withheld for SBE/COBI Bonds | 2,348,095 | 2,323,540 | 2,336,563 | 2,253,026 | 2,251,424 | 2,284,729 | 2,288,003 | 2,253,621 | 2,031,334 | 2,067,209 |
| State License Tax | 497,288 | 491,382 | 496,031 | 500,399 | 472,464 | 486,672 | 487,284 | 505,704 | 493,900 | 532,402 |
| Food Services | 447,046 | 478,189 | 511,914 | 528,273 | 582,536 | 565,787 | 569,509 | 564,330 | 562,875 | 563,623 |
| SBE/COBI Bond Interest | 20,385 | 678 | 1,333 | 326 | (256) | 9,760 | 97 | 1,851 | 376 | 549 |
| Sales Tax Distribution | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 | 223,250 |
| Public Education Capital Outlay | 21,475,040 | 8,973,242 | 1,088,067 | 3,152,602 | - | - | - | 1,527,590 | 1,277,972 | 1,926,462 |
| Class Size Reduction Program | 35,776,033 | 85,279,249 | 88,741,650 | 92,645,707 | 94,203,723 | 96,629,891 | 97,026,663 | 98,655,320 | 99,525,290 | 100,383,530 |
| Charter School Capital Outlay | 3,351,654 | 4,732,956 | 4,891,005 | 4,540,302 | 4,167,303 | 3,554,080 | 5,551,748 | 4,157,950 | 2,477,285 | 3,489,966 |
| State Grants and Other State Sources | 977,110 | 854,470 | 483,948 | 7,926,158 | 6,771,605 | 6,776,521 | 6,728,280 | 7,605,793 | 8,168,306 | 6,010,204 |
| Total State Sources | 216,651,248 | 171,185,319 | 171,381,804 | 202,913,597 | 209,247,395 | 251,887,661 | 281,117,527 | 284,007,581 | 292,194,550 | 292,253,741 |
| Taxes and Miscellaneous Sources: | | | | | | | | | | |
| Ad Valorem Taxes | 644,663,900 | 585,253,400 | 495,212,142 | 453,101,711 | 430,890,095 | 416,431,254 | 436,087,889 | 459,760,483 | 485,209,281 | 509,754,526 |
| Food Service Sales | 10,998,127 | 8,786,415 | 7,439,254 | 6,779,082 | 6,675,763 | 6,475,854 | 6,357,981 | 5,853,663 | 2,830,891 | 2,528,141 |
| Impact Fees | 5,542,570 | 2,565,553 | 4,682,432 | 2,780,641 | 3,833,326 | 3,776,456 | 1,807,460 | 2,767,510 | 6,137,978 | 6,654,615 |
| Rent | 448,144 | 507,120 | 719,824 | 670,210 | 611,901 | 543,515 | 519,193 | 504,692 | 563,164 | 563,078 |
| Child Care and Adult Course Fees | 9,086,860 | 7,905,165 | 7,419,332 | 8,229,276 | 7,999,884 | 8,734,131 | 9,041,924 | 9,450,322 | 9,875,087 | 10,822,584 |
| Interest Income | 15,129,178 | (1,829,571) | 5,417,498 | 3,299,367 | 2,009,650 | 2,687,846 | 1,075,646 | 1,516,346 | 3,168,228 | 2,640,876 |
| Gifts, Grants and Bequests | 467,990 | 456,611 | 1,481,048 | 367,002 | 530,916 | 566,264 | 890,387 | 944,180 | 987,130 | 1,313,789 |
| Local Grants and Other Local Sources | 8,221,756 | 7,664,193 | 13,044,107 | 7,447,942 | 7,574,976 | 8,506,497 | 6,474,001 | 9,229,924 | 10,209,424 | 9,104,887 |
| Total Taxes and Miscellaneous Sources | 694,558,525 | 611,308,886 | 535,415,637 | 482,675,231 | 460,126,511 | 447,721,817 | 462,254,481 | 490,027,120 | 518,981,183 | 543,382,496 |
| Total Revenues | 979,691,741 | 853,594,833 | 822,920,772 | 829,472,430 | 762,460,665 | 792,844,326 | 845,443,357 | 880,019,365 | 924,037,785 | 954,291,134 |

Expenditures

| | | | | | | | | | | |
|---|----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|--------------------|----------------------|----------------------|
| Instruction | 409,764,188 | 417,694,474 | 414,895,169 | 436,605,401 | 418,281,865 | 438,716,531 | 455,149,280 | 471,369,228 | 478,381,855 | 488,006,506 |
| Student Support Services | 28,287,538 | 27,370,767 | 26,407,874 | 27,247,673 | 25,036,041 | 25,876,049 | 27,269,545 | 28,489,369 | 29,975,388 | 31,253,938 |
| Instructional Media Services | 7,230,806 | 6,279,903 | 4,684,420 | 4,287,385 | 5,073,542 | 4,293,740 | 4,076,432 | 3,979,897 | 4,112,761 | 3,976,544 |
| Instruction & Curriculum Development Services | 16,291,484 | 14,716,327 | 13,218,730 | 13,173,766 | 11,693,445 | 12,042,091 | 15,812,284 | 17,545,476 | 20,384,407 | 23,742,954 |
| Instructional Staff Training Services | 11,389,286 | 9,722,620 | 11,235,522 | 11,311,146 | 10,415,053 | 11,633,055 | 11,075,716 | 11,095,452 | 10,880,377 | 10,285,951 |
| Instruction Related Technology | 4,333,682 | 4,557,907 | 4,547,890 | 4,663,130 | 5,694,277 | 6,181,095 | 6,634,614 | 6,570,043 | 7,295,095 | 7,791,033 |
| Board | 945,379 | 879,726 | 781,919 | 793,839 | 832,635 | 859,492 | 899,374 | 929,472 | 954,337 | 1,048,033 |
| General Administration | 4,702,827 | 4,009,500 | 4,233,091 | 4,869,615 | 4,846,909 | 4,954,413 | 5,303,008 | 5,288,097 | 5,804,461 | 6,462,157 |
| School Administration | 42,485,096 | 43,017,294 | 41,321,862 | 42,700,204 | 40,590,505 | 41,995,343 | 43,276,063 | 44,813,725 | 45,148,863 | 47,934,075 |
| Facilities Services | 4,813,660 | 7,853,475 | 8,817,426 | 43,208,252 | 47,008,796 | 58,086,153 | 56,932,333 | 36,550,257 | 45,450,241 | 61,930,947 |
| Fiscal Services | 3,804,122 | 3,695,355 | 3,776,784 | 3,662,302 | 3,291,652 | 3,384,349 | 3,377,986 | 3,539,350 | 3,783,553 | 3,951,176 |
| Food Service | 29,819,922 | 27,258,408 | 26,979,027 | 29,239,256 | 31,095,080 | 33,419,140 | 37,477,013 | 35,900,193 | 38,726,448 | 42,253,373 |
| Central Services | 8,615,915 | 8,077,238 | 8,978,113 | 8,072,928 | 8,353,079 | 7,876,731 | 8,217,089 | 9,273,731 | 8,718,831 | 10,098,243 |
| Student Transportation Services | 49,678,515 | 45,234,651 | 44,890,196 | 47,435,530 | 47,114,585 | 48,546,573 | 51,612,381 | 51,883,896 | 51,134,340 | 54,860,905 |
| Operation of Plant | 68,526,588 | 65,270,390 | 64,305,699 | 64,057,630 | 63,523,851 | 64,779,091 | 63,491,054 | 66,354,947 | 64,170,207 | 67,051,631 |
| Maintenance of Plant | 16,286,982 | 15,104,396 | 15,192,197 | 14,998,770 | 14,260,930 | 14,340,708 | 15,017,778 | 15,117,700 | 15,401,562 | 16,192,001 |
| Administrative Technology Services | 3,899,495 | 4,476,119 | 4,623,126 | 5,294,441 | 5,318,278 | 5,400,395 | 5,966,705 | 5,811,533 | 5,493,704 | 5,690,703 |
| Community Services | 7,048,162 | 5,875,016 | 4,186,572 | 4,080,235 | 4,039,122 | 3,924,482 | 4,126,238 | 4,454,444 | 5,125,124 | 5,923,833 |
| Capital Outlay | | | | | | | | | | |
| Facilities Acquisition & Construction | 195,721,540 | 133,685,326 | 87,643,545 | 4,534,128 | 57,570,549 | 12,354,082 | 20,295,567 | 4,506,531 | 1,116,341 | 21,100,943 |
| Other Capital Outlay | 5,195,361 | 4,125,633 | 3,302,752 | 12,034,365 | 8,394,998 | 13,097,011 | 8,594,674 | 13,465,816 | 9,961,398 | 29,600,365 |
| Debt Service | | | | | | | | | | |
| Principal | 24,291,083 | 85,622,580 | 26,944,446 | 28,046,604 | 22,778,439 | 23,640,078 | 25,656,399 | 26,291,709 | 26,823,872 | 28,342,021 |
| Interest and Fiscal Charges | 26,310,451 | 25,501,216 | 23,406,338 | 22,549,742 | 20,467,619 | 19,167,501 | 17,756,347 | 16,113,573 | 15,343,234 | 17,689,077 |
| Total Expenditures | 969,442,082 | 960,028,321 | 844,372,698 | 832,866,342 | 855,681,250 | 854,568,103 | 888,017,880 | 879,344,439 | 894,186,399 | 985,186,409 |
| Excess of Revenues | | | | | | | | | | |
| Over (under) Expenditures | 10,249,659 | (106,433,488) | (21,451,926) | (3,393,912) | (93,220,585) | (61,723,777) | (42,574,523) | 674,926 | 29,851,386 | (30,895,275) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of Refunding Bonds | - | - | 1,285,000 | 310,000 | 795,000 | - | 998,000 | 4,893,000 | - | 60,177,000 |
| Premium on Refunding Bonds | - | - | 1,926,424 | 50,206 | 122,041 | - | 161,543 | 465,287 | - | - |
| Certificates of Participation Issued | 21,215,000 | 60,000,000 | 26,950,000 | 50,307,000 | 165,255,000 | - | 25,287,000 | 132,560,000 | - | 61,080,000 |
| Premium on Certificates of Participation Issued | - | - | - | - | 14,774,075 | - | - | 19,921,890 | - | 10,557,060 |
| Issuance of Loans | - | 6,306,547 | - | - | - | 1,447,460 | - | - | - | 20,000,000 |
| Loss Recoveries | 351,198 | 250,934 | 330,126 | 454,093 | 747,891 | 188,710 | 572,687 | 222,938 | 263,905 | 326,784 |
| Sale of Capital Assets | 430,380 | - | - | - | - | 944,473 | - | - | - | - |
| Transfer In | 64,038,245 | 72,505,380 | 75,685,066 | 93,557,964 | 71,440,656 | 65,531,189 | 70,288,506 | 66,008,781 | 54,315,049 | 56,064,515 |
| Payments to Refunded COPS/Bond Escrow Agent | (21,136,024) | - | (30,130,886) | (23,564,432) | (181,793,829) | - | (26,360,187) | (158,127,690) | - | (60,000,000) |
| Transfer Out | (64,038,245) | (72,505,380) | (75,685,066) | (93,557,964) | (71,440,656) | (65,531,189) | (70,288,506) | (66,008,781) | (54,315,049) | (56,064,515) |
| Total Other Financing Sources (Uses) | 860,554 | 66,557,481 | 360,664 | 27,556,867 | (99,822) | 2,580,643 | 659,043 | (64,575) | 263,905 | 92,140,844 |
| Net Change in Fund Balances | \$ 11,110,213 | \$ (39,876,007) | \$ (21,091,262) | \$ 24,162,955 | \$ (93,320,407) | \$ (59,143,134) | \$ (41,915,480) | \$ 610,351 | \$ 30,115,291 | \$ 61,245,569 |
| Debt Service as a percentage of noncapital expenditures | 6.3% | 13.0% | 6.2% | 6.2% | 5.5% | 5.2% | 5.0% | 4.9% | 4.8% | 4.9% |

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 | | | | | | |
| 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% |
| 2015 | 46,907,208 | 7,663,877 | 642,067 | 3,103,287 | 20,663,672 | 37,652,767 | 7.42 | 79,782,598 | 73.09% |
| 2016 | 50,840,606 | 7,999,476 | 679,028 | 3,125,423 | 23,821,441 | 38,823,092 | 7.29 | 87,278,538 | 71.78% |
| 2017 | 55,237,868 | 8,633,141 | 662,497 | 3,353,903 | 28,254,650 | 39,632,759 | 6.99 | 96,920,144 | 70.04% |

Source: Lee County Tax Collector

¹ Includes tax-exempt property

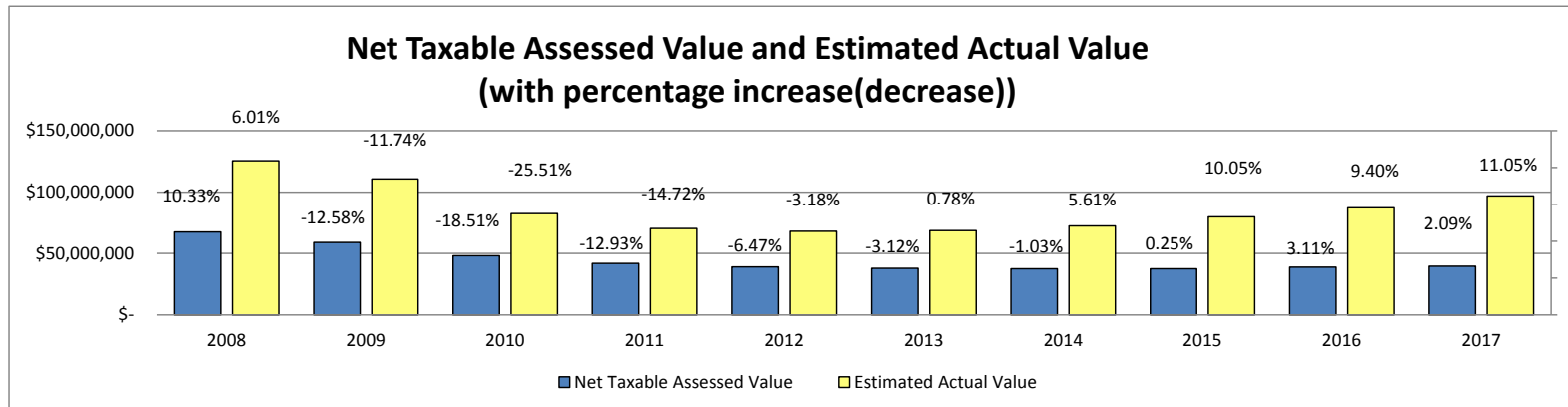


Table 6

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Lee County | | | | | | | | | | |
| General Revenue | 3.720 | 3.720 | 3.720 | 3.720 | 3.720 | 3.720 | 4.220 | 4.220 | 4.220 | 4.120 |
| Capital Improvements | <u>0.500</u> | <u>0.500</u> | <u>0.500</u> | <u>0.500</u> | <u>0.000</u> | <u>0.000</u> | <u>0.000</u> | <u>0.000</u> | <u>0.000</u> | <u>0.000</u> |
| Total Lee County Millage | <u>4.220</u> | <u>4.220</u> | <u>4.220</u> | <u>4.220</u> | <u>3.720</u> | <u>3.720</u> | <u>4.220</u> | <u>4.220</u> | <u>4.220</u> | <u>4.120</u> |
| School District | <u><u>6.960</u></u> | <u><u>6.868</u></u> | <u><u>7.508</u></u> | <u><u>8.015</u></u> | <u><u>7.854</u></u> | <u><u>7.584</u></u> | <u><u>7.598</u></u> | <u><u>7.416</u></u> | <u><u>7.285</u></u> | <u><u>6.989</u></u> |
| Municipalities | | | | | | | | | | |
| Cape Coral | 4.833 | 4.833 | 7.970 | 7.970 | 7.957 | 7.957 | 7.707 | 7.707 | 6.957 | 6.750 |
| Sanibel | 2.578 | 2.611 | 2.615 | 2.591 | 2.526 | 2.557 | 2.531 | 2.415 | 2.311 | 2.301 |
| Fort Myers | 6.256 | 7.163 | 7.400 | 8.400 | 8.400 | 8.776 | 8.776 | 8.776 | 8.776 | 8.750 |
| Fort Myers Beach | 0.605 | 0.709 | 0.819 | 0.914 | 0.814 | 0.769 | 0.753 | 0.753 | 0.800 | 0.800 |
| Bonita Springs | <u>0.724</u> | <u>0.827</u> | <u>0.827</u> | <u>0.827</u> | <u>0.827</u> | <u>0.817</u> | <u>0.817</u> | <u>0.817</u> | <u>0.817</u> | <u>0.817</u> |
| Total Municipalities Millage | <u><u>14.996</u></u> | <u><u>16.143</u></u> | <u><u>19.631</u></u> | <u><u>20.702</u></u> | <u><u>20.524</u></u> | <u><u>20.876</u></u> | <u><u>20.584</u></u> | <u><u>20.468</u></u> | <u><u>19.661</u></u> | <u><u>19.418</u></u> |
| Lee County Special Districts | | | | | | | | | | |
| Lee County Hyacinth Control | 0.021 | 0.021 | 0.028 | 0.310 | 0.310 | 0.030 | 0.029 | 0.028 | 0.026 | 0.026 |
| Lee County Mosquito Control | 0.164 | 0.164 | 0.213 | 0.239 | 0.239 | 0.230 | 0.252 | 0.240 | 0.240 | 0.240 |
| South Fl. Water Management Dist. | 0.624 | 0.624 | 0.624 | 0.624 | 0.436 | 0.429 | 0.411 | 0.384 | 0.355 | 0.331 |
| West Coast Inland Waterway | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 | 0.039 |
| MSTU (Unincorporated) | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 | 0.840 |
| Lee County Library | <u>1.241</u> | <u>1.179</u> | <u>1.258</u> | <u>1.312</u> | <u>1.229</u> | <u>1.229</u> | <u>1.428</u> | <u>1.404</u> | <u>1.318</u> | <u>1.318</u> |
| Total Special Districts Millage | <u><u>2.929</u></u> | <u><u>2.867</u></u> | <u><u>3.002</u></u> | <u><u>3.364</u></u> | <u><u>3.093</u></u> | <u><u>2.797</u></u> | <u><u>2.999</u></u> | <u><u>2.935</u></u> | <u><u>2.818</u></u> | <u><u>2.794</u></u> |
| Other Special Districts ¹ | .025-3.000 | .025-3.000 | .015-3.500 | .041-4.000 | .010-4.000 | .066-4.700 | .0076-4.500 | .0585-4.500 | .0549-4.000 | .0650-4.000 |
| Total Direct and Overlapping Rates ² | <u><u>29.105</u></u> | <u><u>30.098</u></u> | <u><u>34.361</u></u> | <u><u>36.301</u></u> | <u><u>35.191</u></u> | <u><u>34.977</u></u> | <u><u>35.401</u></u> | <u><u>35.039</u></u> | <u><u>33.984</u></u> | <u><u>33.321</u></u> |

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 | 2017 | | | 2008 | | |
|---------------------------------------|-------------------------|------|------------------------------------|-------------------------|------|------------------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed Value |
| Fl Power & Light | \$ 1,174,531,005 | 1 | 1.730% | \$ 856,813,460 | 1 | 0.736% |
| Lee County Electric Coop | 371,880,896 | 2 | 0.548% | 287,721,680 | 3 | 0.247% |
| Christian & Missionary Alliance, Inc. | 333,291,766 | 3 | 0.491% | 177,731,770 | 4 | 0.153% |
| Coconut Point Developers, LLC | 182,211,292 | 4 | 0.268% | 145,877,930 | 5 | 0.125% |
| Embarq Florida, Inc | 154,093,344 | 5 | 0.227% | 435,084,310 | 2 | 0.374% |
| Gulf Coast Town Center CMBS | 120,497,694 | 6 | 0.165% | 89,941,380 | 10 | 0.077% |
| Miromar Outlet west LLC | 112,000,000 | 7 | 0.177% | | | |
| Edison Mall Business Trust | 105,513,127 | 8 | 0.155% | 93,821,680 | 9 | 0.081% |
| Comcast of CO FL | 77,705,575 | 9 | 0.101% | | | |
| Bell Tower Shops LLC | 68,563,535 | 10 | 0.114% | | | |
| Ginn LA Naples LTD | | | | 132,321,130 | 6 | 0.114% |
| Centex Homes | | | | 129,914,730 | 7 | 0.112% |
| Bay Colony Gateway, Inc. | | | | 118,124,090 | 8 | 0.101% |
| | <u>\$ 2,700,288,234</u> | | <u>3.976%</u> | <u>\$ 2,467,352,160</u> | | <u>2.120%</u> |

Source: Lee County Property Appraiser

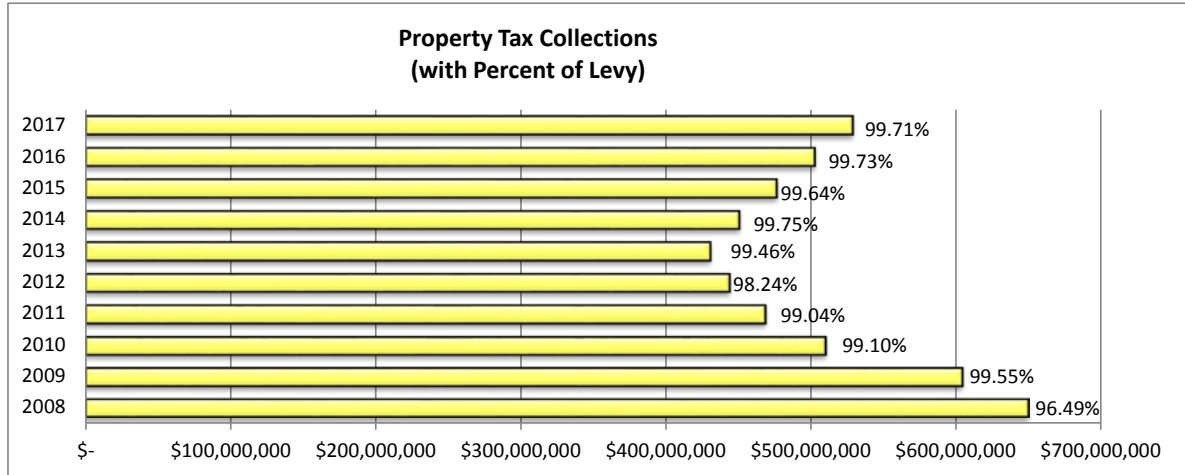
Table 8

**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 |
| 2008 | \$ 673,008,222 | \$ 644,484,413 | 95.76% | \$ 4,909,350 | \$ 649,393,763 | 96.49% |
| 2009 | 606,574,530 | 599,212,175 | 98.79% | 4,637,882 | 603,850,057 | 99.55% |
| 2010 | 514,468,676 | 506,573,323 | 98.47% | 3,248,433 | 509,821,756 | 99.10% |
| 2011 | 472,729,944 | 465,862,569 | 98.55% | 2,344,087 | 468,206,656 | 99.04% |
| 2012 | 451,523,332 | 442,322,541 | 97.96% | 1,265,996 | 443,588,537 | 98.24% |
| 2013 | 432,674,296 | 429,593,960 | 99.29% | 731,431 | 430,325,391 | 99.46% |
| 2014 | 451,539,308 | 449,874,457 | 99.63% | 550,887 | 450,425,344 | 99.75% |
| 2015 | 477,812,166 | 475,572,585 | 99.53% | 498,177 | 476,070,762 | 99.64% |
| 2016 | 503,609,120 | 501,939,146 | 99.67% | 310,954 | 502,250,100 | 99.73% |
| 2017 | 529,936,514 | 528,409,682 | 99.71% | - | 528,409,682 | 99.71% |

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 ¹ | Total Primary Government | Percentage of Net Taxable Assessed Value of Property ² | Percentage of Personal Income ³ | Per Capita ³ |
| 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 |
| 2015 | 7,522,931 | 405,938,966 | 5,165,795 | 418,627,692 | 1.11% | 1.48% | 616.07 |
| 2016 | 5,782,782 | 381,212,806 | 3,933,922 | 390,929,510 | 1.01% | 1.36% | 556.89 |
| 2017 | 3,800,530 | 427,136,137 | 22,636,901 | 453,573,568 | 1.14% | 1.45% | 627.93 |

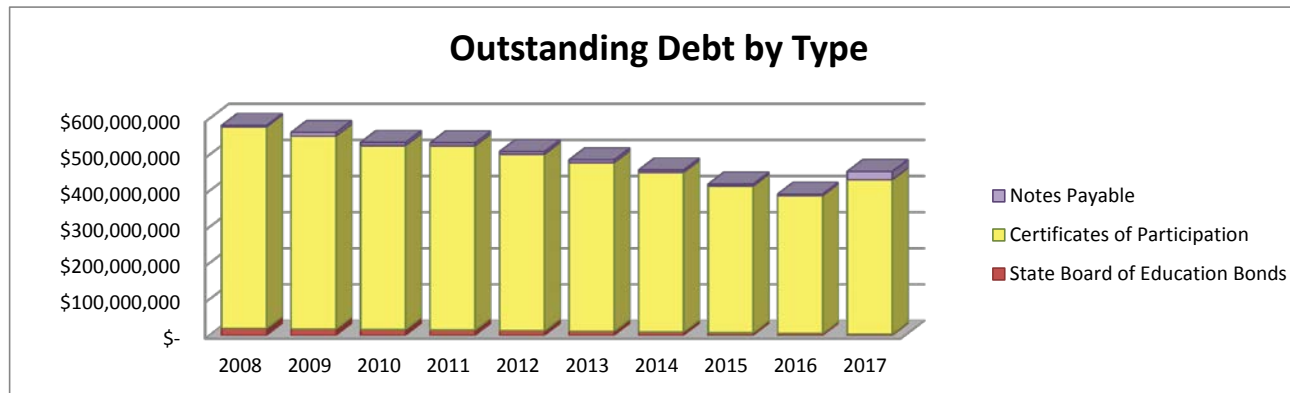
Note: Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

¹ The district issued \$20 million of Loans and \$60.1 million of Certificates of Participation and refinanced \$60.2 million of Certificates of Participation during 2017.

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)

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Limit of bonded indebtedness. 10% of net assessed value of taxable property | \$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 | \$3,765,276,700 | \$3,882,309,200 | \$3,963,275,900 |
| Total bonded debt | 19,135,000 | 17,730,000 | 16,120,000 | 14,560,000 | 12,885,000 | 11,235,000 | 9,373,000 | 7,169,000 | 5,495,000 | 3,701,000 |
| Less amount available in Debt Service Funds | 523,435 | 473,143 | 438,473 | 401,473 | 363,704 | 306,223 | 233,871 | 194,248 | 132,577 | 88,102 |
| Total amount applicable to debt limit | 18,611,565 | 17,256,857 | 15,681,527 | 14,158,527 | 12,521,296 | 10,928,777 | 9,139,129 | 6,974,752 | 5,362,423 | 3,612,898 |
| Legal debt margin on bonded debt | <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> | <u>\$3,758,301,948</u> | <u>\$3,876,946,777</u> | <u>\$3,959,663,002</u> |
| Legal debt margin on bonded debt as a percentage of bonded debt limit | <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> | <u>99.81%</u> | <u>99.86%</u> | <u>99.91%</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, 2017
(UNAUDITED)

FINANCIAL PARAMETERS

| | |
|--|------------------------------|
| Direct debt: | |
| State Board of Education Bonds ⁽¹⁾ | \$ 3,800,530 |
| Section 1013.23 Loans | 22,636,901 |
| Certificates of Participation | <u>427,136,137</u> |
| Total Direct Debt | 453,573,568 |
| Overlapping debt ⁽²⁾ | |
| Lee County ⁽³⁾ | <u>202,888,000</u> |
| Total Direct and Overlapping debt | <u><u>\$ 656,461,568</u></u> |
| | |
| Population | 722,336 |
| Assessed property valuation (in thousands) | \$ 96,920,144 |
| Net Assessed taxable property valuation (in thousands) | \$ 39,632,759 |

DEBT RATIOS

| | |
|---|--------|
| Percent of assessed property valuation | |
| Direct debt | 0.47% |
| Overlapping debt | 0.21% |
| Direct and overlapping debt | 0.68% |
| Percent of net assessed taxable property valuation | |
| Direct debt | 1.14% |
| Overlapping debt | 0.51% |
| Direct and overlapping debt | 1.66% |
| Per Capita | |
| Direct debt | \$ 628 |
| Overlapping debt | \$ 281 |
| Direct and overlapping debt | \$ 909 |

(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, 2017.

(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 | State Board of Education Bonds | | | | Coverage |
|------------------------|---|------------------|-----------------|------|-----------------|
| | Motor Vehicle Tax ¹ | Principal | Interest | | |
| 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 | |
| 2015 | 2,201,187 | 1,822,000 | 309,730 | 1.03 | |
| 2016 | 1,977,534 | 1,674,000 | 364,967 | 0.97 | |
| 2017 | 2,013,091 | 1,794,000 | 263,480 | 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)**

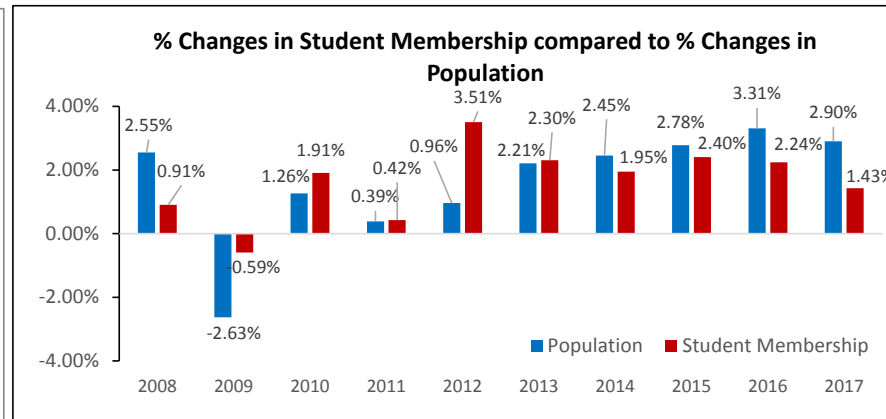
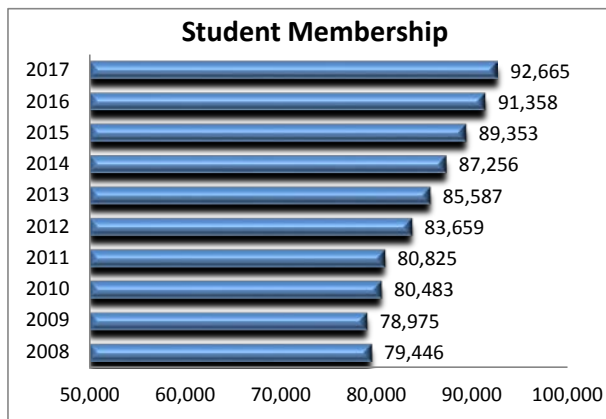
| Fiscal Year | Estimated Population ⁴ | Personal Income (thousands of dollars) ¹ | Per Capita Personal Income ¹ | Median Age ⁴ | Average Daily School Membership (K through Grade 12) ³ | Unemployment Rate % ² |
|--------------------|--|--|--|--------------------------------|--|---|
| 2008 | 631,733 | \$ 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% |
| 2015 | 679,513 | 28,292,424 | 42,795 | 46.0 | 89,353 | 5.2% |
| 2016 | 701,982 | 28,704,773 | 42,243 | 46.4 | 91,358 | 4.6% |
| 2017 | 722,336 | 31,296,442 | 44,583 | 46.9 | 92,665 | 4.2% |

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 | 2017 | | | 2008 | | |
|-------------------------------|---------------|------|---|---------------|------|---|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Lee Memorial Health System | 11,800 | 1 | 3.76% | 9,050 | 2 | 3.15% |
| Lee County School Board | 11,000 | 2 | 3.51% | 11,896 | 1 | 4.14% |
| Publix Super Markets | 5,100 | 3 | 1.63% | 4,215 | 3 | 1.47% |
| Wal-Mart Stores, Inc. | 3,146 | 4 | 1.00% | 2,400 | 5 | 0.84% |
| Lee County Government | 2,597 | 5 | 0.83% | 2,610 | 4 | 0.91% |
| City of Cape Coral | 1,800 | 6 | 0.57% | 2,109 | 6 | 0.73% |
| Winn Dixie | 1,561 | 7 | 0.50% | | | 0.00% |
| Lee County Sheriff's Office | 1,543 | 8 | 0.49% | 1,470 | 7 | 0.51% |
| Chico's FAS, Inc | 1,426 | 9 | 0.45% | 1,120 | 10 | 0.39% |
| Florida Gulf Coast University | 1,253 | 10 | 0.40% | 1,292 | 9 | 0.45% |
| U.S Postal Service | - | | 0.00% | 1,397 | 8 | 0.49% |
| Total | 41,226 | | 13.14% | 37,559 | | 13.08% |

Source: Lee County Office of Economic Development, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

**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 |
|--------------------|--|---|---|--------------|
| 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 |
| 2015 | 5,385 | 345 | 3,777 | 9,507 |
| 2016 | 5,476 | 343 | 3,525 | 9,344 |
| 2017 | 5,604 | 360 | 3,757 | 9,721 |

- (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

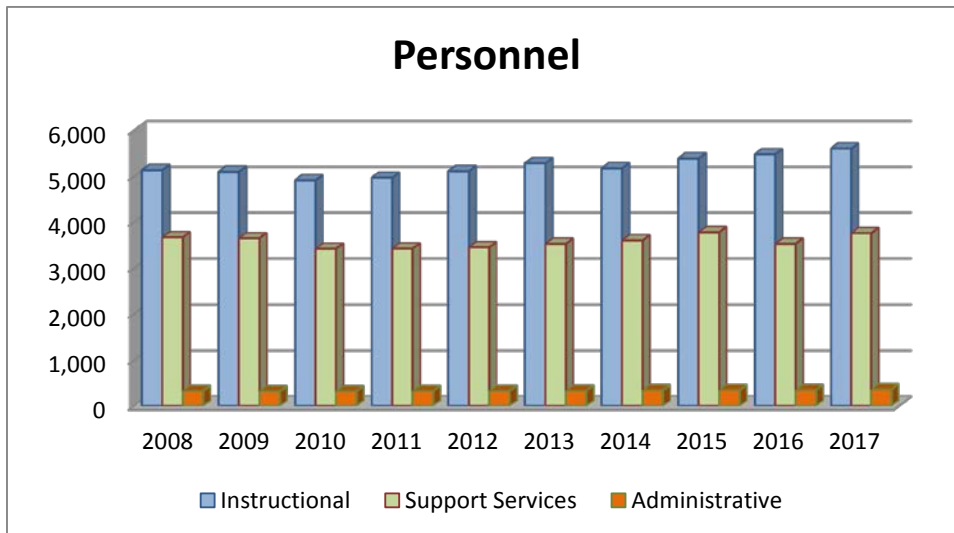
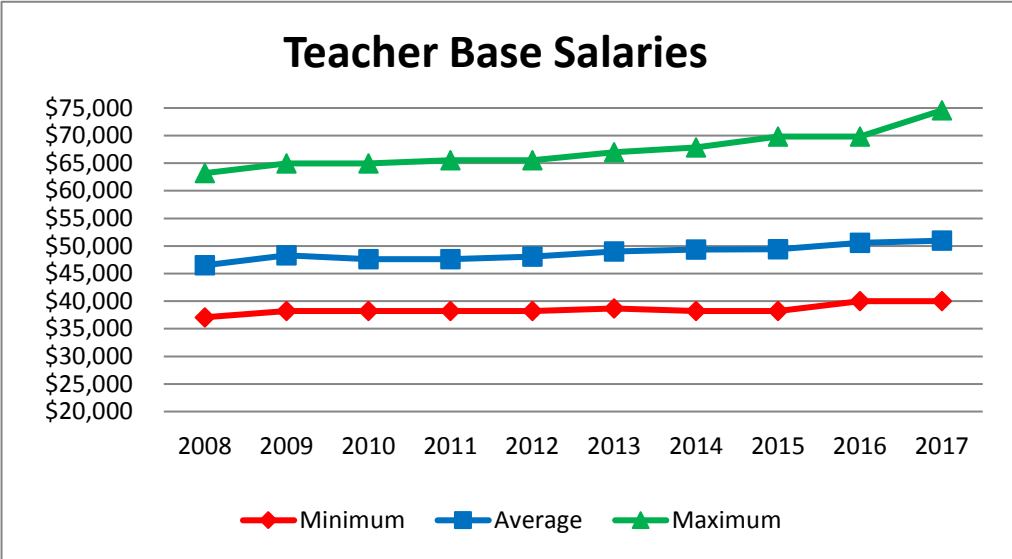


Table 16

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

| Fiscal Year | Minimum Salary | Maximum Salary | Average Salary |
|--------------------|-----------------------|-----------------------|-----------------------|
| 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 |
| 2015 | 38,192 | 69,819 | 49,392 |
| 2016 | 40,000 | 69,819 | 50,568 |
| 2017 | 40,000 | 74,565 | 50,960 |

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 |
|--------------------|---------------------|-------------------|-------------------------|--------------------------|--------------------------------|---|-------------------------------------|
| 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% |
| 2015 | 879,344,439 | 89,353 | 9,841 | -3.30% | 5,385 | 16.59 | 93.54% |
| 2016 | 894,186,399 | 91,358 | 9,788 | -0.54% | 5,476 | 16.68 | 93.30% |
| 2017 | 985,186,409 | 92,665 | 10,632 | 8.62% | 5,604 | 16.54 | 93.19% |

Source: District Records

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

| | <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> | <u>June 30, 2015</u> | <u>6/30/2016 ¹</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|
| Days Meals were Served | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 |
| Average Number of Free and Reduced Meals Served Daily | 40,188 | 44,936 | 51,626 | 57,503 | 59,417 | 59,771 | 60,856 | 62,437 | 76,745 | 76,353 |
| Number of Free and Reduced Meals Served | 7,233,770 | 8,088,525 | 9,292,739 | 10,350,523 | 10,695,067 | 10,758,865 | 10,954,113 | 11,238,624 | 13,814,058 | 13,743,539 |
| Average Daily Subsidy Received | \$ 107,233 | \$ 116,196 | \$ 132,221 | \$ 148,255 | \$ 156,203 | \$ 164,343 | \$ 172,780 | \$ 179,215 | \$ 213,502 | \$ 232,066 |
| Total Subsidy Received | \$ 19,301,862 | \$ 20,915,264 | \$ 23,799,702 | \$ 26,685,835 | \$ 28,116,617 | \$ 29,581,719 | \$ 31,100,325 | \$ 32,258,781 | \$ 38,430,442 | \$ 41,771,877 |
| Average Number of Meals Served Daily | 57,903 | 58,527 | 62,589 | 70,205 | 71,237 | 70,972 | 72,297 | 73,307 | 78,247 | 80,444 |
| Number of Full Paid Meals Served | 3,188,694 | 2,446,286 | 1,973,355 | 2,286,294 | 2,127,621 | 2,016,051 | 2,059,262 | 1,956,721 | 270,353 | 736,329 |
| Average Daily Revenues | \$ 168,783 | \$ 165,280 | \$ 176,881 | \$ 187,805 | \$ 196,119 | \$ 202,706 | \$ 208,263 | \$ 214,686 | \$ 231,282 | \$ 248,950 |
| Total Revenues | \$ 30,380,852 | \$ 29,750,388 | \$ 31,838,517 | \$ 33,804,923 | \$ 35,301,408 | \$ 36,487,013 | \$ 37,487,371 | \$ 38,643,497 | \$ 41,630,724 | \$ 44,811,030 |
| Average Daily Costs | \$ 165,969 | \$ 151,613 | \$ 150,316 | \$ 162,882 | \$ 180,511 | \$ 192,739 | \$ 225,410 | \$ 205,006 | \$ 221,638 | \$ 234,741 |
| Total Costs | \$ 29,874,457 | \$ 27,290,385 | \$ 27,056,893 | \$ 29,318,801 | \$ 32,491,974 | \$ 34,693,021 | \$ 40,573,818 | \$ 36,901,006 | \$ 39,894,897 | \$ 42,253,373 |

¹ 2016 was the first year 92 of 98 schools provided free breakfast and lunch to all students.

Source: District Records

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Elementary Schools | | | | | | | | | | |
| Allen Park ES (1957) | | | | | | | | | | |
| Square Feet | 112,165 | 112,165 | 112,662 | 123,105 | 129,052 | 129,052 | 129,052 | 129,052 | 129,052 | 129,052 |
| Capacity (students) | 1,056 | 1,056 | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 | 1,028 |
| Enrollment | 889 | 900 | 932 | 940 | 954 | 935 | 920 | 953 | 959 | 970 |
| Alva School (K-8) (1886) ^g | | | | | | | | | | |
| Square Feet | 47,774 | 47,774 | 47,774 | 53,572 | 56,092 | 56,092 | 56,791 | 144,444 | 144,444 | 144,444 |
| Capacity (students) | 391 | 391 | 391 | 391 | 391 | 391 | 441 | 1,089 | 1,089 | 1,089 |
| Enrollment | 441 | 409 | 394 | 381 | 382 | 401 | 383 | 961 | 985 | 1,014 |
| Bayshore ES (1966) | | | | | | | | | | |
| Square Feet | 85,873 | 85,873 | 85,873 | 86,380 | 87,182 | 87,182 | 91,368 | 91,368 | 91,368 | 91,368 |
| Capacity (students) | 693 | 693 | 693 | 693 | 693 | 693 | 693 | 693 | 693 | 693 |
| Enrollment | 615 | 552 | 583 | 590 | 620 | 621 | 639 | 613 | 602 | 630 |
| Bonita Springs ES (1916) | | | | | | | | | | |
| Square Feet | 51,746 | 51,746 | 53,595 | 50,352 | 50,352 | 50,352 | 50,352 | 50,352 | 50,352 | 50,352 |
| Capacity (students) | 405 | 405 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 |
| Enrollment | 434 | 434 | 470 | 436 | 448 | 422 | 464 | 478 | 499 | 517 |
| Caloosa ES (2000) | | | | | | | | | | |
| Square Feet | 141,632 | 141,632 | 141,632 | 143,029 | 133,604 | 133,604 | 133,604 | 133,604 | 133,604 | 133,604 |
| Capacity (students) | 1,075 | 1,075 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 | 1,085 |
| Enrollment | 1,061 | 1,017 | 981 | 939 | 940 | 920 | 912 | 914 | 913 | 938 |
| Cape Coral ES (1963) | | | | | | | | | | |
| Square Feet | 114,054 | 114,054 | 114,054 | 113,774 | 112,871 | 112,871 | 112,871 | 112,871 | 112,871 | 112,871 |
| Capacity (students) | 916 | 898 | 898 | 898 | 898 | 898 | 898 | 898 | 898 | 898 |
| Enrollment | 800 | 752 | 769 | 739 | 713 | 739 | 735 | 763 | 742 | 736 |
| Colonial ES (1978) | | | | | | | | | | |
| Square Feet | 109,524 | 109,524 | 109,524 | 114,769 | 114,769 | 114,769 | 114,983 | 114,983 | 114,983 | 114,983 |
| Capacity (students) | 965 | 965 | 922 | 922 | 922 | 922 | 922 | 922 | 922 | 922 |
| Enrollment | 755 | 695 | 774 | 799 | 743 | 761 | 799 | 789 | 796 | 787 |
| Diplomat ES (1991) | | | | | | | | | | |
| Square Feet | 117,267 | 117,267 | 117,267 | 119,233 | 119,533 | 119,533 | 119,533 | 119,533 | 119,533 | 119,533 |
| Capacity (students) | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 | 1,086 |
| Enrollment | 936 | 939 | 906 | 902 | 913 | 915 | 923 | 934 | 932 | 938 |
| Edgewood Renaissance (1924) | | | | | | | | | | |
| Square Feet | 105,524 | 105,524 | 105,524 | 110,849 | 113,208 | 113,208 | 113,208 | 113,208 | 113,208 | 113,208 |
| Capacity (students) | 741 | 741 | 741 | 741 | 741 | 741 | 741 | 741 | 741 | 741 |
| Enrollment | 471 | 434 | 432 | 481 | 553 | 464 | 561 | 553 | 527 | 565 |
| Edison Park ES (1926) | | | | | | | | | | |
| Square Feet | 70,956 | 70,956 | 70,956 | 74,381 | 72,843 | 72,843 | 72,843 | 72,843 | 72,843 | 72,843 |
| Capacity (students) | 449 | 449 | 457 | 455 | 455 | 455 | 455 | 455 | 455 | 455 |
| Enrollment | 381 | 387 | 383 | 365 | 360 | 371 | 374 | 365 | 352 | 355 |
| Franklin Park ES (1954) | | | | | | | | | | |
| Square Feet | 94,148 | 94,148 | 94,148 | 93,245 | 89,228 | 89,228 | 89,228 | 89,228 | 89,228 | 89,228 |
| Capacity (students) | 579 | 579 | 579 | 579 | 579 | 579 | 579 | 579 | 579 | 579 |
| Enrollment | 527 | 506 | 499 | 479 | 505 | 435 | 442 | 427 | 454 | 474 |
| Ft Myers Beach ES (1938) | | | | | | | | | | |
| Square Feet | 27,020 | 27,020 | 27,723 | 30,278 | 30,634 | 30,634 | 30,634 | 30,634 | 30,634 | 30,634 |
| Capacity (students) | 200 | 200 | 221 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| Enrollment | 174 | 150 | 143 | 134 | 148 | 126 | 134 | 116 | 120 | 121 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Elementary Schools | | | | | | | | | | |
| G. Weaver Hipps ES (2009) | | | | | | | | | | |
| Square Feet | - | 106,076 | 106,076 | 106,711 | 106,693 | 106,693 | 106,693 | 106,693 | 106,693 | 106,693 |
| Capacity (students) | - | - | 758 | 758 | 758 | 758 | 758 | 758 | 758 | 758 |
| Enrollment | - | - | 561 | 619 | 717 | 749 | 768 | 778 | 779 | 798 |
| Gateway ES (1991) | | | | | | | | | | |
| Square Feet | 111,466 | 111,466 | 111,466 | 113,567 | 114,113 | 114,113 | 114,113 | 114,113 | 114,113 | 114,113 |
| Capacity (students) | 758 | 758 | 758 | 758 | 736 | 736 | 736 | 736 | 736 | 736 |
| Enrollment | 771 | 747 | 694 | 679 | 675 | 691 | 712 | 736 | 719 | 736 |
| Gulf Elementary (1982) | | | | | | | | | | |
| Square Feet | 156,012 | 156,012 | 156,012 | 162,360 | 158,586 | 158,586 | 158,586 | 158,586 | 158,586 | 158,586 |
| Capacity (students) | 1,396 | 1,347 | 1,347 | 1,293 | 1,275 | 1,275 | 1,275 | 1,275 | 1,275 | 1,275 |
| Enrollment | 1,266 | 1,207 | 1,159 | 1,175 | 1,104 | 1,059 | 996 | 1,019 | 1,044 | 1,044 |
| Hancock Creek ES (1992) | | | | | | | | | | |
| Square Feet | 145,890 | 145,890 | 145,890 | 146,342 | 145,802 | 145,802 | 145,802 | 145,802 | 145,802 | 145,802 |
| Capacity (students) | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 | 1,044 |
| Enrollment | 903 | 883 | 874 | 883 | 878 | 837 | 804 | 821 | 845 | 871 |
| Harns Marsh Elementary (2005) | | | | | | | | | | |
| Square Feet | 120,419 | 120,419 | 120,419 | 122,700 | 124,793 | 124,793 | 124,793 | 124,793 | 124,793 | 124,793 |
| Capacity (students) | 916 | 912 | 912 | 912 | 912 | 912 | 912 | 912 | 912 | 912 |
| Enrollment | 871 | 914 | 932 | 925 | 927 | 945 | 995 | 985 | 1,011 | 1,021 |
| Hector Caferata Jr. Elementary (2006) | | | | | | | | | | |
| Square Feet | 71,199 | 71,199 | 71,199 | 74,726 | 74,927 | 74,927 | 74,927 | 74,927 | 74,927 | 74,927 |
| Capacity (students) | 883 | 883 | 883 | 883 | 883 | 883 | 883 | 883 | 883 | 883 |
| Enrollment | 739 | 736 | 717 | 757 | 752 | 757 | 744 | 689 | 695 | 677 |
| Heights ES (1963) | | | | | | | | | | |
| Square Feet | 154,099 | 154,099 | 154,099 | 158,152 | 158,152 | 158,152 | 158,152 | 158,152 | 158,152 | 158,152 |
| Capacity (students) | 695 | 1,306 | 1,306 | 1,306 | 1,306 | 1,306 | 1,306 | 1,306 | 1,306 | 1,306 |
| Enrollment | 639 | 826 | 889 | 961 | 988 | 1,083 | 1,136 | 1,181 | 1,197 | 1,199 |
| J. Colin English ES (1929) | | | | | | | | | | |
| Square Feet | 96,778 | 96,778 | 96,778 | 98,734 | 98,193 | 98,193 | 98,193 | 98,193 | 98,193 | 98,193 |
| Capacity (students) | 597 | 601 | 601 | 601 | 601 | 601 | 601 | 601 | 601 | 601 |
| Enrollment | 459 | 386 | 310 | 364 | 393 | 397 | 427 | 454 | 513 | 461 |
| James Stephens Int'l Academy (1958) b | | | | | | | | | | |
| Square Feet | - | - | 168,406 | 171,775 | 175,579 | 175,579 | 175,579 | 175,579 | 175,579 | 175,579 |
| Capacity (students) | - | - | 1,077 | 1,073 | 1,095 | 1,095 | 1,095 | 1,095 | 1,095 | 1,095 |
| Enrollment | - | - | 664 | 870 | 777 | 756 | 697 | 527 | 730 | 358 |
| Lehigh ES (1958) | | | | | | | | | | |
| Square Feet | 79,533 | 149,735 | 149,735 | 149,855 | 146,199 | 146,199 | 146,199 | 146,199 | 146,199 | 146,199 |
| Capacity (students) | 764 | 758 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 |
| Enrollment | 890 | 802 | 834 | 875 | 1,021 | 1,048 | 1,104 | 1,196 | 1,179 | 1,195 |
| Littleton ES (1991) | | | | | | | | | | |
| Square Feet | 118,279 | 118,279 | 118,279 | 120,545 | 120,545 | 120,545 | 120,545 | 120,545 | 120,545 | 120,545 |
| Capacity (students) | 738 | 738 | 738 | 738 | 738 | 738 | 738 | 738 | 738 | 738 |
| Enrollment | 701 | 621 | 593 | 538 | 531 | 523 | 535 | 545 | 549 | 530 |
| Manatee ES (2008) | | | | | | | | | | |
| Square Feet | 127,358 | 127,358 | 127,358 | 128,642 | 128,557 | 128,557 | 128,557 | 128,557 | 128,557 | 128,557 |
| Capacity (students) | 1,070 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 |
| Enrollment | 785 | 757 | 781 | 952 | 922 | 877 | 880 | 850 | 937 | 900 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Elementary Schools | | | | | | | | | | |
| Michigan Montessori (K-8) (1964) ^b | | | | | | | | | | |
| Square Feet | 83,627 | 83,627 | 83,627 | - | - | - | - | - | - | - |
| Capacity (students) | 663 | 663 | - | - | - | - | - | - | - | - |
| Enrollment | 527 | 475 | - | - | - | - | - | - | - | - |
| Mirror Lakes ES (1998) | | | | | | | | | | |
| Square Feet | 133,702 | 133,702 | 133,702 | 141,301 | 143,470 | 143,470 | 143,470 | 143,470 | 143,470 | 143,470 |
| Capacity (students) | 1,061 | 1,061 | 1,061 | 1,061 | 1,061 | 1,061 | 1,071 | 1,071 | 1,071 | 1,071 |
| Enrollment | 1,078 | 1,070 | 983 | 1,059 | 1,123 | 1,079 | 1,093 | 1,115 | 1,110 | 1,203 |
| North Ft Myers Academy (K-8) (1973) | | | | | | | | | | |
| Square Feet | 205,425 | 205,425 | 205,425 | 232,632 | 200,855 | 200,855 | 200,855 | 200,855 | 200,855 | 200,855 |
| Capacity (students) | 1,358 | 1,315 | 1,417 | 1,409 | 1,409 | 1,409 | 1,409 | 1,409 | 1,409 | 1,409 |
| Enrollment | 993 | 1,016 | 1,005 | 1,012 | 992 | 976 | 1,054 | 1,115 | 1,120 | 1,117 |
| Orange River ES (1957) | | | | | | | | | | |
| Square Feet | 97,883 | 97,883 | 97,883 | 98,124 | 100,794 | 100,794 | 100,799 | 100,799 | 100,799 | 100,799 |
| Capacity (students) | 817 | 817 | 817 | 817 | 817 | 817 | 817 | 817 | 817 | 817 |
| Enrollment | 850 | 790 | 795 | 807 | 830 | 827 | 804 | 817 | 817 | 854 |
| Orangewood ES (1954) | | | | | | | | | | |
| Square Feet | 86,249 | 86,249 | 87,104 | 90,199 | 91,612 | 91,612 | 91,612 | 91,612 | 91,612 | 91,612 |
| Capacity (students) | 637 | 637 | 614 | 614 | 614 | 614 | 614 | 614 | 614 | 614 |
| Enrollment | 720 | 724 | 704 | 608 | 597 | 593 | 583 | 609 | 581 | 579 |
| Patriot ES (2008) | | | | | | | | | | |
| Square Feet | 125,295 | 125,295 | 125,295 | 126,217 | 125,887 | 125,887 | 125,887 | 125,887 | 125,887 | 125,887 |
| Capacity (students) | 1,070 | 1,046 | 1,046 | 1,046 | 1,042 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 |
| Enrollment | 767 | 757 | 744 | 743 | 695 | 675 | 673 | 633 | 687 | 721 |
| Pelican ES (1978) | | | | | | | | | | |
| Square Feet | 154,885 | 154,885 | 154,885 | 151,841 | 151,740 | 151,740 | 151,740 | 151,740 | 151,740 | 151,740 |
| Capacity (students) | 1,362 | 1,352 | 1,362 | 1,362 | 1,388 | 1,388 | 1,388 | 1,388 | 1,388 | 1,388 |
| Enrollment | 1,107 | 1,134 | 1,063 | 1,017 | 975 | 934 | 925 | 902 | 950 | 938 |
| Pine Island ES (1955) | | | | | | | | | | |
| Square Feet | 54,391 | 54,391 | 54,391 | 54,635 | 54,153 | 54,153 | 54,153 | 54,153 | 54,153 | 54,153 |
| Capacity (students) | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 391 |
| Enrollment | 318 | 302 | 294 | 284 | 246 | 242 | 236 | 247 | 217 | 235 |
| Pinewoods ES (1992) | | | | | | | | | | |
| Square Feet | 126,864 | 126,864 | 127,328 | 145,979 | 145,752 | 145,752 | 145,752 | 145,752 | 145,752 | 145,752 |
| Capacity (students) | 1,044 | 1,044 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 |
| Enrollment | 969 | 954 | 904 | 898 | 931 | 950 | 967 | 1,013 | 1,080 | 1,114 |
| Ray V. Pottorf Elementary (2005) | | | | | | | | | | |
| Square Feet | 121,475 | 121,453 | 121,453 | 122,936 | 124,900 | 124,900 | 124,900 | 124,900 | 124,900 | 124,900 |
| Capacity (students) | 912 | 882 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 |
| Enrollment | 644 | 602 | 616 | 642 | 643 | 649 | 702 | 730 | 727 | 704 |
| Rayma Page Elementary (2004) | | | | | | | | | | |
| Square Feet | 113,591 | 118,093 | 117,936 | 119,637 | 119,637 | 119,637 | 119,637 | 119,637 | 119,637 | 119,637 |
| Capacity (students) | 836 | 846 | 846 | 846 | 846 | 846 | 846 | 846 | 846 | 846 |
| Enrollment | 642 | 647 | 720 | 736 | 777 | 798 | 831 | 856 | 849 | 845 |
| River Hall Elementary (2006) | | | | | | | | | | |
| Square Feet | 124,040 | 124,040 | 124,040 | 124,525 | 124,525 | 124,525 | 124,525 | 124,525 | 124,525 | 124,525 |
| Capacity (students) | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 | 1,046 |
| Enrollment | 867 | 903 | 915 | 942 | 915 | 934 | 975 | 913 | 960 | 1,017 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Elementary Schools | | | | | | | | | | |
| San Carlos Park ES (1978) | | | | | | | | | | |
| Square Feet | 120,186 | 120,186 | 120,186 | 118,053 | 120,672 | 120,672 | 120,672 | 120,672 | 120,665 | 120,665 |
| Capacity (students) | 1,081 | 1,062 | 1,026 | 1,026 | 1,026 | 1,026 | 1,026 | 1,026 | 1,026 | 1,026 |
| Enrollment | 864 | 858 | 827 | 845 | 859 | 898 | 876 | 942 | 996 | 999 |
| Skyline ES (1987) | | | | | | | | | | |
| Square Feet | 142,322 | 142,322 | 142,322 | 145,678 | 145,961 | 145,961 | 145,961 | 145,961 | 145,961 | 145,961 |
| Capacity (students) | 1,380 | 1,380 | 1,380 | 1,380 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 | 1,412 |
| Enrollment | 1,064 | 1,012 | 966 | 881 | 838 | 859 | 882 | 868 | 908 | 957 |
| Spring Creek ES (1981) | | | | | | | | | | |
| Square Feet | 98,328 | 98,328 | 98,328 | 99,049 | 95,575 | 95,575 | 95,575 | 95,575 | 95,575 | 95,575 |
| Capacity (students) | 753 | 753 | 753 | 753 | 735 | 735 | 735 | 735 | 735 | 735 |
| Enrollment | 745 | 694 | 706 | 713 | 710 | 672 | 721 | 760 | 770 | 757 |
| Sunshine ES (1986) | | | | | | | | | | |
| Square Feet | 126,484 | 126,484 | 126,484 | 128,990 | 129,061 | 129,061 | 129,061 | 129,061 | 129,061 | 129,061 |
| Capacity (students) | 1,191 | 1,191 | 1,191 | 1,191 | 1,108 | 1,108 | 1,108 | 1,108 | 1,108 | 1,108 |
| Enrollment | 1,148 | 1,132 | 1,118 | 1,133 | 1,143 | 1,124 | 1,168 | 1,218 | 1,185 | 1,201 |
| Tanglewood Riverside ES (1970) | | | | | | | | | | |
| Square Feet | 94,870 | 98,639 | 98,639 | 107,392 | 108,195 | 108,195 | 108,195 | 108,195 | 108,195 | 108,195 |
| Capacity (students) | 793 | 773 | 786 | 786 | 786 | 786 | 786 | 786 | 786 | 786 |
| Enrollment | 722 | 710 | 751 | 712 | 714 | 725 | 749 | 774 | 766 | 781 |
| The Sanibel School (K-8) (1962) | | | | | | | | | | |
| Square Feet | 73,577 | 73,577 | 73,577 | 70,792 | 80,981 | 80,981 | 80,981 | 80,981 | 80,981 | 80,981 |
| Capacity (students) | 395 | 395 | 439 | 439 | 423 | 423 | 423 | 423 | 423 | 423 |
| Enrollment | 367 | 372 | 368 | 337 | 342 | 337 | 338 | 338 | 315 | 314 |
| Three Oaks ES (1987) | | | | | | | | | | |
| Square Feet | 91,616 | 91,616 | 91,616 | 92,483 | 93,886 | 93,886 | 93,886 | 93,886 | 93,886 | 93,886 |
| Capacity (students) | 738 | 738 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 731 |
| Enrollment | 776 | 762 | 745 | 808 | 798 | 810 | 845 | 894 | 900 | 933 |
| Tice ES (1927) | | | | | | | | | | |
| Square Feet | 70,443 | 70,443 | 70,443 | 70,247 | 69,451 | 114,593 | 106,028 | 106,028 | 106,028 | 106,028 |
| Capacity (students) | 587 | 587 | 587 | 587 | 587 | 679 | 616 | 616 | 616 | 616 |
| Enrollment | 578 | 554 | 495 | 480 | 451 | 485 | 475 | 509 | 567 | 614 |
| Tortuga Preserve ES (2012) | | | | | | | | | | |
| Square Feet | - | - | - | - | 129,114 | 129,936 | 129,936 | 129,936 | 129,936 | 129,936 |
| Capacity (students) | - | - | - | - | 1,050 | 1,056 | 1,056 | 1,056 | 1,056 | 1,056 |
| Enrollment | - | - | - | - | - | 723 | 911 | 952 | 941 | 1,014 |
| Trafalgar ES (2004) | | | | | | | | | | |
| Square Feet | 91,577 | 91,577 | 91,577 | 92,367 | 92,377 | 92,377 | 92,377 | 92,377 | 92,377 | 92,377 |
| Capacity (students) | 977 | 1,036 | 1,036 | 998 | 998 | 998 | 998 | 998 | 998 | 998 |
| Enrollment | 873 | 828 | 817 | 844 | 844 | 833 | 834 | 815 | 805 | 795 |
| Treeline ES (2008) | | | | | | | | | | |
| Square Feet | 101,574 | 125,155 | 125,155 | 128,983 | 129,597 | 129,597 | 129,597 | 129,597 | 129,597 | 129,597 |
| Capacity (students) | 758 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 |
| Enrollment | 672 | 896 | 872 | 914 | 952 | 1,014 | 999 | 1,027 | 1,041 | 1,088 |
| Tropic Isles ES (1959) | | | | | | | | | | |
| Square Feet | 110,590 | 110,590 | 110,590 | 109,921 | 117,098 | 117,098 | 117,098 | 117,098 | 117,098 | 117,098 |
| Capacity (students) | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 | 1,051 |
| Enrollment | 936 | 875 | 931 | 933 | 972 | 973 | 925 | 980 | 972 | 975 |

(Continued)

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

| | <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> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Elementary Schools | | | | | | | | | | |
| Veterans Park Academy K-8 (2004) | | | | | | | | | | |
| Square Feet | 196,821 | 196,821 | 196,821 | 202,802 | 247,972 | 247,972 | 247,972 | 247,972 | 247,972 | 247,972 |
| Capacity (students) | 1,767 | 1,768 | 1,964 | 1,967 | 1,945 | 1,945 | 1,945 | 1,945 | 1,945 | 1,945 |
| Enrollment | 1,547 | 1,439 | 1,392 | 1,448 | 1,482 | 1,428 | 1,497 | 1,555 | 1,580 | 1,608 |
| Villas ES (1961) | | | | | | | | | | |
| Square Feet | 112,453 | 112,453 | 112,453 | 114,894 | 115,515 | 115,515 | 115,515 | 115,515 | 115,515 | 115,515 |
| Capacity (students) | 943 | 881 | 881 | 881 | 881 | 881 | 881 | 881 | 881 | 881 |
| Enrollment | 844 | 805 | 784 | 785 | 788 | 809 | 811 | 808 | 843 | 867 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Middle Schools | | | | | | | | | | |
| Alva MS (1927) ^g | | | | | | | | | | |
| Square Feet | 83,208 | 83,208 | 83,208 | 83,882 | 87,563 | 87,563 | 87,563 | - | - | - |
| Capacity (students) | 514 | 514 | 571 | 556 | 556 | 556 | 648 | - | - | - |
| Enrollment | 580 | 531 | 562 | 506 | 534 | 549 | 549 | - | - | - |
| Bonita Springs MS (1976) | | | | | | | | | | |
| Square Feet | 126,497 | 126,497 | 126,497 | 123,971 | 129,498 | 129,498 | 129,498 | 129,498 | 129,498 | 129,498 |
| Capacity (students) | 876 | 888 | 988 | 982 | 990 | 990 | 990 | 990 | 990 | 990 |
| Enrollment | 599 | 652 | 625 | 641 | 696 | 779 | 779 | 817 | 866 | 903 |
| Caloosa MS (2000) | | | | | | | | | | |
| Square Feet | 132,111 | 132,111 | 132,111 | 136,609 | 166,253 | 166,253 | 166,253 | 166,253 | 166,253 | 166,253 |
| Capacity (students) | 1,005 | 1,013 | 1,126 | 1,137 | 1,159 | 1,159 | 1,159 | 1,159 | 1,159 | 1,159 |
| Enrollment | 886 | 852 | 876 | 886 | 895 | 901 | 901 | 896 | 885 | 883 |
| Challenger MS (2008) | | | | | | | | | | |
| Square Feet | 162,113 | 162,113 | 162,113 | 161,941 | 161,808 | 161,808 | 161,808 | 161,808 | 161,808 | 161,808 |
| Capacity (students) | 1,257 | 1,230 | 1,367 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 | 1,366 |
| Enrollment | 863 | 970 | 1,024 | 1,088 | 1,083 | 1,079 | 1,079 | 1,089 | 1,047 | 1,046 |
| Cypress Lake MS (1961) | | | | | | | | | | |
| Square Feet | 137,171 | 137,171 | 137,175 | 139,611 | 137,523 | 137,523 | 137,523 | 137,523 | 137,523 | 137,523 |
| Capacity (students) | 880 | 880 | 896 | 941 | 941 | 941 | 941 | 941 | 941 | 941 |
| Enrollment | 742 | 717 | 715 | 713 | 731 | 774 | 774 | 829 | 814 | 829 |
| Diplomat MS (1999) | | | | | | | | | | |
| Square Feet | 139,855 | 139,855 | 139,855 | 146,584 | 171,107 | 171,107 | 171,107 | 171,107 | 171,107 | 171,107 |
| Capacity (students) | 974 | 974 | 1,082 | 1,072 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 |
| Enrollment | 862 | 818 | 842 | 841 | 841 | 849 | 849 | 857 | 840 | 823 |
| Ft Myers Middle Academy (1951) | | | | | | | | | | |
| Square Feet | 125,734 | 125,675 | 125,675 | 125,676 | 128,511 | 128,511 | 128,511 | 128,511 | 128,511 | 128,511 |
| Capacity (students) | 858 | 858 | 954 | 952 | 952 | 952 | 952 | 952 | 952 | 952 |
| Enrollment | 613 | 702 | 536 | 617 | 522 | 488 | 488 | 469 | 570 | 520 |
| Gulf Middle (1981) | | | | | | | | | | |
| Square Feet | 129,821 | 129,821 | 129,821 | 131,988 | 131,834 | 131,834 | 131,834 | 131,834 | 131,834 | 131,834 |
| Capacity (students) | 923 | 943 | 1,048 | 1,046 | 1,024 | 1,024 | 1,024 | 1,024 | 1,024 | 1,024 |
| Enrollment | 975 | 838 | 798 | 826 | 778 | 789 | 789 | 813 | 793 | 787 |
| Harnes Marsh MS (2012) | | | | | | | | | | |
| Square Feet | - | - | - | - | 163,814 | 164,662 | 164,662 | 164,662 | 164,662 | 164,662 |
| Capacity (students) | - | - | - | - | 1,345 | 1,325 | 1,325 | 1,325 | 1,325 | 1,325 |
| Enrollment | - | - | - | - | - | 1,066 | 1,066 | 1,114 | 1,040 | 1,145 |
| Lee MS (1958) ^c | | | | | | | | | | |
| Square Feet | 148,002 | 168,406 | - | - | - | - | - | - | - | - |
| Capacity (students) | 926 | 926 | - | - | - | - | - | - | - | - |
| Enrollment | 585 | 472 | - | - | - | - | - | - | - | - |
| Lehigh Acres MS (1982) | | | | | | | | | | |
| Square Feet | 127,054 | 127,054 | 127,054 | 130,421 | 130,421 | 130,421 | 130,421 | 130,421 | 130,421 | 130,421 |
| Capacity (students) | 1,057 | 1,058 | 1,175 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 |
| Enrollment | 1,049 | 1,012 | 988 | 1,034 | 1,134 | 1,064 | 1,045 | 1,069 | 1,157 | 1,223 |
| Lexington Middle School (2005) | | | | | | | | | | |
| Square Feet | 175,499 | 175,499 | 175,499 | 169,591 | 172,672 | 172,672 | 172,672 | 172,672 | 172,672 | 172,672 |
| Capacity (students) | 1,027 | 1,031 | 1,147 | 1,146 | 1,146 | 1,146 | 1,146 | 1,146 | 1,146 | 1,146 |
| Enrollment | 828 | 859 | 909 | 899 | 896 | 914 | 933 | 990 | 1,036 | 1,084 |

(Continued)

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

| | <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> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Middle Schools | | | | | | | | | | |
| Mariner MS (2004) | | | | | | | | | | |
| Square Feet | 135,183 | 135,183 | 135,183 | 149,247 | 151,198 | 151,198 | 151,198 | 151,198 | 151,198 | 151,198 |
| Capacity (students) | 1,141 | 1,141 | 1,268 | 1,270 | 1,294 | 1,294 | 1,294 | 1,294 | 1,294 | 1,294 |
| Enrollment | 910 | 1,078 | 942 | 866 | 849 | 911 | 919 | 881 | 883 | 890 |
| Oak Hammock MS (2009) | | | | | | | | | | |
| Square Feet | - | 153,490 | 153,490 | 160,262 | 160,246 | 160,246 | 160,246 | 160,246 | 160,246 | 160,246 |
| Capacity (students) | - | 1,224 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 |
| Enrollment | - | 826 | 1,165 | 1,224 | 1,260 | 1,071 | 1,088 | 1,164 | 1,163 | 1,324 |
| Paul Laurence Dunbar MS (1962) | | | | | | | | | | |
| Square Feet | 163,548 | 163,548 | 163,548 | 161,250 | 157,828 | 157,828 | 157,828 | 157,828 | 157,828 | 157,828 |
| Capacity (students) | 1,013 | 1,013 | 1,126 | 1,124 | 1,124 | 1,124 | 1,124 | 1,124 | 1,124 | 1,124 |
| Enrollment | 946 | 837 | 879 | 806 | 848 | 933 | 969 | 904 | 855 | 943 |
| Three Oaks MS (1991) | | | | | | | | | | |
| Square Feet | 144,127 | 144,127 | 144,127 | 145,838 | 152,119 | 152,119 | 152,119 | 152,119 | 152,119 | 152,119 |
| Capacity (students) | 987 | 986 | 1,097 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 |
| Enrollment | 776 | 771 | 795 | 817 | 851 | 900 | 938 | 974 | 969 | 991 |
| Trafalgar MS (1989) | | | | | | | | | | |
| Square Feet | 143,159 | 143,159 | 143,159 | 141,307 | 145,346 | 145,346 | 145,346 | 145,346 | 145,346 | 145,346 |
| Capacity (students) | 1,034 | 1,034 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 |
| Enrollment | 1,067 | 898 | 819 | 855 | 832 | 847 | 843 | 874 | 908 | 906 |
| Varsity Lakes MS (2004) | | | | | | | | | | |
| Square Feet | 160,893 | 160,890 | 160,890 | 160,998 | 160,998 | 160,998 | 160,998 | 160,998 | 160,998 | 160,998 |
| Capacity (students) | 1,024 | 1,044 | 1,162 | 1,209 | 1,209 | 1,209 | 1,209 | 1,209 | 1,209 | 1,209 |
| Enrollment | 958 | 841 | 912 | 1,000 | 1,097 | 956 | 998 | 1,053 | 1,055 | 1,146 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| High Schools | | | | | | | | | | |
| Cape Coral Sr HS (1978) | | | | | | | | | | |
| Square Feet | 262,945 | 263,353 | 263,353 | 270,155 | 272,847 | 272,847 | 272,847 | 272,847 | 272,847 | 272,847 |
| Capacity (students) | 1,821 | 1,759 | 1,855 | 1,853 | 1,843 | 1,843 | 1,843 | 1,843 | 1,843 | 1,843 |
| Enrollment | 1,907 | 1,699 | 1,556 | 1,493 | 1,444 | 1,519 | 1,577 | 1,591 | 1,549 | 1,566 |
| Cypress Lake Sr HS (1967) | | | | | | | | | | |
| Square Feet | 276,380 | 276,380 | 276,380 | 270,449 | 269,521 | 269,521 | 269,521 | 269,521 | 269,378 | 269,378 |
| Capacity (students) | 1,727 | 1,643 | 1,706 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| Enrollment | 1,321 | 1,261 | 1,532 | 1,442 | 1,447 | 1,481 | 1,369 | 1,466 | 1,532 | 1,564 |
| Dunbar HS (2000) | | | | | | | | | | |
| Square Feet | 202,802 | 210,097 | 210,097 | 210,611 | 234,470 | 121,018 | 121,018 | 255,430 | 255,430 | 255,430 |
| Capacity (students) | 1,242 | 1,186 | 1,249 | 1,254 | 1,225 | 697 | 712 | 1,912 | 1,912 | 1,912 |
| Enrollment | 814 | 842 | 716 | 737 | 861 | 875 | 1,058 | 1,277 | 1,718 | 1,773 |
| East HS (2006) | | | | | | | | | | |
| Square Feet | 313,853 | 313,853 | 313,853 | 318,740 | 312,333 | 312,333 | 312,333 | 312,333 | 312,333 | 312,333 |
| Capacity (students) | 1,938 | 1,947 | 2,049 | 2,057 | 2,057 | 2,057 | 2,057 | 2,057 | 2,057 | 2,057 |
| Enrollment | 1,417 | 1,447 | 1,499 | 1,530 | 1,597 | 1,593 | 1,644 | 1,726 | 1,822 | 1,996 |
| Estero Sr HS (1985) | | | | | | | | | | |
| Square Feet | 268,042 | 268,042 | 267,550 | 270,953 | 272,710 | 272,710 | 272,710 | 272,710 | 272,710 | 272,710 |
| Capacity (students) | 1,695 | 1,639 | 1,710 | 1,704 | 1,704 | 1,704 | 1,704 | 1,704 | 1,704 | 1,704 |
| Enrollment | 1,438 | 1,360 | 1,424 | 1,434 | 1,480 | 1,573 | 1,667 | 1,657 | 1,708 | 1,773 |
| Ft Myers Sr HS (1921) | | | | | | | | | | |
| Square Feet | 276,931 | 276,931 | 276,928 | 274,864 | 264,335 | 264,335 | 264,335 | 264,335 | 264,335 | 264,335 |
| Capacity (students) | 1,954 | 1,869 | 1,960 | 1,963 | 1,963 | 1,963 | 1,963 | 1,963 | 1,963 | 1,963 |
| Enrollment | 1,804 | 1,645 | 1,728 | 1,802 | 1,790 | 1,853 | 1,857 | 1,866 | 1,814 | 1,889 |
| Ida S. Baker HS (2005) | | | | | | | | | | |
| Square Feet | 313,582 | 313,559 | 313,559 | 314,162 | 309,507 | 309,507 | 309,507 | 309,507 | 309,507 | 309,507 |
| Capacity (students) | 2,030 | 1,941 | 1,995 | 1,991 | 1,991 | 1,991 | 1,991 | 1,991 | 1,991 | 1,991 |
| Enrollment | 1,973 | 1,814 | 1,832 | 1,704 | 1,710 | 1,659 | 1,683 | 1,746 | 1,718 | 1,764 |
| Island Coast HS (2008) | | | | | | | | | | |
| Square Feet | 42,300 | 266,259 | 266,259 | 264,356 | 269,599 | 269,599 | 269,599 | 269,599 | 268,866 | 268,866 |
| Capacity (students) | 391 | 1,968 | 2,060 | 2,059 | 2,059 | 2,059 | 2,059 | 2,059 | 2,059 | 2,059 |
| Enrollment | 391 | 1,125 | 1,444 | 1,517 | 1,522 | 1,480 | 1,386 | 1,429 | 1,545 | 1,536 |
| Lehigh Sr HS (1994) | | | | | | | | | | |
| Square Feet | 286,602 | 286,602 | 286,602 | 308,610 | 289,278 | 289,278 | 289,278 | 289,278 | 289,278 | 289,278 |
| Capacity (students) | 1,864 | 1,733 | 1,825 | 1,824 | 1,824 | 1,824 | 1,824 | 1,824 | 1,824 | 1,824 |
| Enrollment | 1,529 | 1,363 | 1,321 | 1,414 | 1,575 | 1,775 | 1,689 | 1,774 | 1,718 | 1,954 |
| Mariner Sr HS (1986) | | | | | | | | | | |
| Square Feet | 253,905 | 253,905 | 253,905 | 256,523 | 258,181 | 258,181 | 258,181 | 258,181 | 258,181 | 258,181 |
| Capacity (students) | 1,721 | 1,636 | 1,724 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 |
| Enrollment | 1,805 | 1,559 | 1,402 | 1,361 | 1,436 | 1,437 | 1,485 | 1,507 | 1,481 | 1,486 |
| North Ft Myers Sr HS (1960) | | | | | | | | | | |
| Square Feet | 254,877 | 254,877 | 254,877 | 257,992 | 258,399 | 258,399 | 258,399 | 258,399 | 258,399 | 258,399 |
| Capacity (students) | 1,849 | 1,763 | 1,859 | 1,858 | 1,804 | 1,804 | 1,804 | 1,804 | 1,804 | 1,804 |
| Enrollment | 1,863 | 1,596 | 1,512 | 1,517 | 1,578 | 1,585 | 1,572 | 1,624 | 1,612 | 1,695 |
| Riverdale High 6-12 (1972) | | | | | | | | | | |
| Square Feet | 250,474 | 250,474 | 250,474 | 246,290 | 250,303 | 250,303 | 250,303 | 250,303 | 250,303 | 250,303 |
| Capacity (students) | 2,053 | 1,927 | 2,028 | 2,029 | 2,040 | 2,040 | 2,040 | 2,040 | 2,040 | 2,040 |
| Enrollment | 1,908 | 1,501 | 1,541 | 1,594 | 1,758 | 1,901 | 1,830 | 1,943 | 1,975 | 2,058 |

(Continued)

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

| | <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> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| High Schools | | | | | | | | | | |
| South HS (2006) | | | | | | | | | | |
| Square Feet | 312,519 | 312,519 | 312,519 | 313,589 | 309,136 | 309,136 | 309,136 | 309,136 | 309,096 | 309,096 |
| Capacity (students) | 1,926 | 1,925 | 2,054 | 2,057 | 2,077 | 2,077 | 2,077 | 2,077 | 2,127 | 2,127 |
| Enrollment | 1,205 | 1,358 | 1,473 | 1,651 | 1,676 | 1,758 | 1,711 | 1,796 | 1,912 | 1,904 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Special Schools | | | | | | | | | | |
| ALC West (2008) ^h | | | | | | | | | | |
| Square Feet | 22,566 | 22,566 | 22,566 | 22,566 | 22,566 | 22,566 | 22,566 | 22,566 | 22,566 | - |
| Capacity (students) | 265 | 265 | 265 | 265 | 265 | 265 | 265 | 265 | 265 | - |
| Enrollment | 194 | 175 | 163 | 177 | 141 | 97 | 110 | 85 | 61 | - |
| Buckingham Exceptional Ctr (1984) | | | | | | | | | | |
| Square Feet | 27,880 | 27,880 | 27,880 | 28,551 | 32,552 | 32,552 | 32,552 | 32,552 | 32,552 | 32,552 |
| Capacity (students) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Enrollment | 103 | 110 | 109 | 105 | 99 | 98 | 87 | 88 | 90 | 87 |
| Cape Coral Technical College (1991) ^e | | | | | | | | | | |
| Square Feet | 61,927 | 61,927 | 61,927 | 64,842 | 64,798 | 64,798 | 64,798 | 64,798 | 64,798 | 64,798 |
| Capacity (students) | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 |
| Enrollment ^d | 67 | 50 | 28 | 28 | 27 | - | - | - | - | - |
| Ft. Myers Technical College (1966) ^e | | | | | | | | | | |
| Square Feet | 182,684 | 182,684 | 182,684 | 184,153 | 184,255 | 184,255 | 184,255 | 184,255 | 184,255 | 184,255 |
| Capacity (students) | 695 | 648 | 648 | 649 | 654 | 654 | 654 | 654 | 654 | 654 |
| Enrollment ^d | 74 | 91 | 55 | 62 | 53 | - | - | - | - | - |
| Lee County Public Service Academy (1964) ^c | | | | | | | | | | |
| Square Feet | - | - | 83,627 | 85,846 | 106,068 | 106,068 | 106,068 | 106,068 | 106,068 | 106,068 |
| Capacity (students) | - | - | 737 | 741 | 270 | 270 | 270 | 270 | 270 | 270 |
| Enrollment | - | - | - | - | - | - | - | - | - | - |
| New Directions School (1993) | | | | | | | | | | |
| Square Feet | 141,483 | 141,483 | 141,483 | 147,758 | 145,027 | 145,027 | 145,027 | 145,027 | 145,027 | 145,027 |
| Capacity (students) | 665 | 645 | 615 | 614 | 636 | 636 | 636 | 636 | 636 | 636 |
| Enrollment | 608 | 505 | 490 | 462 | 360 | 374 | 353 | 283 | 227 | 320 |
| Royal Palm Exceptional (1994) | | | | | | | | | | |
| Square Feet | 59,332 | 59,332 | 59,332 | 59,484 | 60,347 | 60,347 | 60,347 | 60,347 | 60,347 | 60,347 |
| Capacity (students) | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 |
| Enrollment | 196 | 174 | 165 | 173 | 161 | 170 | 152 | 128 | 155 | 168 |

(Continued)

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

| | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ancillary Facilities | | | | | | | | | | |
| Adams Building (1974) ^f | | | | | | | | | | |
| Square Feet | 64,320 | 64,320 | 64,320 | 64,320 | 64,320 | 64,320 | - | - | - | - |
| Dunbar Community (1910) | | | | | | | | | | |
| Square Feet | 22,301 | 22,301 | 22,301 | 21,465 | 21,153 | 21,153 | 21,153 | 21,153 | 21,153 | 21,153 |
| Food Service Warehouse (1960) | | | | | | | | | | |
| 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 | 20,395 | 20,395 | 20,395 | 20,395 | 20,395 | 20,395 | 20,395 |
| Hipps Building (1955) ^f | | | | | | | | | | |
| Square Feet | 40,222 | 40,222 | 40,222 | 39,184 | 39,184 | 39,184 | - | - | - | - |
| Maintenance (1972) | | | | | | | | | | |
| Square Feet | 65,419 | 63,801 | 63,801 | 62,762 | 62,762 | 62,762 | 62,762 | 62,762 | 62,762 | 62,762 |
| New Administrative Complex (1986) ^a | | | | | | | | | | |
| Square Feet | 298,859 | 298,859 | 298,859 | 288,475 | 309,577 | 309,577 | 309,577 | 309,577 | 310,001 | 310,001 |
| R&R Building (1975) | | | | | | | | | | |
| Square Feet | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 9,984 | 9,984 |
| Supply (1960) | | | | | | | | | | |
| Square Feet | 18,308 | 18,308 | 18,308 | 18,417 | 18,417 | 18,417 | 18,417 | 18,417 | 18,417 | 18,417 |
| Transportation Central (1960) | | | | | | | | | | |
| Square Feet | 28,307 | 28,307 | 28,307 | 28,852 | 28,909 | 28,909 | 28,909 | 28,909 | 28,909 | 28,909 |
| Transportation East (2004) | | | | | | | | | | |
| Square Feet | 6,568 | 6,568 | 6,568 | 6,351 | 9,361 | 9,361 | 9,361 | 9,361 | 9,361 | 9,361 |
| Transportation Leonard (2009) | | | | | | | | | | |
| Square Feet | - | 25,124 | 25,124 | 25,125 | 24,699 | 24,699 | 24,699 | 24,699 | 24,699 | 24,699 |
| Transportation West (1995) | | | | | | | | | | |
| Square Feet | 20,492 | 20,492 | 20,492 | 22,602 | 28,685 | 28,685 | 28,685 | 28,685 | 28,685 | 28,685 |
| Transportation 6 Mile Cypress (2004) | | | | | | | | | | |
| Square Feet | 26,965 | 26,965 | 26,965 | 25,540 | 39,729 | 39,729 | 39,729 | 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 Michigan Montessori (K-8) was moved to Lee Middle and renamed James Stephens Int'l Academy beginning 2010. School was changed from K-8 school to Elementary school beginning 2017.

^c 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.

^d Students reported under home high school beginning 2013.

^e Lee County High Tech Central was renamed Ft. Myers Institute of Technology during 2014 and renamed Fort Myers Technical College during 2015. North Vo-Tech was renamed Cape Coral Institute of Technology during 2014 and renamed Cape Coral Technical College during 2015.

^f Building was sold July 2013.

^g Alva Middle was combined with Alva Elementary and renamed Alva School K-8 beginning 2015.

^h ALC West was closed at the end of 2016.

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



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2017, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 13, 2017
Audit Report No. 2018-064



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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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 COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for the Major Federal Program

We have audited the Lee County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2017. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

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

Opinion on the 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 its major Federal program for the fiscal year ended June 30, 2017.

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 the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 13, 2017
Audit Report No. 2018-064

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2017

| Federal Grantor/Pass-Through/Grantor/Program Title | Catalog of Federal Domestic Assistance Number | Pass Through Grantor Number | Amount Provided to Subrecipients | Amount of Expenditures (1) |
|---|---|--------------------------------|-------------------------------------|-------------------------------|
| Clustered | | | | |
| Child Nutrition Cluster | | | | |
| United States Department Of Agriculture: | | | | |
| Florida Department Agriculture & Consumer Services: | | | | |
| School Breakfast Program | 10.553 | 17002 | | 8,865,203 |
| National School Lunch Program | 10.555 | 17001, 17003 | | 31,369,438 |
| Summer Food Service Program for Children | 10.559 | 17006, 17007 | | 882,992 |
| Total Child Nutrition Cluster | | | | <u>41,117,633</u> |
| Student Financial Assistance Cluster | | | | |
| United States Department Of Education: | | | | |
| Federal Pell Grant Program | 84.063 | N/A | | <u>1,677,113</u> |
| Special Education Cluster: | | | | |
| United States Department Of Education: | | | | |
| Florida Department of Education: | | | | |
| Special Education-Grants To States | 84.027 | 262, 263 | 90,103 | 17,700,094 |
| Special Education-Preschool Grants | 84.173 | 266, 267 | | 407,915 |
| Total Special Education Cluster | | | <u>90,103</u> | <u>18,108,009</u> |
| Not Clustered | | | | |
| United States Department Of Agriculture: | | | | |
| Florida Department of Health: | | | | |
| Child and Adult Care Food Program | 10.558 | A-4895 | | 309,569 |
| Florida Department Agriculture & Consumer Services: | | | | |
| Fresh Fruit and Vegetable Program | 10.582 | 17004 | | 292,063 |
| Team Nutrition Grants | 10.574 | | | 2,168 |
| Total United States Department of Agriculture | | | | <u>603,800</u> |
| United States Department Of Defense: | | | | |
| Army Junior Reserve Officers Training Corps | | N/A | | <u>1,678,367</u> |
| United States Department Of Education: | | | | |
| Impact Aid (Title VIII of ESEA) | 84.041 | N/A | | 23,965 |
| Teacher Incentive Fund | 84.374 | N/A | | 9,607,131 |
| Florida Department of Education: | | | | |
| Adult Education - Basic Grants to States | 84.002 | 191, 193 | | 1,178,971 |
| Title I Grants to Local Educational Agencies | 84.010 | 212, 223, 226 | 679,452 | 28,367,242 |
| Migrant Education - State Grant Program | 84.011 | 217 | | 454,399 |
| Career and Technical Education - Basic Grants to States | 84.048 | 161 | | 1,296,585 |
| Education for Homeless Children and Youth | 84.196 | 127 | | 34,811 |
| Charter Schools | 84.282 | 298 | 549,509 | 552,385 |
| English Language Acquisition Grants | 84.365 | 102 | | 1,258,758 |
| Improving Teacher Quality State Grants | 84.367 | 224 | 151,746 | 2,571,174 |
| Total United States Department of Education | | | <u>1,380,707</u> | <u>45,345,421</u> |
| United States Department Of Health & Human Services: | | | | |
| Head Start | 93.600 | N/A | | <u>7,985,959</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,470,810</u> | <u>\$ 116,516,302</u> |

- (1) **Basis of Presentation.** The Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lee County District School Board under programs of the Federal government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) **Indirect Cost Rate.** The District has elected not to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) **Noncash Assistance:**
 - a. **National School Lunch Program** – includes \$201,443 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) **Impact Aid.** Expenditures are related to grant number/program 19-FL-2017-2902.
- (6) **Head Start.** Expenditures include \$69,575 for grant number/program year 04HP0015/01, \$171,384 for grant number/program year 04CH4749/02, \$7,052,044 for grant number/program year 04CH4749/03, and \$692,956 for grant number/program year 04HP0015/02.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|--|---------------|
| Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: | 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 Federal program: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | None reported |
| Type of auditor's report issued on compliance for major Federal program: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| Identification of major Federal program: | |
| CFDA Numbers: 10.553, 10.555, and 10.559 | Name of Federal Program or Cluster: Child Nutrition Cluster |
| Dollar threshold used to distinguish between type A and type B programs: | \$3,000,000 |
| Auditee qualified as low risk auditee? | Yes |

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

There were no prior financial statement or Federal awards findings requiring follow-up.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The District did not have prior audit findings required to be reported under 2 CFR 200.511.



The School District of Lee County

**Mary Fischer
District 1 (Chairman)**

**Jane E. Kuckel, PhD
District 6 (Vice Chairman)**

Melisa W. Giovannelli, District 2

Chris N. Patricca, District 3

Steven K. Teuber, District 4

Pamela H. LaRiviere, District 5

Cathleen O'Daniel Morgan, District 7

Dr. Gregory K. Adkins, Superintendent

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on the basis of age, color, disability, gender, national origin,
marital status, religion, or sexual orientation.**

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